

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024



MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

TABLE OF CONTENTS

Page No.

Statement Signature Page	1
Independent Auditor's Report	2
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 – Independent Auditor's Report	5
Management's Discussion and Analysis – Unaudited	7

Financial Statements

Exhibit A-1	Statement of Net Position	10
Exhibit A-2	Statement of Revenues, Expenses, and Change in Net Position	11
Exhibit A-3	Statement of Cash Flows	12
	Notes to Financial Statements	13

Required Supplementary Information

Schedule 1	Reconciliation of Claims Liabilities by Fund	28
Schedule 2	Ten-Year Claims Development Information	29

Supplementary Information

Schedule A	Historical Balance Sheet--Statutory Basis	31
Schedule B	Statement of Historical Operating Results Analysis-- Statutory Basis	32
	Notes to Supplementary Information	33
Schedule C	Statement of Fund Year Operating Results Analysis-- Statutory Basis	34
Schedule D	Statement of Fund Year Account Operating Results Analysis--Statutory Basis	39
Schedule E	Statement of Fund Year Claims Analysis--Statutory Basis	58
Schedule F	Statement of Fund Year Expense Analysis--Statutory Basis	77
Schedule G	Statement of Fund Year Program Summary--Statutory Basis	79
Schedule H	Schedule of Cash and Investments--Statutory Basis	80
Schedule I	Schedule of Accrued Expenses--Statutory Basis	81
Schedule J	Schedule of Contribution Receivable—Statutory Basis	82
Schedule K	Schedule of Other Receivables—Statutory Basis	83

Schedule of Findings and Recommendations

Schedule of Findings and Recommendations	85
Schedule of Financial Statement Findings	85
Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	85
Appreciation	85

ANNUAL STATEMENT FOR THE INITIAL PERIOD ENDED DECEMBER 31, 2024

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: MUNICIPAL EXCESS LIABILITY RESIDUAL LIABILITY FUND

Street Address: _____ Mail Address: C/O PERMA
 _____ 9 CAMPUS DRIVE
 _____ SUITE 216
 _____ PARSIPPANY, NJ 07054

Primary location of books and records: _____ PERMA, 9 CAMPUS DRIVE,
 _____ SUITE 216, PARSEPPANY, NJ 07054

Statement Contact Person: PAULINE KONTOMANOLIS, CPA Phone No. (201) 518-7023

EXECUTIVE COMMITTEE

Chairperson	<u>MEGAN CHAMPNEY KWESELAIT</u>	<u>SHERRY SIMS</u>
Secretary	<u>JOSEPH CRISCUOLO</u>	_____
	<u>PAUL TOMASKO</u>	_____
	<u>THOMAS NOLAN</u>	_____
	<u>JOSEPH WOLK</u>	_____
	<u>BRIAN BIGLER</u>	_____

EXECUTIVE COMMITTEE ALTERNATES

<u>VERONICA LAUREIGH</u>	<u>JOHN CLARKE</u>
<u>MEGHAN JACK</u>	<u>SUSAN DANSON</u>
<u>BRIAN MCNEILLY</u>	<u>JAMES PACANOWSKI</u>
<u>MICHAEL RAZZE</u>	<u>VINCENT QUATRONE</u>
<u>GREGORY FRANZ</u>	_____

State of NEW JERSEY
 County of CAMDEN

MEGAN CHAMPNEY KWESELAIT (Chairperson), JOSEPH CRISCUOLO (Secretary), of the MUNICIPAL
EXCESS LIABILITY RESIDUAL CLAIMS FUND being duly sworn, each for themself

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, 2024 all of the herein described assets were the absolute property of the 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 statement 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, 2024, and of its income and deductions there from for the year ended on that date, according to the best of their information, knowledge and belief respectively.

_____ Chairperson	_____ Secretary
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(a) Is this an original filing	<u> X </u>	<u> Yes </u>	<u> No </u>
(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 _____ 2025

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Municipal Excess Liability Residual Claims Fund
9 Campus Drive
Suite 216
Parsippany, NJ 07054

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Municipal Excess Liability Residual Claims Fund (the "Fund") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2024, and the respective changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Cont'd)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Cont'd)

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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025, on our consideration of the 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 solely 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 the effectiveness of the Fund's 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 Fund's internal control over financial reporting and compliance.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 9, 2025

**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**

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Municipal Excess Liability Residual Claims Fund
9 Campus Drive
Suite 216
Parsippany, NJ 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Municipal Excess Liability Residual Claims Fund (the "Fund"), as of December 31, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Fund'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 over financial reporting 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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from 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 financial statements. 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* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 9, 2025

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Municipal Excess Liability Residual Claims Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2024 and 2023. 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 property and casualty insurance coverage for county insurance commissions that are members of the Fund. 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:

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

Statement of Revenues, Expenses, and Change 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.

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

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the years ended December 31, 2024 and 2023.

Summary Statements of Net Position		2024 to 2023 Change		
	12/31/2024	12/31/2023	Amount	Percentage
Assets				
Cash	\$ 8,396,555	\$ 7,249,083	\$ 1,147,472	15.8%
Investments	77,180,622	74,567,957	2,612,665	3.5%
Contributions and Other Receivables	50,577,107	52,139,451	(1,562,344)	-3.0%
Prepaid Expenses	17,578	-	17,578	100.0%
Total Assets	136,171,862	133,956,491	2,215,371	1.7%
Liabilities, Reserves, & Net Position (Deficit)				
Liabilities and Reserves				
Loss Reserves	140,065,979	137,998,515	2,067,464	1.5%
Other Liabilities & Reserves	745,583	725,990	19,593	2.7%
Total Liabilities and Reserves	140,811,562	138,724,505	2,087,057	1.5%
Net Position - Unrestricted (Deficit)	\$ (4,639,700)	\$ (4,768,014)	\$ 128,314	2.7%

Net position increased by \$128,314 from 2023 to 2024 or 2.7%. The Fund recognized a 1.7% increase in its assets and a 1.5% increase in liabilities and reserves from 2023 to 2024.

Summary Statements of Revenues, Expenses, and Change in Net Position		2024 to 2023 Change		
	12/31/2024	12/31/2023	Amount	Percentage
Operating Revenue				
Regular and Supplemental Contributions	\$ 39,352,882	\$ 33,562,992	\$ 5,789,890	17.3%
Operating Expenses:				
Provision for Claims and Claims				
Adjustment Expenses	41,052,967	33,845,422	7,207,545	21.3%
Administrative Expenses	702,947	661,891	41,056	6.2%
Total Operating Expenses	41,755,914	34,507,313	7,248,601	21.0%
Operating Loss	(2,403,032)	(944,321)	(1,458,711)	-154.5%
Non-Operating Revenue :				
Investment Income	3,251,346	4,085,011	(833,665)	-20.4%
Return of Surplus	(720,000)	(700,000)	(20,000)	2.9%
Change in Net Position	\$ 128,314	\$ 2,440,690	\$(2,312,376)	-94.7%

Financial Highlights Continued

The Municipal Excess Liability Residual Claims Fund ("the Fund") 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 Fund was formed 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.

As of December 31, 2024, the Fund's total assets were \$136,171,862 and total liabilities and reserves were \$140,811,562 resulting in an unrestricted deficit net position of \$4,639,700.

The provision for claims and claims adjustment expenses of \$41,052,967 is composed of \$24,701,682 of current fund year expense and an adjustment to prior year's expenses of \$16,351,285.

In 2024, investment income was \$3,251,346, which was mainly due to the increase in short-term interest rates as dictated by the Federal Reserve Board.

Economic Conditions

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

Contacting the Fund's Management

This financial report is designed to provide the Municipal Excess Liability Residual Claims Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Municipal Excess Liability Residual Claims Fund's office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2024

ASSETS

Cash	\$ 8,396,555
Investments	77,180,622
Contributions Receivable	44,528,071
Other Accounts Receivable	6,049,036
Prepaid Expenses	17,578
	<hr/>
Total Assets	136,171,862

LIABILITIES AND RESERVES

Liabilities:

Accrued Administrative Expenses	25,583
Authorized Return of Surplus	720,000
	<hr/>

Total Liabilities	745,583
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Claims Reserves:

Case Reserves	124,965,605
IBNR Reserves	41,458,000
Less: Reserve Discount	(20,299,000)
Less: Excess Insurance Recoverable	(6,058,626)
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Total Reserves	140,065,979
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Total Liabilities and Reserves	140,811,562
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NET POSITION

Unrestricted (Deficit)	\$ (4,639,700)
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The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Revenue:	
Regular Contributions	\$ 27,963,276
Supplemental Contributions	<u>11,389,606</u>
Total Operating Revenue	<u>39,352,882</u>
Operating Expenses:	
Provision for Claims and Claims Adjustment Expenses	41,052,967
Administrative Expenses:	
Actuary	45,672
Attorney	43,920
Auditor	25,583
Claims Administrator	66,681
Deputy Fund Administrator	74,869
Fund Administrator	221,478
Miscellaneous Expenses	2,799
Meeting Expense	13,944
Postage	58
Treasurer	43,308
Account Investment Fees	<u>164,635</u>
Total Operating Expenses	<u>41,755,914</u>
Operating Loss	<u>(2,403,032)</u>
Non-Operating Revenue:	
Investment Income	<u>3,251,346</u>
Change in Net Position	848,314
Net Position - Beginning	(4,768,014)
Return of Surplus	<u>(720,000)</u>
Net Position - Ending	<u><u>\$ (4,639,700)</u></u>

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

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash Flows from Operating Activities:	
Receipts from Regular Contributions and Supplemental Contributions	\$ 41,759,530
Payments for Claims	(38,985,503)
Payments to Professionals and Suppliers	(1,565,236)
	<u>1,208,791</u>
Net Cash Flows Provided by Operating Activities	
Cash Flows from Investing Activities:	
Purchase of Investments	(1,826,337)
Redemption of Investments	278,913
Investment Income	2,186,105
	<u>638,681</u>
Net Cash Provided by Investing Activities	
Cash Flows Used in Noncapital Financing Activities:	
Return of Surplus	(700,000)
	<u>1,147,472</u>
Net Increase in Cash	
Cash - Beginning	<u>7,249,083</u>
Cash - Ending	<u><u>\$ 8,396,555</u></u>
Reconciliation of Operating Loss to	
Cash Flows from Operating Activities:	
Operating Loss	\$ (2,403,032)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Contributions Receivable	2,406,648
Other Accounts Receivable	(844,304)
Prepaid Expenses	(17,578)
Accrued Administrative Expenses	(359)
Other Liabilities	(48)
Claims Reserves	2,067,464
	<u>1,208,791</u>
Net Cash Flows Provided By Operating Activities	
Supplemental Disclosure - Non-cash Activity:	
Change in Unrealized Gain on Investments included in	
Investment Income	<u><u>\$ 1,063,219</u></u>

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

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

“Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

The Municipal Excess Liability Residual Claims Fund (“the Fund” or “the 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 to assume the liabilities for the loss and allocated loss adjustment expenses of several New Jersey Municipal Joint Insurance Funds (“JIF’s”) 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.

As of 2024, 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 Metro
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 eighteen 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 JIF’s fund years 1995 through 2006, as of December 31, 2024. The Fund’s 2007 through 2024 fund years are the 2003 through 2020 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.

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, 2024, all of which are Joint Insurance Funds listed above.

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 Incurred But Not Reported Reserves “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.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

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.

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, 2024, the Central Jersey Joint Insurance Fund owe the Fund a total of \$14,844 due to claims paid 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, 2024, the Township of Brick was owed by the Fund a total of \$9,460 due to claims paid by the Fund.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies followed by the Fund in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board ("GASB") Statements No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

The basic, but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Fund has no component units and is not includable in any other reporting entity.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Cash and Investments

Cash and investments are stated at fair value.

New Jersey government units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey governmental units.

These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the governmental unit of which the local unit is a part or within which the governmental unit is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Fund has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

Interest Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on market value of investments are allocated every month based upon each line of coverage's share of opening cash balance.

Annual Contributions

Annual contributions are based on loss estimates as determined by the Fund's actuary. Total contributions are recognized as earned revenue evenly over the annual contract period or period of risk, if different.

Supplemental Contributions

The Board of Fund Commissioners shall by majority vote levy upon the participating members additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. 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 amount, particularly for a coverage 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. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. Reported Claims Case Reserves

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agents contracted by the Fund.

B. Claims Incurred But Not Reported ("IBNR") Reserve

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary.

Case and IBNR Reserves represent the estimated liability for the expected future development of claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2024.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities (Cont'd)

These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

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.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Refunds

As per Article VIII of the Fund's Bylaws, any monies for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Fund. A refund for any year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund shall not be contingent on the member's continued membership in the Fund. The Fund may apply a refund to any arrearage owed by the member to the Fund. Otherwise, at the option of the member, the refund may be retained by the Fund and applied towards the member's next annual contribution.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Board of Fund Commissioners. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

Transfers

An Intertrust Fund Transfer is a transfer of funds from one claim or loss retention fund account in a year to another account within the same year. An Interyear Fund Transfer is a transfer from a claim or loss retention trust account for a year, to a claim or loss retention trust account of similar risk of liability for a different year. All transfers must be approved by the Commissioners of the Departments of Community Affairs and Insurance. During 2024, there were no Intertrust Fund Transfers.

Net Position

In accordance with the provisions of the GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," the Fund has classified its net position as unrestricted as described in Note 6. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses include expenses associated with the fund operations, including claims expenses, insurance and administrative expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$8,100,920 as of December 31, 2024, \$250,000 was insured while \$7,850,920 was collateralized under GUDPA.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in United States Treasury Notes and the Joint Cash Management and Investment Program of \$77,180,622 as of December 31, 2024, were held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit risk, the Fund's investment policy provides that no investment or deposit shall have a maturity longer than five (5) years from date of purchase.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Fund may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Fund has no investment policy that would further limit its investment choices.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Concentration of Credit Risk

The Fund does not place a limit on the amount that may be invested in any one issuer. All of the Fund's investments are in debt obligations.

As of December 31, 2024, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy Level*</u>	<u>Market Value</u>
JOINT CASH MANAGEMENT INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	<u>\$ 77,180,622</u>

Fair Value Measurements of Investments

* The Fund categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Joint Cash Management and Investment Program

The Joint Cash Management and Investment program (the "JCMI") was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. In addition, the JCMI allowed Joint Insurance Funds to limit their liquidity requirements to permit a greater amount of assets to be invested for a better return on investments. The law provides conservative restrictions as to these investments. Specifically, the investment must be purchased at fair market value, guaranteed as interest and principal, and must have a credit rating of A3 or higher by Moody's Investor Service, or an A- or higher by Standard and Poors Corporation. The maturity cannot be greater than 20 years. In addition, only 50% of the investment portfolio may be comprised of such long-term investments, without prior approval of the New Jersey Department of Community Affairs.

The JCMI Operating Committee is constituted as follows: Treasurer of the Fund, of the New Jersey Municipal Environmental Risk Management Fund, of the Municipal Excess Liability Residual Claims Fund, and one treasurer representing all local participating Joint Insurance Funds plus the Chair of the Fund Investment Committee or its designee from the Investment Committee. The Investment Committee's decisions are made at the recommendation of an experienced and licensed Financial Advisor, Asset Manager, presented to the JCMI Operations Committee for approval; all within the guidelines set forth by the law. The results of the operation will be reported on a "unitized" type basis whereby each participating Fund and their investment will be tracked, charted and reported on a monthly basis. That, too, will be maintained, compensated for, monitored and information provided by the JCMI.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Joint Cash Management and Investment Program (Cont'd)

In addition to the monthly reporting, the JCMI will also report as follows:

Quarterly - The Asset Manager will provide the JCMI Operations Committee, the Fund and each participating Joint Insurance Fund with detailed information about the program including asset allocation, investment performance, future investment strategies, and other matters of interest to the JCMI Operations Committee. The Financial Advisor shall provide the JCMI Operations Committee with detailed information about the Municipal Bond Anticipation Notes purchased, the rate purchased and the savings to the issuer based on the cover bid made.

Annually - The Custodian will provide an annual summary of all transactions in each fiscal year, together with a report of investment performance for the year by portfolio, to the JCMI Operations Committee and each participating Joint Insurance Fund. Investment objectives will be reviewed to determine if they are being met.

Note 5: CLAIMS LIABILITIES

Changes in Claims Liabilities

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses. Net claims expense for the year is comprised of the incurred expense estimated for the current fund year as established by the reservists and actuary plus or minus the adjustment to prior fund year liabilities re-estimated as of the end of the current year.

The following represents changes in those aggregate undiscounted reported and unreported liabilities of the Fund during December 31, 2024 for all open Fund years net of excess insurance recoveries:

Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 137,998,515</u>
Incurred claims and claims adjustment expenses:	
Provision for insured events of current fund year	28,516,682
Changes in provision for insured events of prior fund years	<u>12,536,285</u>
Total incurred claims and claims adjustment expenses all fund years	<u>41,052,967</u>
Payments (Net of Recoveries):	
Attributable to insured events of current fund year	(319,567)
Attributable to insured events of prior fund years	<u>39,305,070</u>
Total Payments all fund years	<u>38,985,503</u>
Total unpaid claim and claim adjustment expenses all Fund years - Ending	<u><u>\$ 140,065,979</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CLAIMS LIABILITIES (CONT'D)

Claims Liabilities Summary

Claims Liabilities, at December 31, 2024 which have been estimated by the Fund's Actuary and Servicing Agencies, are as follows:

	Total	Property Fund	Liability Fund	Workers' Compensation Fund
<u>Residual Legacy Account (Fund Years 1995 to 2006)</u>				
Case Reserves	\$ 2,526,540	\$ 1	\$ 365,810	\$ 2,160,729
IBNR Reserves	199,000	-	-	199,000
Subtotal	2,725,540	1	365,810	2,359,729
<u>2007 Fund Year</u>				
Case Reserves	1,169,715	-	-	1,169,715
IBNR Reserves	17,000	-	-	17,000
Subtotal	1,186,715	-	-	1,186,715
<u>2008 Fund Year</u>				
Case Reserves	1,312,609	-	-	1,312,609
IBNR Reserves	37,000	-	-	37,000
Subtotal	1,349,609	-	-	1,349,609
<u>2009 Fund Year</u>				
Case Reserves	1,180,486	-	-	1,180,486
IBNR Reserves	50,000	-	-	50,000
Subtotal	1,230,486	-	-	1,230,486
<u>2010 Fund Year</u>				
Case Reserves	1,041,287	-	1,435	1,039,852
IBNR Reserves	70,000	-	-	70,000
Subtotal	1,111,287	-	1,435	1,109,852
<u>2011 Fund Year</u>				
Case Reserves	3,293,197	-	-	3,293,197
IBNR Reserves	55,000	-	-	55,000
Subtotal	3,348,197	-	-	3,348,197
<u>2012 Fund Year</u>				
Case Reserves	5,636,339	-	11,551	5,624,788
IBNR Reserves	240,000	-	-	240,000
Subtotal	5,876,339	-	11,551	5,864,788
<u>2013 Fund Year</u>				
Case Reserves	2,039,888	-	-	2,039,888
IBNR Reserves	489,000	-	-	489,000
Subtotal	2,528,888	-	-	2,528,888

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CLAIMS LIABILITIES (CONT'D)

Claims Liabilities Summary (Cont'd)

	Total	Property Fund	Liability Fund	Workers' Compensation Fund
<u>2014 Fund Year</u>				
Case Reserves	\$ 4,777,836	\$ 1	\$ 741,372	\$ 4,036,463
IBNR Reserves	447,000	-	-	447,000
Subtotal	5,224,836	1	741,372	4,483,463
<u>2015 Fund Year</u>				
Case Reserves	4,230,377	10	100	4,230,267
IBNR Reserves	1,752,000	-	-	1,752,000
Subtotal	5,982,377	10	100	5,982,267
<u>2016 Fund Year</u>				
Case Reserves	4,148,538	-	-	4,148,538
IBNR Reserves	2,101,000	-	-	2,101,000
Subtotal	6,249,538	-	-	6,249,538
<u>2017 Fund Year</u>				
Case Reserves	4,283,602	10,365	237,297	4,035,940
IBNR Reserves	2,863,000	-	33,000	2,830,000
Subtotal	7,146,602	10,365	270,297	6,865,940
<u>2018 Fund Year</u>				
Case Reserves	5,229,765	10,000	237,027	4,982,738
IBNR Reserves	2,561,000	-	474,000	2,087,000
Subtotal	7,790,765	10,000	711,027	7,069,738
<u>2019 Fund Year</u>				
Case Reserves	4,321,937	-	105,554	4,216,383
IBNR Reserves	3,519,000	-	706,000	2,813,000
Subtotal	7,840,937	-	811,554	7,029,383
<u>2020 Fund Year</u>				
Case Reserves	2,973,432	5,161	254,582	2,713,689
IBNR Reserves	4,585,000	-	331,000	4,254,000
Subtotal	7,558,432	5,161	585,582	6,967,689

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CLAIMS LIABILITIES (CONT'D)

Claims Liabilities Summary (Cont'd)

	Total	Property Fund	Liability Fund	Workers' Compensation Fund
<u>2021 Fund Year</u>				
Case Reserves	\$ 6,858,571	\$ 4	\$ 662,121	\$ 6,196,446
IBNR Reserves	5,500,000	-	477,000	5,023,000
Subtotal	12,358,571	4	1,139,121	11,219,446
<u>2022 Fund Year</u>				
Case Reserves	12,692,623	2,311	3,709,149	8,981,163
IBNR Reserves	3,626,000	-	756,000	2,870,000
Subtotal	16,318,623	2,311	4,465,149	11,851,163
<u>2023 Fund Year</u>				
Case Reserves	13,389,988	10,400	3,214,191	10,165,397
IBNR Reserves	5,827,000	-	1,675,000	4,152,000
Subtotal	19,216,988	10,400	4,889,191	14,317,397
<u>2024 Fund Year</u>				
Case Reserves	17,501,249	377,195	5,640,562	11,483,492
IBNR Reserves	7,520,000	-	3,106,000	4,414,000
Subtotal	25,021,249	377,195	8,746,562	15,897,492
Total	<u>\$ 140,065,979</u>	<u>\$ 415,448</u>	<u>\$ 22,738,751</u>	<u>\$ 116,911,780</u>
<u>Total All Fund Years</u>				
Case Reserves	\$ 98,607,979	\$ 415,448	\$ 15,180,751	\$ 83,011,780
IBNR Reserves	41,458,000	-	7,558,000	33,900,000
Total	<u>\$ 140,065,979</u>	<u>\$ 415,448</u>	<u>\$ 22,738,751</u>	<u>\$ 116,911,780</u>

In accordance with the method allowed by GASB Statement No. 10, the Fund elected to discount its loss reserves. The 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, 2024, \$156,295,562 claims and claim adjustment expenses are presented at their net present value of \$140,065,979. These claims are discounted at an annual rate of 3.00%.

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

Note 6: 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:

	Property Fund	Faithful Performance Bond Fund	Liability Fund	Workers' Compensation Fund	General and Administrative Fund
Residual Legacy Account (Fund Years 1995 to 2006)	\$ -	\$ -	\$ 454,000	\$ -	\$ -
2007 Fund Year	40,950	-	1,821,384	-	-
2008 Fund Year	253,220	-	394,264	-	-
2009 Fund Year	-	-	697,833	-	-
2010 Fund Year	46,923	-	380,119	-	-
2011 Fund Year	122,152	-	399,609	48,989	-
2012 Fund Year	72,454	102,967	-	2,670,603	-
2013 Fund Year	-	-	141,672	696,456	8,856
2014 Fund Year	60,845	-	1,706,055	-	-
2015 Fund Year	329,165	-	324,611	-	-
2016 Fund Year	16,250	-	2,014,524	-	-
2017 Fund Year	110,492	-	232,977	5,807,048	-
2018 Fund Year	-	-	1,524,459	4,316,117	-
2019 Fund Year	-	-	2,550,270	5,058,839	-
2020 Fund Year	-	-	-	3,857,831	-
2021 Fund Year	-	-	1,015,010	7,847,731	-
2022 Fund Year	-	-	4,459,625	3,604,991	-
2023 Fund Year	7,921	-	1,361,618	1,750,066	25,604
2024 Fund Year	1,301,882	-	-	415,887	-

In addition, at December 31, 2024, the Fund had an overall deficit in the following Fund Years on a statutory basis:

2007 Fund Year	\$ (62,635)
2008 Fund Year	(108,999)
2011 Fund Year	(388,999)
2012 Fund Year	(739,002)
2013 Fund Year	(343,001)
2014 Fund Year	(656,000)
2016 Fund Year	(1,040,998)
2017 Fund Year	(5,929,739)
2018 Fund Year	(4,728,427)
2019 Fund Year	(6,769,050)
2020 Fund Year	(1,375,687)
2021 Fund Year	(8,543,487)
2022 Fund Year	(7,934,638)
2023 Fund Year	(3,094,833)
2024 Fund Year	(217,207)

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

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: NET POSITION (CONT'D)

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.

The RCF Board of Fund Commissioners amended this resolution, at its June 2, 2022 meeting, amending the plan of risk management to modify the October 16, 2019 amendment. Under the revision the Board of Commissioners eliminated the surplus floor which was a percentage of the outstanding claim reserves plus IBNR. The Board instead will require an additional assessment for surplus strengthening if the surplus is negative.

During 2024, an additional assessment for surplus strengthening of \$11,389,606 was assessed by the Fund.

Note 7: RELATED PARTY TRANSACTIONS

Each member has an ownership interest in the Fund and pays excess insurance premiums to the Fund. Total excess insurance premiums paid to the Fund for the year ended December 31, 2024 totaling \$39,352,882, made up of regular contributions of \$27,963,276 and supplemental contributions of \$11,389,606 per note 6. Reinsurance refunds due to members for the year ended December 31, 2024 were \$40,299.

Note 8: RETURN OF SURPLUS

During 2024, the Fund declared a distribution of fund equity of \$720,000 from the Fund Year 2023 contingency account. The distribution was approved by the State Department of Banking and Insurance. As of December 31, 2024, the distribution was not disbursed to the members and could be utilized to offset 2025 assessments.

Note 9: CONTINGENCIES

Claims Activity

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.

In 2019 the New Jersey Legislature enacted two significant laws that may potentially impact the RCF. The first is the Thomas P. Canzanella Twenty First Century First Responders Protection Act (firefighter cancer presumption law) pursuant to N.J.S.A. 34:15-31.2 et seq. This provides the members, employees and first responders with expanded claims against our members. As a result of this new legislation, we cannot assess its potential economic impact.

The second was expanding the sexual molestation claims rights of minors as to the time period within which to file claims from two years to potentially a time span of 55 years. Presently there are three new potential claims filed as a result of this legislation, which became effective December 1, 2019. As a result of this new legislation, we cannot assess its potential economic impact.

The Fund's management continually evaluates the impact of these changes in legislation.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS

Note 9: CONTINGENCIES (CONT'D)

Fund Year Deficits

As disclosed in note 6, fund years for the property fund, faithful performance bond fund, liability fund, workers' compensation fund, faithful performance bond fund, and general and administrative fund experienced deficits for the year ending December 31, 2024. 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 Fund's management monitors the budget and loss reserves on a quarterly basis to determine the need, if any, for additional assessments. If additional assessments are eventually adjudged to be necessary, the Board of Fund Commissioners will take the necessary action.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$ 63,289	\$ -	\$ 27,449,348	\$ 110,485,878	\$ 137,998,515
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	359,827	-	8,746,562	19,410,293	28,516,682
Changes in provision for insured events of prior fund years	145,926	(7,140)	6,459,112	5,938,387	12,536,285
	<hr/>				
Total incurred claims and claims adjustment expenses all Fund years	505,753	(7,140)	15,205,674	25,348,680	41,052,967
	<hr/>				
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	(17,368)			(302,199)	(319,567)
Attributable to insured events of prior fund years	170,962	(7,140)	19,916,271	19,224,977	39,305,070
	<hr/>				
Total payments all fund years	153,594	(7,140)	19,916,271	18,922,778	38,985,503
	<hr/>				
Total unpaid claims and claim adjustment expenses - Ending	\$ 415,448	\$ -	\$ 22,738,751	\$ 116,911,780	\$ 140,065,979
	<hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2024

	Fund Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 28,133,310	\$ 28,033,697	\$ 27,153,921	\$ 22,136,880	\$ 21,534,006	\$ 21,016,104	\$ 23,783,705	\$ 32,165,177	\$ 33,070,077	\$ 28,952,660
Ceded										
	28,133,310	28,033,697	27,153,921	22,136,880	21,534,006	21,016,104	23,783,705	32,165,177	33,070,077	28,952,660
Unallocated Expenses	492,614	517,127	506,537	516,448	510,308	576,665	606,927	612,484	710,825	653,185
Estimated Claims and Expenses, End of Policy Year:										
Incurred	24,183,966	21,248,912	24,986,409	19,228,739	20,266,474	21,330,675	22,630,212	27,914,627	31,347,012	33,905,586
Ceded										5,388,904
Net Incurred	24,183,966	21,248,912	24,986,409	19,228,739	20,266,474	21,330,675	22,630,212	27,914,627	31,347,012	28,516,682
Paid (Cumulative) as of:										
End of Policy Year	4,453,627	3,892,548	3,657,318	14,432,739	-	(207,159)	-	(2,188,977)	23,509,012	(319,567)
One Year Later	9,340,190	10,408,463	10,197,203	7,801,290	4,459,798	4,538,529	7,316,950	8,414,404	12,876,097	
Two Years Later	12,060,668	13,845,771	16,114,521	10,540,161	8,777,289	8,309,520	13,308,766	22,645,993		
Three Years Later	13,652,951	15,433,738	17,878,131	13,115,742	11,589,630	11,963,470	16,623,694			
Four Years Later	14,963,294	16,056,990	19,223,914	14,884,572	17,477,373	12,973,694				
Five Years Later	15,813,707	17,322,821	21,272,139	16,335,626	20,008,557					
Six Years Later	16,655,487	19,390,061	22,888,794	17,329,094						
Seven Years Later	17,375,609	20,069,272	25,569,230							
Eight Years Later	18,422,911	20,657,030								
Nine Years Later	18,903,394									
Reestimated Ceded Claims and Expenses	-	-	1,977,709	-	1,284,746	-	-	2,565,285	569,722	5,388,904
Reestimated Incurred Claims and Expenses:										
End of Policy Year	24,183,966	21,248,912	24,986,409	19,228,739	20,266,474	21,330,675	22,630,212	27,914,627	31,347,012	28,516,682
One Year Later	23,556,645	22,287,035	27,335,692	21,431,957	20,619,644	24,256,268	28,603,729	34,796,953	34,734,085	
Two Years Later	23,022,712	22,341,025	26,862,295	22,614,256	23,074,899	24,396,217	29,079,257	38,787,331		
Three Years Later	22,885,234	23,399,668	27,108,701	23,309,606	25,442,172	22,112,000	31,035,265			
Four Years Later	23,496,830	24,545,251	29,378,371	24,590,185	27,904,259	21,815,126				
Five Years Later	23,960,113	25,888,507	30,874,276	25,895,930	27,792,748					
Six Years Later	24,699,695	27,891,722	32,081,850	26,348,859						
Seven Years Later	25,740,116	28,035,958	31,957,123							
Eight Years Later	26,255,684	27,947,568								
Nine Years Later	25,818,771									
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 1,634,805	\$ 6,698,656	\$ 6,970,714	\$ 7,120,120	\$ 7,526,274	\$ 484,451	\$ 8,405,053	\$ 10,872,704	\$ 3,387,073	\$ -

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
SUPPLEMENTARY INFORMATION

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2024

ASSETS

Cash	\$ 8,396,555	
Investments	<u>77,180,622</u>	
Total Cash and Investments		\$ 85,577,177
Receivables:		
Contributions Receivable	44,528,071	
Other Accounts Receivable	<u>6,049,036</u>	
Total Receivables		50,577,107
Prepaid Expenses		<u>17,578</u>
Total Assets		\$ 136,171,862

LIABILITIES

Claims:		
Case Reserves	124,965,605	
IBNR Reserve	41,458,000	
Less: Excess Insurance Recoverable	<u>(6,058,626)</u>	
Total Claims		160,364,979
Accrued Expenses:		
Administrative Expenses	<u>25,583</u>	
Total Accrued Expenses		25,583
Other Liabilities:		
Authorized Return of Surplus	<u>720,000</u>	
Total Other Liabilities		<u>720,000</u>
Total Liabilities		<u>161,110,562</u>
Net Statutory Deficit		<u>\$ (24,938,700)</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD DECEMBER 1, 1995 (DATE OF INCEPTION) TO DECEMBER 31, 2024

Operating Revenue:		
Regular Contributions	\$ 613,681,814	
Supplemental Contributions	<u>38,167,870</u>	
Total Underwriting Income		\$ 651,849,684
Incurring Liabilities:		
Claims:		
Paid (Net of Recoveries)	520,252,684	
Case Reserves	124,965,605	
IBNR Reserves	<u>41,458,000</u>	
Subtotal		\$ 686,676,289
Less: Excess Insurance		
Received	13,720,314	
Recoverable	<u>6,058,626</u>	
Subtotal		<u>19,778,940</u>
Total Limited Incurred Claims		666,897,349
Expenses:		
Excess Insurance	500,000	
Administrative	<u>12,046,040</u>	
Total Expenses		<u>12,546,040</u>
Total Incurred Liabilities		<u>679,443,389</u>
Underwriting Deficit		(27,593,705)
Investment Income		<u>30,164,081</u>
Gross Statutory Surplus		2,570,376
Return of Surplus:		
Paid	26,789,076	
Authorized and Unpaid	<u>720,000</u>	
Total Return of Surplus		<u>27,509,076</u>
Net Statutory Deficit		<u>\$ (24,938,700)</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO SUPPLEMENTARY INFORMATION – STATUTORY BASIS

Note 1: **RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS**

The information in the Municipal Excess Liability Residual Claims Fund (“the Fund”)’s basic financial statements, Exhibits A-1 through A-3, differ from the accompanying supplementary schedules required by the Division of Banking and Insurance. The Supplementary schedules do not reflect the Reserve Discount as of and for the year ended December 31, 2024, as follows:

Total Liabilities and Reserves - Statement of Net Position	\$ 140,811,562
Plus Reserve Discount	<u>20,299,000</u>
Total Liabilities--Statutory Basis	<u><u>\$ 161,110,562</u></u>
Net Position - Statement of Net Position - Unrestricted (Deficit)	\$ (4,639,700)
Less: Reserve Discount	<u>20,299,000</u>
Net Statutory Deficit	<u><u>\$ (24,938,700)</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR OPERATING RESULTS ANALYSIS--STATUTORY BASIS
INCLUDING FUND YEARS 2016 THROUGH 2024
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2024

	FUND YEAR								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Underwriting Income:									
Regular Contributions	\$ 28,963,281	\$ 32,362,992	\$ 31,049,409	\$ 23,287,518	\$ 21,252,580	\$ 21,721,527	\$ 21,848,627	\$ 26,246,781	\$ 24,529,043
Supplemental Contributions								395,756	3,021,009
Total Underwriting Income	28,963,281	32,362,992	31,049,409	23,287,518	21,252,580	21,721,527	21,848,627	26,642,537	27,550,052
Incurred Liabilities:									
Claims:									
Paid (Net of Subrogation)	(319,567)	12,876,097	22,645,993	16,623,694	12,973,694	20,008,557	17,329,094	25,569,230	20,657,030
Case Reserves	26,705,153	16,600,710	15,080,623	8,911,571	4,256,432	5,549,937	6,458,765	5,502,602	5,189,538
IBNR Reserves	7,520,000	5,827,000	3,626,000	5,500,000	4,585,000	3,519,000	2,561,000	2,863,000	2,101,000
Subtotal	33,905,586	35,303,807	41,352,616	31,035,265	21,815,126	29,077,494	26,348,859	33,934,832	27,947,568
Less: Excess Insurance									
Received			2,465,285			1,284,746		1,977,709	
Recoverable	5,388,904	569,722	100,000						
Subtotal	5,388,904	569,722	2,565,285	-	-	1,284,746	-	1,977,709	-
Total Limited Incurred Claims	28,516,682	34,734,085	38,787,331	31,035,265	21,815,126	27,792,748	26,348,859	31,957,123	27,947,568
Expenses:									
Excess Insurance Premiums									
Administrative	653,184	710,825	612,484	606,927	576,665	510,308	516,448	506,537	517,127
Total Expenses	653,184	710,825	612,484	606,927	576,665	510,308	516,448	506,537	517,127
Total Incurred Liabilities	29,169,866	35,444,910	39,399,815	31,642,192	22,391,791	28,303,056	26,865,307	32,463,660	28,464,695
Underwriting Surplus (Deficit)	(206,585)	(3,081,918)	(8,350,406)	(8,354,674)	(1,139,211)	(6,581,529)	(5,016,680)	(5,821,123)	(914,643)
Adjustments:									
Investment Income (Loss)	(10,621)	707,085	1,115,768	496,187	(236,476)	(187,521)	288,253	511,384	483,645
Transfers									
Total Adjustments	(10,621)	707,085	1,115,768	496,187	(236,476)	(187,521)	288,253	511,384	483,645
Gross Statutory Surplus (Deficit)	(217,206)	(2,374,833)	(7,234,638)	(7,858,487)	(1,375,687)	(6,769,050)	(4,728,427)	(5,309,739)	(430,998)
Return of Surplus									
Paid			700,000	685,000				620,000	610,000
Authorized and Unpaid		720,000							
Total Return Of Surplus	-	720,000	700,000	685,000	-	-	-	620,000	610,000
Net Statutory Surplus (Deficit)	\$ (217,206)	\$ (3,094,833)	\$ (7,934,638)	\$ (8,543,487)	\$ (1,375,687)	\$ (6,769,050)	\$ (4,728,427)	\$ (5,929,739)	\$ (1,040,998)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR OPERATING RESULTS ANALYSIS--STATUTORY BASIS
INCLUDING FUND YEARS 2007 THROUGH 2015
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2024

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Underwriting Income:									
Regular Contributions	\$ 27,222,424	\$ 26,866,461	\$ 24,974,946	\$ 29,802,023	\$ 23,778,245	\$ 21,564,037	\$ 23,081,541	\$ 19,702,521	\$ 18,226,495
Supplemental Contributions		6,084,209	3,111,926	4,085,767	4,261,638			1,307,901	4,378,126
Total Underwriting Income	27,222,424	32,950,670	28,086,872	33,887,790	28,039,883	21,564,037	23,081,541	21,010,422	22,604,621
Incurred Liabilities:									
Claims:									
Paid (Net of Subrogation)	18,903,394	27,511,935	25,286,034	29,195,886	24,352,829	18,980,161	23,403,399	23,197,989	21,684,839
Case Reserves	5,163,377	5,433,836	2,382,888	6,375,339	3,682,197	1,157,287	1,298,486	1,421,609	1,242,715
IBNR Reserves	1,752,000	447,000	489,000	240,000	55,000	70,000	50,000	37,000	17,000
Subtotal	25,818,771	33,392,771	28,157,922	35,811,225	28,090,026	20,207,448	24,751,885	24,656,598	22,944,554
Less Excess Insurance:									
Received				1,436,818			3,086,125	3,429,318	40,313
Recoverable									
Subtotal	-	-	-	1,436,818	-	-	3,086,125	3,429,318	40,313
Total Limited Incurred Claims	25,818,771	33,392,771	28,157,922	34,374,407	28,090,026	20,207,448	21,665,760	21,227,280	22,904,241
Expenses:									
Excess Insurance Premiums									
Administrative	492,614	450,650	432,326	366,276	354,500	350,133	344,890	334,914	326,427
Total Expenses	492,614	450,650	432,326	366,276	354,500	350,133	344,890	334,914	326,427
Total Incurred Liabilities	26,311,385	33,843,421	28,590,248	34,740,683	28,444,526	20,557,581	22,010,650	21,562,194	23,230,668
Underwriting Surplus (Deficit)	911,039	(892,751)	(503,376)	(852,893)	(404,643)	1,006,456	1,070,891	(551,772)	(626,047)
Adjustments:									
Investment Income	910,886	686,751	560,375	513,891	415,644	584,522	856,440	817,773	913,412
Gross Statutory Surplus (Deficit)	1,821,925	(206,000)	56,999	(339,002)	11,001	1,590,978	1,927,331	266,001	287,365
Return of Surplus									
Paid	600,000	450,000	400,000	400,000	400,000	400,000	380,000	375,000	350,000
Authorized and Unpaid									
Total Return Of Surplus	600,000	450,000	400,000	400,000	400,000	400,000	380,000	375,000	350,000
Net Statutory Surplus (Deficit)	\$ 1,221,925	\$ (656,000)	\$ (343,001)	\$ (739,002)	\$ (388,999)	\$ 1,190,978	\$ 1,547,331	\$ (108,999)	\$ (62,635)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR OPERATING RESULTS ANALYSIS--STATUTORY BASIS
CLOSED FUND YEAR ACCOUNT (FUND YEARS 1995 - 2006)
FOR THE PERIOD DECEMBER 1, 1995 (DATE OF INCEPTION) TO DECEMBER 31, 2024

Underwriting Income:		
Regular Contributions	\$ 167,202,282	
Supplemental Contributions	<u>-</u>	
Total Underwriting Income		\$ 167,202,282
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	162,526,864	
Case Reserves	-	
IBNR Reserves	<u>-</u>	
Subtotal		\$ 162,526,864
Less Excess Insurance:		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		162,526,864
Expenses:		
Excess Insurance Premiums	500,000	
Administrative	<u>3,382,804</u>	
Total Expenses		<u>3,882,804</u>
Total Incurred Liabilities		<u>166,409,668</u>
Underwriting Surplus		792,614
Investment Income		<u>20,120,069</u>
Gross Statutory Surplus		20,912,683
Return of Surplus:		
Paid	20,419,076	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>20,419,076</u>
Net Statutory Surplus		<u>\$ 493,607</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR OPERATING RESULTS ANALYSIS--STATUTORY BASIS
SURPLUS TRIGGER ACCOUNT
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2024

Underwriting Income:			
Regular Contributions	\$	-	
Supplemental Contributions		<u>11,521,538</u>	
Total Underwriting Income			\$ 11,521,538
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		-	
Case Reserves		-	
IBNR Reserves		<u>-</u>	
Subtotal			\$ -
Less Excess Insurance:			
Received		-	
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			-
Expenses:			
Excess Insurance Premiums		-	
Administrative		<u>-</u>	
Total Expenses			<u>-</u>
Total Incurred Liabilities			<u>-</u>
Underwriting Surplus			11,521,538
Investment Income			<u>166,280</u>
Gross Statutory Surplus			11,687,818
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 11,687,818</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR OPERATING RESULTS ANALYSIS--STATUTORY BASIS
RESIDUAL LEGACY ACCOUNT (FUND YEARS 1995 - 2006)
FOR THE PERIOD DECEMBER 1, 1995 (DATE OF INCEPTION) TO DECEMBER 31, 2024

Underwriting Income (Recoveries):			
Regular Contributions	\$	(919)	
Supplemental Contributions		<u>-</u>	
Total Underwriting Income (Recoveries)	\$		(919)
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		(3,154,468)	
Case Reserves		2,552,540	
IBNR Reserves		<u>199,000</u>	
Subtotal	\$		(402,928)
Less Excess Insurance:			
Received		-	
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			(402,928)
Expenses:			
Excess Insurance Premiums		-	
Administrative		<u>-</u>	
Total Expenses			<u>-</u>
Total Incurred Liabilities			<u>(402,928)</u>
Underwriting Surplus			402,009
Investment Income			<u>450,334</u>
Gross Statutory Surplus			852,343
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus	\$		<u><u>852,343</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2024 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u> <u>Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income (Recoveries):						
Regular Contributions	\$ (942,055)	\$ 9,470,930	\$ 18,994,406	\$ 740,000	\$ 700,000	\$ 28,963,281
Supplemental Contributions						-
Total Income (Recoveries)	(942,055)	9,470,930	18,994,406	740,000	700,000	28,963,281
Incurred Liabilities:						
Claims	359,827	8,746,562	19,410,293			28,516,682
Expenses					653,184	653,184
Total Liabilities	359,827	8,746,562	19,410,293		653,184	29,169,866
Underwriting Surplus (Deficit)	(1,301,882)	724,368	(415,887)	740,000	46,816	(206,585)
Adjustments:						
Investment Income (Loss)		(10,666)			45	(10,621)
Transfers						-
Total Adjustments	-	(10,666)		-	45	(10,621)
Gross Statutory Surplus (Deficit)	(1,301,882)	713,702	(415,887)	740,000	46,861	(217,206)
Return of Surplus						-
Net Statutory Surplus (Deficit)	\$ (1,301,882)	\$ 713,702	\$ (415,887)	\$ 740,000	\$ 46,861	\$ (217,206)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2023 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u> <u>Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:						
Regular Contributions	\$ 13,228	\$ 11,549,458	\$ 19,365,306	\$ 750,000	\$ 685,000	\$ 32,362,992
Supplemental Contributions						-
Total Income	13,228	11,549,458	19,365,306	750,000	685,000	32,362,992
Incurred Liabilities:						
Claims	21,113	13,131,692	21,581,280			34,734,085
Expenses					710,825	710,825
Total Liabilities	21,113	13,131,692	21,581,280	-	710,825	35,444,910
Underwriting Surplus (Deficit)	(7,885)	(1,582,234)	(2,215,974)	750,000	(25,825)	(3,081,918)
Adjustments:						
Investment Income (Loss)	(36)	220,616	465,908	20,376	221	707,085
Transfers						-
Total Adjustments	(36)	220,616	465,908	20,376	221	707,085
Gross Statutory Surplus (Deficit)	(7,921)	(1,361,618)	(1,750,066)	770,376	(25,604)	(2,374,833)
Return of Surplus				720,000		720,000
Net Statutory Surplus (Deficit)	\$ (7,921)	\$ (1,361,618)	\$ (1,750,066)	\$ 50,376	\$ (25,604)	\$ (3,094,833)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income (Recoveries):							
Regular Contributions	\$ (12,026)	\$ 9,770	\$ 11,498,740	\$ 18,181,925	\$ 700,000	\$ 671,000	\$ 31,049,409
Supplemental Contributions							-
Total Income (Recoveries)	(12,026)	9,770	11,498,740	18,181,925	700,000	671,000	31,049,409
Incurred Liabilities:							
Claims	(22,826)		16,265,525	22,544,632			38,787,331
Expenses						612,484	612,484
Total Liabilities	(22,826)	-	16,265,525	22,544,632	-	612,484	39,399,815
Underwriting Surplus (Deficit)	10,800	9,770	(4,766,785)	(4,362,707)	700,000	58,516	(8,350,406)
Adjustments:							
Investment Income	744	584	307,160	757,716	41,847	7,717	1,115,768
Transfers							-
Total Adjustments	744	584	307,160	757,716	41,847	7,717	1,115,768
Gross Statutory Surplus (Deficit)	11,544	10,354	(4,459,625)	(3,604,991)	741,847	66,233	(7,234,638)
Return of Surplus					700,000		700,000
Net Statutory Surplus (Deficit)	\$ 11,544	\$ 10,354	\$ (4,459,625)	\$ (3,604,991)	\$ 41,847	\$ 66,233	\$ (7,934,638)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
			<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:						
Regular Contributions	\$ 5,125	\$ 8,281,627	\$ 13,658,196	\$ 685,000	\$ 657,570	\$ 23,287,518
Supplemental Contributions						-
Total Income	5,125	8,281,627	13,658,196	685,000	657,570	23,287,518
Incurred Liabilities:						
Claims	(228,114)	9,277,288	21,986,091			31,035,265
Expenses					606,927	606,927
Total Liabilities	(228,114)	9,277,288	21,986,091	-	606,927	31,642,192
Underwriting Surplus (Deficit)	233,239	(995,661)	(8,327,895)	685,000	50,643	(8,354,674)
Adjustments:						
Investment Income (Loss)	13,632	(19,349)	480,164	22,583	(843)	496,187
Transfers						-
Total Adjustments	13,632	(19,349)	480,164	22,583	(843)	496,187
Gross Statutory Surplus (Deficit)	246,871	(1,015,010)	(7,847,731)	707,583	49,800	(7,858,487)
Return of Surplus				685,000		685,000
Net Statutory Surplus (Deficit)	\$ 246,871	\$ (1,015,010)	\$ (7,847,731)	\$ 22,583	\$ 49,800	\$ (8,543,487)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:							
Regular Contributions	\$ 10,301	\$ 10,648	\$ 8,069,005	\$ 11,856,626	\$ 660,000	\$ 646,000	\$ 21,252,580
Supplemental Contributions							-
Total Income	10,301	10,648	8,069,005	11,856,626	660,000	646,000	21,252,580
Incurred Liabilities:							
Claims	(49,496)		6,308,653	15,555,969			21,815,126
Expenses						576,665	576,665
Total Liabilities	(49,496)		6,308,653	15,555,969	-	576,665	22,391,791
Underwriting Surplus (Deficit)	59,797	10,648	1,760,352	(3,699,343)	660,000	69,335	(1,139,211)
Adjustments:							
Investment Income (Loss)	(1,060)	145	(87,115)	(158,488)	8,966	1,076	(236,476)
Transfers							-
Total Adjustments	(1,060)	145	(87,115)	(158,488)	8,966	1,076	(236,476)
Gross Statutory Surplus (Deficit)	58,737	10,793	1,673,237	(3,857,831)	668,966	70,411	(1,375,687)
Return of Surplus							-
Net Statutory Surplus (Deficit)	\$ 58,737	\$ 10,793	\$ 1,673,237	\$ (3,857,831)	\$ 668,966	\$ 70,411	\$ (1,375,687)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 36,465	\$ -	\$ 7,703,862	\$ 12,698,200	\$ 650,000	\$ 633,000	\$ 21,721,527
Supplemental Contributions							-
Total Income	36,465	-	7,703,862	12,698,200	650,000	633,000	21,721,527
Incurred Liabilities:							
Claims	(5,402)		10,103,071	17,695,079			27,792,748
Expenses						510,308	510,308
Total Liabilities	(5,402)	-	10,103,071	17,695,079	-	510,308	28,303,056
Underwriting Surplus (Deficit)	41,867	-	(2,399,209)	(4,996,879)	650,000	122,692	(6,581,529)
Adjustments:							
Investment Income (Loss)	2,639	3,085	(151,061)	(61,960)	9,149	10,627	(187,521)
Transfers							-
Total Adjustments	2,639	3,085	(151,061)	(61,960)	9,149	10,627	(187,521)
Gross Statutory Surplus (Deficit)	44,506	3,085	(2,550,270)	(5,058,839)	659,149	133,319	(6,769,050)
Return of Surplus							-
Net Statutory Surplus (Deficit)	\$ 44,506	\$ 3,085	\$ (2,550,270)	\$ (5,058,839)	\$ 659,149	\$ 133,319	\$ (6,769,050)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 290,635	\$ 30,418	\$ 6,854,208	\$ 13,403,366	\$ 650,000	\$ 620,000	\$ 21,848,627
Supplemental Contributions							-
Total Income	290,635	30,418	6,854,208	13,403,366	650,000	620,000	21,848,627
Incurred Liabilities:							
Claims	11,560	(325)	8,435,344	17,902,280			26,348,859
Expenses						516,448	516,448
Total Liabilities	11,560	(325)	8,435,344	17,902,280	-	516,448	26,865,307
Underwriting Surplus (Deficit)	279,075	30,743	(1,581,136)	(4,498,914)	650,000	103,552	(5,016,680)
Adjustments:							
Investment Income	12,668	1,222	56,677	182,797	25,953	8,936	288,253
Transfers							-
Total Adjustments	12,668	1,222	56,677	182,797	25,953	8,936	288,253
Gross Statutory Surplus (Deficit)	291,743	31,965	(1,524,459)	(4,316,117)	675,953	112,488	(4,728,427)
Return of Surplus							-
Net Statutory Surplus (Deficit)	\$ 291,743	\$ 31,965	\$ (1,524,459)	\$ (4,316,117)	\$ 675,953	\$ 112,488	\$ (4,728,427)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:							
Regular Contributions	\$ 55,406	\$ 43,629	\$ 10,309,122	\$ 14,603,624	\$ 625,000	\$ 610,000	\$ 26,246,781
Supplemental Contributions				395,756			395,756
Total Income	55,406	43,629	10,309,122	14,999,380	625,000	610,000	26,642,537
Incurred Liabilities:							
Claims	167,622	(51,204)	10,671,600	21,169,105			31,957,123
Expenses						506,537	506,537
Total Liabilities	167,622	(51,204)	10,671,600	21,169,105	-	506,537	32,463,660
Underwriting Surplus (Deficit)	(112,216)	94,833	(362,478)	(6,169,725)	625,000	103,463	(5,821,123)
Adjustments:							
Investment Income	1,724	5,707	129,501	362,667	2,131	9,654	511,384
Transfers							-
Total Adjustments	1,724	5,707	129,501	362,667	2,131	9,654	511,384
Gross Statutory Surplus (Deficit)	(110,492)	100,540	(232,977)	(5,807,058)	627,131	113,117	(5,309,739)
Return of Surplus					620,000		620,000
Net Statutory Surplus (Deficit)	\$ (110,492)	\$ 100,540	\$ (232,977)	\$ (5,807,058)	\$ 7,131	\$ 113,117	\$ (5,929,739)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u> <u>Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:						
Regular Contributions	\$ 2,579	\$ 11,152,490	\$ 12,148,974	\$ 625,000	\$ 600,000	\$ 24,529,043
Supplemental Contributions			3,021,009			3,021,009
Total Income	2,579	11,152,490	15,169,983	625,000	600,000	27,550,052
Incurred Liabilities:						
Claims	18,837	10,412,987	17,515,744			27,947,568
Expenses					517,127	517,127
Total Liabilities	18,837	10,412,987	17,515,744	-	517,127	28,464,695
Underwriting Surplus (Deficit)	(16,258)	739,503	(2,345,761)	625,000	82,873	(914,643)
Adjustments:						
Investment Income	8	143,628	331,237	550	8,222	483,645
Transfers						-
Total Adjustments	8	143,628	331,237	550	8,222	483,645
Gross Statutory Surplus (Deficit)	(16,250)	883,131	(2,014,524)	625,550	91,095	(430,998)
Return of Surplus				610,000		610,000
Net Statutory Surplus (Deficit)	\$ (16,250)	\$ 883,131	\$ (2,014,524)	\$ 15,550	\$ 91,095	\$ (1,040,998)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2024

	<u>Property</u> <u>Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:						
Regular Contributions	\$ 32,408	\$ 9,085,292	\$ 16,954,724	\$ 600,000	\$ 550,000	\$ 27,222,424
Supplemental Contributions						-
Total Income	32,408	9,085,292	16,954,724	600,000	550,000	27,222,424
Incurred Liabilities:						
Claims	361,573	7,437,275	18,019,923			25,818,771
Expenses					492,614	492,614
Total Liabilities	361,573	7,437,275	18,019,923	-	492,614	26,311,385
Underwriting Surplus (Deficit)	(329,165)	1,648,017	(1,065,199)	600,000	57,386	911,039
Adjustments:						
Investment Income (Loss)		165,019	740,588	(366)	5,645	910,886
Transfers				366	(366)	-
Total Adjustments	-	165,019	740,588		5,279	910,886
Gross Statutory Surplus (Deficit)	(329,165)	1,813,036	(324,611)	600,000	62,665	1,821,925
Return of Surplus				600,000		600,000
Net Statutory Surplus (Deficit)	\$ (329,165)	\$ 1,813,036	\$ (324,611)	\$ -	\$ 62,665	\$ 1,221,925

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u> <u>Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:						
Regular Contributions	\$ 20,051	\$ 11,619,440	\$ 14,326,970	\$ 500,000	\$ 400,000	\$ 26,866,461
Supplemental Contributions	-	-	6,084,209	-	-	6,084,209
Total Income	20,051	11,619,440	20,411,179	500,000	400,000	32,950,670
Incurred Liabilities:						
Claims	80,904	10,880,995	22,430,872			33,392,771
Expenses					450,650	450,650
Total Liabilities	80,904	10,880,995	22,430,872	-	450,650	33,843,421
Underwriting Surplus (Deficit)	(60,853)	738,445	(2,019,693)	500,000	(50,650)	(892,751)
Adjustments:						
Investment Income	8	368,071	313,638	2,609	2,425	686,751
Transfers				(50,000)	50,000	-
Total Adjustments	8	368,071	313,638	(47,391)	52,425	686,751
Gross Statutory Surplus (Deficit)	(60,845)	1,106,516	(1,706,055)	452,609	1,775	(206,000)
Return of Surplus				450,000		450,000
Net Statutory Surplus (Deficit)	\$ (60,845)	\$ 1,106,516	\$ (1,706,055)	\$ 2,609	\$ 1,775	\$ (656,000)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:							
Regular Contributions	\$ 44,165	\$ 326,323	\$ 8,475,769	\$ 15,228,689	\$ 500,000	\$ 400,000	\$ 24,974,946
Supplemental Contributions			1,537,070	1,574,856			3,111,926
Total Income	44,165	326,323	10,012,839	16,803,545	500,000	400,000	28,086,872
Incurred Liabilities:							
Claims	19,302	(1,032)	10,262,352	17,877,300			28,157,922
Expenses						432,326	432,326
Total Liabilities	19,302	(1,032)	10,262,352	17,877,300	-	432,326	28,590,248
Underwriting Surplus (Deficit)	24,863	327,355	(249,513)	(1,073,755)	500,000	(32,326)	(503,376)
Adjustments:							
Investment Income	3,223	32,011	107,841	377,299	11,531	28,470	560,375
Transfers					5,000	(5,000)	-
Total Adjustments	3,223	32,011	107,841	377,299	16,531	23,470	560,375
Gross Statutory Surplus (Deficit)	28,086	359,366	(141,672)	(696,456)	516,531	(8,856)	56,999
Return of Surplus					400,000		400,000
Net Statutory Surplus (Deficit)	\$ 28,086	\$ 359,366	\$ (141,672)	\$ (696,456)	\$ 116,531	\$ (8,856)	\$ (343,001)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 29,304	\$ 22,026	\$ 10,967,321	\$ 17,883,372	\$ 500,000	\$ 400,000	\$ 29,802,023
Supplemental Contributions				4,085,767			4,085,767
Total Income	29,304	22,026	10,967,321	21,969,139	500,000	400,000	33,887,790
Incurred Liabilities:							
Claims	101,767	124,984	9,207,711	24,939,945			34,374,407
Expenses						366,276	366,276
Total Liabilities	101,767	124,984	9,207,711	24,939,945	-	366,276	34,740,683
Underwriting Surplus (Deficit)	(72,463)	(102,958)	1,759,610	(2,970,806)	500,000	33,724	(852,893)
Adjustments:							
Investment Income (Loss)	9	(9)	199,737	300,203	9,980	3,971	513,891
Transfers							-
Total Adjustments	9	(9)	199,737	300,203	9,980	3,971	513,891
Gross Statutory Surplus (Deficit)	(72,454)	(102,967)	1,959,347	(2,670,603)	509,980	37,695	(339,002)
Return of Surplus					400,000		400,000
Net Statutory Surplus (Deficit)	\$ (72,454)	\$ (102,967)	\$ 1,959,347	\$ (2,670,603)	\$ 109,980	\$ 37,695	\$ (739,002)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2011 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Loss</u> <u>Contingency</u> <u>Fund</u>	<u>General and</u> <u>Administrative</u> <u>Fund</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 46,929	\$ 14,176	\$ 8,172,510	\$ 14,644,630	\$ 500,000	\$ 400,000	\$ 23,778,245
Supplemental Contributions				4,261,638			4,261,638
Total Income	46,929	14,176	8,172,510	18,906,268	500,000	400,000	28,039,883
Incurred Liabilities:							
Claims	169,505		8,645,861	19,274,660			28,090,026
Expenses						354,500	354,500
Total Liabilities	169,505	-	8,645,861	19,274,660	-	354,500	28,444,526
Underwriting Surplus (Deficit)	(122,576)	14,176	(473,351)	(368,392)	500,000	45,500	(404,643)
Adjustments:							
Investment Income	424	1,864	73,742	319,403	14,991	5,220	415,644
Transfers							-
Total Adjustments	424	1,864	73,742	319,403	14,991	5,220	415,644
Gross Statutory Surplus (Deficit)	(122,152)	16,040	(399,609)	(48,989)	514,991	50,720	11,001
Return of Surplus					400,000		400,000
Net Statutory Surplus (Deficit)	\$ (122,152)	\$ 16,040	\$ (399,609)	\$ (48,989)	\$ 114,991	\$ 50,720	\$ (388,999)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:							
Regular Contributions	\$ 107,790	\$ 1,010	\$ 9,215,022	\$ 11,360,215	\$ 500,000	\$ 380,000	\$ 21,564,037
Supplemental Contributions							-
Total Income	107,790	1,010	9,215,022	11,360,215	500,000	380,000	21,564,037
Incurred Liabilities:							
Claims	167,191		9,670,404	10,369,853			20,207,448
Expenses						350,133	350,133
Total Liabilities	167,191		9,670,404	10,369,853	-	350,133	20,557,581
Underwriting Surplus (Deficit)	(59,401)	1,010	(455,382)	990,362	500,000	29,867	1,006,456
Adjustments:							
Investment Income	12,478	120	75,263	474,357	17,742	4,562	584,522
Transfers							-
Total Adjustments	12,478	120	75,263	474,357	17,742	4,562	584,522
Gross Statutory Surplus (Deficit)	(46,923)	1,130	(380,119)	1,464,719	517,742	34,429	1,590,978
Return of Surplus					400,000		400,000
Net Statutory Surplus (Deficit)	\$ (46,923)	\$ 1,130	\$ (380,119)	\$ 1,464,719	\$ 117,742	\$ 34,429	\$ 1,190,978

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2009 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
			<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:						
Regular Contributions	\$ 27,071	\$ 10,205,231	\$ 11,974,239	\$ 500,000	\$ 375,000	\$ 23,081,541
Supplemental Contributions						-
Total Income	27,071	10,205,231	11,974,239	500,000	375,000	23,081,541
Incurred Liabilities:						
Claims	49,224	8,422,251	13,194,285			21,665,760
Expenses					344,890	344,890
Total Liabilities	49,224	8,422,251	13,194,285	-	344,890	22,010,650
Underwriting Surplus (Deficit)	(22,153)	1,782,980	(1,220,046)	500,000	30,110	1,070,891
Adjustments:						
Investment Income	63,279	242,469	522,213	20,283	8,196	856,440
Transfers						-
Total Adjustments	63,279	242,469	522,213	20,283	8,196	856,440
Gross Statutory Surplus (Deficit)	41,126	2,025,449	(697,833)	520,283	38,306	1,927,331
Return of Surplus				380,000		380,000
Net Statutory Surplus (Deficit)	\$ 41,126	\$ 2,025,449	\$ (697,833)	\$ 140,283	\$ 38,306	\$ 1,547,331

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2008 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:							
Regular Contributions	\$ 8,477	\$ -	\$ 7,064,807	\$ 11,779,237	\$ 500,000	\$ 350,000	\$ 19,702,521
Supplemental Contributions				1,307,901			1,307,901
Total Income	8,477		7,064,807	13,087,138	500,000	350,000	21,010,422
Incurred Liabilities:							
Claims	272,970	(202)	6,870,911	14,083,601			21,227,280
Expenses						334,914	334,914
Total Liabilities	272,970	(202)	6,870,911	14,083,601	-	334,914	21,562,194
Underwriting Surplus (Deficit)	(264,493)	202	193,896	(996,463)	500,000	15,086	(551,772)
Adjustments:							
Investment Income	11,273	4	171,587	602,199	26,875	5,835	817,773
Transfers							-
Total Adjustments	11,273	4	171,587	602,199	26,875	5,835	817,773
Gross Statutory Surplus (Deficit)	(253,220)	206	365,483	(394,264)	526,875	20,921	266,001
Return of Surplus					375,000		375,000
Net Statutory Surplus (Deficit)	\$ (253,220)	\$ 206	\$ 365,483	\$ (394,264)	\$ 151,875	\$ 20,921	\$ (108,999)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2007 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>Loss</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Contingency</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Underwriting Income:							
Regular Contributions	\$ 15,288	\$ 5,286	\$ 5,724,442	\$ 11,291,479	\$ 500,000	\$ 690,000	\$ 18,226,495
Supplemental Contributions			1,000,000	3,378,126			4,378,126
Total Income	15,288	5,286	6,724,442	14,669,605	500,000	690,000	22,604,621
Incurred Liabilities:							
Claims	58,248	(31,640)	8,741,066	14,136,567			22,904,241
Expenses						326,427	326,427
Total Liabilities	58,248	(31,640)	8,741,066	14,136,567	-	326,427	23,230,668
Underwriting Surplus (Deficit)	(42,960)	36,926	(2,016,624)	533,038	500,000	363,573	(626,047)
Adjustments:							
Investment Income (Loss)	2,010	(16,112)	195,230	608,266	115,061	8,957	913,412
Transfers							-
Total Adjustments	2,010	(16,112)	195,230	608,266	115,061	8,957	913,412
Gross Statutory Surplus (Deficit)	(40,950)	20,814	(1,821,394)	1,141,304	615,061	372,530	287,365
Return of Surplus						350,000	350,000
Net Statutory Surplus (Deficit)	\$ (40,950)	\$ 20,814	\$ (1,821,394)	\$ 1,141,304	\$ 615,061	\$ 22,530	\$ (62,635)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
RESIDUAL LEGACY ACCOUNT (FUND YEARS 1995 - 2006)
FOR THE PERIOD DECEMBER 1, 1995 (DATE OF INCEPTION) TO DECEMBER 31, 2024

	<u>Coverages and Other Accounts</u>					
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	<u>General and</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Administrative</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	<u>Fund</u>	
Underwriting Income (Recoveries):						
Regular Contributions	\$ -	\$ -	\$ (919)	\$ -	\$ -	\$ (919)
Supplemental Contributions						-
Total Income (Recoveries)			(919)			(919)
Incurred Liabilities:						
Claims	(2,097)	(18,472)	719,952	(1,102,311)		(402,928)
Expenses						-
Total Liabilities	(2,097)	(18,472)	719,952	(1,102,311)		(402,928)
Underwriting Surplus (Deficit)	2,097	18,472	(720,871)	1,102,311		402,009
Adjustments:						
Investment Income	499	954	266,863	181,858	160	450,334
Transfers						-
Total Adjustments	499	954	266,863	181,858	160	450,334
Gross Statutory Surplus (Deficit)	2,596	19,426	(454,008)	1,284,169	160	852,343
Return of Surplus						-
Net Statutory Surplus (Deficit)	\$ 2,596	\$ 19,426	\$ (454,008)	\$ 1,284,169	\$ 160	\$ 852,343

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2024 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	
Paid Claims (Net of Recoveries)	\$ (17,368)	\$ -	\$ -	\$ (302,199)	\$ (319,567)
Case Reserves	377,195		5,640,562	20,687,396	26,705,153
IBNR Reserves			3,106,000	4,414,000	7,520,000
	<hr/>				
Subtotal	359,827	-	8,746,562	24,799,197	33,905,586
	<hr/>				
Excess Insurance					
Received					-
Recoverable				5,388,904	5,388,904
	<hr/>				
Subtotal	-	-	-	5,388,904	5,388,904
	<hr/>				
Limited Incurred Claims	\$ 359,827	\$ -	\$ 8,746,562	\$ 19,410,293	\$ 28,516,682
	<hr/> <hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2024

			<u>Coverages</u>		
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	
Paid Claims (Net of Recoveries)	\$ 10,713	\$ -	\$ 8,242,501	\$ 4,622,883	\$ 12,876,097
Case Reserves	10,400		3,783,913	12,806,397	16,600,710
IBNR Reserves			1,675,000	4,152,000	5,827,000
	<hr/>				
Subtotal	21,113	-	13,701,414	21,581,280	35,303,807
	<hr/>				
Excess Insurance					
Received					-
Recoverable			569,722		569,722
	<hr/>				
Subtotal	-	-	569,722	-	569,722
	<hr/>				
Limited Incurred Claims	\$ 21,113	\$ -	\$ 13,131,692	\$ 21,581,280	\$ 34,734,085
	<hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2024

			<u>Coverages</u>		
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	
Paid Claims (Net of Recoveries)	\$ (25,137)	\$ -	\$ 14,265,661	\$ 8,405,469	\$ 22,645,993
Case Reserves	2,311		3,809,149	11,269,163	15,080,623
IBNR Reserves			756,000	2,870,000	3,626,000
	<hr/>				
Subtotal	(22,826)	-	18,830,810	22,544,632	41,352,616
	<hr/>				
Excess Insurance					
Received			2,465,285		2,465,285
Recoverable			100,000		100,000
	<hr/>				
Subtotal	-	-	2,565,285	-	2,565,285
	<hr/>				
Limited Incurred Claims	\$ (22,826)	\$ -	\$ 16,265,525	\$ 22,544,632	\$ 38,787,331
	<hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ (228,118)	\$ -	\$ 8,138,167	\$ 8,713,645	\$ 16,623,694
Case Reserves	4		662,121	8,249,446	8,911,571
IBNR Reserves			477,000	5,023,000	5,500,000
Subtotal	(228,114)	-	9,277,288	21,986,091	31,035,265
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ (228,114)	\$ -	\$ 9,277,288	\$ 21,986,091	\$ 31,035,265

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2024

			<u>Coverages</u>		
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	
Paid Claims (Net of Recoveries)	\$ (54,657)	\$ -	\$ 5,723,071	\$ 7,305,280	\$ 12,973,694
Case Reserves	5,161		254,582	3,996,689	4,256,432
IBNR Reserves			331,000	4,254,000	4,585,000
	<hr/>				
Subtotal	(49,496)	-	6,308,653	15,555,969	21,815,126
	<hr/>				
Excess Insurance					
Received					-
Recoverable					-
	<hr/>				
Subtotal	-	-	-	-	-
	<hr/>				
Limited Incurred Claims	\$ (49,496)	\$ -	\$ 6,308,653	\$ 15,555,969	\$ 21,815,126
	<hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2024

			<u>Coverages</u>		
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	
Paid Claims (Net of Recoveries)	\$ (5,402)	\$ -	\$ 10,576,263	\$ 9,437,696	\$ 20,008,557
Case Reserves			105,554	5,444,383	5,549,937
IBNR Reserves			706,000	2,813,000	3,519,000
	<hr/>				
Subtotal	(5,402)	-	11,387,817	17,695,079	29,077,494
	<hr/>				
Excess Insurance					
Received			1,284,746		1,284,746
Recoverable					-
	<hr/>				
Subtotal	-	-	1,284,746	-	1,284,746
	<hr/>				
Limited Incurred Claims	\$ (5,402)	\$ -	\$ 10,103,071	\$ 17,695,079	\$ 27,792,748
	<hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 1,560	\$ (325)	\$ 7,724,317	\$ 9,603,542	\$ 17,329,094
Case Reserves	10,000		237,027	6,211,738	6,458,765
IBNR Reserves			474,000	2,087,000	2,561,000
Subtotal	11,560	(325)	8,435,344	17,902,280	26,348,859
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 11,560	\$ (325)	\$ 8,435,344	\$ 17,902,280	\$ 26,348,859

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2024

			<u>Coverages</u>		
	<u>Property</u>	<u>Faithful</u>	<u>Liability</u>	<u>Workers'</u>	
	<u>Fund</u>	<u>Performance</u>	<u>Fund</u>	<u>Compensation</u>	<u>Total</u>
		<u>Bond Fund</u>		<u>Fund</u>	
Paid Claims (Net of Recoveries)	\$ 157,257	\$ (51,204)	\$ 12,379,012	\$ 13,084,165	\$ 25,569,230
Case Reserves	10,365		237,297	5,254,940	5,502,602
IBNR Reserves			33,000	2,830,000	2,863,000
	<hr/>				
Subtotal	167,622	(51,204)	12,649,309	21,169,105	33,934,832
	<hr/>				
Excess Insurance					
Received			1,977,709		1,977,709
Recoverable					-
	<hr/>				
Subtotal	-	-	1,977,709	-	1,977,709
	<hr/>				
Limited Incurred Claims	\$ 167,622	\$ (51,204)	\$ 10,671,600	\$ 21,169,105	\$ 31,957,123
	<hr/>				

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 18,837	\$ -	\$ 10,412,987	\$ 10,225,206	\$ 20,657,030
Case Reserves				5,189,538	5,189,538
IBNR Reserves				2,101,000	2,101,000
Subtotal	18,837	-	10,412,987	17,515,744	27,947,568
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 18,837	\$ -	\$ 10,412,987	\$ 17,515,744	\$ 27,947,568

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 361,563	\$ -	\$ 7,437,175	\$ 11,104,656	\$ 18,903,394
Case Reserves	10		100	5,163,267	5,163,377
IBNR Reserves				1,752,000	1,752,000
Subtotal	361,573	-	7,437,275	18,019,923	25,818,771
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 361,573	\$ -	\$ 7,437,275	\$ 18,019,923	\$ 25,818,771

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 80,903	\$ -	\$ 10,139,623	\$ 17,291,409	\$ 27,511,935
Case Reserves	1		741,372	4,692,463	5,433,836
IBNR Reserves				447,000	447,000
Subtotal	80,904	-	10,880,995	22,430,872	33,392,771
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 80,904	\$ -	\$ 10,880,995	\$ 22,430,872	\$ 33,392,771

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 19,302	\$ (1,032)	\$ 10,262,352	\$ 15,005,412	\$ 25,286,034
Case Reserves				2,382,888	2,382,888
IBNR Reserves				489,000	489,000
Subtotal	19,302	(1,032)	10,262,352	17,877,300	28,157,922
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 19,302	\$ (1,032)	\$ 10,262,352	\$ 17,877,300	\$ 28,157,922

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 101,767	\$ 124,984	\$ 10,632,978	\$ 18,336,157	\$ 29,195,886
Case Reserves			11,551	6,363,788	6,375,339
IBNR Reserves				240,000	240,000
Subtotal	101,767	124,984	10,644,529	24,939,945	35,811,225
Excess Insurance Received Recoverable			1,436,818		1,436,818
Subtotal	-	-	1,436,818	-	1,436,818
Limited Incurred Claims	\$ 101,767	\$ 124,984	\$ 9,207,711	\$ 24,939,945	\$ 34,374,407

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2011 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 169,505	\$ -	\$ 8,645,861	\$ 15,537,463	\$ 24,352,829
Case Reserves				3,682,197	3,682,197
IBNR Reserves				55,000	55,000
Subtotal	169,505	-	8,645,861	19,274,660	28,090,026
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 169,505	\$ -	\$ 8,645,861	\$ 19,274,660	\$ 28,090,026

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 167,191	\$ -	\$ 9,668,969	\$ 9,144,001	\$ 18,980,161
Case Reserves			1,435	1,155,852	1,157,287
IBNR Reserves				70,000	70,000
Subtotal	167,191	-	9,670,404	10,369,853	20,207,448
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 167,191	\$ -	\$ 9,670,404	\$ 10,369,853	\$ 20,207,448

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2009 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 49,224	\$ -	\$ 11,508,376	\$ 11,845,799	\$ 23,403,399
Case Reserves				1,298,486	1,298,486
IBNR Reserves				50,000	50,000
Subtotal	49,224	-	11,508,376	13,194,285	24,751,885
Excess Insurance					
Received			3,086,125		3,086,125
Recoverable					-
Subtotal	-	-	3,086,125	-	3,086,125
Limited Incurred Claims	\$ 49,224	\$ -	\$ 8,422,251	\$ 13,194,285	\$ 21,665,760

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2008 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property Fund</u>	<u>Faithful Performance Bond Fund</u>	<u>Liability Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 272,970	\$ (202)	\$ 10,300,229	\$ 12,624,992	\$ 23,197,989
Case Reserves				1,421,609	1,421,609
IBNR Reserves				37,000	37,000
Subtotal	272,970	(202)	10,300,229	14,083,601	24,656,598
Excess Insurance Received Recoverable			3,429,318		3,429,318
					-
Subtotal	-	-	3,429,318	-	3,429,318
Limited Incurred Claims	\$ 272,970	\$ (202)	\$ 6,870,911	\$ 14,083,601	\$ 21,227,280

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR 2007 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 58,248	\$ (31,640)	\$ 8,781,379	\$ 12,876,852	\$ 21,684,839
Case Reserves				1,242,715	1,242,715
IBNR Reserves				17,000	17,000
Subtotal	58,248	(31,640)	8,781,379	14,136,567	22,944,554
Excess Insurance					
Received			40,313		40,313
Recoverable					-
Subtotal	-	-	40,313	-	40,313
Limited Incurred Claims	\$ 58,248	\$ (31,640)	\$ 8,741,066	\$ 14,136,567	\$ 22,904,241

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR CLAIMS ANALYSIS--STATUTORY BASIS
RESIDUAL LEGACY ACCOUNT (FUND YEARS 1995 - 2006)
FOR THE PERIOD JANUARY 1, 1995 TO DECEMBER 31, 2024

	<u>Coverages</u>				
	<u>Property</u> <u>Fund</u>	<u>Faithful</u> <u>Performance</u> <u>Bond Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ (2,098)	\$ (18,472)	\$ 354,142	\$ (3,488,040)	\$ (3,154,468)
Case Reserves	1		365,810	2,186,729	2,552,540
IBNR Reserves				199,000	199,000
Subtotal	(2,097)	(18,472)	719,952	(1,102,311)	(402,928)
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ (2,097)	\$ (18,472)	\$ 719,952	\$ (1,102,311)	\$ (402,928)

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR EXPENSE ANALYSIS--STATUTORY BASIS
INCLUDING FUND YEARS 2016 THROUGH 2024
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2024

	FUND YEAR								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess Insurance:									
Insurance Premiums:									
Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation									
Subtotal Insurance Premiums	-	-	-	-	-	-	-	-	-
Administrative Expenses:									
Actuary	45,672	44,777	43,899	43,038	42,194	41,367	40,556	39,761	38,981
Attorney	43,920	43,059	42,215	41,387	40,576	39,780	39,000	40,157	39,370
Auditor	25,583	25,081	24,589	24,107	23,634	23,171	22,717	22,272	21,835
Claims Administrator	66,681	65,374	64,092	62,835	61,603	60,396	59,211	58,050	56,912
Deputy Fund Administrator	74,869	73,401	71,962	70,551	69,168	67,811	66,482	65,179	57,657
Fund Administrator	221,478	217,136	212,878	208,704	187,561	200,600	196,667	192,813	169,673
Miscellaneous Expenses	2,794	4,296	100,958	103,973	77,522	37,730	50,301	50,162	84,027
Meeting Expense	13,944	13,167	10,050	11,250	11,250		2,879		11,250
Postage	58	300	215	272	92	228	179	441	459
Telephone									
Treasurer	43,308	42,459	41,626	40,810	40,010	39,225	38,456	37,702	36,963
Account Investment Fees	114,877	181,775			23,055				
Subtotal Administrative Expenses	653,184	710,825	612,484	606,927	576,665	510,308	516,448	506,537	517,127
Total Expenses	\$ 653,184	\$ 710,825	\$ 612,484	\$ 606,927	\$ 576,665	\$ 510,308	\$ 516,448	\$ 506,537	\$ 517,127
Summary:									
Paid	\$ 627,601	\$ 710,825	\$ 612,484	\$ 606,927	\$ 576,665	\$ 510,308	\$ 516,448	\$ 506,537	\$ 517,127
Accrued Expenses:									
Excess Insurance									
Administrative Expenses	25,583								
	\$ 653,184	\$ 710,825	\$ 612,484	\$ 606,927	\$ 576,665	\$ 510,308	\$ 516,448	\$ 506,537	\$ 517,127

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR EXPENSE ANALYSIS--STATUTORY BASIS
INCLUDING FUND YEARS 2007 THROUGH 2015
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2024

	FUND YEAR								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess Insurance:									
Insurance Premiums:									
Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation									
Subtotal Insurance Premiums	-	-	-	-	-	-	-	-	-
Administrative Expenses:									
Actuary	38,217	37,468	36,733	36,013	35,307	35,307	34,615	33,606	32,787
Attorney	38,598	38,930	37,155	37,179	35,659	35,309	34,960	33,941	33,112
Auditor	21,407	20,987	20,575	20,172	19,777	19,777	19,389	18,824	18,365
Claims Administrator	55,796	54,702	53,629	52,577	51,456	51,456	50,447	48,978	47,783
Deputy Fund Administrator	50,154	42,667	41,830	41,010	40,205	40,205	39,417	38,269	37,336
Fund Administrator	147,771	125,962	123,451	121,030	118,657	118,804	116,330	112,987	110,188
Miscellaneous Expenses	92,405	83,243	73,564	12,024	8,830	4,664	2,604	3,771	4,596
Meeting Expense	11,550	10,800	10,050	11,632	10,650	10,623	13,560	10,495	10,577
Postage	479	359	509	492	461	490	727	2,154	569
Telephone					20	20	20	24	26
Treasurer	36,237	35,532	34,830	34,147	33,478	33,478	32,821	31,865	31,088
Account Investment Fees									
Subtotal Administrative Expenses	492,614	450,650	432,326	366,276	354,500	350,133	344,890	334,914	326,427
Total Expenses	\$ 492,614	\$ 450,650	\$ 432,326	\$ 366,276	\$ 354,500	\$ 350,133	\$ 344,890	\$ 334,914	\$ 326,427
Summary:									
Paid	\$ 492,614	\$ 450,650	\$ 432,326	\$ 366,276	\$ 354,500	\$ 350,133	\$ 344,890	\$ 334,914	\$ 326,427
Accrued Expenses:									
Excess Insurance									
Administrative Expenses									
	\$ 492,614	\$ 450,650	\$ 432,326	\$ 366,276	\$ 354,500	\$ 350,133	\$ 344,890	\$ 334,914	\$ 326,427

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
STATEMENT OF FUND YEAR PROGRAM SUMMARY--STATUTORY BASIS
RESIDUAL LEGACY (1995 - 2006) TO 2024
FOR THE PERIOD DECEMBER 1, 1995 (DATE OF INCEPTION) TO DECEMBER 31, 2024

	<u>Coverages</u>		
	<u>Property</u> <u>Fund</u>	<u>Liability</u> <u>Fund</u>	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>
Limits (1)	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.		
Fund Retention	See (1)	See (1)	See (1)
Excess Insurers	See (1)	See (1)	See (1)
Number of Participants	17	17	17
Incurred Liabilities:			
Claims	\$ 1,551,708	\$ 336,738,364	\$ 324,770,168
Administrative Expenses	(4,239)	6,759,429	5,290,849
	<u>\$ 1,547,469</u>	<u>\$ 343,497,793</u>	<u>\$ 330,061,017</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
SCHEDULE OF CASH AND INVESTMENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2024

<u>Description</u>	<u>Amount</u>
<u>Cash</u>	
Citizens Bank:	
Operating Account	\$ 8,396,555
Total Cash	<u>8,396,555</u>
<u>Investments</u>	
BNY Mellon:	
JCMI Program Account	<u>77,180,622</u>
Total Cash and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	<u>\$ 85,577,177</u>
Total Cash and Investments by Fund Year:	
2024	\$ 5,061,775
2023	19,377,969
2022	10,625,704
2021	5,868,082
2020	7,465,433
2019	2,299,793
2018	4,247,679
2017	2,039,205
2016	3,228,530
2015	8,134,694
2014	261,704
2013	(583,332)
2012	1,787,438
2011	(925,774)
2010	1,853,282
2009	2,817,600
2008	(468,331)
2007	899,214
Closed Year	488,223
Surplus Trigger	11,687,818
Residual Legacy	<u>(589,529)</u>
	<u>\$ 85,577,177</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2024

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2024	<u>\$ 25,583</u>
Total Accrued Expenses per Schedule A -		
Historical Balance Sheet--Statutory Basis		<u><u>\$ 25,583</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
SCHEDULE OF CONTRIBUTIONS RECEIVABLE--STATUTORY BASIS
AS OF DECEMBER 31, 2024

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Contributions Receivable:		
Fund Year	2024	\$ 23,263,282
Supplemental - Fund Year Workers Compensation	2007	123,379
Supplemental - Fund Year Workers Compensation	2008	1,307,901
Supplemental - Fund Year Workers Compensation	2011	4,261,638
Supplemental - Fund Year Workers Compensation	2012	4,085,767
Supplemental - Fund Year Workers Compensation	2013	3,111,926
Supplemental - Fund Year Workers Compensation	2014	4,957,414
Supplemental - Fund Year Workers Compensation	2016	3,021,009
Supplemental - Fund Year Workers Compensation	2017	<u>395,755</u>
Total Contributions Receivable per Schedule A - Historical Balance Sheet--Statutory Basis		<u><u>\$ 44,528,071</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
SCHEDULE OF OTHER RECEIVABLES--STATUTORY BASIS
AS OF DECEMBER 31, 2024

<u>Description</u>	<u>Amount</u>
Other Receivables	
Due from Central Jersey JIF - Net of Loss Reserves	\$ 14,844
Due from/(to) Brick Township - Net of Loss Reserves	(9,460)
Refunds Receivable	507,681
Due from Member JIF's - Reinsurance Refunds	40,299
Due from Genesis Reinsurance Corporation Worker's Comp.	5,264,358
Due from Claims Account Excess Transfer/JIF's Closed Year	<u>231,314</u>
Total Other Receivables per Schedule A -	
Historical Balance Sheet--Statutory Basis	<u>\$ 6,049,036</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMENDATIONS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants

A handwritten signature in dark ink, reading "Dennis J. Skalkowski". The signature is written in a cursive, flowing style.

Dennis J. Skalkowski
Certified Public Accountant