

**MUNICIPAL EXCESS LIABILITY**

**RESIDUAL CLAIMS FUND**

**REPORT OF AUDIT**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2019 AND 2018**

# **MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

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## **Financial Section**



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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Municipal Excess Liability  
Residual Claims Fund  
Parsippany, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Municipal Excess Liability Residual Claims Fund (the "Fund") as of December 31, 2019 and 2018, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Departments of Community Affairs and Insurance, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Excess Liability Residual Claims Fund as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprises the Municipal Excess Liability Residual Claims Fund's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements, but is presented as additional analytical data as required by the Departments of Community Affairs and Insurance, State of New Jersey.

The supplementary data schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2020 on our consideration of the Municipal Excess Liability Residual Claims Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipal Excess Liability Residual Claims Fund's internal control over financial reporting and compliance.

Very truly yours,

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 18, 2020



## **Management Discussion and Analysis**

## **MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

### **Management Discussion and Analysis**

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the year ended December 31, 2019 and 2018. Please read it in conjunction with the basic financial statements that follow this section.

#### **Overview of Basic Financial Statements**

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide a facility to member joint insurance funds so that residual claim liabilities may be extinguished by transfer thus allowing for fund year closure. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statement of Net Position – This statement presents information reflecting the Fund's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities.

Comparative Statement of Revenues, Expenses and Changes in Net Position – This statement reflects the Fund's operating revenues and expenses, as well as non-operating items during the reporting period. – The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statement of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

#### **Financial Highlights**

The following tables summarize the financial position and results of operations for the Fund as of and for the years ended December 31, 2019 and 2018.

**Summary of Statement of Net Position**

	2019	2018	Change \$	Change %
<b>Assets</b>				
Cash, Cash Equivalents, Investments, and Interest Receivable	\$ 71,683,352	\$ 75,102,914	\$ (3,419,562)	-4.6%
Assessments/Contributions Receivable	\$ 26,323,920	\$ 21,228,628	\$ 5,095,292	24.0%
Other Accounts Receivable	\$ 4,866,231	\$ 2,147,712	\$ 2,718,519	126.6%
Total Assets	<u>\$ 102,873,503</u>	<u>\$ 98,479,254</u>	<u>\$ 4,394,249</u>	<u>4.5%</u>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
Accounts Payable and Other Liabilities	\$ 32,719	\$ 22,717	\$ 10,002	44.0%
Fund Equity Dividends Payable	\$ 646,000	\$ 633,000	\$ 13,000	2.1%
Loss Reserves	\$ 90,084,586	\$ 86,715,207	\$ 3,369,379	3.9%
Total Liability	<u>\$ 90,763,305</u>	<u>\$ 87,370,924</u>	<u>\$ 3,392,381</u>	<u>3.9%</u>
Unrestricted Net Position	<u>\$ 12,110,198</u>	<u>\$ 11,108,330</u>	<u>\$ 1,001,868</u>	<u>9.0%</u>

**Summary of Statement of Revenue, Expenditures and Changes in Net Position**

	2019	2018	Change \$	Change %
<b>Operating Revenue</b>				
Assessments and Other Income	\$ 26,956,920	\$ 21,848,628	\$ 5,108,292	23.4%
<b>Operating Expenses</b>				
Net Claims and Claims Adjustment Expenses	\$ 26,840,999	\$ 22,771,533	\$ 4,069,466	17.9%
Professional, Claims, and Administrative Services	\$ 517,706	\$ 511,439	\$ 6,267	1.2%
Total Operating Expenses	\$ 27,358,705	\$ 23,282,972	\$ 4,075,733	17.5%
Operating Income/(Loss)	\$ (401,785)	\$ (1,434,344)	\$ 1,032,559	72.0%
Investment Income	\$ 2,049,653	\$ 1,217,289	\$ 832,364	68.4%
Return of Surplus	\$ 646,000	\$ 633,000	\$ 13,000	2.1%
<b>Increase/(Decrease) In Net Position</b>	<u>\$ 1,001,868</u>	<u>\$ (850,055)</u>	<u>\$ 1,851,923</u>	<u>-217.9%</u>

The Municipal Excess Liability Residual Claims Fund's (RCF) total assets increased by 4.5% during the reporting period. Cash, Cash Equivalents, Investments, and Interest Receivable decreased 4.6% due to Assessments/Contributions Receivable increase of 24.0%, and Other Accounts Receivable increased by 126.6%.

The RCF's total liabilities increased by 3.9% primarily due to a 3.9% increase in loss reserves.

Assessments and Other Income increased 23.4%, reflecting an increased current budget for claims. Net Claims and Claims Adjustment Expenses increased by 17.9%. Consequently, net position increased \$1,001,868.

Investment income increased 68.4%. The RCF's combined surplus for all years was \$12,110,198 in 2019 compared to \$11,103,330 at the end of 2018.

### **Economic Conditions**

Workers compensation costs are impacted by inflationary medical costs. Additionally, workers compensation disability awards are rising faster than the rate of inflation in the economy. The RCF is adjusting to these conditions by attempting to effectively manage residual claims and by taking such trends into consideration in developing future assessments.

## **Basic Financial Statements**

## Municipal Excess Liability Residual Claims Fund

## Comparative Statement of Net Position

Years Ended December 31, 2019 and 2018

	2019	2018
	<hr/>	<hr/>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 11,137,142	\$ 16,211,442
Investments	60,419,505	58,717,516
Assessments / Contributions Receivable	26,323,920	21,228,628
Other Accounts Receivable	4,866,231	2,147,712
Accrued Interest Receivable	126,705	173,956
	<hr/>	<hr/>
TOTAL ASSETS	\$ 102,873,503	\$ 98,479,254
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Accounts Payable	\$ 23,171	\$ 22,717
Other Liabilities	9,548	
Fund Equity Dividends Payable	646,000	633,000
Loss Reserves	90,084,586	86,715,207
	<hr/>	<hr/>
TOTAL LIABILITIES AND RESERVES	90,763,305	87,370,924
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	12,110,198	11,108,330
	<hr/>	<hr/>
TOTAL LIABILITIES, RESERVES AND NET POSITION	\$ 102,873,503	\$ 98,479,254
	<hr/>	<hr/>

The accompanying "Notes to Financial Statements" are an integral part of this Statement.

**Exhibit B****Municipal Excess Liability Residual Claims Fund****Comparative Statement of Revenues, Expenses and Changes in Net Position.****Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Operating Revenue:</u>		
Assessments From Participating Joint Insurance Funds	\$ 26,956,920	\$ 21,848,628
Total Operating Revenue	<u>26,956,920</u>	<u>21,848,628</u>
 <u>Operating Expenses:</u>		
Provision for Claims and Claim Adjustment Expense	26,840,999	22,771,533
Professional Services	411,955	405,829
Claims Administration	60,396	59,211
Other Expenses - Administration	<u>45,355</u>	<u>46,399</u>
Total Operating Expenses	<u>27,358,705</u>	<u>23,282,972</u>
Operating Income/(Loss)	(401,785)	(1,434,344)
 Non-operating Revenue/Expenses:		
Investment Income	2,049,653	1,217,289
Return of Surplus	<u>(646,000)</u>	<u>(633,000)</u>
Change in Net Position	1,001,868	(850,055)
Total Net Position - January 1,	<u>11,108,330</u>	<u>11,958,385</u>
Total Net Position - December 31,	<u>\$ 12,110,198</u>	<u>\$ 11,108,330</u>

The accompanying "Notes to Financial Statements" are an integral part of this Statement.

## Municipal Excess Liability Residual Claims Fund

## Comparative Statement of Cash Flows

Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Receipts from Member Contributions	\$ 21,228,628	\$ (18,184,476)
Payment of Claims	(25,544,139)	(586,200)
Payments to Vendors	(507,704)	(586,200)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	(4,823,215)	(18,770,676)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Purchase of Investments of Investment Securities	(60,419,505)	(58,717,516)
Proceeds from Maturity of Investment Securities	58,717,516	57,896,252
Investment Income	2,096,904	1,253,921
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	394,915	432,657
	<hr/>	<hr/>
Cash Flows from Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	(646,000)	(633,000)
	<hr/>	<hr/>
Net Cash (Used) by Noncapital Financing Activities	(646,000)	(633,000)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash	(5,074,300)	(18,971,019)
Cash and Cash Equivalents - January 1	16,211,442	35,182,461
	<hr/>	<hr/>
Cash and Cash Equivalents - December 31	\$ 11,137,142	\$ 16,211,442
	<hr/>	<hr/>
Reconciliation of Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (401,785)	\$ (1,434,344)
Adjustment to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Assessments Receivable	(5,095,292)	(21,228,628)
(Increase)/Decrease in Other Accounts Receivable	(2,718,519)	(41,639)
Increase/(Decrease) in Accounts Payable	454	445
Increase/(Decrease) in Other Liabilities	9,548	(75,206)
Increase/(Decrease) in Dividends Payable	13,000	13,000
Increase/(Decrease) in Loss Reserves	3,369,379	3,995,696
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (4,823,215)	\$ (18,770,676)
	<hr/>	<hr/>

The accompanying "Notes to Financial Statements" are an integral part of this Statement.



## **Notes to Financial Statements**

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1: NATURE OF OPERATIONS**

The Municipal Excess Liability Residual Claims Fund ("RCF") commenced operations on December 1, 1995, in accordance with P.L. 1983, c.372, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government, and Supplementing Chapter 10 of Title 40A of the New Jersey Statutes". The Fund is a risk sharing public entity risk pool that is a self administered group of Joint Insurance Funds.

The Municipal Excess Liability Residual Claims Fund was formed in order to assume the liabilities for the loss and allocated loss adjustment expenses of several New Jersey Municipal Joint Insurance Funds in order to permit them to close out older fund years. Currently, the JIF's cannot close out a fund year until all claims have been paid, a process that typically takes ten or more years. The transfer of these loss reserves to the Fund allows the member JIF's to close out these older fund years. The JIF's which have elected to be included in the Fund are listed below:

Atlantic County	Ocean County
Bergen County	Professional Municipal Management
Bergen Municipal Excess Liability	South Bergen County
Burlington County	Suburban Essex County
Camden County	Suburban Municipal
Monmouth County	Gloucester, Salem, Cumberland Counties
Morris County	Municipal Excess Liability
New Jersey Public Housing Authority	Central Jersey
New Jersey Utilities Authority	

The Municipal Excess Liability Residual Claims Fund has fifteen fund years for insurance coverages. The Residual Legacy Account is for the closed fund years 1995 through 2006 for all outstanding liabilities, for the member JIFs fund years 1995 through 2006, as of December 31, 2014 and 2018. The RCF's 2007 through 2019 fund years are the 2003 through 2015 fund years, respectively, for JIFs listed above.

The coverages involved include primary general liability, primary automobile liability, primary workers compensation, excess general liability, excess automobile liability, excess workers compensation, public officials liability and property.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 1: NATURE OF OPERATIONS, (continued)**

A participating Joint Insurance Fund must remain in the Fund for the full term of membership unless earlier terminated by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued non-compliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws. The Fund has 17 members at December 31, 2019, all of which are Joint Insurance Funds.

An application for new membership in the Fund may be approved by a majority vote of the Fund Commissioners or two-thirds vote of the full authorized membership of the Executive Committee based on the criteria established in the bylaws.

A Loss Contingency Fund has been established by budget appropriation to cover possible underassessment or overclaims in the Fund's residual risk coverage.

On September 2, 2015, the Board of Fund Commissioners passed a resolution to establish a Residual Legacy Account to transfer the outstanding liabilities (Case Reserves and IBNR) as of December 31, 2014 for fund years 1995 through 2004. On October 16, 2019, a resolution was passed to transfer fund years 2005 and 2006 to the legacy year and Closed Fund Year Account. In addition, all remaining assets for the fund years 1995 through 2006 shall be transferred to the Closed Fund Year Account.

On October 16, 2019, the Board of Fund Commissioners passed a resolution to amend the plan of risk management to include the following:

After the end of the year before the Fund has finalized its year end accounting, the Fund's Commissioners shall levy an additional supplementary assessment so that the Fund's statutory surplus for all fund years combined is no less than 12.5 percent of unpaid claims including IBNR.

Under this amendment, a supplementary assessment payable over 10 years becomes automatic if the statutory surplus falls below a trigger number thus guaranteeing that the RCF will have the resources to pay long tail claims.

For the year ended December 31, 2019, a supplemental assessment of \$5,235,393 was made in accordance with the amended plan of risk management.

The Executive Director/Administrator is responsible for the overall administration of the Fund. Fees paid to the Executive Director encompass all administrative duties which are performed at the Executive Director's office. Accordingly, the Fund does not maintain any fixed assets or incur any payroll expense.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 1A: OTHER SERVICES**

In addition to the above, the Fund is providing services to the Central Jersey Joint Insurance Fund. The Fund is processing the run-in claims associated with the unpaid liabilities for the Townships of Edison and Woodbridge workers' compensation, auto liability and general liability, public officials/employment practices liability and police professional liability claims incurred through 12:01 a.m. July 1, 1998. The Fund is to be reimbursed for all run-in claims as well as interest on any cash flow deficits and administrative or other expenses incurred by the Fund by the Townships of Edison and Woodbridge. As of December 31, 2019, the Central Jersey Joint Insurance Fund owed the Fund a total of \$13,669 due to refunds received by the Fund.

Also, in addition to the above, the Fund is providing services to the Township of Brick. The Fund is processing the run-in claims associated with the unpaid liabilities for the Township of Brick workers' compensation, auto liability and general liability, public officials/employment practices liability and police professional liability claims incurred through 12:01 a.m. January 1, 1999. The Fund is to be reimbursed for all run-in claims as well as interest on any cash flow deficits and administrative or other expenses incurred by the Fund by the Township of Brick. As of December 31, 2019, the Fund owed the Township of Brick a total of \$20,509 due to refunds received by the Fund.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies followed by the Municipal Excess Liability Residual Claims Fund (the "Fund") in the preparation of the accompanying financial statements is set forth below:

**Reporting Entity**

Government Accounting Standards Board Publication Codification of Government Accounting and Financial Reporting Standards, Section 2100, "Defining Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government and financial accountability. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Fund has determined that there were no additional entities required to be included in the reporting entity under the criteria as described above, in the current year. In addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting**

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America as applicable to government entities. The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as their measurement focus. Operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the Fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenue, such as subsidies and investment earnings, results from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Fund gives or receives value without directly receiving or giving equal value in exchange, generally do not occur, with the exception of investment earnings.

**Cash and Investments**

Cash and investments are stated at fair value, adjusted for amortization/accretion of premium or discount and are limited by N.J.S.A. 40A:5-15.1.

**Income Taxes**

The Fund is a tax exempt organization and is not subject to either federal or state taxes.

**Assessments**

Assessments are computed annually by the Fund Actuary and Administrator and paid by the participating members in accordance with the Fund bylaws.

**Unpaid Claims Liabilities**

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund discounts claim liabilities for financial reporting purposes. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**Reinsurance**

The Fund does not use reinsurance agreements to reduce its exposure to large losses. The Fund is liable for the self-insured retention level that it has contracted with the member Joint Insurance Funds. The Fund has established aggregate excess loss contingency funds instead of the purchase of aggregate reinsurance.

The Fund has elected not to allocate general and administrative expenses to prior fund years.

**Management Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3: LOSS RESERVES**

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2019. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the member joint insurance funds, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess-loss insurance. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 3: LOSS RESERVES, (continued)**

Loss reserves, at December 31, 2019 which have been estimated by the Fund's Actuary and Servicing Agencies, are as follows:

<u>Residual Legacy Account (1995-2004 Fund Years)</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	3,151,227		17,833	3,133,394
Losses Incurred but not Reported ("IBNR")	<u>3,000</u>	<u>0</u>	<u>17,833</u>	<u>3,000</u>
	<u>3,154,227</u>	<u>0</u>	<u>17,833</u>	<u>3,136,394</u>
 <u>2007 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	1,849,700			1,849,700
Losses Incurred but not Reported ("IBNR")	<u>17,000</u>	<u>0</u>	<u>0</u>	<u>17,000</u>
	<u>1,866,700</u>	<u>0</u>	<u>0</u>	<u>1,866,700</u>
 <u>2008 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	2,374,428			2,374,428
Losses Incurred but not Reported ("IBNR")	<u>2,374,428</u>	<u>0</u>	<u>0</u>	<u>2,374,428</u>
 <u>2009 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	1,621,294	100		1,621,194
Losses Incurred but not Reported ("IBNR")	<u>60,000</u>	<u>100</u>	<u>0</u>	<u>60,000</u>
	<u>1,681,294</u>	<u>100</u>	<u>0</u>	<u>1,681,194</u>
 <u>2010 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	1,650,124			1,650,124
Losses Incurred but not Reported ("IBNR")	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>70,000</u>
	<u>1,720,124</u>	<u>0</u>	<u>0</u>	<u>1,720,124</u>

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 3: LOSS RESERVES, (continued)**

<u>2011 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	5,357,435	2,410	100,000	5,255,025
Losses Incurred but not Reported ("IBNR")	<u>55,000</u>			<u>55,000</u>
	<u>5,412,435</u>	<u>2,410</u>	<u>100,000</u>	<u>5,310,025</u>
 <u>2012 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	6,401,266		20,827	6,380,439
Losses Incurred but not Reported ("IBNR")	<u>240,000</u>			<u>240,000</u>
	<u>6,641,266</u>	<u>0</u>	<u>20,827</u>	<u>6,620,439</u>
 <u>2013 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	3,953,596	1,201	76,462	3,875,933
Losses Incurred but not Reported ("IBNR")	<u>489,000</u>			<u>489,000</u>
	<u>4,442,596</u>	<u>1,201</u>	<u>76,462</u>	<u>4,364,933</u>
 <u>2014 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	4,351,135	2,111	829,550	3,519,474
Losses Incurred but not Reported ("IBNR")	<u>1,039,000</u>		<u>15,000</u>	<u>1,024,000</u>
	<u>5,390,135</u>	<u>2,111</u>	<u>844,550</u>	<u>4,543,474</u>
 <u>2015 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	5,425,536	2,729	162,874	5,259,933
Losses Incurred but not Reported ("IBNR")	<u>2,429,000</u>			<u>2,429,000</u>
	<u>7,854,536</u>	<u>2,729</u>	<u>162,874</u>	<u>7,688,933</u>
 <u>2016 Fund Year</u>	 <u>Total</u>	 <u>Property</u>	 <u>Liability</u>	 <u>Worker's Compensation</u>
Case Reserves	5,080,930	50	548,814	4,532,066
Losses Incurred but not Reported ("IBNR")	<u>2,259,000</u>			<u>2,259,000</u>
	<u>7,339,930</u>	<u>50</u>	<u>548,814</u>	<u>6,791,066</u>



**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 3: LOSS RESERVES, (continued)**

<u>2017 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	6,405,774	56,723	555,548	5,793,503
Losses Incurred but not Reported ("IBNR")	<u>3,479,000</u>		<u>33,000</u>	<u>3,446,000</u>
	<u>9,884,774</u>	<u>56,723</u>	<u>588,548</u>	<u>9,239,503</u>

<u>2018 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	9,395,667	293,026	2,024,465	7,078,176
Losses Incurred but not Reported ("IBNR")	<u>3,302,000</u>		<u>651,000</u>	<u>2,651,000</u>
	<u>12,697,667</u>	<u>293,026</u>	<u>2,675,465</u>	<u>9,729,176</u>

<u>2019 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	15,053,474	37,632	6,269,342	8,746,500
Losses Incurred but not Reported ("IBNR")	<u>4,571,000</u>		<u>1,558,000</u>	<u>3,013,000</u>
	<u>19,624,474</u>	<u>37,632</u>	<u>7,827,342</u>	<u>11,759,500</u>

<u>All Fund Years at December 31,</u>	<u>2019</u>	<u>2018</u>
Case Reserves	72,071,586	70,951,207
Losses Incurred but not Reported ("IBNR")	<u>18,013,000</u>	<u>15,764,000</u>
Total Loss Reserves	<u>90,084,586</u>	<u>86,715,207</u>

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 3: LOSS RESERVES, (continued)**

The following represents changes in the aggregate reserves for the Fund for the current and prior period:

	<u>2019</u>	<u>2018</u>
Unpaid Claims and claim adjustment expenses, beginning of year	<u>86,715,207</u>	<u>82,719,511</u>
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current fund year	19,624,474	18,117,739
Increase/(Decrease) in provision for insured events of prior fund years	<u>7,216,525</u>	<u>4,653,794</u>
Total incurred claims and claim adjustment expenses	<u>26,840,999</u>	<u>22,771,533</u>
	<u>113,556,206</u>	<u>105,491,044</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fund year	0	0
Claims and claim adjustment expenses attributable to insured events of prior fund years	<u>23,471,620</u>	<u>18,775,837</u>
Total payments	<u>23,471,620</u>	<u>18,775,837</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>90,084,586</u>	<u>86,715,207</u>

In accordance with the method allowed by GASB Statement No. 10, the Fund elected to discount its loss reserves. Fund believes that the discounting of loss reserves presents a more accurate presentation of the current loss reserves to be paid in future periods.

At December 31, 2019, \$96,881,586 claims and claim adjustment expenses are presented at their net present value of \$90,084,586. These claims are discounted at an annual rate of 1.79%.

At December 31, 2018, \$93,017,207 claims and claim adjustment expenses are presented at their net present value of \$86,715,207. These claims are discounted at an annual rate of 1.79%.

The Fund also maintains aggregate loss contingency funds in lieu of purchasing aggregate excess insurance or reinsurance which would cap its total exposure for residual claims incurred by the Fund during a fund year.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 4: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019, \$-0- of the Fund's bank balance of \$11,141,786 was exposed to custodial credit risk.

**NOTE 5: INVESTMENTS**

**Investment Rate Risk**

The Fund has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Fund places no limit on the amount the Fund may invest in any one issuer.

Investments are recorded at fair value. Adjustments are made for any premium or discount, which is amortized over the maturity of the investment. All of the investments are held by the Fund's custodial bank trust department in the Fund's name and would be considered as Category 3 funds since the bank's trust department is also its agent in purchasing and selling the securities. Investments at December 31, 2019 consisted of the following:

	<u>Market Value/ Carrying Amount</u>	<u>Book Value Cost</u>
U.S. Treasury Notes	37,274,036	36,946,981
Cash Income/Money Market	23,145,469	23,145,469
	<u>60,419,505</u>	<u>60,092,450</u>

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 6: FUND EQUITY DISTRIBUTION PAYABLE**

During 2019, the Fund declared a distribution of fund equity of \$646,000 from the closed year account. The distribution was approved by the State Department of Banking and Insurance. At December 31, 2019, the 2019 distribution was not disbursed to the members and could be utilized to offset 2020 assessments.

**NOTE 7: NET POSITION**

The State of New Jersey has no statutory minimum net position requirements.

The Fund had individual deficit accounts on a statutory basis of accounting as follows:

Fund Year 2007 - Property	40,949
Fund Year 2007 - Liability	2,823,212
Fund Year 2007 - Worker's Compensation	2,015,264
Fund Year 2008 - Property	264,493
Fund Year 2008 - Worker's Compensation	1,172,041
Fund Year 2009 - Property	21,226
Fund Year 2010 - Liability	346,723
Fund Year 2011 - Property	124,562
Fund Year 2011 - Liability	94,342
Fund Year 2011 - Worker's Compensation	3,810,463
Fund Year 2012 - Property	73,373
Fund Year 2012 - Worker's Compensation	4,806,854
Fund Year 2012 - Faithful Performance Bond	102,967
Fund Year 2013 - Liability	163,296
Fund Year 2013 - Worker's Compensation	1,093,028
Fund Year 2014 - Property	62,956
Fund Year 2014 - Worker's Compensation	3,096,384
Fund Year 2015 - Property	331,885
Fund Year 2016 - Property	16,300
Fund Year 2016 - Worker's Compensation	960,842
Fund Year 2017 - Property	158,850
Fund Year 2017 - Worker's Compensation	1,955,510
Fund Year 2018 - Liability	1,207,730
Fund Year 2019 - Property	1,167
Fund Year 2019 - Liability	123,480
Fund Year 2019 - Worker's Compensation	274,300

The Fund has no current plans to assess the membership to eliminate this deficit balance.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(continued)**

**NOTE 8: TRANSFERS**

An Intertrust Fund Transfer is a transfer of funds from one claim or loss retention fund account in a fiscal year to another account within the same fiscal year. An Interyear Fund Transfer is a transfer from a claim or loss retention trust account for a fiscal year, to a claim or loss retention trust account of similar risk of liability for a different fiscal year. All transfers must be approved by the Commissioners of the Departments of Community Affairs and Insurance. During 2019, there were no Intertrust Fund Transfers.

**NOTE 9: RELATED PARTY TRANSACTIONS**

The Fund currently employs the Fund Attorney to manage public officials' liability and employment practices liability coverage, and are also one of four third party claims administrators. The contracts for each position are on an annual basis. The Fund incurred expenses of \$39,780 for legal work as the Fund Attorney at December 31, 2019. The Fund also incurred \$131 in expenses for third party claims administration of liability claims during 2019.

**NOTE 10: CONTINGENCIES**

In the normal course of its operations, the Fund has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Fund, a number of these cases may possibly be settled for amounts in excess of the Fund's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

**NOTE 11: RELATIONSHIP WITH STATE SCHEDULES**

The information in the Fund's financial statements differ from the State Schedules listed in the supplementary data section as Schedules A through F. Specifically, the Schedules present historical information from the inception of each fund year. In addition, the financial statements reflect the discounting of loss reserves at the financial statement date. The Supplementary Schedules do not reflect the discounting of loss reserves.

**NOTE 12: SUBSEQUENT EVENTS**

The Fund has evaluated subsequent events through May 18, 2020, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

## **Supplemental Schedules**

**ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019**

**New Jersey Department of Insurance Joint Insurance Fund Code:**

**Joint Insurance Fund Name:** Municipal Excess Liability Residual Claims Fund

**Street Address/Mail Address:** PERMA Risk Management Services  
9 Campus Drive  
Suite 216  
Parsippany, New Jersey 07054-4412

**Primary location of books and records:** PERMA Risk Management Services,  
9 Campus Drive, Suite 216  
Parsippany, New Jersey 07054-4412

**Statement Contact Person:** Pauline Kontomanolis **Phone Number:** (201) 881-7632

**EXECUTIVE COMMITTEE**

**Chairman:** Gregory Franz  
**Secretary:** John Clarke

Paul Tomasko	Brian Bigler
Tom Nolan	Joseph Catenaro
Joseph Wolk	

**EXECUTIVE COMMITTEE ALTERNATES**

David Matchett	Veronica Laureigh
Richard Hirsch	William Northgrave
Jon Rheinhardt	Megan Champney
Tom Merchel	Robert Law
Sherry Sims	

**State of New Jersey**  
**County of Morris**

Gregory Franz, Chairman, and John Clarke, Secretary, of the Municipal Excess Liability Residual Claims Fund being duly sworn, each for himself deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 31st day of December last, all of the herein described assets were the absolute property of said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statements of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2019 and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Secretary**

- (a) Is this an original filing?  X  Yes      No  
(b) If no,  
    (i) State the amendment number \_\_\_\_\_  
    (ii) Date filed \_\_\_\_\_  
    (iii) Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me the \_\_\_\_\_ day of \_\_\_\_\_, 2020

## Municipal Excess Liability Residual Claims Fund

## Historical Operating Results Analysis

## All Fund Years

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	476,809,946	
Supplemental Contributions - Surplus Trigger		5,235,393	
Other Income (except investments)			
Total Income			\$ 482,045,339
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		380,783,801	
Case Reserves		78,868,586	
Imprest Account		-	
IBNR Reserve		18,013,000	
Subtotal			\$ 477,665,387
Less Excess Insurance:			
Received		6,993,211	
Recoverable		-	
Subtotal			6,993,211
Limited Incurred Claims (claims-excess)			470,672,176
<u>Expenses:</u>			
Excess Insurance Premiums		500,000	
Administrative		8,885,816	
Subtotal Expenses			9,385,816
Total Incurred Liabilities (limited claims and expenses)			480,057,992
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,987,347
4 . <u>Investment Income (Earned)</u>			27,401,357
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			29,388,704
6 . <u>Return of Surplus:</u>			
Paid		23,429,506	
Authorized and Unpaid		646,000	
Subtotal Return of Surplus			24,075,506
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 5,313,198

See Independent Auditor's Report



## Municipal Excess Liability Residual Claims Fund

## Historical Balance Sheet

All fund Years

December 31, 2019  
(unaudited)

1 . <u>Assets:</u>			
Cash and Investments	\$ 71,556,647	\$ 71,556,647	
<u>Receivables :</u>			
Assessments	26,323,920		
Other	4,992,936		
Total Receivables		31,316,856	
Prepaid Expenses			
Other Assets			
<u>Total Assets</u>			\$ 102,873,503
2 . <u>Liabilities:</u>			
<u>Claims:</u>			
Case Reserves	78,868,586		
Less Excess Insurance Recoverable	-		
IBNR Reserve	18,013,000		
Subtotal Claims		96,881,586	
<u>Expenses (unpaid)</u>			
Excess Insurance	-		
Administrative	23,171		
Subtotal Expenses		23,171	
<u>Other Liabilities:</u>			
Unearned Contributions			
Authorized Return of Surplus	646,000		
Miscellaneous Liabilities	9,548		
Subtotal		655,548	
<u>Total Liabilities</u>			97,560,305
<u>Net Current Surplus/(Deficit) = 1-2</u>			\$ 5,313,198

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

## Closed Fund Year Account - (Fund Years 1995-2006)

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	167,202,282	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 167,202,282
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		162,526,864	
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal			\$ 162,526,864
Less Excess Insurance:			
Received			
Recoverable			
Subtotal			-
Limited Incurred Claims (claims-excess)			162,526,864
<u>Expenses:</u>			
Excess Insurance Premiums		500,000	
Administrative		3,382,804	
Subtotal Expenses			3,882,804
Total Incurred Liabilities (limited claims and expenses)			166,409,668
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			792,614
4 . <u>Investment Income (Earned)</u>			20,130,571
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			20,923,185
6 . <u>Return of Surplus:</u>			
Paid		18,444,506	
Authorized and Unpaid		646,000	
Subtotal Return of Surplus			19,090,506
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,832,679

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

## Residual Legacy Account (Fund Years - 1995-2006)

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ -
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	(6,054,255)		
Case Reserves	3,259,227		
Imprest Account	-		
IBNR Reserve	3,000		
Subtotal		\$ (2,792,028)	
Less Excess Insurance:			
Received	-		
Recoverable	-		
Subtotal			
Limited Incurred Claims (claims-excess)		(2,792,028)	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative			
Subtotal Expenses		-	
Total Incurred Liabilities (limited claims and expenses)			(2,792,028)
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,792,028
4 . <u>Investment Income (Earned)</u>			251,536
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			3,043,564
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 3,043,564

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2007

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	18,226,495	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 18,226,495
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		20,730,764	
Case Reserves		1,991,700	
Imprest Account		-	
IBNR Reserve		17,000	
Subtotal			\$ 22,739,464
Less Excess Insurance:			
Received		40,313	
Recoverable		-	
Subtotal			40,313
Limited Incurred Claims (claims-excess)			22,699,151
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		326,421	
Subtotal Expenses			326,421
Total Incurred Liabilities (limited claims and expenses)			23,025,572
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(4,799,077)
4 . <u>Investment Income (Earned)</u>			898,945
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(3,900,132)
6 . <u>Return of Surplus:</u>			
Paid		350,000	
Authorized and Unpaid			
Subtotal Return of Surplus			350,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (4,250,132)

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2008

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	19,702,521	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 19,702,521
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		21,746,842	
Case Reserves		2,570,428	
Imprest Account		-	
IBNR Reserve		-	
Subtotal			\$ 24,317,270
Less Excess Insurance:			
Received		3,429,318	
Recoverable		-	
Subtotal			3,429,318
Limited Incurred Claims (claims-excess)			20,887,952
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		334,914	
Subtotal Expenses			334,914
Total Incurred Liabilities (limited claims and expenses)			21,222,866
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(1,520,345)
4 . <u>Investment Income (Earned)</u>			797,749
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(722,596)
6 . <u>Return of Surplus:</u>			
Paid		375,000	
Authorized and Unpaid			
Subtotal Return of Surplus			375,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (1,097,596)

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2009

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	23,081,541	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 23,081,541
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		21,583,042	
Case Reserves		1,753,294	
Imprest Account		-	
IBNR Reserve		60,000	
Subtotal			\$ 23,396,336
Less Excess Insurance:			
Received		3,086,070	
Recoverable		-	
Subtotal			3,086,070
Limited Incurred Claims (claims-excess)			20,310,266
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		344,890	
Subtotal Expenses			344,890
Total Incurred Liabilities (limited claims and expenses)			20,655,156
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,426,385
4 . <u>Investment Income (Earned)</u>			804,708
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			3,231,093
6 . <u>Return of Surplus:</u>			
Paid		380,000	
Authorized and Unpaid			
Subtotal Return of Surplus			380,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 2,851,093

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2010

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,564,040	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 21,564,040
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		17,997,586	
Case Reserves		1,787,124	
Imprest Account		-	
IBNR Reserve		70,000	
Subtotal			\$ 19,854,710
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			19,854,710
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		350,137	
Subtotal Expenses			350,137
Total Incurred Liabilities (limited claims and expenses)			20,204,847
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,359,193
4 . <u>Investment Income (Earned)</u>			547,621
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,906,814
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus			400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,506,814

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2011

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	23,778,245	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 23,778,245
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		21,450,069	
Case Reserves		5,797,435	
Imprest Account		-	
IBNR Reserve		55,000	
Subtotal			\$ 27,302,504
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			27,302,504
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		354,501	
Subtotal Expenses			354,501
Total Incurred Liabilities (limited claims and expenses)			27,657,005
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(3,878,760)
4 . <u>Investment Income (Earned)</u>			426,232
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(3,452,528)
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus			400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (3,852,528)

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2012

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	29,802,024	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 29,802,024
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		25,659,883	
Case Reserves		6,958,266	
Imprest Account		-	
IBNR Reserve		240,000	
Subtotal			\$ 32,858,149
Less Excess Insurance:			
Received		437,510	
Recoverable		-	
Subtotal			437,510
Limited Incurred Claims (claims-excess)			32,420,639
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		366,275	
Subtotal Expenses			366,275
Total Incurred Liabilities (limited claims and expenses)			32,786,914
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(2,984,890)
4 . <u>Investment Income (Earned)</u>			478,002
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(2,506,888)
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus			400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (2,906,888)

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2013

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	24,974,946	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 24,974,946
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		20,673,626	
Case Reserves		4,324,596	
Imprest Account		-	
IBNR Reserve		489,000	
Subtotal			\$ 25,487,222
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			25,487,222
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		432,325	
Subtotal Expenses			432,325
Total Incurred Liabilities (limited claims and expenses)			25,919,547
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(944,601)
4 . <u>Investment Income (Earned)</u>			567,204
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(377,397)
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus			400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (777,397)

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2014

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	26,866,461	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 26,866,461
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		20,156,537	
Case Reserves		4,751,135	
Imprest Account		-	
IBNR Reserve		1,039,000	
Subtotal			\$ 25,946,672
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			25,946,672
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		450,648	
Subtotal Expenses			450,648
Total Incurred Liabilities (limited claims and expenses)			26,397,320
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			469,141
4 . <u>Investment Income (Earned)</u>			604,134
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,073,275
6 . <u>Return of Surplus:</u>			
Paid		450,000	
Authorized and Unpaid			
Subtotal Return of Surplus			450,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 623,275

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2015

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	27,223,055	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 27,223,055
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		14,963,294	
Case Reserves		6,104,536	
Imprest Account		-	
IBNR Reserve		2,429,000	
Subtotal			\$ 23,496,830
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			23,496,830
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		492,614	
Subtotal Expenses			492,614
Total Incurred Liabilities (limited claims and expenses)			23,989,444
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			3,233,611
4 . <u>Investment Income (Earned)</u>			722,404
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			3,956,015
6 . <u>Return of Surplus:</u>			
Paid		600,000	
Authorized and Unpaid			
Subtotal Return of Surplus			600,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 3,356,015

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2016

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	24,571,400	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 24,571,400
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		15,433,738	
Case Reserves		5,706,930	
Imprest Account		-	
IBNR Reserve		2,259,000	
Subtotal			\$ 23,399,668
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			23,399,668
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		517,128	
Subtotal Expenses			517,128
Total Incurred Liabilities (limited claims and expenses)			23,916,796
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			654,604
4 . <u>Investment Income (Earned)</u>			456,764
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,111,368
6 . <u>Return of Surplus:</u>			
Paid		610,000	
Authorized and Unpaid			
Subtotal Return of Surplus			610,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 501,368

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2017

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	26,246,781	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 26,246,781
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		16,114,521	
Case Reserves		7,268,774	
Imprest Account		-	
IBNR Reserve		3,479,000	
Subtotal			\$ 26,862,295
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			26,862,295
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		506,538	
Subtotal Expenses			506,538
Total Incurred Liabilities (limited claims and expenses)			27,368,833
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(1,122,052)
4 . <u>Investment Income (Earned)</u>			530,040
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(592,012)
6 . <u>Return of Surplus:</u>			
Paid		620,000	
Authorized and Unpaid			
Subtotal Return of Surplus			620,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (1,212,012)

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2018

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,848,628	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 21,848,628
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		7,801,290	
Case Reserves		10,328,667	
Imprest Account		-	
IBNR Reserve		3,302,000	
Subtotal			\$ 21,431,957
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			21,431,957
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		516,447	
Subtotal Expenses			516,447
Total Incurred Liabilities (limited claims and expenses)			21,948,404
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(99,776)
4 . <u>Investment Income (Earned)</u>			178,598
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			78,822
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		78,822

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2019

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,721,527	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 21,721,527
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		-	
Case Reserves		16,266,474	
Imprest Account		-	
IBNR Reserve		4,571,000	
Subtotal			\$ 20,837,474
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			20,837,474
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		510,174	
Subtotal Expenses			510,174
Total Incurred Liabilities (limited claims and expenses)			21,347,648
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			373,879
4 . <u>Investment Income (Earned)</u>			6,849
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			380,728
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		380,728

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

## Surplus Trigger Account

December 31, 2019  
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$		
Supplemental Contributions		5,235,393	
Other Income (except investments)			
Total Income			\$ 5,235,393
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid			
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ -	
Less Excess Insurance:			
Received			
Recoverable			
Subtotal		-	
Limited Incurred Claims (claims-excess)		-	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative			
Subtotal Expenses		-	
Total Incurred Liabilities (limited claims and expenses)			-
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			5,235,393
4 . <u>Investment Income (Earned)</u>			
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			5,235,393
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 5,235,393

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Residual Legacy Account (Fund Years - 1995-2006)**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$	\$	\$	\$	\$	\$	\$ -
Supplemental Contributions							-
Other Income (except investments)							-
Total Income							
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	(21,325)	(10,549)	(28,588)	(2,731,566)	-	-	(2,792,028)
Excess Insurance (Recovery)	-	-	-	-	-	-	-
Expenses	-	-	-	-	-	-	-
Total Liabilities	(21,325)	(10,549)	(28,588)	(2,731,566)	-	-	(2,792,028)
3 . <u>Underwriting Surplus/(Deficit)</u>	21,325	10,549	28,588	2,731,566	-	-	2,792,028
4 . <u>Adjustments</u>							
Investment Income	1,095	359	60,068	189,857	-	157	251,536
Transfers	-	-	-	-	-	-	-
Total Adjustments	1,095	359	60,068	189,857	-	157	251,536
5 . <u>Gross Operating Surplus/(Deficit)</u>	22,420	10,908	88,656	2,921,423	-	157	3,043,564
6 . <u>Return of Surplus</u>							-
7 . <u>Net Current Surplus/(Deficit)</u>	\$ 22,420	\$ 10,908	\$ 88,656	\$ 2,921,423	\$ -	\$ 157	\$ 3,043,564

**Schedule D**

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2007**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 15,288	\$ 5,286	\$ 5,724,442	\$ 11,291,479	\$ 500,000	\$ 690,000	\$ 18,226,495
Supplemental Contributions							
Other Income (except investments)							-
Total Income	<u>15,288</u>	<u>5,286</u>	<u>5,724,442</u>	<u>11,291,479</u>	<u>500,000</u>	<u>690,000</u>	<u>18,226,495</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	58,247	(21,540)	8,742,884	13,919,560	-	-	22,699,151
Excess Insurance (Recovery) Expenses	-	-	-	-	-	326,421	326,421
Total Liabilities	<u>58,247</u>	<u>(21,540)</u>	<u>8,742,884</u>	<u>13,919,560</u>	<u>-</u>	<u>326,421</u>	<u>23,025,572</u>
3 . <u>Underwriting Surplus/(Deficit)</u>	<u>(42,959)</u>	<u>26,826</u>	<u>(3,018,442)</u>	<u>(2,628,081)</u>	<u>500,000</u>	<u>363,579</u>	<u>(4,799,077)</u>
4 . <u>Adjustments</u>							
Investment Income	2,010	2,156	195,230	612,817	78,383	8,349	898,945
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>2,010</u>	<u>2,156</u>	<u>195,230</u>	<u>612,817</u>	<u>78,383</u>	<u>8,349</u>	<u>898,945</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(40,949)</u>	<u>28,982</u>	<u>(2,823,212)</u>	<u>(2,015,264)</u>	<u>578,383</u>	<u>371,928</u>	<u>(3,900,132)</u>
6 . <u>Return of Surplus</u>	-	-	-	-	-	(350,000)	(350,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ (40,949)</u>	<u>\$ 28,982</u>	<u>\$ (2,823,212)</u>	<u>\$ (2,015,264)</u>	<u>\$ 578,383</u>	<u>\$ 21,928</u>	<u>\$ (4,250,132)</u>

**Schedule D**

See Independent Auditor's Report

**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2008**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1 . <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 8,477	\$ -	\$ 7,064,807	\$ 11,779,237	\$ 500,000	\$ 350,000	\$	19,702,521
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>8,477</u>	<u>-</u>	<u>7,064,807</u>	<u>11,779,237</u>	<u>500,000</u>	<u>350,000</u>		<u>19,702,521</u>
2 . <u>Incurred Liabilities</u>								
Claims (limited incurred)	272,970	(202)	6,870,908	13,548,276	-	-		20,691,952
Excess Insurance (Recovery) Expenses	-	-	-	-	-	334,914		-
Total Liabilities	<u>272,970</u>	<u>(202)</u>	<u>6,870,908</u>	<u>13,548,276</u>	<u>-</u>	<u>334,914</u>		<u>334,914</u>
	<u>(264,493)</u>	<u>202</u>	<u>193,899</u>	<u>(1,769,039)</u>	<u>500,000</u>	<u>15,086</u>		<u>21,026,866</u>
3 . <u>Underwriting Surplus/(Deficit)</u>								<u>(1,324,345)</u>
4 . <u>Adjustments</u>								
Investment Income	-	-	172,700	596,998	22,780	5,271		797,749
Transfers	-	-	-	-	-	-		-
Total Adjustments	<u>-</u>	<u>-</u>	<u>172,700</u>	<u>596,998</u>	<u>22,780</u>	<u>5,271</u>		<u>797,749</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(264,493)</u>	<u>202</u>	<u>366,599</u>	<u>(1,172,041)</u>	<u>522,780</u>	<u>20,357</u>		<u>(526,596)</u>
6 . <u>Return of Surplus</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(375,000)</u>	<u>-</u>		<u>(375,000)</u>
7 . <u>Net Current Surplus/(Deficit)</u>	<u>(264,493)</u>	<u>202</u>	<u>366,599</u>	<u>(1,172,041)</u>	<u>147,780</u>	<u>20,357</u>	\$	<u>(901,596)</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2009**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 27,071	\$ -	\$ 10,205,231	\$ 11,974,239	\$ 500,000	\$ 375,000	\$ 23,081,541
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>27,071</u>	<u>-</u>	<u>10,205,231</u>	<u>11,974,239</u>	<u>500,000</u>	<u>375,000</u>	<u>23,081,541</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	49,324	-	8,422,518	11,838,424	-	-	20,310,266
Excess Insurance (Recovery) Expenses	-	-	-	-	-	344,890	-
Total Liabilities	<u>49,324</u>	<u>-</u>	<u>8,422,518</u>	<u>11,838,424</u>	<u>-</u>	<u>344,890</u>	<u>344,890</u>
	<u>(22,253)</u>	<u>-</u>	<u>1,782,713</u>	<u>135,815</u>	<u>500,000</u>	<u>30,110</u>	<u>2,426,385</u>
3 . <u>Underwriting Surplus/(Deficit)</u>							
4 . <u>Adjustments</u>							
Investment Income	1,027	-	248,446	531,571	16,501	7,163	804,708
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>1,027</u>	<u>-</u>	<u>248,446</u>	<u>531,571</u>	<u>16,501</u>	<u>7,163</u>	<u>804,708</u>
	<u>(21,226)</u>	<u>-</u>	<u>2,031,159</u>	<u>667,386</u>	<u>516,501</u>	<u>37,273</u>	<u>3,231,093</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>							
6 . <u>Return of Surplus</u>							
	-	-	-	-	(380,000)	-	(380,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ (21,226)</u>	<u>\$ -</u>	<u>\$ 2,031,159</u>	<u>\$ 667,386</u>	<u>\$ 136,501</u>	<u>\$ 37,273</u>	<u>\$ 2,851,093</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2010**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 107,789	\$ 1,010	\$ 9,215,026	\$ 11,360,215	\$ 500,000	\$ 380,000	\$ 21,564,040
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>107,789</u>	<u>1,010</u>	<u>9,215,026</u>	<u>11,360,215</u>	<u>500,000</u>	<u>380,000</u>	<u>21,564,040</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	(95)	-	9,637,007	10,217,798	-	-	19,854,710
Excess Insurance (Recovery) Expenses	-	-	-	-	-	350,137	350,137
Total Liabilities	<u>(95)</u>	<u>-</u>	<u>9,637,007</u>	<u>10,217,798</u>	<u>-</u>	<u>350,137</u>	<u>20,204,847</u>
3 . <u>Underwriting Surplus/(Deficit)</u>	<u>107,884</u>	<u>1,010</u>	<u>(421,981)</u>	<u>1,142,417</u>	<u>500,000</u>	<u>29,863</u>	<u>1,359,193</u>
4 . <u>Adjustments</u>							
Investment Income	9,059	90	75,258	445,008	14,568	3,638	547,621
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>9,059</u>	<u>90</u>	<u>75,258</u>	<u>445,008</u>	<u>14,568</u>	<u>3,638</u>	<u>547,621</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>116,943</u>	<u>1,100</u>	<u>(346,723)</u>	<u>1,587,425</u>	<u>514,568</u>	<u>33,501</u>	<u>1,906,814</u>
6 . <u>Return of Surplus</u>	-	-	-	-	(400,000)	-	(400,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>116,943</u>	<u>1,100</u>	<u>(346,723)</u>	<u>1,587,425</u>	<u>114,568</u>	<u>33,501</u>	<u>\$ 1,506,814</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2011**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 46,929	\$ 14,176	\$ 8,172,510	\$ 14,644,630	\$ 500,000	\$ 400,000	\$ 23,778,245
Supplemental Contributions							
Other Income (except investments)							-
Total Income	<u>46,929</u>	<u>14,176</u>	<u>8,172,510</u>	<u>14,644,630</u>	<u>500,000</u>	<u>400,000</u>	<u>23,778,245</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	171,915	-	8,340,518	18,790,071	-	-	27,302,504
Excess Insurance (Recovery) Expenses	-	-	-	-	-	354,501	-
Total Liabilities	<u>171,915</u>	<u>-</u>	<u>8,340,518</u>	<u>18,790,071</u>	<u>-</u>	<u>354,501</u>	<u>354,501</u>
	<u>(124,986)</u>	<u>14,176</u>	<u>(168,008)</u>	<u>(4,145,441)</u>	<u>500,000</u>	<u>45,499</u>	<u>(3,878,760)</u>
3 . <u>Underwriting Surplus/(Deficit)</u>							
4 . <u>Adjustments</u>							
Investment Income	424	1,510	73,666	334,978	11,801	3,853	426,232
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>424</u>	<u>1,510</u>	<u>73,666</u>	<u>334,978</u>	<u>11,801</u>	<u>3,853</u>	<u>426,232</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(124,562)</u>	<u>15,686</u>	<u>(94,342)</u>	<u>(3,810,463)</u>	<u>511,801</u>	<u>49,352</u>	<u>(3,452,528)</u>
6 . <u>Return of Surplus</u>	-	-	-	-	(400,000)	-	(400,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$(124,562)</u>	<u>\$ 15,686</u>	<u>\$(94,342)</u>	<u>\$(3,810,463)</u>	<u>\$ 111,801</u>	<u>\$ 49,352</u>	<u>\$(3,852,528)</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2012**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 29,304	\$ 22,026	\$ 10,967,322	\$ 17,883,372	\$ 500,000	\$ 400,000	\$ 29,802,024
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>29,304</u>	<u>22,026</u>	<u>10,967,322</u>	<u>17,883,372</u>	<u>500,000</u>	<u>400,000</u>	<u>29,802,024</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	102,686	124,984	9,181,591	23,011,378	-	-	32,420,639
Excess Insurance (Recovery) Expenses	-	-	-	-	-	366,275	-
Total Liabilities	<u>102,686</u>	<u>124,984</u>	<u>9,181,591</u>	<u>23,011,378</u>	<u>-</u>	<u>366,275</u>	<u>366,275</u>
	<u>(73,382)</u>	<u>(102,958)</u>	<u>1,785,731</u>	<u>(5,128,006)</u>	<u>500,000</u>	<u>33,725</u>	<u>(2,984,890)</u>
3 . <u>Underwriting Surplus/(Deficit)</u>							
4 . <u>Adjustments</u>							
Investment Income	9	(9)	146,880	321,152	7,016	2,954	478,002
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>9</u>	<u>(9)</u>	<u>146,880</u>	<u>321,152</u>	<u>7,016</u>	<u>2,954</u>	<u>478,002</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(73,373)</u>	<u>(102,967)</u>	<u>1,932,611</u>	<u>(4,806,854)</u>	<u>507,016</u>	<u>36,679</u>	<u>(2,506,888)</u>
6 . <u>Return of Surplus</u>	-	-	-	-	(400,000)	-	(400,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ (73,373)</u>	<u>\$ (102,967)</u>	<u>\$ 1,932,611</u>	<u>\$ (4,806,854)</u>	<u>\$ 107,016</u>	<u>\$ 36,679</u>	<u>\$ (2,906,888)</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2013**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1 . <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 44,165	\$ 326,323	\$ 8,475,769	\$ 15,228,689	\$ 500,000	\$ 400,000	\$	24,974,946
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>44,165</u>	<u>326,323</u>	<u>8,475,769</u>	<u>15,228,689</u>	<u>500,000</u>	<u>400,000</u>		<u>24,974,946</u>
2 . <u>Incurred Liabilities</u>								
Claims (limited incurred)	22,174	(1,032)	8,746,907	16,719,173	-	-	-	25,487,222
Excess Insurance (Recovery) Expenses	-	-	-	-	-	432,325	-	432,325
Total Liabilities	<u>22,174</u>	<u>(1,032)</u>	<u>8,746,907</u>	<u>16,719,173</u>	<u>-</u>	<u>432,325</u>		<u>25,919,547</u>
3 . <u>Underwriting Surplus/(Deficit)</u>	<u>21,991</u>	<u>327,355</u>	<u>(271,138)</u>	<u>(1,490,484)</u>	<u>500,000</u>	<u>(32,325)</u>		<u>(944,601)</u>
4 . <u>Adjustments</u>								
Investment Income	2,487	22,323	107,842	397,456	8,658	28,438		567,204
Transfers	-	-	-	-	(5,000)	5,000		-
Total Adjustments	<u>2,487</u>	<u>22,323</u>	<u>107,842</u>	<u>397,456</u>	<u>3,658</u>	<u>33,438</u>		<u>567,204</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>24,478</u>	<u>349,678</u>	<u>(163,296)</u>	<u>(1,093,028)</u>	<u>503,658</u>	<u>1,113</u>		<u>(377,397)</u>
6 . <u>Return of Surplus</u>	-	-	-	-	(400,000)	-		(400,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ 24,478</u>	<u>\$ 349,678</u>	<u>\$ (163,296)</u>	<u>\$ (1,093,028)</u>	<u>\$ 103,658</u>	<u>\$ 1,113</u>	<u>\$</u>	<u>(777,397)</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2014**

**December 31, 2019  
(unaudited)**

		Coverages and Other Accounts					
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	Totals
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 20,051	\$ -	\$ 11,619,440	\$ 14,326,970	\$ 500,000	\$ 400,000	\$ 26,866,461
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>20,051</u>	<u>-</u>	<u>11,619,440</u>	<u>14,326,970</u>	<u>500,000</u>	<u>400,000</u>	<u>-</u> <u>26,866,461</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	83,015	-	8,145,651	17,718,006	-	-	25,946,672
Excess Insurance (Recovery) Expenses	-	-	-	-	-	450,648	- 450,648
Total Liabilities	<u>83,015</u>	<u>-</u>	<u>8,145,651</u>	<u>17,718,006</u>	<u>-</u>	<u>450,648</u>	<u>26,397,320</u>
	<u>(62,964)</u>	<u>-</u>	<u>3,473,789</u>	<u>(3,391,036)</u>	<u>500,000</u>	<u>(50,648)</u>	<u>469,141</u>
3 . <u>Underwriting Surplus/(Deficit)</u>							
4 . <u>Adjustments</u>							
Investment Income	8	-	304,865	294,652	2,538	2,071	604,134
Transfers	-	-	-	-	(50,000)	50,000	-
Total Adjustments	<u>8</u>	<u>-</u>	<u>304,865</u>	<u>294,652</u>	<u>(47,462)</u>	<u>52,071</u>	<u>604,134</u>
	<u>(62,956)</u>	<u>-</u>	<u>3,778,654</u>	<u>(3,096,384)</u>	<u>452,538</u>	<u>1,423</u>	<u>1,073,275</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>							
6 . <u>Return of Surplus</u>							
	-	-	-	-	(450,000)	-	(450,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ (62,956)</u>	<u>\$ -</u>	<u>\$ 3,778,654</u>	<u>\$ (3,096,384)</u>	<u>\$ 2,538</u>	<u>\$ 1,423</u>	<u>\$ 623,275</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2015**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 32,408	\$ -	\$ 9,085,292	\$ 16,955,355	\$ 600,000	\$ 550,000	\$ 27,223,055
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>32,408</u>	<u>-</u>	<u>9,085,292</u>	<u>16,955,355</u>	<u>600,000</u>	<u>550,000</u>	<u>27,223,055</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	364,293	-	7,476,240	15,656,297	-	-	23,496,830
Excess Insurance (Recovery)		-	-	-	-	-	-
Expenses	-	-	-	-	-	492,614	492,614
Total Liabilities	<u>364,293</u>	<u>-</u>	<u>7,476,240</u>	<u>15,656,297</u>	<u>-</u>	<u>492,614</u>	<u>23,989,444</u>
3 . <u>Underwriting Surplus/(Deficit)</u>	<u>(331,885)</u>	<u>-</u>	<u>1,609,052</u>	<u>1,299,058</u>	<u>600,000</u>	<u>57,386</u>	<u>3,233,611</u>
4 . <u>Adjustments</u>							
Investment Income	-	-	115,385	603,429	(366)	3,956	722,404
Transfers	-	-	-	-	366	(366)	-
Total Adjustments	<u>-</u>	<u>-</u>	<u>115,385</u>	<u>603,429</u>	<u>-</u>	<u>3,590</u>	<u>722,404</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(331,885)</u>	<u>-</u>	<u>1,724,437</u>	<u>1,902,487</u>	<u>600,000</u>	<u>60,976</u>	<u>3,956,015</u>
6 . <u>Return of Surplus</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>	<u>-</u>	<u>(600,000)</u>
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$(331,885)</u>	<u>\$ -</u>	<u>\$ 1,724,437</u>	<u>\$ 1,902,487</u>	<u>\$ -</u>	<u>\$ 60,976</u>	<u>\$ 3,356,015</u>

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2016**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 2,579	\$ -	\$ 11,152,491	\$ 12,191,330	\$ 625,000	\$ 600,000	\$ 24,571,400
Supplemental Contributions							
Other Income (except investments)							
Total Income	2,579	-	11,152,491	12,191,330	625,000	600,000	24,571,400
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	18,886	-	9,892,806	13,487,976	-	-	23,399,668
Excess Insurance (Recovery)		-	-	-	-	-	-
Expenses	-	-	-	-	-	517,128	517,128
Total Liabilities	18,886	-	9,892,806	13,487,976	-	517,128	23,916,796
	(16,307)	-	1,259,685	(1,296,646)	625,000	82,872	654,604
3 . <u>Underwriting Surplus/(Deficit)</u>							
4 . <u>Adjustments</u>							
Investment Income	7	-	114,987	335,804	131	5,835	456,764
Transfers	-	-	-	-	-	-	-
Total Adjustments	7	-	114,987	335,804	131	5,835	456,764
5 . <u>Gross Operating Surplus/(Deficit)</u>	(16,300)	-	1,374,672	(960,842)	625,131	88,707	1,111,368
6 . <u>Return of Surplus</u>	-	-	-	-	(610,000)	-	(610,000)
7 . <u>Net Current Surplus/(Deficit)</u>	(16,300)	-	1,374,672	(960,842)	15,131	88,707	501,368

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**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2017**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 55,406	\$ 43,629	\$ 10,309,122	\$ 14,603,624	\$ 625,000	\$ 610,000	\$ 26,246,781
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>55,406</u>	<u>43,629</u>	<u>10,309,122</u>	<u>14,603,624</u>	<u>625,000</u>	<u>610,000</u>	<u>26,246,781</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	215,980	(47,113)	9,764,887	16,928,541	-	-	26,862,295
Excess Insurance (Recovery) Expenses	-	-	-	-	-	506,538	506,538
Total Liabilities	<u>215,980</u>	<u>(47,113)</u>	<u>9,764,887</u>	<u>16,928,541</u>	<u>-</u>	<u>506,538</u>	<u>27,368,833</u>
3 . <u>Underwriting Surplus/(Deficit)</u>	<u>(160,574)</u>	<u>90,742</u>	<u>544,235</u>	<u>(2,324,917)</u>	<u>625,000</u>	<u>103,462</u>	<u>(1,122,052)</u>
4 . <u>Adjustments</u>							
Investment Income	1,724	3,024	147,341	369,407	1,938	6,606	530,040
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>1,724</u>	<u>3,024</u>	<u>147,341</u>	<u>369,407</u>	<u>1,938</u>	<u>6,606</u>	<u>530,040</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(158,850)</u>	<u>93,766</u>	<u>691,576</u>	<u>(1,955,510)</u>	<u>626,938</u>	<u>110,068</u>	<u>(592,012)</u>
6 . <u>Return of Surplus</u>	-	-	-	-	(620,000)	-	(620,000)
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ (158,850)</u>	<u>\$ 93,766</u>	<u>\$ 691,576</u>	<u>\$ (1,955,510)</u>	<u>\$ 6,938</u>	<u>\$ 110,068</u>	<u>\$ (1,212,012)</u>

**Schedule D**

See Independent Auditor's Report

**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2018**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 290,635	\$ 30,418	\$ 6,854,208	\$ 13,403,367	\$ 650,000	\$ 620,000	\$ 21,848,628
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>290,635</u>	<u>30,418</u>	<u>6,854,208</u>	<u>13,403,367</u>	<u>650,000</u>	<u>620,000</u>	<u>21,848,628</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	292,184	(325)	8,106,511	13,033,587			21,431,957
Excess Insurance (Recovery) Expenses		-	-	-		516,447	-
Total Liabilities	<u>292,184</u>	<u>(325)</u>	<u>8,106,511</u>	<u>13,033,587</u>	<u>-</u>	<u>516,447</u>	<u>21,948,404</u>
3 . <u>Underwriting Surplus/(Deficit)</u>	<u>(1,549)</u>	<u>30,743</u>	<u>(1,252,303)</u>	<u>369,780</u>	<u>650,000</u>	<u>103,553</u>	<u>(99,776)</u>
4 . <u>Adjustments</u>							
Investment Income	4,484	362	44,573	115,545	7,731	5,903	178,598
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>4,484</u>	<u>362</u>	<u>44,573</u>	<u>115,545</u>	<u>7,731</u>	<u>5,903</u>	<u>178,598</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>2,935</u>	<u>31,105</u>	<u>(1,207,730)</u>	<u>485,325</u>	<u>657,731</u>	<u>109,456</u>	<u>78,822</u>
6 . <u>Return of Surplus</u>							
7 . <u>Net Current Surplus/(Deficit)</u>	<u>\$ 2,935</u>	<u>\$ 31,105</u>	<u>\$ (1,207,730)</u>	<u>\$ 485,325</u>	<u>\$ 657,731</u>	<u>\$ 109,456</u>	<u>\$ 78,822</u>

**Schedule D**

See Independent Auditor's Report

**Municipal Excess Liability Residual Claims Fund**

**Schedule D**

**Fund Year Account Operating Results Analysis**

**Fund Year - 2019**

**December 31, 2019  
(unaudited)**

	Coverages and Other Accounts						Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund	
1 . <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 36,465	\$ -	\$ 7,703,862	\$ 12,698,200	\$ 650,000	\$ 633,000	\$ 21,721,527
Supplemental Contributions							
Other Income (except investments)							-
Total Income	<u>36,465</u>	<u>-</u>	<u>7,703,862</u>	<u>12,698,200</u>	<u>650,000</u>	<u>633,000</u>	<u>21,721,527</u>
2 . <u>Incurred Liabilities</u>							
Claims (limited incurred)	37,632	-	7,827,342	12,972,500			20,837,474
Excess Insurance (Recovery) Expenses		-	-	-		510,174	-
Total Liabilities	<u>37,632</u>	<u>-</u>	<u>7,827,342</u>	<u>12,972,500</u>	<u>-</u>	<u>510,174</u>	<u>510,174</u>
	<u>(1,167)</u>	<u>-</u>	<u>(123,480)</u>	<u>(274,300)</u>	<u>650,000</u>	<u>122,826</u>	<u>373,879</u>
3 . <u>Underwriting Surplus/(Deficit)</u>							
4 . <u>Adjustments</u>							
Investment Income	-	-	-	-	-	6,849	6,849
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,849</u>	<u>6,849</u>
5 . <u>Gross Operating Surplus/(Deficit)</u>	<u>(1,167)</u>	<u>-</u>	<u>(123,480)</u>	<u>(274,300)</u>	<u>650,000</u>	<u>129,675</u>	<u>380,728</u>
6 . <u>Return of Surplus</u>							
							-
7 . <u>Net Current Surplus/(Deficit)</u>	<u>(1,167)</u>	<u>\$ -</u>	<u>\$ (123,480)</u>	<u>\$ (274,300)</u>	<u>\$ 650,000</u>	<u>\$ 129,675</u>	<u>\$ 380,728</u>

**Schedule D**

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

## Residual Legacy Account (Fund Years - 1995-2006)

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (21,325) \$	(10,549) \$	(46,421) \$	(5,975,960) \$	(6,054,255)
Case Reserves			17,833	3,241,394	3,259,227
Imprest Account					-
IBNR Reserve				3,000	3,000
Subtotal	<u>(21,325)</u>	<u>(10,549)</u>	<u>(28,588)</u>	<u>(2,731,566)</u>	<u>(2,792,028)</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ (21,325) \$</u>	<u>(10,549) \$</u>	<u>(28,588) \$</u>	<u>(2,731,566) \$</u>	<u>(2,792,028)</u>



## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2007

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 58,247	\$ (21,540)	\$ 8,783,197	\$ 11,910,860	\$ 20,730,764
Case Reserves				1,991,700	1,991,700
Imprest Account					-
IBNR Reserve				17,000	17,000
Subtotal	58,247	(21,540)	8,783,197	13,919,560	22,739,464
Excess Insurance					
Received			40,313		40,313
Recoverable					-
Subtotal	-	-	40,313	-	40,313
Incurred Claims	58,247	(21,540)	8,742,884	13,919,560	22,699,151

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2008

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 272,970	\$ (202)	\$ 10,300,226	\$ 11,173,848	\$ 21,746,842
Case Reserves				2,570,428	2,570,428
Imprest Account					-
IBNR Reserve					-
Subtotal	<u>272,970</u>	<u>(202)</u>	<u>10,300,226</u>	<u>13,744,276</u>	<u>24,317,270</u>
Excess Insurance					
Received			3,429,318		3,429,318
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>3,429,318</u>	<u>-</u>	<u>3,429,318</u>
Incurred Claims	<u>\$ 272,970</u>	<u>\$ (202)</u>	<u>\$ 6,870,908</u>	<u>\$ 13,744,276</u>	<u>\$ 20,887,952</u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2009

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 49,224	\$ -	\$ 11,508,588	\$ 10,025,230	\$ 21,583,042
Case Reserves	100			1,753,194	1,753,294
Imprest Account					-
IBNR Reserve				60,000	60,000
Subtotal	49,324	-	11,508,588	11,838,424	23,396,336
Excess Insurance					
Received			3,086,070		3,086,070
Recoverable					-
Subtotal	-	-	3,086,070	-	3,086,070
Incurred Claims	49,324	-	8,422,518	11,838,424	20,310,266

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2010

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (95) \$	- \$	9,637,007 \$	8,360,674 \$	17,997,586
Case Reserves				1,787,124	1,787,124
Imprest Account					-
IBNR Reserve				70,000	70,000
Subtotal	(95)	-	9,637,007	10,217,798	19,854,710
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	(95) \$	- \$	9,637,007 \$	10,217,798 \$	19,854,710

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2011

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 169,505	\$ -	\$ 8,240,518	\$ 13,040,046	\$ 21,450,069
Case Reserves	2,410		100,000	5,695,025	5,797,435
Imprest Account					-
IBNR Reserve				55,000	55,000
Subtotal	171,915	-	8,340,518	18,790,071	27,302,504
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	171,915	-	8,340,518	18,790,071	27,302,504

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2012

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 102,686	\$ 124,984	\$ 9,598,274	\$ 15,833,939	\$ 25,659,883
Case Reserves			20,827	6,937,439	6,958,266
Imprest Account					-
IBNR Reserve				240,000	240,000
Subtotal	102,686	124,984	9,619,101	23,011,378	32,858,149
Excess Insurance					
Received			437,510		437,510
Recoverable					-
Subtotal	-	-	437,510	-	437,510
Incurred Claims	\$ 102,686	\$ 124,984	\$ 9,181,591	\$ 23,011,378	\$ 32,420,639

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2013

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 20,973	\$ (1,032)	\$ 8,670,445	\$ 11,983,240	\$ 20,673,626
Case Reserves	1,201		76,462	4,246,933	4,324,596
Imprest Account					-
IBNR Reserve				489,000	489,000
Subtotal	22,174	(1,032)	8,746,907	16,719,173	25,487,222
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	\$ 22,174	\$ (1,032)	\$ 8,746,907	\$ 16,719,173	\$ 25,487,222

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2014

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 80,904	\$ -	\$ 7,301,101	\$ 12,774,532	\$ 20,156,537
Case Reserves	2,111		829,550	3,919,474	4,751,135
Imprest Account					-
IBNR Reserve			15,000	1,024,000	1,039,000
Subtotal	83,015	-	8,145,651	17,718,006	25,946,672
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	\$ 83,015	\$ -	\$ 8,145,651	\$ 17,718,006	\$ 25,946,672



## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2015

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 361,564	\$ -	\$ 7,313,366	\$ 7,288,364	\$ 14,963,294
Case Reserves	2,729		162,874	5,938,933	6,104,536
Imprest Account					-
IBNR Reserve				2,429,000	2,429,000
Subtotal	<u>364,293</u>	<u>-</u>	<u>7,476,240</u>	<u>15,656,297</u>	<u>23,496,830</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ 364,293</u>	<u>\$ -</u>	<u>\$ 7,476,240</u>	<u>\$ 15,656,297</u>	<u>\$ 23,496,830</u>

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2016

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 18,836	\$ -	\$ 9,343,992	\$ 6,070,910	\$ 15,433,738
Case Reserves	50		548,814	5,158,066	5,706,930
Imprest Account					-
IBNR Reserve				2,259,000	2,259,000
Subtotal	18,886	-	9,892,806	13,487,976	23,399,668
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	18,886	-	9,892,806	13,487,976	23,399,668

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2017

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 159,257	\$ (47,113)	\$ 9,176,339	\$ 6,826,038	\$ 16,114,521
Case Reserves	56,723		555,548	6,656,503	7,268,774
Imprest Account					-
IBNR Reserve			33,000	3,446,000	3,479,000
Subtotal	215,980	(47,113)	9,764,887	16,928,541	26,862,295
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	\$ 215,980	\$ (47,113)	\$ 9,764,887	\$ 16,928,541	\$ 26,862,295

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2018

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (842) \$	(325) \$	5,431,046 \$	2,371,411 \$	7,801,290
Case Reserves	293,026		2,024,465	8,011,176	10,328,667
Imprest Account					-
IBNR Reserve			651,000	2,651,000	3,302,000
Subtotal	292,184	(325)	8,106,511	13,033,587	21,431,957
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	\$ 292,184 \$	(325) \$	8,106,511 \$	13,033,587 \$	21,431,957

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Claims Analysis

Fund Year - 2019

December 31, 2019  
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ -	\$ -	\$ -	\$ -	\$ -
Case Reserves	37,632		6,269,342	9,959,500	16,266,474
Imprest Account					-
IBNR Reserve			1,558,000	3,013,000	4,571,000
Subtotal	<u>37,632</u>	<u>-</u>	<u>7,827,342</u>	<u>12,972,500</u>	<u>20,837,474</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>37,632</u>	<u>-</u>	<u>7,827,342</u>	<u>12,972,500</u>	<u>20,837,474</u>

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2007

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	110,188		110,188
Deputy Administrator	37,336		37,336
Legal	33,112		33,112
Treasurer	31,088		31,088
Other (itemize)			
Actuary	32,787		32,787
Auditor	18,365		18,365
Claims Administrator	47,783		47,783
Miscellaneous	15,762		15,762
Subtotal Administration	<u>326,421</u>	<u>-</u>	<u>326,421</u>
Total Expenses =1+2	\$ <u><u>326,421</u></u>	\$ <u><u>-</u></u>	\$ <u><u>326,421</u></u>

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2008

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	112,942		112,942
Deputy Administrator	38,269		38,269
Legal	33,941		33,941
Treasurer	31,865		31,865
Other (itemize)			
Actuary	33,606		33,606
Auditor	18,824		18,824
Claims Administrator	48,978		48,978
Miscellaneous	16,489		16,489
Subtotal Administration	<u>334,914</u>	<u>-</u>	<u>334,914</u>
Total Expenses =1+2	\$ <u><u>334,914</u></u>	\$ <u><u>-</u></u>	\$ <u><u>334,914</u></u>

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2009

December 31, 2019  
(unaudited)

	Paid	Unpaid	Total
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	116,330		116,330
Deputy Administrator	39,417		39,417
Legal	34,960		34,960
Treasurer	32,822		32,822
Other (itemize)			
Actuary	34,615		34,615
Auditor	19,389		19,389
Claims Administrator	50,447		50,447
Miscellaneous	16,910		16,910
Subtotal Administration	344,890	-	344,890
Total Expenses =1+2	\$ 344,890	\$ -	\$ 344,890

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2010

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	118,804		118,804
Deputy Administrator	40,205		40,205
Legal	35,309		35,309
Treasurer	33,478		33,478
Other (itemize)	-		
Actuary	35,307		35,307
Auditor	19,777		19,777
Claims Administrator	51,456		51,456
Miscellaneous	15,801		15,801
Subtotal Administration	<u>350,137</u>	<u>-</u>	<u>350,137</u>
Total Expenses =1+2	\$ <u>350,137</u>	\$ <u>-</u>	\$ <u>350,137</u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2011

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	118,657		118,657
Deputy Administrator	40,205		40,205
Legal	35,660		35,660
Treasurer	33,478		33,478
Other (itemize)	-		
Actuary	35,307		35,307
Auditor	19,777		19,777
Claims Administrator	51,456		51,456
Miscellaneous	19,961		19,961
Subtotal Administration	<u>354,501</u>	<u>-</u>	<u>354,501</u>
Total Expenses =1+2	\$ <u>354,501</u>	\$ <u>-</u>	\$ <u>354,501</u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2012

December 31, 2019  
(unaudited)

	Paid	Unpaid	Total
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	121,030		121,030
Deputy Administrator	41,010		41,010
Legal	37,179		37,179
Treasurer	34,147		34,147
Other (itemize)			
Actuary	36,013		36,013
Auditor	20,172		20,172
Claims Administrator	52,577		52,577
Miscellaneous	24,147		24,147
Subtotal Administration	366,275	-	366,275
Total Expenses =1+2	\$ 366,275	\$ -	\$ 366,275

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2013

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	123,451		123,451
Deputy Administrator	41,830		41,830
Legal	37,155		37,155
Treasurer	34,830		34,830
Other (itemize)			
Actuary	36,733		36,733
Auditor	20,575		20,575
Claims Administrator	53,629		53,629
Miscellaneous	84,122		84,122
Subtotal Administration	<u>432,325</u>	<u>-</u>	<u>432,325</u>
Total Expenses =1+2	\$ <u>432,325</u>	\$ <u>-</u>	\$ <u>432,325</u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2014

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	125,930		125,930
Deputy Administrator	42,667		42,667
Legal	38,930		38,930
Treasurer	35,532		35,532
Other (itemize)			
Actuary	37,468		37,468
Auditor	20,987		20,987
Claims Administrator	54,702		54,702
Miscellaneous	94,433		94,433
Subtotal Administration	<u>450,649</u>	<u>-</u>	<u>450,649</u>
Total Expenses =1+2	\$ <u><u>450,649</u></u>	\$ <u><u>-</u></u>	\$ <u><u>450,649</u></u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2015

December 31, 2019  
(unaudited)

	Paid	Unpaid	Total
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	147,771		147,771
Deputy Administrator	50,154		50,154
Legal	38,598		38,598
Treasurer	36,237		36,237
Other (itemize)			
Actuary	38,217		38,217
Auditor	21,407		21,407
Claims Administrator	55,796		55,796
Miscellaneous	104,434		104,434
Subtotal Administration	492,614	-	492,614
Total Expenses =1+2	\$ 492,614	\$ -	\$ 492,614

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2016

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	169,674		169,674
Deputy Administrator	57,657		57,657
Legal	39,370		39,370
Treasurer	36,963		36,963
Other (itemize)			
Actuary	38,981		38,981
Auditor	21,835		21,835
Claims Administrator	56,912		56,912
Miscellaneous	95,736		95,736
Subtotal Administration	<u>517,128</u>	<u>-</u>	<u>517,128</u>
Total Expenses =1+2	\$ <u>517,128</u>	\$ <u>-</u>	\$ <u>517,128</u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2017

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	192,813		192,813
Deputy Administrator	65,179		65,179
Legal	40,157		40,157
Treasurer	37,702		37,702
Other (itemize)			
Actuary	39,761		39,761
Auditor	22,272		22,272
Claims Administrator	58,050		58,050
Miscellaneous	50,604		50,604
Subtotal Administration	<u>506,538</u>	<u>-</u>	<u>506,538</u>
Total Expenses =1+2	\$ <u>506,538</u>	\$ <u>-</u>	\$ <u>506,538</u>

See Independent Auditor's Report



## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2018

December 31, 2019  
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	196,667		196,667
Deputy Administrator	66,482		66,482
Legal	39,000		39,000
Treasurer	38,456		38,456
Other (itemize)			
Actuary	40,556		40,556
Auditor	22,717		22,717
Claims Administrator	59,211		59,211
Miscellaneous	53,358		53,358
Subtotal Administration	<u>516,447</u>	<u>-</u>	<u>516,447</u>
Total Expenses =1+2	\$ <u><u>516,447</u></u>	\$ <u><u>-</u></u>	\$ <u><u>516,447</u></u>

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

## Fund Year - 2019

December 31, 2019  
(unaudited)

	Paid	Unpaid	Total
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal			
2 . <u>Administrative Expenses</u>			
Administrator	200,600		200,600
Deputy Administrator	67,811		67,811
Legal	39,780		39,780
Treasurer	39,226		39,226
Other (itemize)			
Actuary	41,367		41,367
Auditor	-	23,171	23,171
Claims Administrator	60,396		60,396
Miscellaneous	37,823		37,823
Subtotal Administration	487,003	23,171	510,174
Total Expenses =1+2	\$ 487,003	\$ 23,171	\$ 510,174

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Program Summary

## Fund Years - Legacy (1995-2006) to 2019

December 31, 2019  
(unaudited)

	Coverages		
	Liability	Worker's Compensation Insurance	Property
1 . <u>Limits</u>	The Residual Claim Fund's limits shall be equal to the per occurrence self-insured retention of the member joint insurance funds. The amount of any claim in excess of the member joint insurance fund's self insured retention shall be the responsibility of the applicable excess insurer or reinsurer, the member joint insurance fund, or the member local unit as the case may be in accordance with the member joint insurance fund's coverage documents and plan of risk management.		
2 . <u>Fund Retention</u>	The Residual Claims Fund shall retain the entire risk.		
Specific	Note: See 1. Above		
Aggregate			
3 . <u>Excess Insurers (list all insurers and amount insured)</u>	N/A	N/A	N/A
	Note: See 1. Above		
4 . <u>Number of Participants</u>	17	17	14
5 . <u>Incurred Liabilities</u>	185,654,724	282,776,477	2,240,975
6 . <u>Exposure Units</u>	N/A	N/A	N/A
7 . <u>Liabilities/Units</u>	N/A	N/A	N/A

See Independent Auditor's Report

**Municipal Excess Liability Residual Claims Fund**  
**State Required Supporting Schedule - Annual Report**

**Analysis of Cash and Investments**

**December 31, 2019**  
**(unaudited)**

Bank	Description	Account Amount	Cost
Investors Bank	Operating	11,141,786	11,141,786
Wilmington Trust:	Investment		
Money Market	Investment	23,145,469	23,145,469
U.S Treasury Notes	Investment	37,274,036	36,946,981
		71,561,291	71,234,236
Add: Deposit in Transit		3	3
Less: Outstanding Checks / Transfers		(4,647)	(4,647)
		\$ 71,556,647	71,229,592

**Municipal Excess Liability Residual Claims Fund**  
**State Required Supporting Schedule - Annual Report**

**Analysis of Assessments Receivable**

**December 31, 2019**  
**(unaudited)**

Fund Year 2019	21,088,527
Supplemental - Surplus Trigger	5,235,393
Total	\$ 26,323,920

**Municipal Excess Liability Residual Claims Fund**  
**State Required Supporting Schedule - Annual Report**  
**Analysis of Accrued Interest / Other Accounts Receivable**

**December 31, 2019**  
**(unaudited)**

Accrued Interest Receivable	\$ <u>126,705</u>
Due from Central Jersey JIF - Net of Loss Reserves	(13,669)
Due from Brick Township - Net of Loss Reserves	(20,509)
Due from Member JIF's - Advances	111,535
Due from Member JIF's - Reinsurance Refunds	2,396,764
Due from Genesis Reinsurance Corporation Worker's Comp.	2,237,763
Due from Claims Account Excess Transfer/JIF's Closed Year	<u>154,347</u>
Sub-total Other Accounts Receivable	<u>4,866,231</u>
Total Other Receivables	\$ <u><u>4,992,936</u></u>

**Analysis of Administrative Expenses Payable**

**December 31, 2019**  
**(unaudited)**

Fund Year 2019:	
Accounting and Auditing Services	\$ <u>23,171</u>
	\$ <u><u>23,171</u></u>

**Analysis of Miscellaneous Liabilities**

**December 31, 2019**  
**(unaudited)**

Due to Member JIF'S	\$ 2,438
Other Liabilities - Deposit error	\$ <u>7,110</u>
	\$ <u><u>9,548</u></u>

**MUNICIPAL EXCESS LIABILITY**

**RESIDUAL CLAIMS FUND**

**REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Municipal Excess Liability  
Residual Claims Fund  
Parsippany, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Departments of Community Affairs and Insurance, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Municipal Excess Liability Residual Claims Fund, as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Municipal Excess Liability Residual Claims Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Excess Liability Residual Claims Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipal Excess Liability Residual Claims Fund's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Municipal Excess Liability Residual Claims Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

However, we noted certain immaterial instances of noncompliance or other matters that we have reported to the management of the Fund in the accompanying comments and recommendation section of this report.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipal Excess Liability Residual Claims Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wielkatz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 18, 2019



## **MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

### **COMMENTS AND RECOMMENDATIONS**

During our audit of the Fund's accounting records, we noted the following:

1. It was noted during the course of our audit that the 2007,2008, 2011,2012, 2013, 2014, 2016, 2017 and 2019 fund years for worker's compensation and the 2007, 2010, 2011, 2013, 2018 and 2019 fund years for the liability and 2007, 2008, 2009, 2011, 2012, 2014 ,2015, 2016, 2017 and 2019 fund years for property and 2012 fund year for faithful performance bond experienced a deficit. The deficits were caused by paid claims and loss reserves in excess of the projected amounts used to establish the budget. The loss reserves consist of two estimates, an estimate of the amount of loss from known claims and an estimate of the claims incurred but not reported as of the financial statement date. The budget and loss reserves should be monitored on a continuing basis to determine the need, if any, for additional assessments.

#### **Management's Response:**

Management will monitor fund position and reserve changes quarterly. If additional contributions are eventually adjudged to be necessary, the Executive Committee would take the necessary action.