

MUNICIPAL EXCESS LIABILITY

RESIDUAL CLAIMS FUND

REPORT OF AUDIT

FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Excess Liability Residual Claims Fund (the "Fund") as of December 31, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Excess Liability Residual Claims Fund as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Board of Commissioners
Municipal Excess Liability
Residual Claims Fund
Page 3.

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2021 on our consideration of the Municipal Excess Liability Residual Claims Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipal Excess Liability Residual Claims Fund's internal control over financial reporting and compliance.

Very truly yours,

Wielkotz & Company, LLC

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

May 25, 2021

Management Discussion and Analysis

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

Management Discussion and Analysis

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the year ended December 31, 2020 and 2019. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

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

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

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

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

Financial Highlights

The following tables summarize the financial position and results of operations for the Fund as of and for the years ended December 31, 2020 and 2019.

Summary of Statement of Net Position

	2020	2019	Change \$	Change %
Assets				
Cash, Cash Equivalents, Investments, and Interest Receivable	\$ 83,444,471	\$ 71,683,352	\$ 11,761,119	16.4%
Assessments/Contributions Receivable	\$ 26,892,725	\$ 26,323,920	\$ 568,805	2.2%
Other Accounts Receivable	\$ 4,135,959	\$ 4,866,231	\$ (730,272)	-15.0%
Total Assets	<u>\$ 114,473,155</u>	<u>\$ 102,873,503</u>	<u>\$ 11,599,652</u>	<u>11.3%</u>
Liabilities and Fund Equity				
Liabilities				
Accounts Payable and Other Liabilities	\$ 48,946	\$ 32,719	\$ 16,227	49.6%
Fund Equity Dividends Payable	\$ 657,570	\$ 646,000	\$ 11,570	1.8%
Loss Reserves	\$ 101,125,897	\$ 90,084,586	\$ 11,041,311	12.3%
Total Liability	<u>\$ 101,832,413</u>	<u>\$ 90,763,305</u>	<u>\$ 11,069,108</u>	<u>12.2%</u>
Unrestricted Net Position	<u>\$ 12,640,742</u>	<u>\$ 12,110,198</u>	<u>\$ 530,544</u>	<u>4.4%</u>

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

	2020	2019	Change \$	Change %
Operating Revenue				
Assessments and Other Income	\$ 27,538,725	\$ 26,956,920	\$ 581,805	2.2%
Operating Expenses				
Net Claims and Claims Adjustment Expenses	\$ 26,863,887	\$ 26,840,999	\$ 22,888	0.1%
Professional, Claims, and Administrative Services	\$ 576,561	\$ 517,706	\$ 58,855	11.4%
Total Operating Expenses	\$ 27,440,448	\$ 27,358,705	\$ 81,743	0.3%
Operating Income/(Loss)	\$ 98,277	\$ (401,785)	\$ 500,062	124.5%
Investment Income	\$ 1,089,837	\$ 2,049,653	\$ (959,816)	-46.8%
Return of Surplus	\$ 657,570	\$ 646,000	\$ 11,570	1.8%
Increase/(Decrease) In Net Position	<u>\$ 530,544</u>	<u>\$ 1,001,868</u>	<u>\$ (471,324)</u>	<u>-47.0%</u>

The Municipal Excess Liability Residual Claims Fund's (RCF) total assets increased by 11.3% during the reporting period. Cash, Cash Equivalents, Investments, and Interest Receivable increased 16.4% while Assessments/Contributions Receivable increased 2.2%

The RCF's total liabilities increased by 12.2% primarily due to a 12.3% increase in loss reserves.

Assessments and Other Income increased 2.2%, reflecting an increased current budget for claims. Net Claims and Claims Adjustment Expenses increased by 0.1%. Consequently, net position increased \$ 530,544.

Investment income decreased 46.8% due to an unfavorable interest rate environment. The RCF's combined surplus for all years was \$12,640,742 in 2020 compared to \$12,110,198 at the end of 2019.

Economic Conditions

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

Basic Financial Statements

Municipal Excess Liability Residual Claims Fund

Comparative Statement of Net Position

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 6,290,678	\$ 11,137,142
Investments	77,153,793	60,419,505
Assessments / Contributions Receivable	26,892,725	26,323,920
Other Accounts Receivable	4,135,959	4,866,231
Accrued Interest Receivable	-	126,705
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>114,473,155</u>	\$ <u>102,873,503</u>
 <u>LIABILITIES AND RESERVES</u>		
Accounts Payable	\$ 23,634	\$ 23,171
Other Liabilities	25,312	9,548
Fund Equity Dividends Payable	657,570	646,000
Loss Reserves	101,125,897	90,084,586
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND RESERVES	101,832,413	90,763,305
 <u>NET POSITION</u>		
Unrestricted	<u>12,640,742</u>	<u>12,110,198</u>
TOTAL LIABILITIES, RESERVES AND NET POSITION	\$ <u>114,473,155</u>	\$ <u>102,873,503</u>

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

Municipal Excess Liability Residual Claims Fund

Comparative Statement of Revenues, Expenses and Changes in Net Position.

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Operating Revenue:</u>		
Assessments From Participating Joint Insurance Funds	\$ 27,538,725	\$ 26,956,920
Total Operating Revenue	<u>27,538,725</u>	<u>26,956,920</u>
 <u>Operating Expenses:</u>		
Provision for Claims and Claim Adjustment Expense	26,863,887	26,840,999
Professional Services	443,249	411,955
Claims Administration	61,603	60,396
Other Expenses - Administration	71,709	45,355
Total Operating Expenses	<u>27,440,448</u>	<u>27,358,705</u>
Operating Income/(Loss)	98,277	(401,785)
 Non-operating Revenue/Expenses:		
Investment Income	1,089,837	2,049,653
Return of Surplus	<u>(657,570)</u>	<u>(646,000)</u>
Change in Net Position	530,544	1,001,868
Total Net Position - January 1,	<u>12,110,198</u>	<u>11,108,330</u>
Total Net Position - December 31,	<u>\$ 12,640,742</u>	<u>\$ 12,110,198</u>

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

Municipal Excess Liability Residual Claims Fund

Comparative Statement of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Receipts from Member Contributions	\$ 26,323,920	\$ 21,228,628
Payment of Claims	(14,418,970)	(25,544,139)
Payments to Vendors	(576,098)	(507,704)
	<u>11,328,852</u>	<u>(4,823,215)</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Investing Activities:		
Purchase of Investments of Investment Securities	(77,153,793)	(60,419,505)
Proceeds from Maturity of Investment Securities	60,419,505	58,717,516
Investment Income	1,216,542	2,096,904
	<u>(15,517,746)</u>	<u>394,915</u>
Net Cash Provided (Used) by Investing Activities		
Cash Flows from Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	(657,570)	(646,000)
	<u>(657,570)</u>	<u>(646,000)</u>
Net Cash (Used) by Noncapital Financing Activities		
Net Increase (Decrease) in Cash	(4,846,464)	(5,074,300)
Cash and Cash Equivalents - January 1	<u>11,137,142</u>	<u>16,211,442</u>
Cash and Cash Equivalents - December 31	<u>\$ 6,290,678</u>	<u>\$ 11,137,142</u>
Reconciliation of Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 98,277	\$ (401,785)
Adjustment to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Assessments Receivable	(568,805)	(5,095,292)
(Increase)/Decrease in Other Accounts Receivable	730,272	(2,718,519)
Increase/(Decrease) in Accounts Payable	463	454
Increase/(Decrease) in Other Liabilities	15,764	9,548
Increase/(Decrease) in Dividends Payable	11,570	13,000
Increase/(Decrease) in Loss Reserves	11,041,311	3,369,379
	<u>11,328,852</u>	<u>(4,823,215)</u>
Net Cash Provided (Used) by Operating Activities		

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

Notes to Financial Statements

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: NATURE OF OPERATIONS

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

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

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

The Municipal Excess Liability Residual Claims Fund has sixteen fund years for insurance coverages. The Residual Legacy Account is for the closed fund years 1995 through 2006 for all outstanding liabilities, for the member JIFs fund years 1995 through 2006, as of December 31, 2014 and 2018. The RCF's 2007 through 2020 fund years are the 2003 through 2016 fund years, respectively, for JIFs listed above.

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

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 1: NATURE OF OPERATIONS, (continued)

A participating Joint Insurance Fund must remain in the Fund for the full term of membership unless earlier terminated by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued non-compliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws. The Fund has _____ members at December 31, 2020, all of which are Joint Insurance Funds.

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

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

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

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.

NOTE 1A: OTHER SERVICES

In addition to the above, the Fund is providing services to the Central Jersey Joint Insurance Fund. The Fund is processing the run-in claims associated with the unpaid liabilities for the Townships of Edison and Woodbridge workers' compensation, auto liability and general liability, public officials/employment practices liability and police professional liability claims incurred through 12:01 a.m. July 1, 1998. The Fund is to be reimbursed for all run-in claims as well as interest on any cash flow deficits and administrative or other expenses incurred by the Fund by the Townships of Edison and Woodbridge. As of December 31, 2020, the Central Jersey Joint Insurance Fund owed the Fund a total of \$1 due to refunds received by the Fund.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 1A: OTHER SERVICES, (continued)

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, 2020, the Fund owed the Township of Brick a total of \$18,769 due to refunds received by the Fund.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Accounting

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America as applicable to government entities. The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as their measurement focus. Operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the Fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenue, such as

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

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

subsidies and investment earnings, results from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Fund gives or receives value without directly receiving or giving equal value in exchange, generally do not occur, with the exception of investment earnings.

Cash and Investments

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

Income Taxes

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

Assessments

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

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund discounts claim liabilities for financial reporting purposes. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

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

Reinsurance

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

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

Management Estimates

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

NOTE 3: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2020. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the member joint insurance funds, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess-loss insurance. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

Loss reserves, at December 31, 2020 which have been estimated by the Fund's Actuary and Servicing Agencies, are as follows:

<u>Residual Legacy Account (1995-2006 Fund Years)</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	3,138,346	626	8,649	3,129,071
Losses Incurred but not Reported ("IBNR")	<u>373,000</u>			<u>373,000</u>
	<u><u>3,511,346</u></u>	<u><u>626</u></u>	<u><u>8,649</u></u>	<u><u>3,502,071</u></u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 3: LOSS RESERVES, (continued)

<u>2007 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	1,898,705	5,550		1,893,155
Losses Incurred but not Reported ("IBNR")	<u>17,000</u>			<u>17,000</u>
	<u>1,915,705</u>	<u>5,550</u>	<u>0</u>	<u>1,910,155</u>
<u>2008 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	2,081,411			2,081,411
Losses Incurred but not Reported ("IBNR")				
	<u>2,081,411</u>	<u>0</u>	<u>0</u>	<u>2,081,411</u>
<u>2009 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	1,381,767			1,381,767
Losses Incurred but not Reported ("IBNR")	<u>60,000</u>			<u>60,000</u>
	<u>1,441,767</u>	<u>0</u>	<u>0</u>	<u>1,441,767</u>
<u>2010 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	1,443,114		11,500	1,431,614
Losses Incurred but not Reported ("IBNR")	<u>70,000</u>			<u>70,000</u>
	<u>1,513,114</u>	<u>0</u>	<u>11,500</u>	<u>1,501,614</u>
<u>2011 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	4,959,980		137,179	4,822,801
Losses Incurred but not Reported ("IBNR")	<u>55,000</u>			<u>55,000</u>
	<u>5,014,980</u>	<u>0</u>	<u>137,179</u>	<u>4,877,801</u>
<u>2012 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	6,044,824			6,044,824
Losses Incurred but not Reported ("IBNR")	<u>240,000</u>			<u>240,000</u>
	<u>6,284,824</u>	<u>0</u>	<u>0</u>	<u>6,284,824</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 3: LOSS RESERVES, (continued)

<u>2013 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	3,822,371	1,070	232,661	3,588,640
Losses Incurred but not Reported ("IBNR")	<u>536,000</u>	<u> </u>	<u>47,000</u>	<u>489,000</u>
	<u>4,358,371</u>	<u>1,070</u>	<u>279,661</u>	<u>4,077,640</u>
<u>2014 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	3,943,367	1	632,865	3,310,501
Losses Incurred but not Reported ("IBNR")	<u>1,118,000</u>	<u> </u>	<u>94,000</u>	<u>1,024,000</u>
	<u>5,061,367</u>	<u>1</u>	<u>726,865</u>	<u>4,334,501</u>
<u>2015 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	5,025,406	10	21,244	5,004,152
Losses Incurred but not Reported ("IBNR")	<u>2,429,000</u>	<u> </u>	<u> </u>	<u>2,429,000</u>
	<u>7,454,406</u>	<u>10</u>	<u>21,244</u>	<u>7,433,152</u>
<u>2016 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	5,551,261		667,755	4,883,506
Losses Incurred but not Reported ("IBNR")	<u>2,259,000</u>	<u> </u>	<u> </u>	<u>2,259,000</u>
	<u>7,810,261</u>	<u>0</u>	<u>667,755</u>	<u>7,142,506</u>
<u>2017 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	4,966,570	32,220	296,650	4,637,700
Losses Incurred but not Reported ("IBNR")	<u>3,479,000</u>	<u> </u>	<u>33,000</u>	<u>3,446,000</u>
	<u>8,445,570</u>	<u>32,220</u>	<u>329,650</u>	<u>8,083,700</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 3: LOSS RESERVES, (continued)

<u>2018 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	7,988,095	245,692	1,703,912	6,038,491
Losses Incurred but not Reported ("IBNR")	<u>3,140,000</u>		<u>489,000</u>	<u>2,651,000</u>
	<u>11,128,095</u>	<u>245,692</u>	<u>2,192,912</u>	<u>8,689,491</u>

<u>2019 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	10,869,846	1,206	3,525,760	7,342,880
Losses Incurred but not Reported ("IBNR")	<u>4,119,000</u>		<u>1,106,000</u>	<u>3,013,000</u>
	<u>14,988,846</u>	<u>1,206</u>	<u>4,631,760</u>	<u>10,355,880</u>

<u>2020 Fund Year</u>	<u>Total</u>	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>
Case Reserves	13,532,834	15,554	5,686,853	7,830,427
Losses Incurred but not Reported ("IBNR")	<u>6,583,000</u>		<u>1,814,000</u>	<u>4,769,000</u>
	<u>20,115,834</u>	<u>15,554</u>	<u>7,500,853</u>	<u>12,599,427</u>

<u>All Fund Years at December 31,</u>	<u>2020</u>	<u>2019</u>
Case Reserves	76,647,897	72,071,586
Losses Incurred but not Reported ("IBNR")	<u>24,478,000</u>	<u>18,013,000</u>
Total Loss Reserves	<u>101,125,897</u>	<u>90,084,586</u>

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 3: LOSS RESERVES, (continued)

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

	<u>2020</u>	<u>2019</u>
Unpaid Claims and claim adjustment expenses, beginning of year	<u>90,084,586</u>	<u>86,715,207</u>
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current fund year	20,115,834	19,624,474
Increase/(Decrease) in provision for insured events of prior fund years	<u>6,748,053</u>	<u>7,216,525</u>
Total incurred claims and claim adjustment expenses	<u>26,863,887</u>	<u>26,840,999</u>
	<u>116,948,473</u>	<u>113,556,206</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fund year	(207,159)	0
Claims and claim adjustment expenses attributable to insured events of prior fund years	<u>16,029,735</u>	<u>23,471,620</u>
Total payments	<u>15,822,576</u>	<u>23,471,620</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>101,125,897</u>	<u>90,084,586</u>

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

At December 31, 2020, \$109,219,897 claims and claim adjustment expenses are presented at their net present value of \$101,125,897. These claims are discounted at an annual rate of 1.79%.

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

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

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 4: CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020, \$-0- of the Fund's bank balance of \$6,324,730.46 was exposed to custodial credit risk.

NOTE 5: INVESTMENTS

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

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

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 5: INVESTMENTS, (continued)

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.

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.

The RCF's share of the JCMI Program at December 31, 2020 is \$77,153,793.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 5: INVESTMENTS, (continued)

Below is a listing of the total shares for each Joint Insurance Fund in the JCMI program.

Joint Insurance Fund Participant:

Municipal Excess Liability Joint Insurance Fund	\$47,272,171
Municipal Excess Liability Residual Claims Fund	77,153,793
New Jersey Municipal Environmental Risk Management Fund	26,000,484
Morris County Municipal Joint Insurance Fund	27,306,032
South Bergen Municipal Joint Insurance Fund	14,593,267
New Jersey Utility Authorities Joint Insurance Fund	8,072,541
Central Jersey Joint Insurance Fund	8,577,903
Camden County Municipal Joint Insurance Fund	20,193,932
Suburban Metro Municipal Joint Insurance Fund	5,331,121
Bergen County Municipal Joint Insurance Fund	4,721,094
Professional Municipal Management Joint Insurance Fund	4,009,706
Suburban Municipal Joint Insurance Fund	<u>4,670,766</u>
	<u>\$247,902,810</u>

NOTE 6: FUND EQUITY DISTRIBUTION PAYABLE

During 2020, the Fund declared a distribution of fund equity of \$657,570 from the closed year account. The distribution was approved by the State Department of Banking and Insurance. At December 31, 2020, the 2020 distribution was not disbursed to the members and could be utilized to offset 2021 assessments.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 7: NET POSITION

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

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

Fund Year 2007 - Property	\$46,499
Fund Year 2007 - Liability	2,823,212
Fund Year 2007 - Worker's Compensation	2,275,198
Fund Year 2008 - Property	264,493
Fund Year 2008 - Worker's Compensation	1,303,302
Fund Year 2009 - Property	21,126
Fund Year 2010 - Liability	358,223
Fund Year 2011 - Property	122,152
Fund Year 2011 - Liability	144,267
Fund Year 2011 - Worker's Compensation	3,970,004
Fund Year 2012 - Property	72,453
Fund Year 2012 - Worker's Compensation	4,805,826
Fund Year 2012 - Faithful Performance Bond	102,967
Fund Year 2013 - Liability	1,116,796
Fund Year 2013 - Worker's Compensation	1,215,661
Fund Year 2014 - Property	60,846
Fund Year 2014 - Worker's Compensation	4,291,401
Fund Year 2015 - Property	329,166
Fund Year 2016 - Property	16,250
Fund Year 2016 - Worker's Compensation	1,809,512
Fund Year 2017 - Property	134,346
Fund Year 2017 - Worker's Compensation	2,127,270
Fund Year 2018 - Liability	1,715,190
Fund Year 2018 - Worker's Compensation	83,040
Fund Year 2019 - Worker's Compensation	912,067
Fund Year 2020 - Worker's Compensation	2,027,136

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 7: NET POSITION, (continued)

In addition, at December 31, 2020, the Fund had an overall deficit in the following Fund Years on a statutory basis:

Fund Year 2007	\$4,504,729
Fund Year 2008	1,025,668
Fund Year 2011	4,057,208
Fund Year 2012	2,856,193
Fund Year 2013	1,845,274
Fund Year 2014	451,089
Fund Year 2016	534,197
Fund Year 2017	1,342,727
Fund Year 2018	935,589
Fund Year 2020	654,522

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.

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

For the year ended December 31, 2020, a supplemental assessment of \$6,286,145 was made in accordance with the amended plan of risk management.

NOTE 8: TRANSFERS

An Intertrust Fund Transfer is a transfer of funds from one claim or loss retention fund account in a fiscal year to another account within the same fiscal year. An Interyear Fund Transfer is a transfer from a claim or loss retention trust account for a fiscal year, to a claim or loss retention trust account of similar risk of liability for a different fiscal year. All transfers must be approved by the Commissioners of the Departments of Community Affairs and Insurance. During 2020, there were no Intertrust Fund Transfers.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(continued)

NOTE 9: CONTINGENCIES

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

NOTE 10: RELATIONSHIP WITH STATE SCHEDULES

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

NOTE 11: SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through May 25, 2021, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

Supplemental Schedules

ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

New Jersey Department of Insurance Joint Insurance Fund Code:

Joint Insurance Fund Name: Municipal Excess Liability Residual Claims Fund

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

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

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

EXECUTIVE COMMITTEE

Chairman: Gregory Franz
Secretary: John Clarke

Paul Tomasko Brian Bigler
Tom Nolan Joseph Catenaro
Joseph Wolk

EXECUTIVE COMMITTEE ALTERNATES

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

State of New Jersey
County of Morris

Gregory Franz, Chairman, and John Clarke, Secretary, of the Municipal Excess Liability Residual Claims Fund being duly sworn, each for himself deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 31st day of December last, all of the herein described assets were the absolute property of said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statements of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2020 and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairman

Secretary

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

Subscribed and sworn to before me the
day of , 2021

Municipal Excess Liability Residual Claims Fund

Historical Operating Results Analysis

All Fund Years

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	498,062,526	
Supplemental Contributions - Surplus Trigger		11,521,538	
Other Income (except investments)			
Total Income			\$ 509,584,064
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		396,606,377	
Case Reserves		84,741,897	
Imprest Account		-	
IBNR Reserve		24,478,000	
Subtotal			\$ 505,826,274
Less Excess Insurance:			
Received		6,993,211	
Recoverable		-	
Subtotal			6,993,211
Limited Incurred Claims (claims-excess)			498,833,063
<u>Expenses:</u>			
Excess Insurance Premiums		500,000	
Administrative		9,462,377	
Subtotal Expenses			9,962,377
Total Incurred Liabilities (limited claims and expenses)			508,795,440
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			788,624
4 . <u>Investment Income (Earned)</u>			28,491,194
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			29,279,818
6 . <u>Return of Surplus:</u>			
Paid		24,075,506	
Authorized and Unpaid		657,570	
Subtotal Return of Surplus			24,733,076
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 4,546,742

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Historical Balance Sheet

All fund Years

December 31, 2020
(unaudited)

1. <u>Assets:</u>			
Cash and Investments	\$	<u>83,444,471</u>	\$ 83,444,471
<u>Receivables :</u>			
Assessments		26,892,725	
Other		<u>4,135,959</u>	
Total Receivables			31,028,684
Prepaid Expenses			
Other Assets			
<u>Total Assets</u>			<u>\$ 114,473,155</u>
2. <u>Liabilities:</u>			
<u>Claims:</u>			
Case Reserves		84,741,897	
Less Excess Insurance Recoverable		-	
IBNR Reserve		<u>24,478,000</u>	
Subtotal Claims			109,219,897
<u>Expenses (unpaid)</u>			
Excess Insurance		-	
Administrative		<u>23,634</u>	
Subtotal Expenses			23,634
<u>Other Liabilities:</u>			
Unearned Contributions			
Authorized Return of Surplus		657,570	
Miscellaneous Liabilities		<u>25,312</u>	
Subtotal			682,882
<u>Total Liabilities</u>			<u>109,926,413</u>
<u>Net Current Surplus/(Deficit) = 1-2</u>			<u>\$ 4,546,742</u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

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

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	167,202,282	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 167,202,282
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		162,526,864	
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal			\$ 162,526,864
Less Excess Insurance:			
Received			
Recoverable			
Subtotal			-
Limited Incurred Claims (claims-excess)			162,526,864
<u>Expenses:</u>			
Excess Insurance Premiums		500,000	
Administrative		3,382,804	
Subtotal Expenses			3,882,804
Total Incurred Liabilities (limited claims and expenses)			166,409,668
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			792,614
4 . <u>Investment Income (Earned)</u>			20,164,294
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			20,956,908
6 . <u>Return of Surplus:</u>			
Paid		19,090,506	
Authorized and Unpaid		657,570	
Subtotal Return of Surplus			19,748,076
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,208,832

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Residual Legacy Account (Fund Years - 1995-2006)

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ -
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	(4,965,210)		
Case Reserves	3,225,346		
Imprest Account	-		
IBNR Reserve	373,000		
Subtotal		\$ (1,366,864)	
Less Excess Insurance:			
Received	-		
Recoverable	-		
Subtotal			
Limited Incurred Claims (claims-excess)		(1,366,864)	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative			
Subtotal Expenses		-	
Total Incurred Liabilities (limited claims and expenses)			<u>(1,366,864)</u>
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,366,864
4 . <u>Investment Income (Earned)</u>			<u>309,276</u>
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,676,140
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			<u>-</u>
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 1,676,140</u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2007

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	18,226,495	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 18,226,495
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		20,959,819	
Case Reserves		2,025,705	
Imprest Account		-	
IBNR Reserve		17,000	
Subtotal	\$		23,002,524
Less Excess Insurance:			
Received		40,313	
Recoverable		-	
Subtotal			40,313
Limited Incurred Claims (claims-excess)			22,962,211
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		326,421	
Subtotal Expenses			326,421
Total Incurred Liabilities (limited claims and expenses)			23,288,632
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(5,062,137)
4 . <u>Investment Income (Earned)</u>			907,408
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(4,154,729)
6 . <u>Return of Surplus:</u>			
Paid		350,000	
Authorized and Unpaid			
Subtotal Return of Surplus			350,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u>(4,504,729)</u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2008

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	19,702,521	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 19,702,521
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		22,032,573	
Case Reserves		2,233,411	
Imprest Account		-	
IBNR Reserve		-	
Subtotal	\$	24,265,984	
Less Excess Insurance:			
Received		3,429,318	
Recoverable		-	
Subtotal		3,429,318	
Limited Incurred Claims (claims-excess)		20,836,666	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		334,914	
Subtotal Expenses		334,914	
Total Incurred Liabilities (limited claims and expenses)			21,171,580
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(1,469,059)
4 . <u>Investment Income (Earned)</u>			818,391
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(650,668)
6 . <u>Return of Surplus:</u>			
Paid		375,000	
Authorized and Unpaid			
Subtotal Return of Surplus			375,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u>(1,025,668)</u>

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Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2009

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	23,081,541	
Supplemental Contributions			
Other Income (except investments)			
Total Income		<hr/>	\$ 23,081,541
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		21,726,097	
Case Reserves		1,501,767	
Imprest Account		-	
IBNR Reserve		60,000	
Subtotal		<hr/>	\$ 23,287,864
Less Excess Insurance:			
Received		3,086,070	
Recoverable		-	
Subtotal		<hr/>	3,086,070
Limited Incurred Claims (claims-excess)			<hr/> 20,201,794
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		344,890	
Subtotal Expenses		<hr/>	344,890
Total Incurred Liabilities (limited claims and expenses)			<hr/> 20,546,684
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,534,857
4 . <u>Investment Income (Earned)</u>			<hr/> 866,855
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			3,401,712
6 . <u>Return of Surplus:</u>			
Paid		380,000	
Authorized and Unpaid			
Subtotal Return of Surplus		<hr/>	<hr/> 380,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			<hr/> <hr/> \$ 3,021,712

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Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2010

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,564,040	
Supplemental Contributions			
Other Income (except investments)			
Total Income		<hr/>	\$ 21,564,040
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		18,174,271	
Case Reserves		1,580,114	
Imprest Account		-	
IBNR Reserve		70,000	
Subtotal		<hr/>	\$ 19,824,385
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal		<hr/>	-
Limited Incurred Claims (claims-excess)			<hr/> 19,824,385
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		350,137	
Subtotal Expenses		<hr/>	350,137
Total Incurred Liabilities (limited claims and expenses)			<hr/> 20,174,522
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,389,518
4 . <u>Investment Income (Earned)</u>			<hr/> 596,364
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,985,882
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus		<hr/>	<hr/> 400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			<hr/> <hr/> \$ 1,585,882

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2011

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	23,778,245	
Supplemental Contributions			
Other Income (except investments)			
Total Income		<hr/>	\$ 23,778,245
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		22,087,428	
Case Reserves		5,388,980	
Imprest Account		-	
IBNR Reserve		55,000	
Subtotal		<hr/>	\$ 27,531,408
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal		<hr/>	-
Limited Incurred Claims (claims-excess)			<hr/> 27,531,408
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		354,501	
Subtotal Expenses		<hr/>	354,501
Total Incurred Liabilities (limited claims and expenses)			<hr/> 27,885,909
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(4,107,664)
4 . <u>Investment Income (Earned)</u>			<hr/> 450,456
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(3,657,208)
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus		<hr/>	<hr/> 400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			<hr/> <hr/> \$ (4,057,208)

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Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2012

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	29,802,024	
Supplemental Contributions			
Other Income (except investments)			
Total Income		<hr/>	\$ 29,802,024
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		26,019,544	
Case Reserves		6,605,824	
Imprest Account		-	
IBNR Reserve		240,000	
Subtotal		<hr/>	\$ 32,865,368
Less Excess Insurance:			
Received		437,510	
Recoverable		-	
Subtotal		<hr/>	437,510
Limited Incurred Claims (claims-excess)			<hr/> 32,427,858
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		366,275	
Subtotal Expenses		<hr/>	366,275
Total Incurred Liabilities (limited claims and expenses)			<hr/> 32,794,133
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(2,992,109)
4 . <u>Investment Income (Earned)</u>			<hr/> 535,916
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(2,456,193)
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus		<hr/>	<hr/> 400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ <u><hr/>(2,856,193)</u>

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Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2013

December 31, 2020

(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	24,974,946	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 24,974,946
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		21,872,804	
Case Reserves		4,199,371	
Imprest Account		-	
IBNR Reserve		536,000	
Subtotal			\$ 26,608,175
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			26,608,175
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		432,325	
Subtotal Expenses			432,325
Total Incurred Liabilities (limited claims and expenses)			27,040,500
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(2,065,554)
4 . <u>Investment Income (Earned)</u>			620,280
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(1,445,274)
6 . <u>Return of Surplus:</u>			
Paid		400,000	
Authorized and Unpaid			
Subtotal Return of Surplus			400,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (1,845,274)

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2014

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	26,866,461	
Supplemental Contributions			
Other Income (except investments)			
Total Income		<hr/>	\$ 26,866,461
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		21,630,559	
Case Reserves		4,353,367	
Imprest Account		-	
IBNR Reserve		1,118,000	
Subtotal		<hr/>	\$ 27,101,926
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal		<hr/>	-
Limited Incurred Claims (claims-excess)			<hr/> 27,101,926
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		450,648	
Subtotal Expenses		<hr/>	450,648
Total Incurred Liabilities (limited claims and expenses)			<hr/> 27,552,574
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(686,113)
4 . <u>Investment Income (Earned)</u>			<hr/> 685,024
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(1,089)
6 . <u>Return of Surplus:</u>			
Paid		450,000	
Authorized and Unpaid			
Subtotal Return of Surplus		<hr/>	450,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			<hr/> <hr/> \$ (451,089)

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Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2015

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	27,223,055	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 27,223,055
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		15,813,707	
Case Reserves		5,717,406	
Imprest Account		-	
IBNR Reserve		2,429,000	
Subtotal			\$ 23,960,113
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			23,960,113
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		492,614	
Subtotal Expenses			492,614
Total Incurred Liabilities (limited claims and expenses)			24,452,727
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,770,328
4 . <u>Investment Income (Earned)</u>			883,068
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			3,653,396
6 . <u>Return of Surplus:</u>			
Paid		600,000	
Authorized and Unpaid			
Subtotal Return of Surplus			600,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 3,053,396

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2016

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	24,571,400	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 24,571,400
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		16,056,990	
Case Reserves		6,229,261	
Imprest Account		-	
IBNR Reserve		2,259,000	
Subtotal	\$	24,545,251	
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)		24,545,251	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		517,128	
Subtotal Expenses		517,128	
Total Incurred Liabilities (limited claims and expenses)			25,062,379
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(490,979)
4 . <u>Investment Income (Earned)</u>			566,782
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			75,803
6 . <u>Return of Surplus:</u>			
Paid		610,000	
Authorized and Unpaid			
Subtotal Return of Surplus			610,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		(534,197)

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2017

December 31, 2020

(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	26,246,781	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 26,246,781
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		17,878,131	
Case Reserves		5,751,570	
Imprest Account		-	
IBNR Reserve		3,479,000	
Subtotal			\$ 27,108,701
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			27,108,701
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		506,538	
Subtotal Expenses			506,538
Total Incurred Liabilities (limited claims and expenses)			27,615,239
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(1,368,458)
4 . <u>Investment Income (Earned)</u>			645,731
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(722,727)
6 . <u>Return of Surplus:</u>			
Paid		620,000	
Authorized and Unpaid			
Subtotal Return of Surplus			620,000
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (1,342,727)

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Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2018

December 31, 2020

(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,848,628	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 21,848,628
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		10,540,161	
Case Reserves		8,934,095	
Imprest Account		-	
IBNR Reserve		3,140,000	
Subtotal	\$	22,614,256	
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)		22,614,256	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		516,447	
Subtotal Expenses		516,447	
Total Incurred Liabilities (limited claims and expenses)			23,130,703
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(1,282,075)
4 . <u>Investment Income (Earned)</u>			346,486
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(935,589)
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u>(935,589)</u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2019

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,721,527	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 21,721,527
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		4,459,798	
Case Reserves		12,040,846	
Imprest Account		-	
IBNR Reserve		4,119,000	
Subtotal	\$		20,619,644
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)			20,619,644
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		510,308	
Subtotal Expenses			510,308
Total Incurred Liabilities (limited claims and expenses)			<u>21,129,952</u>
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			591,575
4 . <u>Investment Income (Earned)</u>			<u>73,297</u>
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			664,872
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u><u>664,872</u></u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Operating Results Analysis

Fund Year - 2020

December 31, 2020
(unaudited)

1 . <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	21,252,580	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 21,252,580
2 . <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		(207,159)	
Case Reserves		14,954,834	
Imprest Account		-	
IBNR Reserve		6,583,000	
Subtotal	\$	21,330,675	
Less Excess Insurance:			
Received		-	
Recoverable		-	
Subtotal			-
Limited Incurred Claims (claims-excess)		21,330,675	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative		576,427	
Subtotal Expenses		576,427	
Total Incurred Liabilities (limited claims and expenses)			21,907,102
3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>			(654,522)
4 . <u>Investment Income (Earned)</u>			-
5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(654,522)
6 . <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			-
7 . <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		(654,522)

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Account Operating Results Analysis

Residual Legacy Account (Fund Years - 1995-2006)

December 31, 2020
(unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Regular Contributions (earned)								-
Supplemental Contributions								-
Other Income (except investments)								-
Total Income								-
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	(20,814)	(12,648)	14,148	(1,347,550)	-	-	-	(1,366,864)
Excess Insurance (Recovery) Expenses	-	-	-	-	-	-	-	-
Total Liabilities	(20,814)	(12,648)	14,148	(1,347,550)	-	-	-	(1,366,864)
3. <u>Underwriting Surplus/(Deficit)</u>	20,814	12,648	(14,148)	1,347,550	-	-	-	1,366,864
4. <u>Adjustments</u>								
Investment Income	1,397	508	71,118	236,095	-	158	-	309,276
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	1,397	508	71,118	236,095	-	158	-	309,276
5. <u>Gross Operating Surplus/(Deficit)</u>	22,211	13,156	56,970	1,583,645	-	158	-	1,676,140
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus/(Deficit)</u>	\$ 22,211	\$ 13,156	\$ 56,970	\$ 1,583,645	\$ -	\$ 158	\$ -	\$ 1,676,140

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2007

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 15,288	\$ 5,286	\$ 5,724,442	\$ 11,291,479	\$ 500,000	\$ 690,000	\$ 18,226,495	
Supplemental Contributions	15,288	5,286	5,724,442	11,291,479	500,000	690,000	18,226,495	
Other Income (except investments)								
Total Income	63,797	(23,964)	8,742,884	14,179,494	-	-	22,962,211	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	-	-	-	-	-	326,421	326,421	
Excess Insurance (Recovery) Expenses	63,797	(23,964)	8,742,884	14,179,494	-	326,421	23,288,632	
Total Liabilities	(48,509)	29,250	(3,018,442)	(2,888,015)	500,000	363,579	(5,062,137)	
3. <u>Underwriting Surplus/(Deficit)</u>								
4. <u>Adjustments</u>								
Investment Income	2,010	2,550	195,230	612,817	86,157	8,644	907,408	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	2,010	2,550	195,230	612,817	86,157	8,644	907,408	
5. <u>Gross Operating Surplus/(Deficit)</u>	(46,499)	31,800	(2,823,212)	(2,275,198)	586,157	372,223	(4,154,729)	
6. <u>Return of Surplus</u>								
	-	-	-	-	-	(350,000)	(350,000)	
7. <u>Net Current Surplus/(Deficit)</u>	\$ (46,499)	\$ 31,800	\$ (2,823,212)	\$ (2,275,198)	\$ 586,157	\$ 22,223	\$ (4,504,729)	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2008

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 8,477	\$ -	\$ 7,064,807	\$ 11,779,237	\$ 500,000	\$ 350,000	\$ 19,702,521	
Supplemental Contributions	8,477	-	7,064,807	11,779,237	500,000	350,000	19,702,521	
Other Income (except investments)								
Total Income								
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	272,970	(202)	6,870,908	13,692,990	-	-	20,836,666	
Excess Insurance (Recovery) Expenses	-	-	-	-	-	334,914	334,914	
Total Liabilities	272,970	(202)	6,870,908	13,692,990	-	334,914	21,171,580	
3. <u>Underwriting Surplus/(Deficit)</u>	(264,493)	202	193,899	(1,913,753)	500,000	15,086	(1,469,059)	
4. <u>Adjustments</u>								
Investment Income	-	1	177,627	610,451	24,767	5,545	818,391	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	-	1	177,627	610,451	24,767	5,545	818,391	
5. <u>Gross Operating Surplus/(Deficit)</u>	(264,493)	203	371,526	(1,303,302)	524,767	20,631	(650,668)	
6. <u>Return of Surplus</u>	-	-	-	-	(375,000)	-	(375,000)	
7. <u>Net Current Surplus/(Deficit)</u>	(264,493)	203	371,526	(1,303,302)	149,767	20,631	(1,025,668)	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2009

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Contingency Fund	Loss Contingency Fund	General and Administrative Fund	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 27,071	\$ -	\$ 10,205,231	\$ 11,974,239	\$ 500,000	\$ 375,000	\$ 23,081,541	
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>27,071</u>	<u>-</u>	<u>10,205,231</u>	<u>11,974,239</u>	<u>500,000</u>	<u>375,000</u>	<u>23,081,541</u>	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	49,224	-	8,422,518	11,730,052	-	-	20,201,794	
Excess Insurance (Recovery) Expenses	-	-	-	-	-	344,890	344,890	
Total Liabilities	<u>49,224</u>	<u>-</u>	<u>8,422,518</u>	<u>11,730,052</u>	<u>-</u>	<u>344,890</u>	<u>20,546,684</u>	
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(22,153)</u>	<u>-</u>	<u>1,782,713</u>	<u>244,187</u>	<u>500,000</u>	<u>30,110</u>	<u>2,534,857</u>	
4. <u>Adjustments</u>								
Investment Income	1,027	-	275,747	564,081	18,336	7,664	866,855	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	<u>1,027</u>	<u>-</u>	<u>275,747</u>	<u>564,081</u>	<u>18,336</u>	<u>7,664</u>	<u>866,855</u>	
5. <u>Gross Operating Surplus/(Deficit)</u>	<u>(21,126)</u>	<u>-</u>	<u>2,058,460</u>	<u>808,268</u>	<u>518,336</u>	<u>37,774</u>	<u>3,401,712</u>	
6. <u>Return of Surplus</u>	-	-	-	-	(380,000)	-	(380,000)	
7. <u>Net Current Surplus/(Deficit)</u>	<u>(21,126)</u>	<u>-</u>	<u>2,058,460</u>	<u>808,268</u>	<u>138,336</u>	<u>37,774</u>	<u>3,021,712</u>	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2010

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Contingency Fund	Loss Contingency Fund	General and Administrative Fund	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 107,789	\$ 1,010	\$ 9,215,026	\$ 11,360,215	\$ 500,000	\$ 380,000	\$ 21,564,040	
Supplemental Contributions	107,789	1,010	9,215,026	11,360,215	500,000	380,000	21,564,040	
Other Income (except investments)	(652)	-	9,648,507	10,176,530	-	-	19,824,385	
Total Income	(652)	-	9,648,507	10,176,530	-	350,137	350,137	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)								
Excess Insurance (Recovery) Expenses	108,441	1,010	(433,481)	1,183,685	500,000	29,863	1,389,518	
Total Liabilities	108,441	1,010	(433,481)	1,183,685	500,000	29,863	1,389,518	
3. <u>Underwriting Surplus/(Deficit)</u>								
4. <u>Adjustments</u>								
Investment Income	10,635	104	75,258	490,171	16,108	4,088	596,364	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	10,635	104	75,258	490,171	16,108	4,088	596,364	
5. <u>Gross Operating Surplus/(Deficit)</u>	119,076	1,114	(358,223)	1,673,856	516,108	33,951	1,985,882	
6. <u>Return of Surplus</u>	-	-	-	-	(400,000)	-	(400,000)	
7. <u>Net Current Surplus/(Deficit)</u>	\$ 119,076	\$ 1,114	\$ (358,223)	\$ 1,673,856	\$ 116,108	\$ 33,951	\$ 1,585,882	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2011

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Contingency Fund	Loss Contingency Fund	General and Administrative Fund	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 46,929	\$ 14,176	\$ 8,172,510	\$ 14,644,630	\$ 500,000	\$ 400,000	\$ 23,778,245	
Supplemental Contributions	46,929	14,176	8,172,510	14,644,630	500,000	400,000	23,778,245	
Other Income (except investments)	-	-	-	-	-	-	-	
Total Income	169,505	-	8,390,518	18,971,385	-	-	27,531,408	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	-	-	-	-	-	354,501	354,501	
Excess Insurance (Recovery) Expenses	169,505	-	8,390,518	18,971,385	-	354,501	27,885,909	
Total Liabilities	(122,576)	14,176	(218,008)	(4,326,755)	500,000	45,499	(4,107,664)	
3. <u>Underwriting Surplus/(Deficit)</u>								
4. <u>Adjustments</u>								
Investment Income	424	1,721	73,741	356,751	13,303	4,516	450,456	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	424	1,721	73,741	356,751	13,303	4,516	450,456	
5. <u>Gross Operating Surplus/(Deficit)</u>	(122,152)	15,897	(144,267)	(3,970,004)	513,303	50,015	(3,657,208)	
6. <u>Return of Surplus</u>	-	-	-	-	(400,000)	-	(400,000)	
7. <u>Net Current Surplus/(Deficit)</u>	\$ (122,152)	\$ 15,897	\$ (144,267)	\$ (3,970,004)	\$ 113,303	\$ 50,015	\$ (4,057,208)	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2012

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 29,304	\$ 22,026	\$ 10,967,322	\$ 17,883,372	\$ 500,000	\$ 400,000	\$ 29,802,024	
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>29,304</u>	<u>22,026</u>	<u>10,967,322</u>	<u>17,883,372</u>	<u>500,000</u>	<u>400,000</u>	<u>29,802,024</u>	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	101,766	124,984	9,161,031	23,040,077	-	-	32,427,858	
Excess Insurance (Recovery) Expenses	-	-	-	-	-	366,275	366,275	
Total Liabilities	<u>101,766</u>	<u>124,984</u>	<u>9,161,031</u>	<u>23,040,077</u>	<u>-</u>	<u>366,275</u>	<u>32,794,133</u>	
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(72,462)</u>	<u>(102,958)</u>	<u>1,806,291</u>	<u>(5,156,705)</u>	<u>500,000</u>	<u>33,725</u>	<u>(2,992,109)</u>	
4. <u>Adjustments</u>								
Investment Income	9	(9)	173,136	350,879	8,454	3,447	535,916	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	<u>9</u>	<u>(9)</u>	<u>173,136</u>	<u>350,879</u>	<u>8,454</u>	<u>3,447</u>	<u>535,916</u>	
5. <u>Gross Operating Surplus/(Deficit)</u>	<u>(72,453)</u>	<u>(102,967)</u>	<u>1,979,427</u>	<u>(4,805,826)</u>	<u>508,454</u>	<u>37,172</u>	<u>(2,456,193)</u>	
6. <u>Return of Surplus</u>								
	-	-	-	-	(400,000)	-	(400,000)	
7. <u>Net Current Surplus/(Deficit)</u>	<u>\$(72,453)</u>	<u>\$(102,967)</u>	<u>\$1,979,427</u>	<u>\$(4,805,826)</u>	<u>\$108,454</u>	<u>\$37,172</u>	<u>\$(2,856,193)</u>	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2013

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 44,165	\$ 326,323	\$ 8,475,769	\$ 15,228,689	\$ 500,000	\$ 400,000	\$ 24,974,946	
Supplemental Contributions	44,165	326,323	8,475,769	15,228,689	500,000	400,000	24,974,946	
Other Income (except investments)	-	-	-	-	-	-	-	
Total Income	44,165	326,323	8,475,769	15,228,689	500,000	400,000	24,974,946	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	20,372	(1,032)	9,700,407	16,888,428	-	-	26,608,175	
Excess Insurance (Recovery) Expenses	-	-	-	-	-	432,325	432,325	
Total Liabilities	20,372	(1,032)	9,700,407	16,888,428	-	432,325	27,040,500	
3. <u>Underwriting Surplus/(Deficit)</u>	23,793	327,355	(1,224,638)	(1,659,739)	500,000	(32,325)	(2,065,554)	
4. <u>Adjustments</u>								
Investment Income	2,832	27,023	107,842	444,078	10,052	28,453	620,280	
Transfers	-	-	-	-	(5,000)	5,000	-	
Total Adjustments	2,832	27,023	107,842	444,078	5,052	33,453	620,280	
5. <u>Gross Operating Surplus/(Deficit)</u>	26,625	354,378	(1,116,796)	(1,215,661)	505,052	1,128	(1,445,274)	
6. <u>Return of Surplus</u>	-	-	-	-	(400,000)	-	(400,000)	
7. <u>Net Current Surplus/(Deficit)</u>	\$ 26,625	\$ 354,378	\$ (1,116,796)	\$ (1,215,661)	\$ 105,052	\$ 1,128	\$ (1,845,274)	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2014

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 20,051	\$ -	\$ 11,619,440	\$ 14,326,970	\$ 500,000	\$ 400,000	\$ 26,866,461	
Supplemental Contributions	20,051	-	11,619,440	14,326,970	500,000	400,000	26,866,461	
Other Income (except investments)								
Total Income	80,905	-	8,089,422	18,931,599	-	-	27,101,926	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	-	-	-	-	-	-	-	
Excess Insurance (Recovery) Expenses	80,905	-	8,089,422	18,931,599	-	450,648	450,648	
Total Liabilities	(60,854)	-	3,530,018	(4,604,629)	500,000	(50,648)	(686,113)	
3. <u>Underwriting Surplus/(Deficit)</u>								
4. <u>Adjustments</u>								
Investment Income	8	-	367,125	313,228	2,573	2,090	685,024	
Transfers	-	-	-	-	(50,000)	50,000	-	
Total Adjustments	8	-	367,125	313,228	(47,427)	52,090	685,024	
5. <u>Gross Operating Surplus/(Deficit)</u>	(60,846)	-	3,897,143	(4,291,401)	452,573	1,442	(1,089)	
6. <u>Return of Surplus</u>								
	-	-	-	-	(450,000)	-	(450,000)	
7. <u>Net Current Surplus/(Deficit)</u>	\$ (60,846)	\$ -	\$ 3,897,143	\$ (4,291,401)	\$ 2,573	\$ 1,442	\$ (451,089)	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2015

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 32,408	\$ -	\$ 9,085,292	\$ 16,955,355	\$ 600,000	\$ 550,000	\$	\$ 27,223,055
Supplemental Contributions	32,408	-	9,085,292	16,955,355	600,000	550,000		27,223,055
Other Income (except investments)								-
Total Income								
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	361,574	-	7,442,934	16,155,605	-	-	-	23,960,113
Excess Insurance (Recovery) Expenses	-	-	-	-	-	492,614	-	492,614
Total Liabilities	361,574	-	7,442,934	16,155,605	-	492,614	-	24,452,727
3. <u>Underwriting Surplus/(Deficit)</u>	(329,166)	-	1,642,358	799,750	600,000	57,386		2,770,328
4. <u>Adjustments</u>								
Investment Income	-	-	140,056	738,602	(366)	4,776		883,068
Transfers	-	-	-	-	366	(366)		-
Total Adjustments	-	-	140,056	738,602	-	4,410		883,068
5. <u>Gross Operating Surplus/(Deficit)</u>	(329,166)	-	1,782,414	1,538,352	600,000	61,796		3,653,396
6. <u>Return of Surplus</u>	-	-	-	-	(600,000)	-		(600,000)
7. <u>Net Current Surplus/(Deficit)</u>	\$ (329,166)	\$ -	\$ 1,782,414	\$ 1,538,352	\$ -	\$ 61,796	\$	\$ 3,053,396

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2016

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Contingency Fund	Loss Contingency Fund	General and Administrative Fund	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 2,579	\$ -	\$ 11,152,491	\$ 12,191,330	\$ 600,000	\$ 625,000	\$ 600,000	\$ 24,571,400
Supplemental Contributions								
Other Income (except investments)								
Total Income	2,579	-	11,152,491	12,191,330	600,000	625,000	600,000	24,571,400
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	18,836	-	10,106,620	14,419,795	-	-	-	24,545,251
Excess Insurance (Recovery) Expenses	-	-	-	-	-	-	517,128	517,128
Total Liabilities	18,836	-	10,106,620	14,419,795	-	-	517,128	25,062,379
3. <u>Underwriting Surplus/(Deficit)</u>	(16,257)	-	1,045,871	(2,228,465)	625,000	82,872	-	(490,979)
4. <u>Adjustments</u>								
Investment Income	7	-	140,461	418,953	334	7,027	-	566,782
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	7	-	140,461	418,953	334	7,027	-	566,782
5. <u>Gross Operating Surplus/(Deficit)</u>	(16,250)	-	1,186,332	(1,809,512)	625,334	89,899	-	75,803
6. <u>Return of Surplus</u>	-	-	-	-	(610,000)	-	-	(610,000)
7. <u>Net Current Surplus/(Deficit)</u>	(16,250)	-	1,186,332	(1,809,512)	15,334	89,899	-	(534,197)

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2017

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Contingency Fund	Loss Fund	General and Administrative Fund	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 55,406	\$ 43,629	\$ 10,309,122	\$ 14,603,624	\$ 625,000	\$ 610,000	\$ 26,246,781	
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>55,406</u>	<u>43,629</u>	<u>10,309,122</u>	<u>14,603,624</u>	<u>625,000</u>	<u>610,000</u>	<u>26,246,781</u>	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	191,476	(47,113)	9,762,527	17,201,811	-	-	27,108,701	
Excess Insurance (Recovery) Expenses	-	-	-	-	-	506,538	506,538	
Total Liabilities	<u>191,476</u>	<u>(47,113)</u>	<u>9,762,527</u>	<u>17,201,811</u>	<u>-</u>	<u>506,538</u>	<u>27,615,239</u>	
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(136,070)</u>	<u>90,742</u>	<u>546,595</u>	<u>(2,598,187)</u>	<u>625,000</u>	<u>103,462</u>	<u>(1,368,458)</u>	
4. <u>Adjustments</u>								
Investment Income	1,724	4,285	158,688	470,917	2,032	8,085	645,731	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	<u>1,724</u>	<u>4,285</u>	<u>158,688</u>	<u>470,917</u>	<u>2,032</u>	<u>8,085</u>	<u>645,731</u>	
5. <u>Gross Operating Surplus/(Deficit)</u>	<u>(134,346)</u>	<u>95,027</u>	<u>705,283</u>	<u>(2,127,270)</u>	<u>627,032</u>	<u>111,547</u>	<u>(722,727)</u>	
6. <u>Return of Surplus</u>								
	-	-	-	-	(620,000)	-	(620,000)	
7. <u>Net Current Surplus/(Deficit)</u>	<u>\$ (134,346)</u>	<u>\$ 95,027</u>	<u>\$ 705,283</u>	<u>\$ (2,127,270)</u>	<u>\$ 7,032</u>	<u>\$ 111,547</u>	<u>\$ (1,342,727)</u>	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2018

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 290,635	\$ 30,418	\$ 6,854,208	\$ 13,403,367	\$ 650,000	\$ 620,000	\$ 21,848,628	
Supplemental Contributions	290,635	30,418	6,854,208	13,403,367	650,000	620,000	21,848,628	
Other Income (except investments)							-	
Total Income	290,635	30,418	6,854,208	13,403,367	650,000	620,000	21,848,628	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	245,510	(325)	8,626,441	13,742,630			22,614,256	
Excess Insurance (Recovery) Expenses						516,447	516,447	
Total Liabilities	245,510	(325)	8,626,441	13,742,630		516,447	23,130,703	
3. <u>Underwriting Surplus/(Deficit)</u>	45,125	30,743	(1,772,233)	(339,263)	650,000	103,553	(1,282,075)	
4. <u>Adjustments</u>								
Investment Income	8,495	779	57,043	256,223	16,572	7,374	346,486	
Transfers								
Total Adjustments	8,495	779	57,043	256,223	16,572	7,374	346,486	
5. <u>Gross Operating Surplus/(Deficit)</u>	53,620	31,522	(1,715,190)	(83,040)	666,572	110,927	(935,589)	
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus/(Deficit)</u>	\$ 53,620	\$ 31,522	(1,715,190)	(83,040)	\$ 666,572	\$ 110,927	\$ (935,589)	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2019

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 36,465	\$ -	\$ 7,703,862	\$ 12,698,200	\$ 650,000	\$ 633,000	\$ 21,721,527	
Supplemental Contributions	36,465	-	7,703,862	12,698,200	650,000	633,000	21,721,527	
Other Income (except investments)							-	
Total Income								
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	28,946	-	6,946,819	13,643,879	-	-	20,619,644	
Excess Insurance (Recovery) Expenses	28,946	-	6,946,819	13,643,879	-	510,308	510,308	
Total Liabilities	7,519	-	757,043	(945,679)	650,000	122,692	591,575	
3. <u>Underwriting Surplus/(Deficit)</u>								
4. <u>Adjustments</u>								
Investment Income	230	3,042	27,608	33,612	-	8,805	73,297	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	230	3,042	27,608	33,612	-	8,805	73,297	
5. <u>Gross Operating Surplus/(Deficit)</u>	7,749	3,042	784,651	(912,067)	650,000	131,497	664,872	
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus/(Deficit)</u>	\$ 7,749	\$ 3,042	\$ 784,651	\$ (912,067)	\$ 650,000	\$ 131,497	\$ 664,872	

Municipal Excess Liability Residual Claims Fund
 Fund Year Account Operating Results Analysis

Fund Year - 2020

December 31, 2020
 (unaudited)

	Coverages and Other Accounts							Totals
	Property Fund	Faithful Perf. Bond Fund	Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	General and Administrative Fund		
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 10,301	\$ 10,648	\$ 8,069,005	\$ 11,856,626	\$ 660,000	\$ 646,000	\$ 21,252,580	
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>10,301</u>	<u>10,648</u>	<u>8,069,005</u>	<u>11,856,626</u>	<u>660,000</u>	<u>646,000</u>	<u>21,252,580</u>	
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	(53,940)	-	7,500,853	13,883,762			21,330,675	
Excess Insurance (Recovery) Expenses						576,427	-	
Total Liabilities	<u>(53,940)</u>	<u>-</u>	<u>7,500,853</u>	<u>13,883,762</u>	<u>-</u>	<u>576,427</u>	<u>21,907,102</u>	
3. <u>Underwriting Surplus/(Deficit)</u>	<u>64,241</u>	<u>10,648</u>	<u>568,152</u>	<u>(2,027,136)</u>	<u>660,000</u>	<u>69,573</u>	<u>(654,522)</u>	
4. <u>Adjustments</u>								
Investment Income	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
5. <u>Gross Operating Surplus/(Deficit)</u>	<u>64,241</u>	<u>10,648</u>	<u>568,152</u>	<u>(2,027,136)</u>	<u>660,000</u>	<u>69,573</u>	<u>(654,522)</u>	
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus/(Deficit)</u>	<u>\$ 64,241</u>	<u>\$ 10,648</u>	<u>\$ 568,152</u>	<u>\$ (2,027,136)</u>	<u>\$ 660,000</u>	<u>\$ 69,573</u>	<u>\$ (654,522)</u>	

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Residual Legacy Account (Fund Years - 1995-2006)

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (21,440)	\$ (12,648)	\$ 5,499	\$ (4,936,621)	\$ (4,965,210)
Case Reserves	626		8,649	3,216,071	3,225,346
Imprest Account					-
IBNR Reserve				373,000	373,000
Subtotal	<u>(20,814)</u>	<u>(12,648)</u>	<u>14,148</u>	<u>(1,347,550)</u>	<u>(1,366,864)</u>
Excess Insurance Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurring Claims	<u>(20,814)</u>	<u>(12,648)</u>	<u>14,148</u>	<u>(1,347,550)</u>	<u>(1,366,864)</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2007

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 58,247	\$ (23,964)	\$ 8,783,197	\$ 12,142,339	\$ 20,959,819
Case Reserves	5,550			2,020,155	2,025,705
Imprest Account					-
IBNR Reserve				17,000	17,000
Subtotal	<u>63,797</u>	<u>(23,964)</u>	<u>8,783,197</u>	<u>14,179,494</u>	<u>23,002,524</u>
Excess Insurance					
Received			40,313		40,313
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>40,313</u>	<u>-</u>	<u>40,313</u>
Incurring Claims					
	<u>\$ 63,797</u>	<u>\$ (23,964)</u>	<u>\$ 8,742,884</u>	<u>\$ 14,179,494</u>	<u>\$ 22,962,211</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2008

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 272,970	\$ (202)	\$ 10,300,226	\$ 11,459,579	\$ 22,032,573
Case Reserves				2,233,411	2,233,411
Imprest Account				-	-
IBNR Reserve					
Subtotal	<u>272,970</u>	<u>(202)</u>	<u>10,300,226</u>	<u>13,692,990</u>	<u>24,265,984</u>
Excess Insurance					
Received			3,429,318		3,429,318
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>3,429,318</u>	<u>-</u>	<u>3,429,318</u>
Incurred Claims	<u>\$ 272,970</u>	<u>\$ (202)</u>	<u>\$ 6,870,908</u>	<u>\$ 13,692,990</u>	<u>\$ 20,836,666</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2009

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 49,224	\$ -	\$ 11,508,588	\$ 10,168,285	\$ 21,726,097
Case Reserves				1,501,767	1,501,767
Imprest Account					-
IBNR Reserve				60,000	60,000
Subtotal	49,224	-	11,508,588	11,730,052	23,287,864
Excess Insurance					
Received			3,086,070		3,086,070
Recoverable					-
Subtotal	-	-	3,086,070	-	3,086,070
Incurring Claims	\$ 49,224	\$ -	\$ 8,422,518	\$ 11,730,052	\$ 20,201,794

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2010

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (652)	\$ -	\$ 9,637,007	\$ 8,537,916	\$ 18,174,271
Case Reserves			11,500	1,568,614	1,580,114
Imprest Account					-
IBNR Reserve				70,000	70,000
Subtotal	(652)	-	9,648,507	10,176,530	19,824,385
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	(652)	\$ -	\$ 9,648,507	\$ 10,176,530	\$ 19,824,385

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2011

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 169,505	\$ -	\$ 8,253,339	\$ 13,664,584	\$ 22,087,428
Case Reserves			137,179	5,251,801	5,388,980
Imprest Account					-
IBNR Reserve				55,000	55,000
Subtotal	<u>169,505</u>	<u>-</u>	<u>8,390,518</u>	<u>18,971,385</u>	<u>27,531,408</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ 169,505</u>	<u>\$ -</u>	<u>\$ 8,390,518</u>	<u>\$ 18,971,385</u>	<u>\$ 27,531,408</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2012

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 101,766	\$ 124,984	\$ 9,598,541	\$ 16,194,253	\$ 26,019,544
Case Reserves				6,605,824	6,605,824
Imprest Account					-
IBNR Reserve				240,000	240,000
Subtotal	<u>101,766</u>	<u>124,984</u>	<u>9,598,541</u>	<u>23,040,077</u>	<u>32,865,368</u>
Excess Insurance					
Received			437,510		437,510
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>437,510</u>	<u>-</u>	<u>437,510</u>
Incurring Claims					
	<u>\$ 101,766</u>	<u>\$ 124,984</u>	<u>\$ 9,161,031</u>	<u>\$ 23,040,077</u>	<u>\$ 32,427,858</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2013

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 19,302	\$ (1,032)	\$ 9,420,746	\$ 12,433,788	\$ 21,872,804
Case Reserves	1,070		232,661	3,965,640	4,199,371
Imprest Account					-
IBNR Reserve			47,000	489,000	536,000
Subtotal	<u>20,372</u>	<u>(1,032)</u>	<u>9,700,407</u>	<u>16,888,428</u>	<u>26,608,175</u>
Excess Insurance Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ 20,372</u>	<u>\$ (1,032)</u>	<u>\$ 9,700,407</u>	<u>\$ 16,888,428</u>	<u>\$ 26,608,175</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2014

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 80,904	\$ -	\$ 7,362,557	\$ 14,187,098	\$ 21,630,559
Case Reserves	1		632,865	3,720,501	4,353,367
Imprest Account					-
IBNR Reserve			94,000	1,024,000	1,118,000
Subtotal	80,905	-	8,089,422	18,931,599	27,101,926
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurring Claims	\$ 80,905	\$ -	\$ 8,089,422	\$ 18,931,599	\$ 27,101,926

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2015

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 361,564	\$ -	\$ 7,421,690	\$ 8,030,453	\$ 15,813,707
Case Reserves	10		21,244	5,696,152	5,717,406
Imprest Account					-
IBNR Reserve				2,429,000	2,429,000
Subtotal	<u>361,574</u>	<u>-</u>	<u>7,442,934</u>	<u>16,155,605</u>	<u>23,960,113</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ 361,574</u>	<u>\$ -</u>	<u>\$ 7,442,934</u>	<u>\$ 16,155,605</u>	<u>\$ 23,960,113</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2016

December 31, 2020
(unaudited)

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 18,836	\$ -	\$ 9,438,865	\$ 6,599,289	\$ 16,056,990
Case Reserves			667,755	5,561,506	6,229,261
Imprest Account					-
IBNR Reserve				2,259,000	2,259,000
Subtotal	18,836	-	10,106,620	14,419,795	24,545,251
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	\$ 18,836	\$ -	\$ 10,106,620	\$ 14,419,795	\$ 24,545,251

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2017

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 159,256	\$ (47,113)	\$ 9,432,877	\$ 8,333,111	\$ 17,878,131
Case Reserves	32,220		296,650	5,422,700	5,751,570
Imprest Account					-
IBNR Reserve			33,000	3,446,000	3,479,000
Subtotal	<u>191,476</u>	<u>(47,113)</u>	<u>9,762,527</u>	<u>17,201,811</u>	<u>27,108,701</u>
Excess Insurance Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ 191,476</u>	<u>\$ (47,113)</u>	<u>\$ 9,762,527</u>	<u>\$ 17,201,811</u>	<u>\$ 27,108,701</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2018

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (182)	\$ (325)	\$ 6,433,529	\$ 4,107,139	\$ 10,540,161
Case Reserves	245,692		1,703,912	6,984,491	8,934,095
Imprest Account					-
IBNR Reserve			489,000	2,651,000	3,140,000
Subtotal	<u>245,510</u>	<u>(325)</u>	<u>8,626,441</u>	<u>13,742,630</u>	<u>22,614,256</u>
Excess Insurance Received					-
Recoverable Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u>\$ 245,510</u>	<u>\$ (325)</u>	<u>\$ 8,626,441</u>	<u>\$ 13,742,630</u>	<u>\$ 22,614,256</u>

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2019

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ 27,740	\$ -	\$ 2,315,059	\$ 2,116,999	\$ 4,459,798
Case Reserves	1,206		3,525,760	8,513,880	12,040,846
Imprest Account					-
IBNR Reserve			1,106,000	3,013,000	4,119,000
Subtotal	28,946	-	6,946,819	13,643,879	20,619,644
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Incurred Claims	\$ 28,946	\$ -	\$ 6,946,819	\$ 13,643,879	\$ 20,619,644

Municipal Excess Liability Residual Claims Fund

Fund Year Claims Analysis

Fund Year - 2020

**December 31, 2020
(unaudited)**

	Coverages				Totals
	Property	Faithful Perf. Bond Fund	Liability	Worker's Compensation Insurance	
Paid Claims	\$ (69,494)	\$ -	\$ -	\$ (137,665)	\$ (207,159)
Case Reserves	15,554		5,686,853	9,252,427	14,954,834
Imprest Account					-
IBNR Reserve			1,814,000	4,769,000	6,583,000
Subtotal	<u>(53,940)</u>	<u>-</u>	<u>7,500,853</u>	<u>13,883,762</u>	<u>21,330,675</u>
Excess Insurance Received					-
Recoverable Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Incurred Claims	<u><u>(53,940)</u></u>	<u><u>-</u></u>	<u><u>7,500,853</u></u>	<u><u>13,883,762</u></u>	<u><u>21,330,675</u></u>

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2007

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2008

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2009

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2010

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2011

December 31, 2020
(unaudited)

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

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Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2012

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2013

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2014

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2015

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2016

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2017

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2018

December 31, 2020
(unaudited)

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

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2019

December 31, 2020
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal	<u> </u>	<u> </u>	<u> </u>
2 . <u>Administrative Expenses</u>			
Administrator	200,600		200,600
Deputy Administrator	67,811		67,811
Legal	39,780		39,780
Treasurer	39,226		39,226
Other (itemize)			
Actuary	41,367		41,367
Auditor	23,171		23,171
Claims Administrator	60,396		60,396
Miscellaneous	37,957		37,957
Subtotal Administration	<u>510,308</u>	<u>-</u>	<u>510,308</u>
Total Expenses =1+2	\$ <u>510,308</u>	\$ <u>-</u>	\$ <u>510,308</u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Fund Year Expense Analysis

Fund Year - 2020

December 31, 2020
(unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1 . <u>Excess Insurance (itemize)</u>			
Insurance Premiums:	\$	\$	\$
Liability			
Worker's Compensation			
Subtotal	<u> </u>	<u> </u>	<u> </u>
2 . <u>Administrative Expenses</u>			
Administrator	187,561		187,561
Deputy Administrator	69,168		69,168
Legal	40,576		40,576
Treasurer	40,010		40,010
Other (itemize)			
Actuary	42,194		42,194
Auditor	-	23,634	23,634
Claims Administrator	61,603		61,603
Miscellaneous	111,681		111,681
Subtotal Administration	<u>552,793</u>	<u>23,634</u>	<u>576,427</u>
Total Expenses =1+2	\$ <u>552,793</u>	\$ <u>23,634</u>	\$ <u>576,427</u>

See Independent Auditor's Report

Municipal Excess Liability Residual Claims Fund

Program Summary

Fund Years - Legacy (1995-2006) to 2020

**December 31, 2020
(unaudited)**

	Coverages		
	<u>Liability</u>	<u>Worker's Compensation Insurance</u>	<u>Property</u>
1 . <u>Limits</u>	The Residual Claim Fund's limits shall be equal to the per occurrence self-insured retention of the member joint insurance funds. The amount of any claim in excess of the member joint insurance fund's self insured retention shall be the responsibility of the applicable excess insurer or reinsurer, the member joint insurance fund, or the member local unit as the case may be in accordance with the member joint insurance fund's coverage documents and plan of risk management.		
2 . <u>Fund Retention</u>	The Residual Claims Fund shall retain the entire risk.		
Specific	Note: See 1. Above		
Aggregate			
3 . <u>Excess Insurers (list all insurers and amount insured)</u>	N/A	N/A	N/A
	Note: See 1. Above		
4 . <u>Number of Participants</u>	17	17	14
5 . <u>Incurred Liabilities</u>	193,949,556	302,780,943	2,102,564
6 . <u>Exposure Units</u>	N/A	N/A	N/A
7 . <u>Liabilities/Units</u>	N/A	N/A	N/A

See Independent Auditor's Report

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

Analysis of Cash and Investments

December 31, 2020
(unaudited)

Bank	Description	Account Amount	Cost
Investors Bank	Operating	6,324,730	6,324,730
BNY Mellon: JCMI Program Account - Governmental Securities	Investment	<u>77,153,793</u>	<u>77,153,793</u>
		83,478,523	83,478,523
Add: Deposit in Transit/Breakage		11	11
Less: Outstanding Checks / Transfers		<u>(34,063)</u>	<u>(34,063)</u>
		<u>\$ 83,444,471</u>	<u>83,444,471</u>

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

Analysis of Assessments Receivable

December 31, 2020
(unaudited)

Fund Year 2020	21,252,580
Supplemental - Surplus Trigger	<u>6,286,145</u>
Total	<u>\$ 27,538,725</u>

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

December 31, 2020
(unaudited)

Accrued Interest Receivable	\$ <u> -</u>
Due from Central Jersey JIF - Net of Loss Reserves	(1)
Due from Brick Township - Net of Loss Reserves	(18,769)
Due from Member JIF's - Advances	92,278
Due from Member JIF's - Reinsurance Refunds	272,972
Due from Genesis Reinsurance Corporation Worker's Comp.	3,654,044
Due from Claims Account Excess Transfer/JIF's Closed Year	<u>135,435</u>
Sub-total Other Accounts Receivable	<u>4,135,959</u>
 Total Other Receivables	 \$ <u><u>4,135,959</u></u>

Analysis of Administrative Expenses Payable

December 31, 2020
(unaudited)

Fund Year 2020:	
Accounting and Auditing Services	\$ <u> 23,634</u>
	\$ <u><u> 23,634</u></u>

Analysis of Miscellaneous Liabilities

December 31, 2020
(unaudited)

Due to Member JIF'S	\$ <u> 25,312</u>
	\$ <u><u> 25,312</u></u>

MUNICIPAL EXCESS LIABILITY

RESIDUAL CLAIMS FUND

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS

FOR THE YEAR ENDED DECEMBER 31, 2020



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Departments of Community Affairs and Insurance, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Municipal Excess Liability Residual Claims Fund, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2021.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

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

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

Purpose of this Report

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

Wielkotz & Company, LLC

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

May 25, 2021

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

COMMENTS AND RECOMMENDATIONS

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

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

Management's Response:

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