

**MUNICIPAL EXCESS LIABILITY**

**RESIDUAL CLAIMS FUND**

**REPORT OF AUDIT**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2022 AND 2021**

**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 07054

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the Municipal Excess Liability Residual Claims Fund (the “Fund”), which comprise the statement of net position as of December 31, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Excess Liability Residual Claims Fund as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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



***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expended to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Excess Liability Residual Claims Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Excess Liability Residual Claims Fund's ability to continue as a going concern for a reasonable period of time.

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

### *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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

#### *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 Supplemental 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 Department of Community Affairs and Insurance, state of New Jersey.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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 insurance on them.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2023 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,

*Wielkocz & Company, LLC*

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

May 18, 2023

## **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, 2022 and 2021. 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, 2022 and 2021.

**Summary of Statement of Net Position**

|  | 2022                  | 2021                  | Change \$             | Change %        |
|--|-----------------------|-----------------------|-----------------------|-----------------|
| <b>Assets</b>  |                       |                       |                       |                 |
| Cash, Cash Equivalents, Investments, and Interest Receivable | \$ 80,348,557         | \$ 87,497,499         | \$ (7,148,942)        | -8.2%           |
| Assessments/Contributions Receivable                         | \$ 44,435,136         | \$ 25,432,443         | \$ 19,002,693         | 74.7%           |
| Other Accounts Receivable                                    | \$ 5,222,203          | \$ 4,521,542          | \$ 700,661            | 15.5%           |
| Total Assets   | <u>\$ 130,005,896</u> | <u>\$ 117,451,484</u> | <u>\$ 12,554,412</u>  | <u>10.7%</u>    |
| <b>Liabilities and Fund Equity</b>                           |                       |                       |                       |                 |
| Liabilities  |                       |                       |                       |                 |
| Accounts Payable and Other Liabilities                       | \$ 121,323            | \$ 54,616             | \$ 66,707             | 122.1%          |
| Fund Equity Dividends Payable                                | \$ 685,000            | \$ 671,000            | \$ 14,000             | 2.1%            |
| Loss Reserves  | \$ 136,408,277        | \$ 116,619,179        | \$ 19,789,098         | 17.0%           |
| Total Liability  | <u>\$ 137,214,600</u> | <u>\$ 117,344,795</u> | <u>\$ 19,869,805</u>  | <u>16.9%</u>    |
| Unrestricted Net Position                                    | <u>\$ (7,208,704)</u> | <u>\$ 106,689</u>     | <u>\$ (7,315,393)</u> | <u>-6856.7%</u> |

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

|   | 2022                  | 2021                   | Change \$            | Change %     |
|---|-----------------------|------------------------|----------------------|--------------|
| <b>Operating Revenue</b>                          |                       |                        |                      |              |
| Assessments and Other Income                      | \$ 45,062,228         | \$ 24,287,518          | \$ 20,774,710        | 85.5%        |
| <b>Operating Expenses</b>                         |                       |                        |                      |              |
| Net Claims and Claims Adjustment Expenses         | \$ 45,711,362         | \$ 35,249,535          | \$ 10,461,827        | 29.7%        |
| Professional, Claims, and Administrative Services | \$ 613,930            | \$ 604,895             | \$ 9,035             | 1.5%         |
| Total Operating Expenses                          | <u>\$ 46,325,292</u>  | <u>\$ 35,854,430</u>   | <u>\$ 10,470,862</u> | <u>29.2%</u> |
| Operating Income/(Loss)                           | \$ (1,263,064)        | \$ (11,566,912)        | \$ 10,303,848        | 89.1%        |
| Investment Income                                 | \$ (5,367,329)        | \$ (296,141)           | \$ (5,071,188)       | -1712.4%     |
| Return of Surplus                                 | \$ 685,000            | \$ 671,000             | \$ 14,000            | 2.1%         |
| <b>Increase/(Decrease) In Net Position</b>        | <u>\$ (7,315,393)</u> | <u>\$ (12,534,053)</u> | <u>\$ 5,218,660</u>  | <u>41.6%</u> |

The Municipal Excess Liability Residual Claims Fund's (RCF) total assets increased by 10.7% during the reporting period primarily due to a 74.7% increase in Assessments/Contributions Receivable. Cash, Cash Equivalents, Investments, and Interest Receivable decreased 8.2% while Other Accounts Receivable increased 15.5%

The RCF's total liabilities increased by 16.9% primarily due to a 17.0% increase in loss reserves.

Assessments and Other Income increased 85.5%, reflecting an increased current budget for claims and additional assessments of \$14 million. Net Claims and Claims Adjustment Expenses increased by 29.7%. Investment income decreased 1712.42% due to the recording of unrealized losses in 2022. Consequently, net position decreased by \$7,315,393.

The RCF's combined surplus(deficit) for all years was \$(7,208,704) in 2022 compared to \$106,689 at the end of 2021.

### **Economic Conditions**

Workers compensation costs are impacted by inflationary medical costs as well as changes in legislation. Additionally, workers compensation disability awards are rising faster than the rate of inflation in the economy. The 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, 2022 and 2021**

|   | <u>2022</u>                  | <u>2021</u>                  |
|---|------------------------------|------------------------------|
| <u>ASSETS</u>   |                              |                              |
| Cash and Cash Equivalents                               | \$ 9,219,708                 | \$ 10,779,218                |
| Investments   | 71,128,849                   | 76,718,281                   |
| Assessments / Contributions Receivable                  | 44,435,136                   | 25,432,443                   |
| Other Accounts Receivable                               | <u>5,222,203</u>             | <u>4,521,542</u>             |
| <b>TOTAL ASSETS</b>                                     | <b><u>\$ 130,005,896</u></b> | <b><u>\$ 117,451,484</u></b> |
| <br><u>LIABILITIES AND RESERVES</u>                     |                              |                              |
| Accounts Payable  | \$ 24,107                    | \$ 24,364                    |
| Other Liabilities                                       | 97,216                       | 30,252                       |
| Fund Equity Dividends Payable                           | 685,000                      | 671,000                      |
| Loss Reserves   | <u>136,408,277</u>           | <u>116,619,179</u>           |
| <b>TOTAL LIABILITIES AND RESERVES</b>                   | <b>137,214,600</b>           | <b>117,344,795</b>           |
| <br><u>NET POSITION</u>                                 |                              |                              |
| Unrestricted  | <u>(7,208,704)</u>           | <u>106,689</u>               |
| <b>TOTAL LIABILITIES, RESERVES<br/>AND NET POSITION</b> | <b><u>\$ 130,005,896</u></b> | <b><u>\$ 117,451,484</u></b> |

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, 2022 and 2021

|   | <u>2022</u>           | <u>2021</u>       |
|---|-----------------------|-------------------|
| <u>Operating Revenue:</u>                               |                       |                   |
| Assessments From Participating<br>Joint Insurance Funds | \$ 45,062,228         | \$ 24,287,518     |
| Total Operating Revenue                                 | <u>45,062,228</u>     | <u>24,287,518</u> |
| <br><u>Operating Expenses:</u>                          |                       |                   |
| Provision for Claims and Claim<br>Adjustment Expense    | 45,711,362            | 35,249,535        |
| Professional Services                                   | 437,160               | 428,125           |
| Claims Administration                                   | 64,092                | 62,836            |
| Other Expenses - Administration                         | 112,678               | 113,934           |
| Total Operating Expenses                                | <u>46,325,292</u>     | <u>35,854,430</u> |
| Operating Income/(Loss)                                 | (1,263,064)           | (11,566,912)      |
| Non-operating Revenue/Expenses:                         |                       |                   |
| Investment Income                                       | (5,367,329)           | (296,141)         |
| Return of Surplus                                       | <u>(685,000)</u>      | <u>(671,000)</u>  |
| Change in Net Position                                  | (7,315,393)           | (12,534,053)      |
| Total Net Position - January 1,                         | <u>106,689</u>        | <u>12,640,742</u> |
| Total Net Position - December 31,                       | <u>\$ (7,208,704)</u> | <u>\$ 106,689</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, 2022 and 2021

|  | <u>2022</u>         | <u>2021</u>          |
|--|---------------------|----------------------|
| Cash Flows from Operating Activities:  |                     |                      |
| Receipts from Member Contributions   | \$ 26,059,535       | \$ 25,747,800        |
| Payment of Claims  | (26,608,925)        | (20,123,466)         |
| Payments to Vendors  | (547,223)           | (604,165)            |
|  | <u>(1,096,613)</u>  | <u>5,020,169</u>     |
| Net Cash Provided (Used) by Operating Activities   |                     |                      |
| Cash Flows from Investing Activities:  |                     |                      |
| Purchase of Investments of Investment Securities   | (71,128,849)        | (76,718,281)         |
| Proceeds from Maturity of Investment Securities  | 76,718,281          | 77,153,793           |
| Investment Income  | (5,367,329)         | (296,141)            |
|  | <u>222,103</u>      | <u>139,371</u>       |
| Net Cash Provided (Used) by Investing Activities   |                     |                      |
| Cash Flows from Noncapital Financing Activities:   |                     |                      |
| Fund Equity Distribution to Participating Members  | (685,000)           | (671,000)            |
|  | <u>(685,000)</u>    | <u>(671,000)</u>     |
| Net Cash (Used) by Noncapital Financing Activities   |                     |                      |
| Net Increase (Decrease) in Cash  | (1,559,510)         | 4,488,540            |
| Cash and Cash Equivalents - January 1  | <u>10,779,218</u>   | <u>6,290,678</u>     |
| Cash and Cash Equivalents - December 31  | <u>\$ 9,219,708</u> | <u>\$ 10,779,218</u> |
| Reconciliation of Net Cash Provided (Used)<br>by Operating Activities                                      |                     |                      |
| Operating Income (Loss)  | \$ (1,263,064)      | \$ (11,566,912)      |
| Adjustment to Reconcile Operating Income/<br>(Loss) to Net Cash Provided/(Used) by<br>Operating Activities |                     |                      |
| Changes in Assets and Liabilities:   |                     |                      |
| (Increase)/Decrease in Assessments Receivable  | (19,002,693)        | 1,460,282            |
| (Increase)/Decrease in Other Accounts Receivable   | (700,661)           | (385,583)            |
| Increase/(Decrease) in Accounts Payable  | (257)               | 730                  |
| Increase/(Decrease) in Other Liabilities   | 66,964              | 4,940                |
| Increase/(Decrease) in Dividends Payable   | 14,000              | 13,430               |
| Increase/(Decrease) in Loss Reserves   | 19,789,098          | 15,493,282           |
|  | <u>(1,096,613)</u>  | <u>5,020,169</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, 2022**

**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 2022 fund years are the 2003 through 2018 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, 2022**  
**(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 16 members at December 31, 2022, 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, 2022, the Central Jersey Joint Insurance Fund owed the Fund a total of \$24,378.74 due to claims paid by the Fund.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(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, 2022, the Township of Brick owed the a total of \$119,159 due to claims paid 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, 2022**  
**(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, 2022**  
**(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, 2022. 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, 2022 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   | 2,274,171        | 5,215           | 60,872           | 2,208,084                    |
| Losses Incurred but not Reported ("IBNR")             | <u>341,000</u>   |                 |                  | <u>341,000</u>               |
|   | <u>2,615,171</u> | <u>626</u>      | <u>70,331</u>    | <u>2,549,084</u>             |

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(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                             | 1,405,693        |                 |                  | 1,405,693                    |
| Losses Incurred but not Reported ("IBNR") | <u>17,000</u>    | <u>0</u>        | <u>0</u>         | <u>17,000</u>                |
|   | <u>1,422,693</u> | <u>0</u>        | <u>0</u>         | <u>1,422,693</u>             |
| <br>                                      |                  |                 |                  |                              |
| <u>2008 Fund Year</u>                     | <u>Total</u>     | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
| Case Reserves                             | 1,434,597        |                 |                  | 1,434,597                    |
| Losses Incurred but not Reported ("IBNR") | <u>0</u>         | <u>0</u>        | <u>0</u>         | <u>0</u>                     |
|   | <u>1,434,597</u> | <u>0</u>        | <u>0</u>         | <u>1,434,597</u>             |
| <br>                                      |                  |                 |                  |                              |
| <u>2009 Fund Year</u>                     | <u>Total</u>     | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
| Case Reserves                             | 1,416,669        |                 |                  | 1,416,669                    |
| Losses Incurred but not Reported ("IBNR") | <u>60,000</u>    | <u>0</u>        | <u>0</u>         | <u>60,000</u>                |
|   | <u>1,476,669</u> | <u>0</u>        | <u>0</u>         | <u>1,476,669</u>             |
| <br>                                      |                  |                 |                  |                              |
| <u>2010 Fund Year</u>                     | <u>Total</u>     | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
| Case Reserves                             | 1,370,978        |                 | 51,806           | 1,319,172                    |
| Losses Incurred but not Reported ("IBNR") | <u>70,000</u>    | <u>0</u>        | <u>51,806</u>    | <u>70,000</u>                |
|   | <u>1,440,978</u> | <u>0</u>        | <u>51,806</u>    | <u>1,389,172</u>             |
| <br>                                      |                  |                 |                  |                              |
| <u>2011 Fund Year</u>                     | <u>Total</u>     | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
| Case Reserves                             | 3,916,028        |                 |                  | 3,916,028                    |
| Losses Incurred but not Reported ("IBNR") | <u>55,000</u>    | <u>0</u>        | <u>0</u>         | <u>55,000</u>                |
|   | <u>3,971,028</u> | <u>0</u>        | <u>0</u>         | <u>3,971,028</u>             |
| <br>                                      |                  |                 |                  |                              |
| <u>2012 Fund Year</u>                     | <u>Total</u>     | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
| Case Reserves                             | 6,175,750        |                 | 225              | 6,175,525                    |
| Losses Incurred but not Reported ("IBNR") | <u>240,000</u>   | <u>0</u>        | <u>225</u>       | <u>240,000</u>               |
|   | <u>6,415,750</u> | <u>0</u>        | <u>225</u>       | <u>6,415,525</u>             |



**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(continued)**

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

| <u>2013 Fund Year</u>                     | <u>Total</u>            | <u>Property</u>      | <u>Liability</u>        | <u>Worker's<br/>Compensation</u> |
|---|-------------------------|----------------------|-------------------------|----------------------------------|
| Case Reserves                             | 3,147,958               |                      |                         | 3,147,958                        |
| Losses Incurred but not Reported ("IBNR") | <u>489,000</u>          | <u>0</u>             | <u>0</u>                | <u>489,000</u>                   |
|   | <u><u>3,636,958</u></u> | <u><u>0</u></u>      | <u><u>0</u></u>         | <u><u>3,636,958</u></u>          |
| <br>                                      |                         |                      |                         |                                  |
| <u>2014 Fund Year</u>                     | <u>Total</u>            | <u>Property</u>      | <u>Liability</u>        | <u>Worker's<br/>Compensation</u> |
| Case Reserves                             | 4,334,893               | 1                    | 1,147,643               | 3,187,249                        |
| Losses Incurred but not Reported ("IBNR") | <u>1,055,000</u>        | <u>1</u>             | <u>31,000</u>           | <u>1,024,000</u>                 |
|   | <u><u>5,389,893</u></u> | <u><u>1</u></u>      | <u><u>1,178,643</u></u> | <u><u>4,211,249</u></u>          |
| <br>                                      |                         |                      |                         |                                  |
| <u>2015 Fund Year</u>                     | <u>Total</u>            | <u>Property</u>      | <u>Liability</u>        | <u>Worker's<br/>Compensation</u> |
| Case Reserves                             | 5,178,507               | 10                   |                         | 5,178,497                        |
| Losses Incurred but not Reported ("IBNR") | <u>2,429,000</u>        | <u>10</u>            | <u>0</u>                | <u>2,429,000</u>                 |
|   | <u><u>7,607,507</u></u> | <u><u>10</u></u>     | <u><u>0</u></u>         | <u><u>7,607,497</u></u>          |
| <br>                                      |                         |                      |                         |                                  |
| <u>2016 Fund Year</u>                     | <u>Total</u>            | <u>Property</u>      | <u>Liability</u>        | <u>Worker's<br/>Compensation</u> |
| Case Reserves                             | 5,479,661               |                      | 77,191                  | 5,402,470                        |
| Losses Incurred but not Reported ("IBNR") | <u>2,259,000</u>        | <u>0</u>             | <u>77,191</u>           | <u>2,259,000</u>                 |
|   | <u><u>7,738,661</u></u> | <u><u>0</u></u>      | <u><u>77,191</u></u>    | <u><u>7,661,470</u></u>          |
| <br>                                      |                         |                      |                         |                                  |
| <u>2017 Fund Year</u>                     | <u>Total</u>            | <u>Property</u>      | <u>Liability</u>        | <u>Worker's<br/>Compensation</u> |
| Case Reserves                             | 5,281,137               | 10,365               | 114,262                 | 5,156,510                        |
| Losses Incurred but not Reported ("IBNR") | <u>3,479,000</u>        | <u>10,365</u>        | <u>33,000</u>           | <u>3,446,000</u>                 |
|   | <u><u>8,760,137</u></u> | <u><u>10,365</u></u> | <u><u>147,262</u></u>   | <u><u>8,602,510</u></u>          |

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
(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                             | 5,724,613        | 55,193          | 211,934          | 5,457,486                    |
| Losses Incurred but not Reported ("IBNR") | <u>3,140,000</u> | <u>      </u>   | <u>489,000</u>   | <u>2,651,000</u>             |
|   | <u>8,864,613</u> | <u>55,193</u>   | <u>700,934</u>   | <u>8,108,486</u>             |

| <u>2019 Fund Year</u>                     | <u>Total</u>      | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
|---|-------------------|-----------------|------------------|------------------------------|
| Case Reserves                             | 8,673,542         | 870             | 3,281,798        | 5,390,874                    |
| Losses Incurred but not Reported ("IBNR") | <u>4,119,000</u>  | <u>      </u>   | <u>1,106,000</u> | <u>3,013,000</u>             |
|   | <u>12,792,542</u> | <u>870</u>      | <u>4,387,798</u> | <u>8,403,874</u>             |

| <u>2020 Fund Year</u>                     | <u>Total</u>      | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
|---|-------------------|-----------------|------------------|------------------------------|
| Case Reserves                             | 8,287,697         | 15,162          | 2,899,673        | 5,372,862                    |
| Losses Incurred but not Reported ("IBNR") | <u>6,584,000</u>  | <u>      </u>   | <u>971,000</u>   | <u>5,613,000</u>             |
|   | <u>14,871,697</u> | <u>15,162</u>   | <u>3,870,673</u> | <u>10,985,862</u>            |

| <u>2021 Fund Year</u>                     | <u>Total</u>      | <u>Property</u> | <u>Liability</u> | <u>Worker's Compensation</u> |
|---|-------------------|-----------------|------------------|------------------------------|
| Case Reserves                             | 10,925,779        | 52              | 3,390,895        | 7,534,832                    |
| Losses Incurred but not Reported ("IBNR") | <u>8,809,000</u>  | <u>      </u>   | <u>1,590,000</u> | <u>7,219,000</u>             |
|   | <u>19,734,779</u> | <u>52</u>       | <u>4,980,895</u> | <u>14,753,832</u>            |

| <u>2022 Fund Year</u>                     | <u>Total</u>      | <u>Property</u> | <u>Liability</u>  | <u>Worker's Compensation</u> |
|---|-------------------|-----------------|-------------------|------------------------------|
| Case Reserves                             | 21,687,604        | 12,407          | 9,033,585         | 12,641,612                   |
| Losses Incurred but not Reported ("IBNR") | <u>6,547,000</u>  | <u>      </u>   | <u>2,474,000</u>  | <u>4,073,000</u>             |
|   | <u>28,234,604</u> | <u>12,407</u>   | <u>11,507,585</u> | <u>16,714,612</u>            |

| <u>All Fund Years at December 31,</u>     | <u>2022</u>        | <u>2021</u>        |
|---|--------------------|--------------------|
| Case Reserves                             | 96,715,277         | 86,440,179         |
| Losses Incurred but not Reported ("IBNR") | <u>39,693,000</u>  | <u>30,179,000</u>  |
| Total Loss Reserves                       | <u>136,408,277</u> | <u>116,619,179</u> |

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(continued)**

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

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

|   | <u>2022</u>        | <u>2021</u>        |
|---|--------------------|--------------------|
| Unpaid Claims and claim adjustment expenses,<br>beginning of year                               | 116,619,179        | 101,125,897        |
| Incurred claims and claim adjustment expenses:  |                    |                    |
| Provision for insured events of the current fund year   | 28,234,604         | 21,227,212         |
| Increase/(Decrease) in provision for insured events<br>of prior fund years                      | <u>18,163,419</u>  | <u>14,022,303</u>  |
| Total incurred claims and claim adjustment expenses   | <u>46,398,023</u>  | <u>35,249,515</u>  |
|   | <u>163,017,202</u> | <u>136,375,412</u> |
| Payments:   |                    |                    |
| Claims and claim adjustment expenses attributable<br>to insured events of the current fund year | (319,977)          |                    |
| Claims and claim adjustment expenses attributable<br>to insured events of prior fund years      | <u>26,928,902</u>  | <u>19,756,233</u>  |
| Total payments  | <u>26,608,925</u>  | <u>19,756,233</u>  |
| Total unpaid claims and claim adjustment expenses,<br>end of year                               | <u>136,408,277</u> | <u>116,619,179</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, 2022, \$147,333,277 claims and claim adjustment expenses are presented at their net present value of \$136,408,277. These claims are discounted at an annual rate of 1.79%.

At December 31, 2021, \$125,988,179 claims and claim adjustment expenses are presented at their net present value of \$116,619,179. 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, 2022**  
**(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, 2022, \$-0- of the Fund's bank balance of \$9,223,960 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, 2022**  
**(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, 2022 is \$71,128,849.

**NOTE 6: FUND EQUITY DISTRIBUTION PAYABLE**

During 2022, the Fund declared a distribution of fund equity of \$685,000 from the Fund Year 21 contingency account. The distribution was approved by the State Department of Banking and Insurance. At December 31, 2022, the 2022 distribution was not disbursed to the members and could be utilized to offset 2023 assessments.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(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:

|  |           |
|--|-----------|
| <u>Legacy Year - Liability</u>             | 47,011    |
| Fund Year 2007 - Property                  | 40,949    |
| Fund Year 2007 - Liability                 | 1,823,212 |
| Fund Year 2008 - Property                  | 264,493   |
| Fund Year 2008 - Worker's Compensation     | 337,403   |
| Fund Year 2009 - Property                  | 21,126    |
| Fund Year 2009 - Liability                 | 327,633   |
| Fund Year 2010 - Liability                 | 423,020   |
| Fund Year 2011 - Property                  | 122,152   |
| Fund Year 2011 - Liability                 | 399,610   |
| Fund Year 2012 - Property                  | 72,453    |
| Fund Year 2012 - Worker's Compensation     | 2,354,906 |
| Fund Year 2012 - Faithful Performance Bond | 102,967   |
| Fund Year 2013 - Liability                 | 1,678,742 |
| Fund Year 2013 - Worker's Compensation     | 997,228   |
| Fund Year 2014 - Property                  | 60,846    |
| Fund Year 2014 - Worker's Compensation     | 5,408,462 |
| Fund Year 2015 - Property                  | 329,166   |
| Fund Year 2015 - Worker's Compensation     | 772,183   |
| Fund Year 2016 - Property                  | 16,250    |
| Fund Year 2016 - Worker's Compensation     | 5,104,896 |
| Fund Year 2017 - Property                  | 112,491   |
| Fund Year 2017 - Worker's Compensation     | 6,112,241 |
| Fund Year 2018 - Liability                 | 1,380,239 |
| Fund Year 2018 - Worker's Compensation     | 3,024,759 |
| Fund Year 2019- Liability                  | 1,304,348 |
| Fund Year 2019 - Worker's Compensation     | 4,310,945 |
| Fund Year 2020 -Liability                  | 125,374   |
| Fund Year 2020 -Worker's Compensation      | 5,225,548 |
| Fund Year 2021 -Liability                  | 801,482   |
| Fund Year 2021 - Worker's Compensation     | 6,283,815 |
| Fund Year 2022 - Property                  | 24,176    |
| Fund Year 2022 -Liability                  | 8,845     |
| Fund Year 2022 - Worker's Compensation     | 89,967    |

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(continued)**

**NOTE 7: NET POSITION, (continued)**

In addition, at December 31, 2022, the Fund had an overall deficit in the following Fund Years on a statutory basis:

|                |           |
|----------------|-----------|
| Fund Year 2007 | \$83,000  |
| Fund Year 2008 | 91,000    |
| Fund Year 2011 | 329,000   |
| Fund Year 2012 | 545,000   |
| Fund Year 2013 | 2,215,842 |
| Fund Year 2014 | 2,347,920 |
| Fund Year 2016 | 4,277,732 |
| Fund Year 2017 | 5,462,965 |
| Fund Year 2018 | 3,415,269 |
| Fund Year 2019 | 4,841,164 |
| Fund Year 2020 | 4,610,202 |
| Fund Year 2021 | 6,855,141 |

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.

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

At the May 8, 2023 meeting, the board approved an additional assessment for surplus strengthening for the calendar year 2022 of \$14,056,726 to address the increased costs of workers compensation. The Fund chose not to assess its members for unrealized investment losses due to market conditions that are improving and decreased duration.

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**  
**(continued)**

**NOTE 8:**     **TRANSFERS**

An Intertrust Fund Transfer is a transfer of funds from one claim or loss retention fund account in a fiscal year to another account within the same fiscal year. An Interyear Fund Transfer is a transfer from a claim or loss retention trust account for a fiscal year, to a claim or loss retention trust account of similar risk of liability for a different fiscal year. All transfers must be approved by the Commissioners of the Departments of Community Affairs and Insurance. During 2022, there were no Intertrust Fund Transfers.

**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.

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

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

We are still in the process of evaluating the impact of these changes in legislation.

**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 18, 2023, 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, 2022

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: John Clarke
Secretary: Megan Champney Kweselait

Paul Tomasko Brian Bigler
Tom Nolan Joseph Catenaro
Joseph Wolk

EXECUTIVE COMMITTEE ALTERNATES

Meghan Jack Veronica Laureigh
Richard Hirsch William Northgrave
Brian McNeilly Robert Law
Tom Merchel Gregory Franz
Sherry Sims

State of New Jersey
County of Morris

John Clarke, Chairman, and Megan Champney Kweselait, Secretary, of the Municipal Excess Liability Resic
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, 2022 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 , 2023

## Municipal Excess Liability Residual Claims Fund

## Historical Operating Results Analysis

## All Fund Years

December 31, 2021  
(unaudited)

|  |    |             |                 |
|--|----|-------------|-----------------|
| 1 . <u>Underwriting Income:</u>                          |    |             |                 |
| Regular Contributions (earned)                           | \$ | 553,355,546 |                 |
| Supplemental Contributions                               |    | 25,578,264  |                 |
| Other Income (except investments)                        |    |             |                 |
| Total Income   |    |             | \$ 578,933,810  |
| 2 . <u>Incurred Liabilities:</u>                         |    |             |                 |
| <u>Claims:</u>   |    |             |                 |
| Paid   |    | 440,415,894 |                 |
| Case Reserves  |    | 107,640,277 |                 |
| Imprest Account  |    | -           |                 |
| IBNR Reserve   |    | 39,693,000  |                 |
| Subtotal   |    |             | \$ 587,749,171  |
| Less Excess Insurance:                                   |    |             |                 |
| Received   |    | 6,993,211   |                 |
| Recoverable  |    | -           |                 |
| Subtotal   |    |             | 6,993,211       |
| Limited Incurred Claims (claims-excess)                  |    |             | 580,755,960     |
| <u>Expenses:</u>   |    |             |                 |
| Excess Insurance Premiums                                |    | 500,000     |                 |
| Administrative   |    | 10,681,202  |                 |
| Subtotal Expenses  |    |             | 11,181,202      |
| Total Incurred Liabilities (limited claims and expenses) |    |             | 591,937,162     |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |             | (13,003,352)    |
| 4 . <u>Investment Income (Earned)</u>                    |    |             | 22,827,724      |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |             | 9,824,372       |
| 6 . <u>Return of Surplus:</u>                            |    |             |                 |
| Paid   |    | 25,404,076  |                 |
| Authorized and Unpaid                                    |    | 685,000     |                 |
| Subtotal Return of Surplus                               |    |             | 26,089,076      |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |             | \$ (16,264,704) |

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Historical Balance Sheet

All fund Years

December 31, 2021  
(unaudited)

|  |    |                   |                        |
|--|----|-------------------|------------------------|
| 1. <u>Assets:</u>                          |    |                   |                        |
| Cash and Investments                       | \$ | <u>80,348,557</u> | \$ 80,348,557          |
| <u>Receivables :</u>                       |    |                   |                        |
| Assessments                                |    | 44,435,136        |                        |
| Other                                      |    | <u>5,222,203</u>  |                        |
| Total Receivables                          |    |                   | 49,657,339             |
| Prepaid Expenses                           |    |                   |                        |
| Other Assets                               |    |                   |                        |
| <u>Total Assets</u>                        |    |                   | <u>\$ 130,005,896</u>  |
| 2. <u>Liabilities:</u>                     |    |                   |                        |
| <u>Claims:</u>                             |    |                   |                        |
| Case Reserves                              |    | 107,640,277       |                        |
| Less Excess Insurance Recoverable          |    | -                 |                        |
| IBNR Reserve                               |    | <u>39,693,000</u> |                        |
| Subtotal Claims                            |    |                   | 147,333,277            |
| <u>Expenses (unpaid)</u>                   |    |                   |                        |
| Excess Insurance                           |    | -                 |                        |
| Administrative                             |    | <u>24,107</u>     |                        |
| Subtotal Expenses                          |    |                   | 24,107                 |
| <u>Other Liabilities:</u>                  |    |                   |                        |
| Unearned Contributions                     |    |                   |                        |
| Authorized Return of Surplus               |    | 685,000           |                        |
| Miscellaneous Liabilities                  |    | <u>97,216</u>     |                        |
| Subtotal                                   |    |                   | 782,216                |
| <u>Total Liabilities</u>                   |    |                   | <u>148,139,600</u>     |
| <u>Net Current Surplus/(Deficit) = 1-2</u> |    |                   | <u>\$ (18,133,704)</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, 2022  
(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>                    |    |             | 20,087,232     |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |             | 20,879,846     |
| 6 . <u>Return of Surplus:</u>                            |    |             |                |
| Paid   |    | 20,419,076  |                |
| Authorized and Unpaid                                    |    |             |                |
| Subtotal Return of Surplus                               |    |             | 20,419,076     |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |             | \$ 460,770     |

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, 2022**  
**(unaudited)**

|  |    |             |              |
|--|----|-------------|--------------|
| 1 . <u>Underwriting Income:</u>                          |    |             |              |
| Regular Contributions (earned)                           | \$ | (919)       |              |
| Supplemental Contributions                               |    | -           |              |
| Other Income (except investments)                        |    | _____       |              |
| Total Income   |    |             | \$ (919)     |
| 2 . <u>Incurred Liabilities:</u>                         |    |             |              |
| <u>Claims:</u>   |    |             |              |
| Paid   |    | (3,914,462) |              |
| Case Reserves  |    | 2,319,171   |              |
| Imprest Account  |    | -           |              |
| IBNR Reserve   |    | 341,000     |              |
| Subtotal   |    | _____       |              |
|  | \$ |             | (1,254,291)  |
| Less Excess Insurance:                                   |    |             |              |
| Received   |    | -           |              |
| Recoverable  |    | _____       |              |
| Subtotal   |    |             |              |
| Limited Incurred Claims (claims-excess)                  |    |             | (1,254,291)  |
| <u>Expenses:</u>   |    |             |              |
| Excess Insurance Premiums                                |    |             |              |
| Administrative   |    | _____       |              |
| Subtotal Expenses  |    |             | -            |
| Total Incurred Liabilities (limited claims and expenses) |    |             | (1,254,291)  |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |             | 1,253,372    |
| 4 . <u>Investment Income (Earned)</u>                    |    |             | 225,236      |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |             | 1,478,608    |
| 6 . <u>Return of Surplus:</u>                            |    |             |              |
| Paid   |    |             |              |
| Authorized and Unpaid                                    |    | _____       |              |
| Subtotal Return of Surplus                               |    |             | -            |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |             | \$ 1,478,608 |

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2007

December 31, 2022  
(unaudited)

|  |    |            |               |
|--|----|------------|---------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |               |
| Regular Contributions (earned)                           | \$ | 19,226,495 |               |
| Supplemental Contributions                               |    | 3,378,126  |               |
| Other Income (except investments)                        |    |            |               |
| Total Income   |    |            | \$ 22,604,621 |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |               |
| <u>Claims:</u>   |    |            |               |
| Paid   |    | 21,416,235 |               |
| Case Reserves  |    | 1,488,693  |               |
| Imprest Account  |    | -          |               |
| IBNR Reserve   |    | 17,000     |               |
| Subtotal   |    |            | \$ 22,921,928 |
| Less Excess Insurance:                                   |    |            |               |
| Received   |    | 40,313     |               |
| Recoverable  |    | -          |               |
| Subtotal   |    |            | 40,313        |
| Limited Incurred Claims (claims-excess)                  |    |            | 22,881,615    |
| <u>Expenses:</u>   |    |            |               |
| Excess Insurance Premiums                                |    |            |               |
| Administrative   |    | 326,421    |               |
| Subtotal Expenses  |    |            | 326,421       |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 23,208,036    |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (603,415)     |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 870,415       |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | 267,000       |
| 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>           |    |            | \$ (83,000)   |

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2008

December 31, 2022

(unaudited)

|  |    |            |               |
|--|----|------------|---------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |               |
| Regular Contributions (earned)                           | \$ | 19,702,521 |               |
| Supplemental Contributions                               |    | 1,033,027  |               |
| Other Income (except investments)                        |    |            |               |
| Total Income   |    |            | \$ 20,735,548 |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |               |
| <u>Claims:</u>   |    |            |               |
| Paid   |    | 22,798,683 |               |
| Case Reserves  |    | 1,525,597  |               |
| Imprest Account  |    | -          |               |
| IBNR Reserve   |    | -          |               |
| Subtotal   |    |            | \$ 24,324,280 |
| Less Excess Insurance:                                   |    |            |               |
| Received   |    | 3,429,318  |               |
| Recoverable  |    | -          |               |
| Subtotal   |    |            | 3,429,318     |
| Limited Incurred Claims (claims-excess)                  |    |            | 20,894,962    |
| <u>Expenses:</u>   |    |            |               |
| Excess Insurance Premiums                                |    |            |               |
| Administrative   |    | 334,914    |               |
| Subtotal Expenses  |    |            | 334,914       |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 21,229,876    |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (494,328)     |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 778,328       |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | 284,000       |
| 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>           |    |            | \$ (91,000)   |

See Independent Auditor's Report



## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2009

December 31, 2022  
(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   |    | 22,741,867 |                          |
| Case Reserves  |    | 1,519,669  |                          |
| Imprest Account  |    | -          |                          |
| IBNR Reserve   |    | 60,000     |                          |
| Subtotal   |    | <hr/>      | \$ 24,321,536            |
| Less Excess Insurance:                                   |    |            |                          |
| Received   |    | 3,086,070  |                          |
| Recoverable  |    | -          |                          |
| Subtotal   |    | <hr/>      | 3,086,070                |
| Limited Incurred Claims (claims-excess)                  |    |            | <hr/> 21,235,466         |
| <u>Expenses:</u>   |    |            |                          |
| Excess Insurance Premiums                                |    |            |                          |
| Administrative   |    | 344,890    |                          |
| Subtotal Expenses  |    | <hr/>      | 344,890                  |
| Total Incurred Liabilities (limited claims and expenses) |    |            | <hr/> 21,580,356         |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | 1,501,185                |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | <hr/> 635,901            |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | 2,137,086                |
| 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/> \$ 1,757,086 |

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2010

December 31, 2022

(unaudited)

|  |    |            |               |
|--|----|------------|---------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |               |
| Regular Contributions (earned)                           | \$ | 21,564,040 |               |
| Supplemental Contributions                               |    |            |               |
| Other Income (except investments)                        |    |            |               |
| Total Income   |    |            | \$ 21,564,040 |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |               |
| <u>Claims:</u>   |    |            |               |
| Paid   |    | 18,611,392 |               |
| Case Reserves  |    | 1,477,978  |               |
| Imprest Account  |    | -          |               |
| IBNR Reserve   |    | 70,000     |               |
| Subtotal   | \$ | 20,159,370 |               |
| Less Excess Insurance:                                   |    |            |               |
| Received   |    | -          |               |
| Recoverable  |    | -          |               |
| Subtotal   |    |            | -             |
| Limited Incurred Claims (claims-excess)                  |    | 20,159,370 |               |
| <u>Expenses:</u>   |    |            |               |
| Excess Insurance Premiums                                |    |            |               |
| Administrative   |    | 350,137    |               |
| Subtotal Expenses  |    | 350,137    |               |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 20,509,507    |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | 1,054,533     |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 411,692       |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | 1,466,225     |
| 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>           | \$ |            | 1,066,225     |

See Independent Auditor's Report

## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2011

December 31, 2022

(unaudited)

|  |    |            |               |
|--|----|------------|---------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |               |
| Regular Contributions (earned)                           | \$ | 23,778,245 |               |
| Supplemental Contributions                               |    | 4,188,238  |               |
| Other Income (except investments)                        |    |            |               |
| Total Income   |    |            | \$ 27,966,483 |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |               |
| <u>Claims:</u>   |    |            |               |
| Paid   |    | 23,643,593 |               |
| Case Reserves  |    | 4,245,028  |               |
| Imprest Account  |    | -          |               |
| IBNR Reserve   |    | 55,000     |               |
| Subtotal   |    |            | \$ 27,943,621 |
| Less Excess Insurance:                                   |    |            |               |
| Received   |    | -          |               |
| Recoverable  |    | -          |               |
| Subtotal   |    |            | -             |
| Limited Incurred Claims (claims-excess)                  |    |            | 27,943,621    |
| <u>Expenses:</u>   |    |            |               |
| Excess Insurance Premiums                                |    |            |               |
| Administrative   |    | 354,501    |               |
| Subtotal Expenses  |    |            | 354,501       |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 28,298,122    |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (331,639)     |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 402,639       |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | 71,000        |
| 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>           |    |            | \$ (329,000)  |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2012

December 31, 2022  
(unaudited)

|  |    |            |                  |
|--|----|------------|------------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |                  |
| Regular Contributions (earned)                           | \$ | 29,802,024 |                  |
| Supplemental Contributions                               |    | 3,882,479  |                  |
| Other Income (except investments)                        |    |            |                  |
| Total Income   |    |            | \$ 33,684,503    |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |                  |
| <u>Claims:</u>   |    |            |                  |
| Paid   |    | 27,275,909 |                  |
| Case Reserves  |    | 6,720,750  |                  |
| Imprest Account  |    | -          |                  |
| IBNR Reserve   |    | 240,000    |                  |
| Subtotal   | \$ |            | 34,236,659       |
| Less Excess Insurance:                                   |    |            |                  |
| Received   |    | 437,510    |                  |
| Recoverable  |    | -          |                  |
| Subtotal   |    |            | 437,510          |
| Limited Incurred Claims (claims-excess)                  |    |            | 33,799,149       |
| <u>Expenses:</u>   |    |            |                  |
| Excess Insurance Premiums                                |    |            |                  |
| Administrative   |    | 366,275    |                  |
| Subtotal Expenses  |    |            | 366,275          |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 34,165,424       |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (480,921)        |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 335,921          |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (145,000)        |
| 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>           | \$ |            | <u>(545,000)</u> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2013

December 31, 2022  
(unaudited)

|  |    |            |                |
|--|----|------------|----------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |                |
| Regular Contributions (earned)                           | \$ | 24,974,946 |                |
| Supplemental Contributions                               |    | 1,574,856  |                |
| Other Income (except investments)                        |    |            |                |
| Total Income   |    |            | \$ 26,549,802  |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |                |
| <u>Claims:</u>   |    |            |                |
| Paid   |    | 24,423,890 |                |
| Case Reserves  |    | 3,467,958  |                |
| Imprest Account  |    | -          |                |
| IBNR Reserve   |    | 489,000    |                |
| Subtotal   |    |            | \$ 28,380,848  |
| Less Excess Insurance:                                   |    |            |                |
| Received   |    | -          |                |
| Recoverable  |    | -          |                |
| Subtotal   |    |            | -              |
| Limited Incurred Claims (claims-excess)                  |    |            | 28,380,848     |
| <u>Expenses:</u>   |    |            |                |
| Excess Insurance Premiums                                |    |            |                |
| Administrative   |    | 432,325    |                |
| Subtotal Expenses  |    |            | 432,325        |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 28,813,173     |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (2,263,371)    |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 447,529        |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (1,815,842)    |
| 6 . <u>Return of Surplus:</u>                            |    |            |                |
| Paid   |    | 400,000    |                |
| Authorized and Unpaid                                    |    |            |                |
| Subtotal Return of Surplus                               |    |            | 400,000        |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |            | \$ (2,215,842) |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2014

December 31, 2022  
(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   |    | 22,942,419 |                            |
| Case Reserves  |    | 4,737,893  |                            |
| Imprest Account  |    | -          |                            |
| IBNR Reserve   |    | 1,055,000  |                            |
| Subtotal   |    | <hr/>      | \$ 28,735,312              |
| Less Excess Insurance:                                   |    |            |                            |
| Received   |    | -          |                            |
| Recoverable  |    | -          |                            |
| Subtotal   |    | <hr/>      | -                          |
| Limited Incurred Claims (claims-excess)                  |    |            | <hr/> 28,735,312           |
| <u>Expenses:</u>   |    |            |                            |
| Excess Insurance Premiums                                |    |            |                            |
| Administrative   |    | 450,648    |                            |
| Subtotal Expenses  |    | <hr/>      | 450,648                    |
| Total Incurred Liabilities (limited claims and expenses) |    |            | <hr/> 29,185,960           |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (2,319,499)                |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | <hr/> 421,579              |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (1,897,920)                |
| 6 . <u>Return of Surplus:</u>                            |    |            |                            |
| Paid   |    | 450,000    |                            |
| Authorized and Unpaid                                    |    |            |                            |
| Subtotal Return of Surplus                               |    | <hr/>      | <hr/> 450,000              |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |            | <hr/> <hr/> \$ (2,347,920) |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2015

December 31, 2022  
(unaudited)

|  |    |            |               |
|--|----|------------|---------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |               |
| Regular Contributions (earned)                           | \$ | 27,222,423 |               |
| Supplemental Contributions                               |    |            |               |
| Other Income (except investments)                        |    |            |               |
| Total Income   |    |            | \$ 27,222,423 |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |               |
| <u>Claims:</u>   |    |            |               |
| Paid   |    | 17,375,609 |               |
| Case Reserves  |    | 5,935,507  |               |
| Imprest Account  |    | -          |               |
| IBNR Reserve   |    | 2,429,000  |               |
| Subtotal   |    |            | \$ 25,740,116 |
| Less Excess Insurance:                                   |    |            |               |
| Received   |    | -          |               |
| Recoverable  |    | -          |               |
| Subtotal   |    |            | -             |
| Limited Incurred Claims (claims-excess)                  |    |            | 25,740,116    |
| <u>Expenses:</u>   |    |            |               |
| Excess Insurance Premiums                                |    |            |               |
| Administrative   |    | 492,614    |               |
| Subtotal Expenses  |    |            | 492,614       |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 26,232,730    |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | 989,693       |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | 270,472       |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | 1,260,165     |
| 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>           |    |            | \$ 660,165    |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2017

December 31, 2022  
(unaudited)

|  |    |            |                            |
|--|----|------------|----------------------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |                            |
| Regular Contributions (earned)                           | \$ | 26,246,781 |                            |
| Supplemental Contributions                               |    |            |                            |
| Other Income (except investments)                        |    |            |                            |
| Total Income   |    | <hr/>      | \$ 26,246,781              |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |                            |
| <u>Claims:</u>   |    |            |                            |
| Paid   |    | 21,272,139 |                            |
| Case Reserves  |    | 6,123,137  |                            |
| Imprest Account  |    | -          |                            |
| IBNR Reserve   |    | 3,479,000  |                            |
| Subtotal   |    | <hr/>      | \$ 30,874,276              |
| Less Excess Insurance:                                   |    |            |                            |
| Received   |    | -          |                            |
| Recoverable  |    | -          |                            |
| Subtotal   |    | <hr/>      | -                          |
| Limited Incurred Claims (claims-excess)                  |    |            | <hr/> 30,874,276           |
| <u>Expenses:</u>   |    |            |                            |
| Excess Insurance Premiums                                |    |            |                            |
| Administrative   |    | 506,538    |                            |
| Subtotal Expenses  |    | <hr/>      | 506,538                    |
| Total Incurred Liabilities (limited claims and expenses) |    |            | <hr/> 31,380,814           |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (5,134,033)                |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | <hr/> 291,068              |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (4,842,965)                |
| 6 . <u>Return of Surplus:</u>                            |    |            |                            |
| Paid   |    | 620,000    |                            |
| Authorized and Unpaid                                    |    |            |                            |
| Subtotal Return of Surplus                               |    | <hr/>      | <hr/> 620,000              |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |            | <hr/> <hr/> \$ (5,462,965) |

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**Municipal Excess Liability Residual Claims Fund****Fund Year Operating Results Analysis****Fund Year - 2018****December 31, 2022****(unaudited)**

|  |    |            |                      |
|--|----|------------|----------------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |                      |
| Regular Contributions (earned)                           | \$ | 21,848,628 |                      |
| Supplemental Contributions                               |    |            |                      |
| Other Income (except investments)                        |    |            |                      |
| Total Income   |    | <hr/>      | \$ 21,848,628        |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |                      |
| <u>Claims:</u>   |    |            |                      |
| Paid   |    | 14,884,572 |                      |
| Case Reserves  |    | 6,565,613  |                      |
| Imprest Account  |    | -          |                      |
| IBNR Reserve   |    | 3,140,000  |                      |
| Subtotal   |    | <hr/>      | \$ 24,590,185        |
| Less Excess Insurance:                                   |    |            |                      |
| Received   |    | -          |                      |
| Recoverable  |    | -          |                      |
| Subtotal   |    | <hr/>      | -                    |
| Limited Incurred Claims (claims-excess)                  |    |            | <hr/> 24,590,185     |
| <u>Expenses:</u>   |    |            |                      |
| Excess Insurance Premiums                                |    |            |                      |
| Administrative   |    | 516,447    |                      |
| Subtotal Expenses  |    | <hr/>      | 516,447              |
| Total Incurred Liabilities (limited claims and expenses) |    |            | <hr/> 25,106,632     |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (3,258,004)          |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | <hr/> (157,265)      |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (3,415,269)          |
| 6 . <u>Return of Surplus:</u>                            |    |            |                      |
| Paid   |    |            |                      |
| Authorized and Unpaid                                    |    |            |                      |
| Subtotal Return of Surplus                               |    | <hr/>      | -                    |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |            | <hr/> \$ (3,415,269) |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2019

December 31, 2022  
(unaudited)

|  |    |            |                         |
|--|----|------------|-------------------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |                         |
| Regular Contributions (earned)                           | \$ | 21,721,527 |                         |
| Supplemental Contributions                               |    |            |                         |
| Other Income (except investments)                        |    |            |                         |
| Total Income   |    | <hr/>      | \$ 21,721,527           |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |                         |
| <u>Claims:</u>   |    |            |                         |
| Paid   |    | 11,589,630 |                         |
| Case Reserves  |    | 9,733,542  |                         |
| Imprest Account  |    | -          |                         |
| IBNR Reserve   |    | 4,119,000  |                         |
| Subtotal   |    | <hr/>      | \$ 25,442,172           |
| Less Excess Insurance:                                   |    |            |                         |
| Received   |    | -          |                         |
| Recoverable  |    | -          |                         |
| Subtotal   |    | <hr/>      | -                       |
| Limited Incurred Claims (claims-excess)                  |    |            | <hr/> 25,442,172        |
| <u>Expenses:</u>   |    |            |                         |
| Excess Insurance Premiums                                |    |            |                         |
| Administrative   |    | 510,308    |                         |
| Subtotal Expenses  |    | <hr/>      | 510,308                 |
| Total Incurred Liabilities (limited claims and expenses) |    |            | <hr/> 25,952,480        |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (4,230,953)             |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | <hr/> (610,211)         |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (4,841,164)             |
| 6 . <u>Return of Surplus:</u>                            |    |            |                         |
| Paid   |    |            |                         |
| Authorized and Unpaid                                    |    |            |                         |
| Subtotal Return of Surplus                               |    | <hr/>      | -                       |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           | \$ |            | <hr/> <hr/> (4,841,164) |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2020

December 31, 2022  
(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   |    | 8,309,520  |                |
| Case Reserves  |    | 9,502,697  |                |
| Imprest Account  |    | -          |                |
| IBNR Reserve   |    | 6,584,000  |                |
| Subtotal   |    |            | \$ 24,396,217  |
| Less Excess Insurance:                                   |    |            |                |
| Received   |    | -          |                |
| Recoverable  |    | -          |                |
| Subtotal   |    |            | -              |
| Limited Incurred Claims (claims-excess)                  |    |            | 24,396,217     |
| <u>Expenses:</u>   |    |            |                |
| Excess Insurance Premiums                                |    |            |                |
| Administrative   |    | 576,666    |                |
| Subtotal Expenses  |    |            | 576,666        |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 24,972,883     |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (3,720,303)    |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | (889,899)      |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (4,610,202)    |
| 6 . <u>Return of Surplus:</u>                            |    |            |                |
| Paid   |    |            |                |
| Authorized and Unpaid                                    |    |            |                |
| Subtotal Return of Surplus                               |    |            | -              |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           |    |            | \$ (4,610,202) |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2021

December 31, 2022

(unaudited)

|  |    |            |                    |
|--|----|------------|--------------------|
| 1 . <u>Underwriting Income:</u>                          |    |            |                    |
| Regular Contributions (earned)                           | \$ | 23,287,518 |                    |
| Supplemental Contributions                               |    |            |                    |
| Other Income (except investments)                        |    |            |                    |
| Total Income   |    |            | \$ 23,287,518      |
| 2 . <u>Incurred Liabilities:</u>                         |    |            |                    |
| <u>Claims:</u>   |    |            |                    |
| Paid   |    | 7,316,950  |                    |
| Case Reserves  |    | 12,477,779 |                    |
| Imprest Account  |    | -          |                    |
| IBNR Reserve   |    | 8,809,000  |                    |
| Subtotal   | \$ | 28,603,729 |                    |
| Less Excess Insurance:                                   |    |            |                    |
| Received   |    | -          |                    |
| Recoverable  |    | -          |                    |
| Subtotal   |    |            | -                  |
| Limited Incurred Claims (claims-excess)                  |    | 28,603,729 |                    |
| <u>Expenses:</u>   |    |            |                    |
| Excess Insurance Premiums                                |    |            |                    |
| Administrative   |    | 606,928    |                    |
| Subtotal Expenses  |    | 606,928    |                    |
| Total Incurred Liabilities (limited claims and expenses) |    |            | 29,210,657         |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |            | (5,923,139)        |
| 4 . <u>Investment Income (Earned)</u>                    |    |            | (247,002)          |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |            | (6,170,141)        |
| 6 . <u>Return of Surplus:</u>                            |    |            |                    |
| Paid   |    |            |                    |
| Authorized and Unpaid                                    |    | 685,000    |                    |
| Subtotal Return of Surplus                               |    |            | 685,000            |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           | \$ |            | <u>(6,855,141)</u> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Operating Results Analysis

Fund Year - 2022

December 31, 2022

(unaudited)

|  |    |             |               |
|--|----|-------------|---------------|
| 1 . <u>Underwriting Income:</u>                          |    |             |               |
| Regular Contributions (earned)                           | \$ | 31,049,409  |               |
| Supplemental Contributions                               |    |             |               |
| Other Income (except investments)                        |    |             |               |
| Total Income   |    |             | \$ 31,049,409 |
| 2 . <u>Incurred Liabilities:</u>                         |    |             |               |
| <u>Claims:</u>   |    |             |               |
| Paid   |    | (2,188,977) |               |
| Case Reserves  |    | 23,556,604  |               |
| Imprest Account  |    | -           |               |
| IBNR Reserve   |    | 6,547,000   |               |
| Subtotal   | \$ | 27,914,627  |               |
| Less Excess Insurance:                                   |    |             |               |
| Received   |    | -           |               |
| Recoverable  |    | -           |               |
| Subtotal   |    |             | -             |
| Limited Incurred Claims (claims-excess)                  |    | 27,914,627  |               |
| <u>Expenses:</u>   |    |             |               |
| Excess Insurance Premiums                                |    |             |               |
| Administrative   |    | 611,658     |               |
| Subtotal Expenses  |    | 611,658     |               |
| Total Incurred Liabilities (limited claims and expenses) |    |             | 28,526,285    |
| 3 . <u>Underwriting Surplus/(Deficit) = 1-2</u>          |    |             | 2,523,124     |
| 4 . <u>Investment Income (Earned)</u>                    |    |             | 1,900         |
| 5 . <u>Gross Operating Surplus/(Deficit) = 3+4</u>       |    |             | 2,525,024     |
| 6 . <u>Return of Surplus:</u>                            |    |             |               |
| Paid   |    |             |               |
| Authorized and Unpaid                                    |    |             |               |
| Subtotal Return of Surplus                               |    |             | -             |
| 7 . <u>Net Current Surplus/(Deficit) = 5-6</u>           | \$ |             | 2,525,024     |

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Municipal Excess Liability Residual Claims Fund

Fund Year Account Operating Results Analysis

Residual Legacy Account (Fund Years - 1995-2006)

December 31, 2022  
(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)              | \$                           | \$                       | (919)          | \$                         | \$                    | -                               | \$ | (919)       |
| Supplemental Contributions                  | -                            | -                        | (919)          | -                          | -                     | -                               | -  | (919)       |
| Other Income (except investments)           | -                            | -                        | -              | -                          | -                     | -                               | -  | -           |
| Total Income                                | (1,589)                      | (16,611)                 | 130,617        | (1,366,708)                | -                     | -                               | -  | (1,254,291) |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |    |             |
| Claims (limited incurred)                   | -                            | -                        | -              | -                          | -                     | -                               | -  | -           |
| Excess Insurance (Recovery) Expenses        | (1,589)                      | (16,611)                 | 130,617        | (1,366,708)                | -                     | -                               | -  | (1,254,291) |
| Total Liabilities                           | 1,589                        | 16,611                   | (131,536)      | 1,366,708                  | -                     | -                               | -  | 1,253,372   |
| 3. <u>Underwriting Surplus/(Deficit)</u>    |                              |                          |                |                            |                       |                                 |    |             |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |    |             |
| Investment Income                           | 235                          | (370)                    | 84,525         | 140,697                    | -                     | 149                             | -  | 225,236     |
| Transfers                                   | -                            | -                        | -              | -                          | -                     | -                               | -  | -           |
| Total Adjustments                           | 235                          | (370)                    | 84,525         | 140,697                    | -                     | 149                             | -  | 225,236     |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | 1,824                        | 16,241                   | (47,011)       | 1,507,405                  | -                     | 149                             | -  | 1,478,608   |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 |    |             |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$                           | \$                       | (47,011)       | \$                         | \$                    | -                               | \$ | 1,478,608   |



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

Fund Year - 2007

December 31, 2022  
 (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                 | \$ 6,724,442       | \$ 11,291,479              | \$ 500,000            | \$ 690,000                      | \$        | 19,226,495        |
| Supplemental Contributions                  |                              |                          | 3,378,126          |                            |                       |                                 |           | 3,378,126         |
| Other Income (except investments)           |                              |                          |                    |                            |                       |                                 |           | -                 |
| Total Income                                | <u>15,288</u>                | <u>5,286</u>             | <u>6,724,442</u>   | <u>14,669,605</u>          | <u>500,000</u>        | <u>690,000</u>                  |           | <u>22,604,621</u> |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                    |                            |                       |                                 |           |                   |
| Claims (limited incurred)                   | 58,247                       | (28,610)                 | 8,742,884          | 14,109,094                 | -                     | -                               | -         | 22,881,615        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -                  | -                          | -                     | 326,421                         | -         | 326,421           |
| Total Liabilities                           | <u>58,247</u>                | <u>(28,610)</u>          | <u>8,742,884</u>   | <u>14,109,094</u>          | <u>-</u>              | <u>326,421</u>                  | <u>-</u>  | <u>23,208,036</u> |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | <u>(42,959)</u>              | <u>33,896</u>            | <u>(2,018,442)</u> | <u>560,511</u>             | <u>500,000</u>        | <u>363,579</u>                  | <u>-</u>  | <u>(603,415)</u>  |
| 4. <u>Adjustments</u>                       |                              |                          |                    |                            |                       |                                 |           |                   |
| Investment Income                           | 2,010                        | (17,488)                 | 195,230            | 611,714                    | 71,585                | 7,364                           | -         | 870,415           |
| Transfers                                   | -                            | -                        | -                  | -                          | -                     | -                               | -         | -                 |
| Total Adjustments                           | <u>2,010</u>                 | <u>(17,488)</u>          | <u>195,230</u>     | <u>611,714</u>             | <u>71,585</u>         | <u>7,364</u>                    | <u>-</u>  | <u>870,415</u>    |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | <u>(40,949)</u>              | <u>16,408</u>            | <u>(1,823,212)</u> | <u>1,172,225</u>           | <u>571,585</u>        | <u>370,943</u>                  | <u>-</u>  | <u>267,000</u>    |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -                  | -                          | -                     | (350,000)                       | -         | (350,000)         |
| 7. <u>Net Current Surplus/(Deficit)</u>     | <u>(40,949)</u>              | <u>\$ 16,408</u>         | <u>(1,823,212)</u> | <u>\$ 1,172,225</u>        | <u>\$ 571,585</u>     | <u>\$ 20,943</u>                | <u>\$</u> | <u>(83,000)</u>   |

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

Fund Year - 2008

December 31, 2022  
 (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)              | \$ 8,477                     | \$ -                     | \$ 7,064,807   | \$ 11,779,237              | \$ 500,000       | \$ 350,000            | \$ 19,702,521                   |        |
| Supplemental Contributions                  |                              |                          |                | 1,033,027                  |                  |                       | 1,033,027                       |        |
| Other Income (except investments)           |                              |                          |                |                            |                  |                       | -                               |        |
| Total Income                                | 8,477                        | -                        | 7,064,807      | 12,812,264                 | 500,000          | 350,000               | 20,735,548                      |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                  |                       |                                 |        |
| Claims (limited incurred)                   | 272,970                      | (202)                    | 6,870,908      | 13,751,286                 | -                | -                     | 20,894,962                      |        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -              | -                          | -                | 334,914               | 334,914                         |        |
| Total Liabilities                           | 272,970                      | (202)                    | 6,870,908      | 13,751,286                 | -                | 334,914               | 21,229,876                      |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | (264,493)                    | 202                      | 193,899        | (939,022)                  | 500,000          | 15,086                | (494,328)                       |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                  |                       |                                 |        |
| Investment Income                           | -                            | (11)                     | 156,225        | 601,619                    | 16,139           | 4,356                 | 778,328                         |        |
| Transfers                                   | -                            | -                        | -              | -                          | -                | -                     | -                               |        |
| Total Adjustments                           | -                            | (11)                     | 156,225        | 601,619                    | 16,139           | 4,356                 | 778,328                         |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | (264,493)                    | 191                      | 350,124        | (337,403)                  | 516,139          | 19,442                | 284,000                         |        |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -              | -                          | (375,000)        | -                     | (375,000)                       |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | (264,493)                    | 191                      | 350,124        | (337,403)                  | 141,139          | 19,442                | (91,000)                        |        |

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

Fund Year - 2009

December 31, 2022  
 (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           | 12,763,724                 | -                 | -                     | 21,235,466                      |        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -                   | -                          | -                 | 344,890               | 344,890                         |        |
| Total Liabilities                           | <u>49,224</u>                | <u>-</u>                 | <u>8,422,518</u>    | <u>12,763,724</u>          | <u>-</u>          | <u>344,890</u>        | <u>21,580,356</u>               |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | <u>(22,153)</u>              | <u>-</u>                 | <u>1,782,713</u>    | <u>(789,485)</u>           | <u>500,000</u>    | <u>30,110</u>         | <u>1,501,185</u>                |        |
| 4. <u>Adjustments</u>                       |                              |                          |                     |                            |                   |                       |                                 |        |
| Investment Income                           | 1,027                        | -                        | 157,167             | 461,852                    | 10,367            | 5,488                 | 635,901                         |        |
| Transfers                                   | -                            | -                        | -                   | -                          | -                 | -                     | -                               |        |
| Total Adjustments                           | <u>1,027</u>                 | <u>-</u>                 | <u>157,167</u>      | <u>461,852</u>             | <u>10,367</u>     | <u>5,488</u>          | <u>635,901</u>                  |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | <u>(21,126)</u>              | <u>-</u>                 | <u>1,939,880</u>    | <u>(327,633)</u>           | <u>510,367</u>    | <u>35,598</u>         | <u>2,137,086</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>\$ 1,939,880</u> | <u>\$ (327,633)</u>        | <u>\$ 130,367</u> | <u>\$ 35,598</u>      | <u>\$ 1,757,086</u>             |        |

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

Fund Year - 2010

December 31, 2022  
 (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)           | -                            | -                        | -              | -                          | -                | -                     | -                               |        |
| Total Income                                | (2,893)                      | -                        | 9,713,304      | 10,448,959                 | -                | -                     | 20,159,370                      |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                  |                       |                                 |        |
| Claims (limited incurred)                   | -                            | -                        | -              | -                          | -                | 350,137               | 350,137                         |        |
| Excess Insurance (Recovery) Expenses        | (2,893)                      | -                        | 9,713,304      | 10,448,959                 | -                | 350,137               | 20,509,507                      |        |
| Total Liabilities                           | 110,682                      | 1,010                    | (498,278)      | 911,256                    | 500,000          | 29,863                | 1,054,533                       |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    |                              |                          |                |                            |                  |                       |                                 |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                  |                       |                                 |        |
| Investment Income                           | 3,774                        | 40                       | 75,258         | 321,068                    | 9,419            | 2,133                 | 411,692                         |        |
| Transfers                                   | -                            | -                        | -              | -                          | -                | -                     | -                               |        |
| Total Adjustments                           | 3,774                        | 40                       | 75,258         | 321,068                    | 9,419            | 2,133                 | 411,692                         |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | 114,456                      | 1,050                    | (423,020)      | 1,232,324                  | 509,419          | 31,996                | 1,466,225                       |        |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -              | -                          | (400,000)        | -                     | (400,000)                       |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ 114,456                   | \$ 1,050                 | \$ (423,020)   | \$ 1,232,324               | \$ 109,419       | \$ 31,996             | \$ 1,066,225                    |        |

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

Fund Year - 2011

December 31, 2022  
 (unaudited)

|   | Coverages and Other Accounts |                          |                |                            |                       |                                 |               | Totals |
|---|------------------------------|--------------------------|----------------|----------------------------|-----------------------|---------------------------------|---------------|--------|
|   | Property Fund                | Faithful Perf. Bond Fund | Liability Fund | Worker's Compensation Fund | Loss Contingency Fund | General and Administrative Fund |               |        |
| 1. <u>Underwriting Income</u>               |                              |                          |                |                            |                       |                                 |               |        |
| Regular Contributions (earned)              | \$ 46,929                    | \$ 14,176                | \$ 8,172,510   | \$ 14,644,630              | \$ 500,000            | \$ 400,000                      | \$ 23,778,245 |        |
| Supplemental Contributions                  |                              |                          | 4,188,238      |                            |                       |                                 | 4,188,238     |        |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 | -             |        |
| Total Income                                | 46,929                       | 14,176                   | 8,172,510      | 18,832,868                 | 500,000               | 400,000                         | 27,966,483    |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |               |        |
| Claims (limited incurred)                   | 169,505                      | -                        | 8,645,861      | 19,128,255                 | -                     | -                               | 27,943,621    |        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -              | -                          | -                     | 354,501                         | 354,501       |        |
| Total Liabilities                           | 169,505                      | -                        | 8,645,861      | 19,128,255                 | -                     | 354,501                         | 28,298,122    |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | (122,576)                    | 14,176                   | (473,351)      | (295,387)                  | 500,000               | 45,499                          | (331,639)     |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |               |        |
| Investment Income                           | 424                          | 806                      | 73,741         | 319,257                    | 6,776                 | 1,635                           | 402,639       |        |
| Transfers                                   | -                            | -                        | -              | -                          | -                     | -                               | -             |        |
| Total Adjustments                           | 424                          | 806                      | 73,741         | 319,257                    | 6,776                 | 1,635                           | 402,639       |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | (122,152)                    | 14,982                   | (399,610)      | 23,870                     | 506,776               | 47,134                          | 71,000        |        |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -              | -                          | (400,000)             | -                               | (400,000)     |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ (122,152)                 | \$ 14,982                | \$ (399,610)   | \$ 23,870                  | \$ 106,776            | \$ 47,134                       | \$ (329,000)  |        |

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

Fund Year - 2012

December 31, 2022  
 (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                  |                              |                          |                   | 3,882,479                  |                       |                                 |           | 3,882,479         |
| Other Income (except investments)           |                              |                          |                   |                            |                       |                                 |           | -                 |
| Total Income                                | <u>29,304</u>                | <u>22,026</u>            | <u>10,967,322</u> | <u>21,765,851</u>          | <u>500,000</u>        | <u>400,000</u>                  |           | <u>33,684,503</u> |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                   |                            |                       |                                 |           |                   |
| Claims (limited incurred)                   | 101,766                      | 124,984                  | 9,178,942         | 24,393,457                 | -                     | -                               | -         | 33,799,149        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -                 | -                          | -                     | 366,275                         | -         | 366,275           |
| Total Liabilities                           | <u>101,766</u>               | <u>124,984</u>           | <u>9,178,942</u>  | <u>24,393,457</u>          | <u>-</u>              | <u>366,275</u>                  | <u>-</u>  | <u>34,165,424</u> |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | <u>(72,462)</u>              | <u>(102,958)</u>         | <u>1,788,380</u>  | <u>(2,627,606)</u>         | <u>500,000</u>        | <u>33,725</u>                   |           | <u>(480,921)</u>  |
| 4. <u>Adjustments</u>                       |                              |                          |                   |                            |                       |                                 |           |                   |
| Investment Income                           | 9                            | (9)                      | 59,709            | 272,700                    | 2,206                 | 1,306                           |           | 335,921           |
| Transfers                                   | -                            | -                        | -                 | -                          | -                     | -                               |           | -                 |
| Total Adjustments                           | <u>9</u>                     | <u>(9)</u>               | <u>59,709</u>     | <u>272,700</u>             | <u>2,206</u>          | <u>1,306</u>                    |           | <u>335,921</u>    |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | <u>(72,453)</u>              | <u>(102,967)</u>         | <u>1,848,089</u>  | <u>(2,354,906)</u>         | <u>502,206</u>        | <u>35,031</u>                   |           | <u>(145,000)</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>1,848,089</u>  | <u>(2,354,906)</u>         | <u>102,206</u>        | <u>35,031</u>                   | <u>\$</u> | <u>(545,000)</u>  |

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

Fund Year - 2013

December 31, 2022  
 (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                  |                              |                          | 1,574,856      |                            |                       |                                 |         | 1,574,856      |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 |         | -              |
| Total Income                                | 44,165                       | 326,323                  | 8,475,769      | 16,803,545                 | 500,000               | 400,000                         |         | 26,549,802     |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |         |                |
| Claims (limited incurred)                   | 19,302                       | (1,032)                  | 10,262,353     | 18,100,225                 | -                     | -                               | -       | 28,380,848     |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -              | -                          | -                     | 432,325                         | 432,325 | 432,325        |
| Total Liabilities                           | 19,302                       | (1,032)                  | 10,262,353     | 18,100,225                 | -                     | 432,325                         | 432,325 | 28,813,173     |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | 24,863                       | 327,355                  | (1,786,584)    | (1,296,680)                | 500,000               | (32,325)                        |         | (2,263,371)    |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |         |                |
| Investment Income                           | 1,238                        | 6,609                    | 107,842        | 299,452                    | 4,000                 | 28,388                          |         | 447,529        |
| Transfers                                   | -                            | -                        | -              | -                          | (5,000)               | 5,000                           |         | -              |
| Total Adjustments                           | 1,238                        | 6,609                    | 107,842        | 299,452                    | (1,000)               | 33,388                          |         | 447,529        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | 26,101                       | 333,964                  | (1,678,742)    | (997,228)                  | 499,000               | 1,063                           |         | (1,815,842)    |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -              | -                          | (400,000)             | -                               |         | (400,000)      |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ 26,101                    | \$ 333,964               | \$ (1,678,742) | \$ (997,228)               | \$ 99,000             | \$ 1,063                        | \$      | \$ (2,215,842) |

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

Fund Year - 2014

December 31, 2022  
 (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                       | -                        | 8,605,337      | 20,049,070                 | -                     | -                               | -  | 28,735,312     |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |    |                |
| Claims (limited incurred)                   | -                            | -                        | -              | -                          | -                     | 450,648                         | -  | 450,648        |
| Excess Insurance (Recovery) Expenses        | 80,905                       | -                        | 8,605,337      | 20,049,070                 | -                     | 450,648                         | -  | 29,185,960     |
| Total Liabilities                           | (60,854)                     | -                        | 3,014,103      | (5,722,100)                | 500,000               | (50,648)                        |    | (2,319,499)    |
| 3. <u>Underwriting Surplus/(Deficit)</u>    |                              |                          |                |                            |                       |                                 |    |                |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |    |                |
| Investment Income                           | 8                            | -                        | 103,502        | 313,638                    | 2,424                 | 2,007                           |    | 421,579        |
| Transfers                                   | -                            | -                        | -              | -                          | (50,000)              | 50,000                          |    | -              |
| Total Adjustments                           | 8                            | -                        | 103,502        | 313,638                    | (47,576)              | 52,007                          |    | 421,579        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | (60,846)                     | -                        | 3,117,605      | (5,408,462)                | 452,424               | 1,359                           |    | (1,897,920)    |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 |    |                |
|   | -                            | -                        | -              | -                          | (450,000)             | -                               |    | (450,000)      |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ (60,846)                  | \$ -                     | \$ 3,117,605   | \$ (5,408,462)             | \$ 2,424              | \$ 1,359                        | \$ | \$ (2,347,920) |



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

Fund Year - 2015

December 31, 2022  
 (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   | \$ 16,954,723              | \$ 600,000            | \$ 550,000                      | \$ | \$ 27,222,423 |
| Supplemental Contributions                  | 32,408                       | -                        | 9,085,292      | 16,954,723                 | 600,000               | 550,000                         |    | 27,222,423    |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 |    | -             |
| Total Income                                |                              |                          |                |                            |                       |                                 |    |               |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |    |               |
| Claims (limited incurred)                   | 361,574                      | -                        | 7,417,954      | 17,960,588                 | -                     | -                               | -  | 25,740,116    |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -              | -                          | -                     | 492,614                         | -  | 492,614       |
| Total Liabilities                           | 361,574                      | -                        | 7,417,954      | 17,960,588                 | -                     | 492,614                         | -  | 26,232,730    |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | (329,166)                    | -                        | 1,667,338      | (1,005,865)                | 600,000               | 57,386                          |    | 989,693       |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |    |               |
| Investment Income                           | -                            | -                        | 35,941         | 233,682                    | (366)                 | 1,215                           |    | 270,472       |
| Transfers                                   | -                            | -                        | -              | -                          | 366                   | (366)                           |    | -             |
| Total Adjustments                           | -                            | -                        | 35,941         | 233,682                    | -                     | 849                             |    | 270,472       |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | (329,166)                    | -                        | 1,703,279      | (772,183)                  | 600,000               | 58,235                          |    | 1,260,165     |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -              | -                          | (600,000)             | -                               |    | (600,000)     |
| 7. <u>Net Current Surplus/(Deficit)</u>     | (329,166)                    | -                        | 1,703,279      | (772,183)                  | -                     | 58,235                          | \$ | 660,165       |

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

Fund Year - 2016

December 31, 2022  
 (unaudited)

|   | Coverages and Other Accounts |                          |                |                            |                       |                                 |                | Totals |
|---|------------------------------|--------------------------|----------------|----------------------------|-----------------------|---------------------------------|----------------|--------|
|   | Property Fund                | Faithful Perf. Bond Fund | Liability Fund | Worker's Compensation Fund | Loss Contingency Fund | General and Administrative Fund |                |        |
| 1. <u>Underwriting Income</u>               |                              |                          |                |                            |                       |                                 |                |        |
| Regular Contributions (earned)              | \$ 2,579                     | \$ -                     | \$ 11,152,491  | \$ 12,148,974              | \$ 625,000            | \$ 600,000                      | \$ 24,529,044  |        |
| Supplemental Contributions                  |                              |                          |                |                            |                       |                                 |                |        |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 |                |        |
| Total Income                                | 2,579                        | -                        | 11,152,491     | 12,148,974                 | 625,000               | 600,000                         | 24,529,044     |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |                |        |
| Claims (limited incurred)                   | 18,836                       | -                        | 10,489,376     | 17,383,510                 | -                     | -                               | 27,891,722     |        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -              | -                          | -                     | 517,128                         | 517,128        |        |
| Total Liabilities                           | 18,836                       | -                        | 10,489,376     | 17,383,510                 | -                     | 517,128                         | 28,408,850     |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | (16,257)                     | -                        | 663,115        | (5,234,536)                | 625,000               | 82,872                          | (3,879,806)    |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |                |        |
| Investment Income                           | 7                            | -                        | 81,194         | 129,640                    | (550)                 | 1,783                           | 212,074        |        |
| Transfers                                   | -                            | -                        | -              | -                          | -                     | -                               | -              |        |
| Total Adjustments                           | 7                            | -                        | 81,194         | 129,640                    | (550)                 | 1,783                           | 212,074        |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | (16,250)                     | -                        | 744,309        | (5,104,896)                | 624,450               | 84,655                          | (3,667,732)    |        |
| 6. <u>Return of Surplus</u>                 | -                            | -                        | -              | -                          | (610,000)             | -                               | (610,000)      |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ (16,250)                  | \$ -                     | \$ 744,309     | \$ (5,104,896)             | \$ 14,450             | \$ 84,655                       | \$ (4,277,732) |        |

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

Fund Year - 2017

December 31, 2022  
 (unaudited)

|   | Coverages and Other Accounts |                          |                   |                            |                       |                                 |                       | Totals |
|---|------------------------------|--------------------------|-------------------|----------------------------|-----------------------|---------------------------------|-----------------------|--------|
|   | Property Fund                | Faithful Perf. Bond Fund | Liability Fund    | Worker's Compensation Fund | Loss Contingency Fund | General and Administrative Fund |                       |        |
| 1. <u>Underwriting Income</u>               |                              |                          |                   |                            |                       |                                 |                       |        |
| Regular Contributions (earned)              | \$ 55,406                    | \$ 43,629                | \$ 10,309,122     | \$ 14,603,624              | \$ 625,000            | \$ 610,000                      | \$ 26,246,781         |        |
| Supplemental Contributions                  |                              |                          |                   |                            |                       |                                 |                       |        |
| Other Income (except investments)           |                              |                          |                   |                            |                       |                                 |                       |        |
| Total Income                                | <u>55,406</u>                | <u>43,629</u>            | <u>10,309,122</u> | <u>14,603,624</u>          | <u>625,000</u>        | <u>610,000</u>                  | <u>26,246,781</u>     |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                   |                            |                       |                                 |                       |        |
| Claims (limited incurred)                   | 169,621                      | (47,463)                 | 9,856,256         | 20,895,862                 | -                     | -                               | 30,874,276            |        |
| Excess Insurance (Recovery) Expenses        | -                            | -                        | -                 | -                          | -                     | 506,538                         | 506,538               |        |
| Total Liabilities                           | <u>169,621</u>               | <u>(47,463)</u>          | <u>9,856,256</u>  | <u>20,895,862</u>          | <u>-</u>              | <u>506,538</u>                  | <u>31,380,814</u>     |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | <u>(114,215)</u>             | <u>91,092</u>            | <u>452,866</u>    | <u>(6,292,238)</u>         | <u>625,000</u>        | <u>103,462</u>                  | <u>(5,134,033)</u>    |        |
| 4. <u>Adjustments</u>                       |                              |                          |                   |                            |                       |                                 |                       |        |
| Investment Income                           | 1,724                        | (1,188)                  | 107,250           | 179,997                    | 1,626                 | 1,659                           | 291,068               |        |
| Transfers                                   | -                            | -                        | -                 | -                          | -                     | -                               | -                     |        |
| Total Adjustments                           | <u>1,724</u>                 | <u>(1,188)</u>           | <u>107,250</u>    | <u>179,997</u>             | <u>1,626</u>          | <u>1,659</u>                    | <u>291,068</u>        |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | <u>(112,491)</u>             | <u>89,904</u>            | <u>560,116</u>    | <u>(6,112,241)</u>         | <u>626,626</u>        | <u>105,121</u>                  | <u>(4,842,965)</u>    |        |
| 6. <u>Return of Surplus</u>                 |                              |                          |                   |                            |                       |                                 |                       |        |
|   | -                            | -                        | -                 | -                          | (620,000)             | -                               | (620,000)             |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | <u>\$ (112,491)</u>          | <u>\$ 89,904</u>         | <u>\$ 560,116</u> | <u>\$ (6,112,241)</u>      | <u>\$ 6,626</u>       | <u>\$ 105,121</u>               | <u>\$ (5,462,965)</u> |        |

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

Fund Year - 2018

December 31, 2022  
 (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)                   | 54,561                       | (325)                    | 8,291,124      | 16,244,825                 | -                     | -                               | 24,590,185     |        |
| Excess Insurance (Recovery) Expenses        |                              |                          |                |                            |                       | 516,447                         | 516,447        |        |
| Total Liabilities                           | 54,561                       | (325)                    | 8,291,124      | 16,244,825                 | -                     | 516,447                         | 25,106,632     |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | 236,074                      | 30,743                   | (1,436,916)    | (2,841,458)                | 650,000               | 103,553                         | (3,258,004)    |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |                |        |
| Investment Income                           | (8,761)                      | (1,037)                  | 56,677         | (183,301)                  | (21,827)              | 984                             | (157,265)      |        |
| Transfers                                   |                              |                          |                |                            |                       |                                 | -              |        |
| Total Adjustments                           | (8,761)                      | (1,037)                  | 56,677         | (183,301)                  | (21,827)              | 984                             | (157,265)      |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | 227,313                      | 29,706                   | (1,380,239)    | (3,024,759)                | 628,173               | 104,537                         | (3,415,269)    |        |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 | -              |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ 227,313                   | \$ 29,706                | (1,380,239)    | (3,024,759)                | \$ 628,173            | \$ 104,537                      | \$ (3,415,269) |        |

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

Fund Year - 2019

December 31, 2022  
 (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)                   | 1,397                        | -                        | 8,806,944      | 16,633,831                 | -                     | -                               | 25,442,172     |        |
| Excess Insurance (Recovery) Expenses        |                              |                          |                |                            |                       | 510,308                         | 510,308        |        |
| Total Liabilities                           | 1,397                        | -                        | 8,806,944      | 16,633,831                 | -                     | 510,308                         | 25,952,480     |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | 35,068                       | -                        | (1,103,082)    | (3,935,631)                | 650,000               | 122,692                         | (4,230,953)    |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |                |        |
| Investment Income                           | (257)                        | 2,867                    | (201,266)      | (375,314)                  | (37,444)              | 1,203                           | (610,211)      |        |
| Transfers                                   |                              |                          |                |                            |                       |                                 |                |        |
| Total Adjustments                           | (257)                        | 2,867                    | (201,266)      | (375,314)                  | (37,444)              | 1,203                           | (610,211)      |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | 34,811                       | 2,867                    | (1,304,348)    | (4,310,945)                | 612,556               | 123,895                         | (4,841,164)    |        |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 |                |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ 34,811                    | \$ 2,867                 | \$ (1,304,348) | \$ (4,310,945)             | \$ 612,556            | \$ 123,895                      | \$ (4,841,164) |        |

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

Fund Year - 2020

December 31, 2022  
 (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                  | 10,301                       | 10,648                   | 8,069,005      | 11,856,626                 | 660,000               | 646,000                         | 21,252,580     |        |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 |                |        |
| Total Income                                |                              |                          |                |                            |                       |                                 |                |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |                |        |
| Claims (limited incurred)                   | (38,824)                     | -                        | 7,916,518      | 16,518,523                 |                       |                                 | 24,396,217     |        |
| Excess Insurance (Recovery) Expenses        | (38,824)                     | -                        | -              | -                          |                       | 576,666                         | 576,666        |        |
| Total Liabilities                           |                              |                          |                |                            |                       |                                 |                |        |
|   | 49,125                       | 10,648                   | 152,487        | (4,661,897)                | 660,000               | 69,334                          | (3,720,303)    |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    |                              |                          |                |                            |                       |                                 |                |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |                |        |
| Investment Income                           | (5,547)                      | (619)                    | (277,861)      | (563,651)                  | (38,320)              | (3,901)                         | (889,899)      |        |
| Transfers                                   | -                            | -                        | -              | -                          | -                     | -                               | -              |        |
| Total Adjustments                           | (5,547)                      | (619)                    | (277,861)      | (563,651)                  | (38,320)              | (3,901)                         | (889,899)      |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | 43,578                       | 10,029                   | (125,374)      | (5,225,548)                | 621,680               | 65,433                          | (4,610,202)    |        |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 |                |        |
|   |                              |                          |                |                            |                       |                                 |                |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ 43,578                    | \$ 10,029                | \$ (125,374)   | \$ (5,225,548)             | \$ 621,680            | \$ 65,433                       | \$ (4,610,202) |        |

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

Fund Year - 2021

December 31, 2022  
 (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)              | \$ 5,125                     | \$ -                     | \$ 8,281,627   | \$ 13,658,196              | \$ 685,000            | \$ 657,570                      | \$ 23,287,518  |        |
| Supplemental Contributions                  | 5,125                        | -                        | 8,281,627      | 13,658,196                 | 685,000               | 657,570                         | 23,287,518     |        |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 |                |        |
| Total Income                                | (186,653)                    | -                        | 8,978,103      | 19,812,279                 | -                     | 606,928                         | 28,603,729     |        |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |                |        |
| Claims (limited incurred)                   | (186,653)                    | -                        | 8,978,103      | 19,812,279                 | -                     | 606,928                         | 606,928        |        |
| Excess Insurance (Recovery) Expenses        | 191,778                      | -                        | (696,476)      | (6,154,083)                | 685,000               | 50,642                          | (5,923,139)    |        |
| Total Liabilities                           | (35)                         | -                        | (105,006)      | (129,732)                  | (7,866)               | (4,363)                         | (247,002)      |        |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | (35)                         | -                        | (105,006)      | (129,732)                  | (7,866)               | (4,363)                         | (247,002)      |        |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |                |        |
| Investment Income                           |                              |                          |                |                            |                       |                                 |                |        |
| Transfers                                   |                              |                          |                |                            |                       |                                 |                |        |
| Total Adjustments                           | 191,743                      | -                        | (801,482)      | (6,283,815)                | 677,134               | 46,279                          | (6,170,141)    |        |
| 5. <u>Gross Operating Surplus/(Deficit)</u> |                              |                          |                |                            |                       |                                 |                |        |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 |                |        |
| 7. <u>Net Current Surplus/(Deficit)</u>     | \$ 191,743                   | \$ -                     | \$ (801,482)   | \$ (6,283,815)             | \$ (7,866)            | \$ 46,279                       | \$ (6,855,141) |        |

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

Fund Year - 2022

December 31, 2022  
 (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)              | \$ (12,026)                  | \$ 9,770                 | \$ 11,498,740  | \$ 18,181,925              | \$ 700,000            | \$ 671,000                      | \$ 31,049,409 |
| Supplemental Contributions                  | (12,026)                     | 9,770                    | 11,498,740     | 18,181,925                 | 700,000               | 671,000                         | 31,049,409    |
| Other Income (except investments)           |                              |                          |                |                            |                       |                                 | -             |
| Total Income                                |                              |                          |                |                            |                       |                                 |               |
| 2. <u>Incurred Liabilities</u>              |                              |                          |                |                            |                       |                                 |               |
| Claims (limited incurred)                   | 12,150                       | -                        | 11,507,585     | 18,263,892                 |                       |                                 | 29,783,627    |
| Excess Insurance (Recovery) Expenses        |                              |                          |                |                            |                       | 611,658                         | 611,658       |
| Total Liabilities                           | 12,150                       | -                        | 11,507,585     | 18,263,892                 | -                     | 611,658                         | 30,395,285    |
| 3. <u>Underwriting Surplus/(Deficit)</u>    | (24,176)                     | 9,770                    | (8,845)        | (81,967)                   | 700,000               | 59,342                          | 654,124       |
| 4. <u>Adjustments</u>                       |                              |                          |                |                            |                       |                                 |               |
| Investment Income                           | -                            | -                        | -              | -                          | -                     | 1,900                           | 1,900         |
| Transfers                                   | -                            | -                        | -              | -                          | -                     | -                               | -             |
| Total Adjustments                           | -                            | -                        | -              | -                          | -                     | 1,900                           | 1,900         |
| 5. <u>Gross Operating Surplus/(Deficit)</u> | (24,176)                     | 9,770                    | (8,845)        | (81,967)                   | 700,000               | 61,242                          | 656,024       |
| 6. <u>Return of Surplus</u>                 |                              |                          |                |                            |                       |                                 |               |
| 7. <u>Net Current Surplus/(Deficit)</u>     | (24,176)                     | 9,770                    | (8,845)        | (81,967)                   | 700,000               | 61,242                          | 656,024       |



**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

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

**December 31, 2022**  
**(unaudited)**

|                              | Coverages      |                                |                |                                       | Totals             |
|------------------------------|----------------|--------------------------------|----------------|---------------------------------------|--------------------|
|                              | Property       | Faithful<br>Perf. Bond<br>Fund | Liability      | Worker's<br>Compensation<br>Insurance |                    |
| Paid Claims                  | \$ (6,804)     | \$ (16,611)                    | \$ 69,745      | \$ (3,960,792)                        | \$ (3,914,462)     |
| Case Reserves                | 5,215          |                                | 60,872         | 2,253,084                             | 2,319,171          |
| Imprest Account              |                |                                |                |                                       | -                  |
| IBNR Reserve                 |                |                                |                | 341,000                               | 341,000            |
| Subtotal                     | <u>(1,589)</u> | <u>(16,611)</u>                | <u>130,617</u> | <u>(1,366,708)</u>                    | <u>(1,254,291)</u> |
| Excess Insurance<br>Received |                |                                |                |                                       | -                  |
| Recoverable                  |                |                                |                |                                       | -                  |
| Subtotal                     | <u>-</u>       | <u>-</u>                       | <u>-</u>       | <u>-</u>                              | <u>-</u>           |
| Incurring Claims             | <u>(1,589)</u> | <u>(16,611)</u>                | <u>130,617</u> | <u>(1,366,708)</u>                    | <u>(1,254,291)</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2007**

**December 31, 2022**  
**(unaudited)**

|                  | Coverages        |                                |                     |                                       | Totals               |
|------------------|------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                  | Property         | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims      | \$ 58,247        | \$ (28,610)                    | \$ 8,783,197        | \$ 12,603,401                         | \$ 21,416,235        |
| Case Reserves    |                  |                                |                     | 1,488,693                             | 1,488,693            |
| Imprest Account  |                  |                                |                     |                                       | -                    |
| IBNR Reserve     |                  |                                |                     | 17,000                                | 17,000               |
| Subtotal         | <u>58,247</u>    | <u>(28,610)</u>                | <u>8,783,197</u>    | <u>14,109,094</u>                     | <u>22,921,928</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>\$ 58,247</u> | <u>\$ (28,610)</u>             | <u>\$ 8,742,884</u> | <u>\$ 14,109,094</u>                  | <u>\$ 22,881,615</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2008**

**December 31, 2022**  
**(unaudited)**

|                  | Coverages         |                                |                     |                                       | Totals               |
|------------------|-------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                  | Property          | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims      | \$ 272,970        | \$ (202)                       | \$ 10,300,226       | \$ 12,225,689                         | \$ 22,798,683        |
| Case Reserves    |                   |                                |                     | 1,525,597                             | 1,525,597            |
| Imprest Account  |                   |                                |                     | -                                     | -                    |
| IBNR Reserve     |                   |                                |                     |                                       |                      |
| Subtotal         | <u>272,970</u>    | <u>(202)</u>                   | <u>10,300,226</u>   | <u>13,751,286</u>                     | <u>24,324,280</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>\$ 13,751,286</u>                  | <u>\$ 20,894,962</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2009**

**December 31, 2022**  
**(unaudited)**

|                  | Coverages        |                                |                     |                                       | Totals               |
|------------------|------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                  | Property         | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims      | \$ 49,224        | \$ -                           | \$ 11,508,588       | \$ 11,184,055                         | \$ 22,741,867        |
| Case Reserves    |                  |                                |                     | 1,519,669                             | 1,519,669            |
| Imprest Account  |                  |                                |                     |                                       | -                    |
| IBNR Reserve     |                  |                                |                     | 60,000                                | 60,000               |
| Subtotal         | <u>49,224</u>    | <u>-</u>                       | <u>11,508,588</u>   | <u>12,763,724</u>                     | <u>24,321,536</u>    |
| Excess Insurance |                  |                                |                     |                                       |                      |
| Received         |                  |                                | 3,086,070           |                                       | 3,086,070            |
| Recoverable      |                  |                                |                     |                                       | -                    |
| Subtotal         | <u>-</u>         | <u>-</u>                       | <u>3,086,070</u>    | <u>-</u>                              | <u>3,086,070</u>     |
| Incurred Claims  | <u>\$ 49,224</u> | <u>\$ -</u>                    | <u>\$ 8,422,518</u> | <u>\$ 12,763,724</u>                  | <u>\$ 21,235,466</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2010**

**December 31, 2022**  
**(unaudited)**

|                  | Coverages      |                                |                  |                                       | Totals            |
|------------------|----------------|--------------------------------|------------------|---------------------------------------|-------------------|
|                  | Property       | Faithful<br>Perf. Bond<br>Fund | Liability        | Worker's<br>Compensation<br>Insurance |                   |
| Paid Claims      | \$ (2,893)     | \$ -                           | \$ 9,661,498     | \$ 8,952,787                          | \$ 18,611,392     |
| Case Reserves    |                |                                | 51,806           | 1,426,172                             | 1,477,978         |
| Imprest Account  |                |                                |                  |                                       | -                 |
| IBNR Reserve     |                |                                |                  | 70,000                                | 70,000            |
| Subtotal         | <u>(2,893)</u> | <u>-</u>                       | <u>9,713,304</u> | <u>10,448,959</u>                     | <u>20,159,370</u> |
| Excess Insurance |                |                                |                  |                                       |                   |
| Received         |                |                                |                  |                                       | -                 |
| Recoverable      |                |                                |                  |                                       | -                 |
| Subtotal         | <u>-</u>       | <u>-</u>                       | <u>-</u>         | <u>-</u>                              | <u>-</u>          |
| Incurred Claims  | <u>(2,893)</u> | <u>-</u>                       | <u>9,713,304</u> | <u>10,448,959</u>                     | <u>20,159,370</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2011**

**December 31, 2022  
(unaudited)**

|                  | Coverages         |                                |                     |                                       | Totals               |
|------------------|-------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                  | Property          | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims      | \$ 169,505        | \$ -                           | \$ 8,645,861        | \$ 14,828,227                         | \$ 23,643,593        |
| Case Reserves    |                   |                                |                     | 4,245,028                             | 4,245,028            |
| Imprest Account  |                   |                                |                     |                                       | -                    |
| IBNR Reserve     |                   |                                |                     | 55,000                                | 55,000               |
| Subtotal         | <u>169,505</u>    | <u>-</u>                       | <u>8,645,861</u>    | <u>19,128,255</u>                     | <u>27,943,621</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>\$ 8,645,861</u> | <u>\$ 19,128,255</u>                  | <u>\$ 27,943,621</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2012**

**December 31, 2022**  
**(unaudited)**

|                  | Coverages         |                                |                     |                                       | Totals               |
|------------------|-------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                  | Property          | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims      | \$ 101,766        | \$ 124,984                     | \$ 9,616,227        | \$ 17,432,932                         | \$ 27,275,909        |
| Case Reserves    |                   |                                | 225                 | 6,720,525                             | 6,720,750            |
| Imprest Account  |                   |                                |                     |                                       | -                    |
| IBNR Reserve     |                   |                                |                     | 240,000                               | 240,000              |
| Subtotal         | <u>101,766</u>    | <u>124,984</u>                 | <u>9,616,452</u>    | <u>24,393,457</u>                     | <u>34,236,659</u>    |
| Excess Insurance |                   |                                |                     |                                       |                      |
| Received         |                   |                                | 437,510             |                                       | 437,510              |
| Recoverable      |                   |                                |                     |                                       | -                    |
| Subtotal         | <u>-</u>          | <u>-</u>                       | <u>437,510</u>      | <u>-</u>                              | <u>437,510</u>       |
| Incurred Claims  | <u>\$ 101,766</u> | <u>\$ 124,984</u>              | <u>\$ 9,178,942</u> | <u>\$ 24,393,457</u>                  | <u>\$ 33,799,149</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2013**

**December 31, 2022**  
**(unaudited)**

|                  | Coverages        |                                |                      |                                       | Totals               |
|------------------|------------------|--------------------------------|----------------------|---------------------------------------|----------------------|
|                  | Property         | Faithful<br>Perf. Bond<br>Fund | Liability            | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims      | \$ 19,302        | \$ (1,032)                     | \$ 10,262,353        | \$ 14,143,267                         | \$ 24,423,890        |
| Case Reserves    |                  |                                |                      | 3,467,958                             | 3,467,958            |
| Imprest Account  |                  |                                |                      |                                       | -                    |
| IBNR Reserve     |                  |                                |                      | 489,000                               | 489,000              |
| Subtotal         | <u>19,302</u>    | <u>(1,032)</u>                 | <u>10,262,353</u>    | <u>18,100,225</u>                     | <u>28,380,848</u>    |
| Excess Insurance |                  |                                |                      |                                       |                      |
| Received         |                  |                                |                      |                                       | -                    |
| Recoverable      |                  |                                |                      |                                       | -                    |
| Subtotal         | <u>-</u>         | <u>-</u>                       | <u>-</u>             | <u>-</u>                              | <u>-</u>             |
| Incurred Claims  | <u>\$ 19,302</u> | <u>\$ (1,032)</u>              | <u>\$ 10,262,353</u> | <u>\$ 18,100,225</u>                  | <u>\$ 28,380,848</u> |



**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2014**

**December 31, 2022**  
**(unaudited)**

|                              | Coverages        |                                |                     |                                       | Totals               |
|------------------------------|------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                              | Property         | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims                  | \$ 80,904        | \$ -                           | \$ 7,426,694        | \$ 15,434,821                         | \$ 22,942,419        |
| Case Reserves                | 1                |                                | 1,147,643           | 3,590,249                             | 4,737,893            |
| Imprest Account              |                  |                                |                     |                                       | -                    |
| IBNR Reserve                 |                  |                                | 31,000              | 1,024,000                             | 1,055,000            |
| Subtotal                     | <u>80,905</u>    | <u>-</u>                       | <u>8,605,337</u>    | <u>20,049,070</u>                     | <u>28,735,312</u>    |
| Excess Insurance<br>Received |                  |                                |                     |                                       | -                    |
| Recoverable                  |                  |                                |                     |                                       | -                    |
| Subtotal                     | <u>-</u>         | <u>-</u>                       | <u>-</u>            | <u>-</u>                              | <u>-</u>             |
| Incurred Claims              | <u>\$ 80,905</u> | <u>\$ -</u>                    | <u>\$ 8,605,337</u> | <u>\$ 20,049,070</u>                  | <u>\$ 28,735,312</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2015**

**December 31, 2022  
(unaudited)**

|                              | Coverages         |                                |                     |                                       | Totals               |
|------------------------------|-------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                              | Property          | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims                  | \$ 361,564        | \$ -                           | \$ 7,417,954        | \$ 9,596,091                          | \$ 17,375,609        |
| Case Reserves                | 10                |                                |                     | 5,935,497                             | 5,935,507            |
| Imprest Account              |                   |                                |                     |                                       | -                    |
| IBNR Reserve                 |                   |                                |                     | 2,429,000                             | 2,429,000            |
| Subtotal                     | <u>361,574</u>    | <u>-</u>                       | <u>7,417,954</u>    | <u>17,960,588</u>                     | <u>25,740,116</u>    |
| Excess Insurance<br>Received |                   |                                |                     |                                       | -                    |
| Recoverable                  |                   |                                |                     |                                       | -                    |
| Subtotal                     | <u>-</u>          | <u>-</u>                       | <u>-</u>            | <u>-</u>                              | <u>-</u>             |
| Incurred Claims              | <u>\$ 361,574</u> | <u>\$ -</u>                    | <u>\$ 7,417,954</u> | <u>\$ 17,960,588</u>                  | <u>\$ 25,740,116</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2016**

**December 31, 2022  
(unaudited)**

|                              | Coverages |                                |               |                                       | Totals        |
|------------------------------|-----------|--------------------------------|---------------|---------------------------------------|---------------|
|                              | Property  | Faithful<br>Perf. Bond<br>Fund | Liability     | Worker's<br>Compensation<br>Insurance |               |
| Paid Claims                  | \$ 18,836 | \$ -                           | \$ 10,412,185 | \$ 8,959,040                          | \$ 19,390,061 |
| Case Reserves                |           |                                | 77,191        | 6,165,470                             | 6,242,661     |
| Imprest Account              |           |                                |               |                                       | -             |
| IBNR Reserve                 |           |                                |               | 2,259,000                             | 2,259,000     |
| Subtotal                     | 18,836    | -                              | 10,489,376    | 17,383,510                            | 27,891,722    |
| Excess Insurance<br>Received |           |                                |               |                                       | -             |
| Recoverable                  |           |                                |               |                                       | -             |
| Subtotal                     | -         | -                              | -             | -                                     | -             |
| Incurred Claims              | \$ 18,836 | \$ -                           | \$ 10,489,376 | \$ 17,383,510                         | \$ 27,891,722 |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2017**

**December 31, 2022  
(unaudited)**

|                              | Coverages         |                                |                     |                                       | Totals               |
|------------------------------|-------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                              | Property          | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims                  | \$ 159,256        | \$ (47,463)                    | \$ 9,708,994        | \$ 11,451,352                         | \$ 21,272,139        |
| Case Reserves                | 10,365            |                                | 114,262             | 5,998,510                             | 6,123,137            |
| Imprest Account              |                   |                                |                     |                                       | -                    |
| IBNR Reserve                 |                   |                                | 33,000              | 3,446,000                             | 3,479,000            |
| Subtotal                     | <u>169,621</u>    | <u>(47,463)</u>                | <u>9,856,256</u>    | <u>20,895,862</u>                     | <u>30,874,276</u>    |
| Excess Insurance<br>Received |                   |                                |                     |                                       | -                    |
| Recoverable                  |                   |                                |                     |                                       | -                    |
| Subtotal                     | <u>-</u>          | <u>-</u>                       | <u>-</u>            | <u>-</u>                              | <u>-</u>             |
| Incurring Claims             | <u>\$ 169,621</u> | <u>\$ (47,463)</u>             | <u>\$ 9,856,256</u> | <u>\$ 20,895,862</u>                  | <u>\$ 30,874,276</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2018**

**December 31, 2022  
(unaudited)**

|                              | Coverages        |                                |                     |                                       | Totals               |
|------------------------------|------------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                              | Property         | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims                  | \$ (632)         | \$ (325)                       | \$ 7,590,190        | \$ 7,295,339                          | \$ 14,884,572        |
| Case Reserves                | 55,193           |                                | 211,934             | 6,298,486                             | 6,565,613            |
| Imprest Account              |                  |                                |                     |                                       | -                    |
| IBNR Reserve                 |                  |                                | 489,000             | 2,651,000                             | 3,140,000            |
| Subtotal                     | <u>54,561</u>    | <u>(325)</u>                   | <u>8,291,124</u>    | <u>16,244,825</u>                     | <u>24,590,185</u>    |
| Excess Insurance<br>Received |                  |                                |                     |                                       | -                    |
| Recoverable<br>Subtotal      | <u>-</u>         | <u>-</u>                       | <u>-</u>            | <u>-</u>                              | <u>-</u>             |
| Incurred Claims              | <u>\$ 54,561</u> | <u>\$ (325)</u>                | <u>\$ 8,291,124</u> | <u>\$ 16,244,825</u>                  | <u>\$ 24,590,185</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2019**

**December 31, 2022  
(unaudited)**

|                              | Coverages       |                                |                     |                                       | Totals               |
|------------------------------|-----------------|--------------------------------|---------------------|---------------------------------------|----------------------|
|                              | Property        | Faithful<br>Perf. Bond<br>Fund | Liability           | Worker's<br>Compensation<br>Insurance |                      |
| Paid Claims                  | \$ 527          | \$ -                           | \$ 4,419,146        | \$ 7,169,957                          | \$ 11,589,630        |
| Case Reserves                | 870             |                                | 3,281,798           | 6,450,874                             | 9,733,542            |
| Imprest Account              |                 |                                |                     |                                       | -                    |
| IBNR Reserve                 |                 |                                | 1,106,000           | 3,013,000                             | 4,119,000            |
| Subtotal                     | <u>1,397</u>    | <u>-</u>                       | <u>8,806,944</u>    | <u>16,633,831</u>                     | <u>25,442,172</u>    |
| Excess Insurance<br>Received |                 |                                |                     |                                       | -                    |
| Recoverable                  |                 |                                |                     |                                       | -                    |
| Subtotal                     | <u>-</u>        | <u>-</u>                       | <u>-</u>            | <u>-</u>                              | <u>-</u>             |
| Incurred Claims              | <u>\$ 1,397</u> | <u>\$ -</u>                    | <u>\$ 8,806,944</u> | <u>\$ 16,633,831</u>                  | <u>\$ 25,442,172</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2020**

**December 31, 2022  
(unaudited)**

|                              | Coverages       |                                |                  |                                       | Totals            |
|------------------------------|-----------------|--------------------------------|------------------|---------------------------------------|-------------------|
|                              | Property        | Faithful<br>Perf. Bond<br>Fund | Liability        | Worker's<br>Compensation<br>Insurance |                   |
| Paid Claims                  | \$ (53,986)     | \$ -                           | \$ 4,045,845     | \$ 4,317,661                          | \$ 8,309,520      |
| Case Reserves                | 15,162          |                                | 2,899,673        | 6,587,862                             | 9,502,697         |
| Imprest Account              |                 |                                |                  |                                       | -                 |
| IBNR Reserve                 |                 |                                | 971,000          | 5,613,000                             | 6,584,000         |
| Subtotal                     | <u>(38,824)</u> | <u>-</u>                       | <u>7,916,518</u> | <u>16,518,523</u>                     | <u>24,396,217</u> |
| Excess Insurance<br>Received |                 |                                |                  |                                       | -                 |
| Recoverable                  |                 |                                |                  |                                       | -                 |
| Subtotal                     | <u>-</u>        | <u>-</u>                       | <u>-</u>         | <u>-</u>                              | <u>-</u>          |
| Incurred Claims              | <u>(38,824)</u> | <u>-</u>                       | <u>7,916,518</u> | <u>16,518,523</u>                     | <u>24,396,217</u> |

**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2021**

**December 31, 2022  
(unaudited)**

|                              | Coverages        |                                |                  |                                       | Totals            |
|------------------------------|------------------|--------------------------------|------------------|---------------------------------------|-------------------|
|                              | Property         | Faithful<br>Perf. Bond<br>Fund | Liability        | Worker's<br>Compensation<br>Insurance |                   |
| Paid Claims                  | \$ (186,705)     | \$ -                           | \$ 3,997,208     | \$ 3,506,447                          | \$ 7,316,950      |
| Case Reserves                | 52               |                                | 3,390,895        | 9,086,832                             | 12,477,779        |
| Imprest Account              |                  |                                |                  |                                       | -                 |
| IBNR Reserve                 |                  |                                | 1,590,000        | 7,219,000                             | 8,809,000         |
| Subtotal                     | <u>(186,653)</u> | <u>-</u>                       | <u>8,978,103</u> | <u>19,812,279</u>                     | <u>28,603,729</u> |
| Excess Insurance<br>Received |                  |                                |                  |                                       | -                 |
| Recoverable                  |                  |                                |                  |                                       | -                 |
| Subtotal                     | <u>-</u>         | <u>-</u>                       | <u>-</u>         | <u>-</u>                              | <u>-</u>          |
| Incurred Claims              | <u>(186,653)</u> | <u>-</u>                       | <u>8,978,103</u> | <u>19,812,279</u>                     | <u>28,603,729</u> |



**Municipal Excess Liability Residual Claims Fund**

**Fund Year Claims Analysis**

**Fund Year - 2022**

**December 31, 2022  
(unaudited)**

|                              | Coverages |                                |               |                                       | Totals         |
|------------------------------|-----------|--------------------------------|---------------|---------------------------------------|----------------|
|                              | Property  | Faithful<br>Perf. Bond<br>Fund | Liability     | Worker's<br>Compensation<br>Insurance |                |
| Paid Claims                  | \$ (257)  | \$ -                           | \$ -          | \$ (2,188,720)                        | \$ (2,188,977) |
| Case Reserves                | 12,407    |                                | 9,033,585     | 14,510,612                            | 23,556,604     |
| Imprest Account              |           |                                |               |                                       | -              |
| IBNR Reserve                 | 12,150    |                                | 2,474,000     | 4,073,000                             | 6,547,000      |
| Subtotal                     |           | -                              | 11,507,585    | 16,394,892                            | 27,914,627     |
| Excess Insurance<br>Received |           |                                |               |                                       | -              |
| Recoverable<br>Subtotal      |           |                                |               |                                       | -              |
| Incurred Claims              | \$ 12,150 | \$ -                           | \$ 11,507,585 | \$ 16,394,892                         | \$ 27,914,627  |

## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2007

December 31, 2022  
(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, 2022  
(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>           |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2009

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2010

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2011

December 31, 2022  
(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, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2013

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2014

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2015

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2016

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2017

December 31, 2022  
(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>           |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2018

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2019

December 31, 2022  
(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> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2020

December 31, 2022  
(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                         | 111,920                     |                             | 111,920                     |
| Subtotal Administration               | <u>576,666</u>              | <u>-</u>                    | <u>576,666</u>              |
| Total Expenses =1+2                   | \$ <u>576,666</u>           | \$ <u>-</u>                 | \$ <u>576,666</u>           |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2021

December 31, 2022  
(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                         | 208,704           |                   | 208,704           |
| Deputy Administrator                  | 70,551            |                   | 70,551            |
| Legal                                 | 41,387            |                   | 41,387            |
| Treasurer                             | 40,810            |                   | 40,810            |
| Other (itemize)                       |                   |                   |                   |
| Actuary                               | 43,038            |                   | 43,038            |
| Auditor                               | 24,107            |                   | 24,107            |
| Claims Administrator                  | 62,836            |                   | 62,836            |
| Miscellaneous                         | 115,495           |                   | 115,495           |
| Subtotal Administration               | <u>606,928</u>    | <u>-</u>          | <u>606,928</u>    |
| Total Expenses =1+2                   | \$ <u>606,928</u> | \$ <u>-</u>       | \$ <u>606,928</u> |

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## Municipal Excess Liability Residual Claims Fund

## Fund Year Expense Analysis

Fund Year - 2022

December 31, 2022  
(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                         | 212,878           |                   | 212,878           |
| Deputy Administrator                  | 71,962            |                   | 71,962            |
| Legal                                 | 42,215            |                   | 42,215            |
| Treasurer                             | 41,627            |                   | 41,627            |
| Other (itemize)                       |                   |                   |                   |
| Actuary                               | 43,899            |                   | 43,899            |
| Auditor                               | -                 | 24,107            | 24,107            |
| Claims Administrator                  | 64,092            |                   | 64,092            |
| Miscellaneous                         | 110,878           |                   | 110,878           |
| Subtotal Administration               | <u>587,551</u>    | <u>24,107</u>     | <u>611,658</u>    |
| Total Expenses =1+2                   | \$ <u>587,551</u> | \$ <u>24,107</u>  | \$ <u>611,658</u> |

See Independent Auditor's Report

**Municipal Excess Liability Residual Claims Fund**

**Program Summary**

**Fund Years - Legacy (1995-2006) to 2022**

**December 31, 2022  
(unaudited)**

|   | Coverages  |  |                 |
|---|--|--|-----------------|
|   | <u>Liability</u>   | <u>Worker's<br/>Compensation<br/>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>                                   | 218,350,644  | 360,692,128                                    | 1,713,188       |
| 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, 2022**  
**(unaudited)**

| Bank   | Description | Account<br>Amount    | Cost              |
|--|-------------|----------------------|-------------------|
| Investors Bank   | Operating   | 9,223,960            | 9,223,960         |
| BNY Mellon:<br>JCMI Program Account -<br>Governmental Securities | Investment  | <u>71,128,849</u>    | <u>71,128,849</u> |
|  |             | 80,352,809           | 80,352,809        |
| Add: Deposit in Transit/Breakage                                 |             | 6                    | 6                 |
| Less: Outstanding Checks / Transfers                             |             | <u>(4,258)</u>       | <u>(4,258)</u>    |
|  |             | <u>\$ 80,348,557</u> | <u>80,348,557</u> |

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

**Analysis of Assessments Receivable**

**December 31, 2022**  
**(unaudited)**

|  |                      |
|--|----------------------|
| Fund Year 2022                                     | 30,378,409           |
| Supplemental - Surplus Trigger                     | 1                    |
| Supplemental - Fund Year 2007 Workers Compensation | 3,378,126            |
| Supplemental - Fund Year 2008 Workers Compensation | 1,033,027            |
| Supplemental - Fund Year 2011 Workers Compensation | 4,188,238            |
| Supplemental - Fund Year 2012 Workers Compensation | 3,882,479            |
| Supplemental - Fund Year 2013 Workers Compensation | <u>1,574,856</u>     |
| Total  | <u>\$ 44,435,136</u> |

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

**December 31, 2022**  
**(unaudited)**

|   |                                |
|---|--------------------------------|
| Accrued Interest Receivable                               | \$ <u>          -</u>          |
| Due from Central Jersey JIF - Net of Loss Reserves        | 24,379                         |
| Due from Brick Township - Net of Loss Reserves            | 119,159                        |
| Refunds Receivable  | 786,118                        |
| Due from Member JIF's - Reinsurance Refunds               | 285,397                        |
| Due from Genesis Reinsurance Corporation Worker's Comp.   | 3,915,921                      |
| Due from Claims Account Excess Transfer/JIF's Closed Year | <u>91,229</u>                  |
| Sub-total Other Accounts Receivable                       | <u>5,222,203</u>               |
| <br>Total Other Receivables                               | <br>\$ <u><u>5,222,203</u></u> |

**Analysis of Administrative Expenses Payable**

**December 31, 2022**  
**(unaudited)**

|                                  |                         |
|----------------------------------|-------------------------|
| Fund Year 2022:                  |                         |
| Accounting and Auditing Services | \$ <u>24,107</u>        |
|                                  | \$ <u><u>24,107</u></u> |

**Analysis of Miscellaneous Liabilities**

**December 31, 2022**  
**(unaudited)**

|                     |                         |
|---------------------|-------------------------|
| Due to Member JIF'S | \$ <u>97,216</u>        |
|                     | \$ <u><u>97,216</u></u> |

**MUNICIPAL EXCESS LIABILITY**

**RESIDUAL CLAIMS FUND**

**REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



**WIELKOTZ & COMPANY** <sup>LLC</sup>  
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA  
Matthew B. Wielkocz, CPA, PSA  
Paul J. Cuva, CPA, RMA, PSA  
James J. Cerullo, CPA, RMA, PSA  
Kari Ferguson, CPA, RMA, CMFO, PSA  
Robert C. McNinch, CPA, CFE, PSA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Departments of Community Affairs and Insurance, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Municipal Excess Liability Residual Claims Fund, as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2023.

***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 18, 2023

## **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 2008, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 fund years for worker's compensation and the 2007, 2009, 2010, 2011, 2013, 2018, 2019, 2020, 2021 and 2022 fund years for the liability and 2007, 2008, 2009, 2011, 2012, 2014, 2015, 2016, 2017 and 2022 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.



