

**AUTHORITY FOR CALIFORNIA CITIES  
EXCESS LIABILITY**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2001 AND 2000**

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
YEARS ENDED JUNE 30, 2001 AND 2000**

**TABLE OF CONTENTS**

Page

**FINANCIAL SECTION**

Independent Auditor's Report .....	1
 <u>Financial Statements</u>	
Balance Sheets .....	2
Statements of Revenue, Expenses and Changes in Members' Equity .....	3
Statements of Cash Flows .....	4
Notes to Financial Statements .....	5
 <u>Other Report</u>	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	10
 <u>Supplementary Information</u>	
Independent Auditor's Report on Supplementary Information .....	12
Schedule of Changes in Claims Liabilities by Risk Pool .....	13
Schedule of 10 Year Trend Data .....	14
Schedule of Retrospectively Rated Refund Liability by Member:	
Program Year 1 .....	15
Program Year 2 .....	16
Program Year 3 .....	17
Program Year 4 .....	18
Program Year 5 .....	19
Program Year 6 .....	20
Program Year 7 .....	21
Program Year 8 .....	22
Program Year 9 .....	23
Program Year 10 .....	24
Program Year 11 .....	25
Program Year 12 .....	26
Program Year 13 .....	27
Program Year 14 .....	28
Program Year 15 .....	29
Notes to Schedule of Retrospectively Rated Refund Liability by Member .....	30



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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Authority for California Cities  
Excess Liability (ACCEL)  
Bakersfield, California

We have audited the accompanying balance sheets of the Authority for California Cities Excess Liability (ACCEL) as of June 30, 2001 and 2000, and the related statements of revenues, expenses, changes in members' equity and cash flows for the years then ended. These financial statements are the responsibility of ACCEL's management, our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of ACCEL as of June 30, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 5, 2001, on our consideration of ACCEL's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

BROWN ARMSTRONG RANDALL  
REYES PAULDEN & McCOWN  
ACCOUNTANCY CORPORATION

Bakersfield, California  
October 5, 2001

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
BALANCE SHEETS  
JUNE 30, 2001 AND 2000**

	2001	2000
<b><u>ASSETS</u></b>		
Cash	\$ 98,341	\$ 78,829
Investments	20,143,978	23,997,470
Prepays	3,451,817	-
Deposits receivable	175,276	145,177
Interest receivable	362,635	414,462
<b>TOTAL ASSETS</b>	<b>\$ 24,232,047</b>	<b>\$ 24,635,938</b>
 <b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>		
Liabilities		
Accounts payable	\$ 26,881	\$ 20,167
Members payable	64,109	30,455
Unpaid claims liability	6,148,933	5,143,513
Retrospectively rated refunds liability	17,964,282	19,374,154
<b>Total Liabilities</b>	24,204,205	24,568,289
<b>Members' Equity</b>	27,842	67,649
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 24,232,047</b>	<b>\$ 24,635,938</b>

The accompanying notes are an integral part of these financial statements.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN MEMBERS' EQUITY  
YEARS ENDED JUNE 30, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
Revenues		
Premiums earned	\$ 3,988,728	\$ 3,776,778
Investment income	1,199,380	1,388,451
Administrative fees	275,565	253,125
Retrospective rating assessments collected	-	103,180
Other revenues	<u>11,565</u>	<u>-</u>
Total Revenues	<u>5,475,238</u>	<u>5,521,534</u>
Expenses		
Claims	1,625,464	2,229,048
Excess liability insurance	1,725,908	1,575,011
Unpaid claims liability adjustment	3,724,758	(142,003)
Retrospectively rated refunds paid	2,277,009	3,945,080
Retrospectively rated refunds liability adjustment	(4,129,211)	(2,394,582)
Management consulting	144,000	125,000
Claims administration	41,530	50,268
Professional support services	62,541	71,869
Other general and administrative expenses	<u>43,046</u>	<u>28,648</u>
Total Expenses	<u>5,515,045</u>	<u>5,488,339</u>
Net income (loss)	(39,807)	33,195
Members' equity, beginning of year	<u>67,649</u>	<u>34,454</u>
Members' equity, end of year	<u>\$ 27,842</u>	<u>\$ 67,649</u>

The accompanying notes are an integral part of these financial statements.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2001 AND 2000**

	2001	2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (39,807)	\$ 33,195
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Unpaid claims liability adjustment	3,724,758	(142,003)
Retrospectively rate refunds liability adjustment	(1,852,202)	1,447,316
(Increase) decrease in:		
Deposits receivable	(30,099)	(25,399)
Interest receivable	51,827	37,562
Prepays	(3,451,817)	-
Increase (decrease) in:		
Accounts payable	6,714	(44,068)
Deferred revenue	-	(609,800)
Members payable	33,655	(28,905)
	<u>(1,556,971)</u>	<u>667,898</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Net decrease in investments	<u>3,853,492</u>	<u>2,766,523</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Retrospectively rated (refund) assessment program two	(135,038)	(118,090)
Retrospectively rated (refund) assessment program three	(16,931)	(180,728)
Retrospectively rated (refund) assessment program four	(262,434)	(563,254)
Retrospectively rated (refund) assessment program five	-	(126,592)
Retrospectively rated (refund) assessment program six	(290,376)	(246,029)
Retrospectively rated (refund) assessment program seven	(437,019)	(880,390)
Retrospectively rated (refund) assessment program eight	(137,940)	(1,726,817)
Retrospectively rated (refund) assessment program nine	(997,271)	-
	<u>(2,277,009)</u>	<u>(3,841,900)</u>
Net Cash Used in Financing Activities		
Net increase (decrease) in cash	19,512	(407,479)
Cash at beginning of year	<u>78,829</u>	<u>486,308</u>
Cash at end of year	<u>\$ 98,341</u>	<u>\$ 78,829</u>

The accompanying notes are an integral part of these financial statements.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001 AND 2000**

**NOTE 1 - DESCRIPTION OF THE BUSINESS**

The Authority for California Cities Excess Liability (ACCEL) is a joint powers authority organized under the provisions of Section 6500 et. seq. of the California Government code for the purpose of establishing a risk management pool for certain California municipalities. ACCEL began operations in 1986 and provides certain limited coverage for catastrophic general liability, automobile liability and public officials errors and omissions losses. Certain types of risks are not covered by these pools, such as dams and airports.

ACCEL has established a pool for losses in excess of \$1,000,000 per occurrence for each member. Additionally, a second pool was available for losses between \$500,000 and \$1,000,000 during the first four program years. ACCEL coverage is limited to \$9,000,000 ultimate net loss for each occurrence, in excess of the retained limit, and \$27,000,000 ultimate net loss in the aggregate for each member. Effective July 1, 1999, ACCEL has purchased excess insurance for all losses in excess of \$1,000,000 per occurrence (\$500,000 depending on the member city). For the current and future program years, no risk is transferred to the pool as long as this insurance remains in effect.

ACCEL is funded by its member participants and, at the discretion of its Board of Directors, may assess its members for additional premiums (in an unlimited amount) in the event ACCEL assets at any time are insufficient to discharge its liabilities. Currently there are twelve cities participating.

ACCEL has a retrospective rating plan whereby all premiums collected, together with related investment income earned, in excess of pooled losses and loss expenses for each program year will be returned to members beginning five years after the end of the program year. Losses and loss expenses are allocated to each member based on a weighted actual loss formula.

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

Investments

ACCEL is authorized by State statutes to invest in obligations of the U.S. Treasury and Agencies, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Investment Corporation with a maturity not to exceed 180 days, certificates of deposit, bankers' acceptances, repurchase agreements and the State of California's Local Agency Investment Fund (LAIF). Additionally, ACCEL is required to maintain the maximum allowable in the LAIF (currently \$30,000,000) and no other investment in one institution can exceed 10% of the total portfolio. All investments are carried at cost, which approximates market.

Retrospectively Rated Refunds Liability

The retrospectively rated refund liability represents the amount of equity the members have in the excess contributions in the risk pool. The liability is computed as the amount of premiums plus investment income earned in excess of the estimated losses and loss expenses by program year by member. Members are eligible to receive distributions of this equity (retro-refunds) five years after the end of the program year. Because these amounts are refundable to the members and are not deemed equity of the risk pool, the member's equity is reported as a liability on the balance sheet.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. 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 coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

### Recognition of Premiums

Premiums are recognized as earned on a pro-rata basis over the term of the contract (program year), which is generally a one year period ending each June 30. All premiums are subject to the retrospective rating plan described in Note 1.

### Administrative and Application Fees

ACCEL members are assessed annually, in equal amounts, for amounts estimated to be sufficient to pay all administrative expenses of ACCEL. Such assessments are subject to adjustment based on actual expense for the year.

Application fees are one-time nonrefundable fees paid by prospective members of ACCEL upon application for membership. Such fees are recognized as revenue at the time of application.

### Other Insurance

ACCEL members may participate in the purchase of other insurance, such as worker's compensation and excess liability over \$10 million per occurrence where risk is not transferred to the pool. Effective July 1, 1999, ACCEL has purchased excess insurance for all losses in excess of \$1,000,000 per occurrence (\$500,000 depending on the member city). For the current and future program years, no risk is transferred to the pool as long as this insurance remains in effect. ACCEL does not administer claims for these programs, therefore, no revenue or expense is reflected in the financial statements.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the report amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**NOTE 3 - CASH AND INVESTMENTS**

Cash consists of the following at June 30,:

	2001		2000	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Deposits				
Cash in banks	<u>\$ 113,187</u>	<u>\$ 98,341</u>	<u>\$ 117,592</u>	<u>\$ 78,829</u>

Cash balances held in banks are insured up to \$100,000 by the Federal Depository Insurance Corporation. Of the balance, \$101,012 and \$100,970 was insured at June 30, 2001 and 2000, respectively. The excess was collateralized at June 30, 2001 and 2000.

**Investments**

ACCEL's investments are categorized as either (1) insured or registered or for which the securities are held by ACCEL or its agent in ACCEL's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in ACCEL's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in ACCEL's name.

Investments were comprised of the following at June 30,:

	Categories			Carrying Amount	Fair
	1	2	3		Market Value
<u>2001</u>					
U.S. Government Agencies	<u>\$ 12,095,978</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 12,095,978	\$ 12,117,901
Pooled Funds					
Local Agency Investment Fund				<u>8,048,000</u>	<u>8,048,000</u>
				<u>\$ 20,143,978</u>	<u>\$ 20,165,901</u>
<u>2000</u>					
U.S. Government Agencies	<u>\$ 17,818,470</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 17,818,470	\$ 17,268,916
Pooled Funds					
Local Agency Investment Fund				<u>6,179,000</u>	<u>6,179,000</u>
				<u>\$ 23,997,470</u>	<u>\$ 23,447,916</u>

**NOTE 4 - PREPAID INSURANCE**

ACCEL has prepaid an excess liability premium for a 3-year policy, effective July 1, 2000 through July 1, 2003. This prepaid amount decreases for the following years as follows:

Year Ending June 30,	
2002	\$ 1,725,908
2003	<u>1,725,909</u>
	<u>\$ 3,451,817</u>

**NOTE 5 - PREMIUMS RECEIVABLE**

Original premium assessments are determined based on payroll estimates for each member. Premiums receivable and payable to members are a result of differences between such estimates and actual covered payroll reported at the end of the fiscal year.

**NOTE 6 - UNPAID CLAIMS LIABILITY**

As discussed in Note 2, ACCEL establishes a liability for both reported and unreported insured events, which includes estimates of both future payment of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for ACCEL during the past two years:

	<u>2001</u>	<u>2000</u>
	(In Thousands)	
Unpaid claims liability at beginning of year	\$ 5,144	\$ 9,087
Incurred claims and claim adjustment expenses:		
Increases (decreases) in provision for insured events of prior years	<u>(620)</u>	<u>(1,714)</u>
Total incurred claims and claim adjustment expenses	<u>(620)</u>	<u>(1,714)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior years	<u>1,625</u>	<u>2,229</u>
Net unpaid claims liability adjustment	<u>1,625</u>	<u>2,229</u>
Unpaid claims liability at end of year	<u>\$ 6,149</u>	<u>\$ 5,144</u>

**NOTE 7 - RELATED PARTY TRANSACTIONS**

ACCEL's investments are managed by the City of Monterey which is a member of ACCEL. Fees paid for this service amounted to \$12,500 for each of the years ended June 30, 2001 and 2000.

## **NOTE 8 - SUBSEQUENT EVENTS**

### Retrospective Rating Program

At the June 2001 Board of Directors meeting, a retrospectively rated refund was made available for distribution to the members for the program years 2 through 9 in the amount of \$5,622,578. Members may elect to have returned all or a portion of their refund and the funds will remain in the respective program year in the name of the member city. In July 2001, \$2,004,899 was returned to member cities and \$3,617,679 was retained in the respective program year in the name of the member cities. The table below shows, by member city, the amount authorized by the board, the amount returned to the member cities and the amount retained in the name of the respective member city:

	<u>Available</u>	<u>Returned</u>	<u>Retained</u>
Anaheim	\$ 313,885	\$ 313,885	\$ -
Bakersfield	580,772	80,772	500,000
Burbank	510,242	510,242	-
Gardena	(32,574)	-	(32,574)
Modesto	534,412	-	534,412
Monterey	622,566	100,000	522,566
Mountain View	351,946	-	351,946
Ontario	830,024	-	830,024
Palo Alto	81,893	-	81,893
Santa Barbara	1,108,137	750,000	358,137
Santa Monica	513,957	250,000	263,957
Visalia	207,318	-	207,318
	<u>\$ 5,622,578</u>	<u>\$ 2,004,899</u>	<u>\$ 3,617,679</u>

### Claims Settlement

In July 2001, a high exposure claim against ACCEL was settled. The final payment was for \$450,000. The case had been reserved for \$2,500,000.

**OTHER REPORT**



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

To the Board of Directors  
Authority for California Cities  
Excess Liability (ACCEL)  
Bakersfield, California

We have audited the financial statements of ACCEL, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 5, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether ACCEL's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered ACCEL's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, audit committee, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG RANDALL  
REYES PAULDEN & McCOWN  
ACCOUNTANCY CORPORATION



Bakersfield, California  
October 5, 2001

**SUPPLEMENTARY INFORMATION**



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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors  
Authority for California Cities  
Excess Liability (ACCEL)  
Bakersfield, California

The schedule of changes in claims liabilities by risk pool and the schedule of 10-year trend data on pages 13 and 14 are not a required part of the basic financial statements of ACCEL but is supplementary information required by the Governmental Accounting Standards Board. In addition, the schedules of retrospectively rated refund liabilities by member on pages 15 through 29 are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the data for the year ended June 30, 2001, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

**BROWN ARMSTRONG RANDALL  
REYES PAULDEN & McCOWN  
ACCOUNTANCY CORPORATION**

Bakersfield, California  
October 5, 2001

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF CHANGES IN CLAIMS LIABILITIES BY RISK POOL  
JUNE 30, 2000**

Reconciliation of claims liabilities by risk layer.

The schedule below presents the changes in claims liabilities for the past two years for ACCEL's two risk layers: Claim losses from \$500,000 to \$1,000,000 and claim losses \$1,000,000 to \$9,000,000.

	<u>\$500,000 Layer</u>		<u>\$1,000,000 Layer</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	(In Thousands)		(In Thousands)	
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ -	\$ -	\$ 5,144	\$ 9,087
Incurred claims and claim adjustment expenses:				
Provision for insured events of the current fiscal year	*	*	-	-
Increase (decrease) in provision for insured events of prior fiscal years	-	-	(620)	(1,714)
Total incurred claims and claim adjustment expenses	-	-	(620)	(1,714)
Payments:				
Claims and claim adjustment expenses attributable to insured events of the current year	*	*	-	-
Claims and claim adjustment expenses attributable to insured events of prior years	-	-	1,625	2,229
Total Payments	-	-	1,625	2,229
Total unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,149</u>	<u>\$ 5,144</u>

\* Not applicable, in 1990-91 ACCEL ceased offering this risk pool.

At June 30, 2001 and 2000 no annuities were purchased in the claimant's name to settle those claims.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF 10 YEAR TREND DATA  
JUNE 30, 2001**

The table below illustrates how the Fund's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurer) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's gross earned contribution revenues and investment revenues, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows each fiscal year's other operating costs of the Fund including overhead and claims expense not allocable to individual claims. (3) This line shows the Fund's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called "policy year"). (4) This section of 10 rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each accident year. (6) This section of 10 rows shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (7) This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims costs is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
1 Required contribution and investment revenues:										
Earned	\$ 5,814	\$ 6,377	\$ 4,214	\$ 4,652	\$ 4,420	\$ 4,643	\$ 4,646	\$ 4,008	\$ 4,051	\$ 4,108
Ceded	-	-	-	-	448	385	749	1,484	1,575	1,726
Net earned	5,814	6,377	4,214	4,652	3,972	4,258	3,897	2,524	2,476	2,382
2 Unallocated expenses	-	-	-	-	-	-	-	-	-	-
3 Estimated incurred claims expense - end of year:										
Incurred	1,053	706	822	1,873	2,040	2,181	2,814	-	-	-
Ceded	-	-	-	-	1,020	1,090	1,970	-	-	-
Net earned	1,053	706	822	1,873	1,020	1,091	844	-	-	-
4 Net paid (cumulative) as of:										
End of policy year	-	-	-	-	-	-	-	-	-	-
One year later	234	47	-	-	-	63	-	-	-	-
Two years later	240	838	1	-	22	63	-	2,338	-	-
Three years later	764	863	1	-	909	63	-	-	-	-
Four years later	764	2,408	1	-	909	63	-	-	-	-
Five years later	764	4,454	1	-	909	-	-	-	-	-
Six years later	764	7,891	14	-	-	-	-	-	-	-
Seven years later	764	10,142	684	-	-	-	-	-	-	-
Eight years later	764	10,157	-	-	-	-	-	-	-	-
Nine years later	1,704	-	-	-	-	-	-	-	-	-
5 Re-estimated ceded claims and expenses	-	-	-	-	-	-	-	-	-	-
6 Re-estimated net incurred claims and expenses:										
End of policy year	1,053	706	822	1,873	2,040	2,181	2,814	-	-	-
One year later	2,457	1,377	1,005	1,000	1,230	2,055	1,017	-	-	-
Two years later	314	7,963	270	915	880	1,002	1,071	2,338	-	-
Three years later	942	8,259	383	536	1,109	1,002	500	-	-	-
Four years later	789	9,108	2,813	500	1,109	313	-	-	-	-
Five years later	814	12,653	2,634	500	979	-	-	-	-	-
Six years later	788	11,629	734	28	-	-	-	-	-	-
Seven years later	769	11,770	695	-	-	-	-	-	-	-
Eight years later	769	12,257	-	-	-	-	-	-	-	-
Nine years later	4,860	-	-	-	-	-	-	-	-	-
7 Increase (decrease) in estimated incurred claims and expense from end of policy year	3,807	11,504	(127)	(1,845)	(41)	(778)	(344)	2,338	-	-

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 1 – APRIL 1, 1986 TO JUNE 30, 1987

	(A) Deposits Collected \$500,000 Pool	(B) Interest Income	(C) Funds Transferred to Year 2	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Modesto	\$ 146,974	\$ 77,551	\$ -	\$ 224,525	\$ 224,525	\$ -	\$ -	\$ -	\$ -
Ontario	99,438	47,160	(106,862)	39,736	39,736	-	-	-	-
Santa Barbara	135,273	75,423	-	210,696	210,696	-	-	-	-
Visalia	<u>56,062</u>	<u>30,495</u>	<u>-</u>	<u>86,557</u>	<u>86,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 437,747</u>	<u>\$ 230,629</u>	<u>\$ (106,862)</u>	<u>\$ 561,514</u>	<u>\$ 561,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred to Year 2	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 673,500	\$ 323,040	\$ -	\$ 996,540	\$ 996,540	\$ -	\$ -	\$ -	\$ -
Bakersfield	368,260	192,866	-	561,126	561,126	-	-	-	-
Gardena	93,331	47,462	-	140,793	140,793	-	-	-	-
Modesto	367,387	193,879	-	561,266	561,266	-	-	-	-
Ontario	248,596	117,901	(267,155)	99,342	99,342	-	-	-	-
Palo Alto	415,122	210,756	-	625,878	625,878	-	-	-	-
Santa Barbara	339,128	188,951	-	528,079	528,079	-	-	-	-
Santa Monica	664,644	375,609	-	1,040,253	1,040,253	-	-	-	-
Visalia	<u>146,766</u>	<u>78,818</u>	<u>-</u>	<u>225,584</u>	<u>225,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

\$ 3,316,734   \$1,729,282   \$(267,155)   \$ 4,778,861   \$ 4,778,861   \$ -   \$ -   \$ -   \$ -

The Authority for California Cities Excess Liability has determined that the fifteen month period ending June 30, 1987 will be treated as the first program year for purposes of determining retroactive rating adjustments. Accordingly, the schedule above includes all premium assessments collected and earnings for the period April 1, 1986 to June 30, 1987.

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 2 – JULY 1, 1987 TO JUNE 30, 1988

	(A) Deposits Collected \$500,000 Pool	(B) Interest Income	(C) Funds Transferred to Year 2	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Modesto	\$ 129,499	\$ 74,896	\$ -	\$ 204,395	\$ 72,442	\$ 92,050	\$ -	\$ 92,050	\$ 39,903
Ontario	122,192	75,021	509,761	706,974	447,954	256,850	-	256,850	2,170
Santa Barbara	131,012	73,423	-	204,435	146,060	57,000	-	57,000	1,375
Visalia	<u>52,885</u>	<u>26,716</u>	<u>27,943</u>	<u>107,544</u>	<u>(12,291)</u>	<u>94,100</u>	<u>-</u>	<u>94,100</u>	<u>25,735</u>
	<u>\$ 435,588</u>	<u>\$ 250,056</u>	<u>\$ 537,704</u>	<u>\$ 1,223,348</u>	<u>\$ 654,165</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 69,183</u>

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred to Year 2	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 964,363	\$ 457,684	\$ -	\$ 1,422,047	\$ 1,251,509	\$ 132,791	\$ -	\$ 132,791	\$ 37,747
Bakersfield	396,592	205,738	-	602,330	474,454	99,647	-	99,647	28,229
Burbank <sup>(1)</sup>	513,647	269,918	-	783,565	699,561	66,288	-	66,288	17,716
Gardena	137,521	74,243	-	211,764	128,784	61,002	-	61,002	21,978
Modesto	323,624	153,457	-	477,081	431,859	35,358	-	35,358	9,864
Ontario	305,480	139,754	(135,744)	309,490	178,067	102,432	-	102,432	28,991
Palo Alto	420,915	219,414	-	640,329	608,059	25,144	-	25,144	7,126
Santa Barbara	327,530	179,733	-	507,263	467,008	31,501	-	31,501	8,754
Santa Monica	578,656	293,265	-	871,921	714,214	122,790	-	122,790	34,917
Visalia	<u>132,213</u>	<u>68,423</u>	<u>177</u>	<u>200,813</u>	<u>152,778</u>	<u>37,359</u>	<u>-</u>	<u>37,359</u>	<u>10,676</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

\$ 4,100,541   \$2,061,629   \$(135,567)   \$ 6,026,603   \$ 5,106,293   \$ 714,312   \$ -   \$ 714,312   \$ 205,998

(1) The Authority for California Excess Liability approved Burbank for entry into the program year 2 pool effective for the fourteen month period from May 1, 1987 to June 30, 1988.

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 3 – JULY 1, 1988 TO JUNE 30, 1989

	(A) Deposits Collected \$500,000 Pool	(B) Interest Income	(C) Funds Transferred	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Modesto	\$ 148,617	\$ 67,582	\$ -	\$ 216,199	\$ 214,003	\$ -	\$ 15,432	\$ 15,432	\$ (13,236)
Ontario	141,993	74,740	-	216,733	167,580	-	39,540	39,540	9,613
Santa Barbara	149,407	89,193	-	238,600	225,852	-	11,855	11,855	893
Visalia	<u>60,091</u>	<u>29,396</u>	<u>2,711</u>	<u>92,198</u>	<u>74,714</u>	<u>-</u>	<u>14,313</u>	<u>14,313</u>	<u>3,171</u>
	<u>\$ 500,108</u>	<u>\$ 260,911</u>	<u>\$ 2,711</u>	<u>\$ 763,730</u>	<u>\$ 682,149</u>	<u>\$ -</u>	<u>\$ 81,142</u>	<u>\$ 81,142</u>	<u>\$ 439</u>

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 1,031,601	\$ 471,520	\$ -	\$ 1,503,121	\$ 1,503,087	\$ -	\$ -	\$ -	\$ 34
Bakersfield	420,968	197,290	-	618,258	618,237	-	-	-	21
Burbank	475,136	224,892	-	700,028	700,022	-	-	-	6
Gardena	163,763	74,377	-	238,140	237,976	-	-	-	164
Modesto	371,544	165,415	-	536,959	536,795	-	-	-	164
Ontario	354,982	258,717	-	613,699	613,650	-	-	-	49
Palo Alto	447,158	206,047	-	653,205	653,200	-	-	-	5
Santa Barbara	373,519	190,813	-	564,332	564,152	-	-	-	180
Santa Monica	607,612	275,355	-	882,967	882,928	-	-	-	39
Visalia	<u>150,228</u>	<u>66,545</u>	<u>41</u>	<u>216,814</u>	<u>216,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>
	<u>\$ 4,396,511</u>	<u>\$ 2,130,971</u>	<u>\$ 41</u>	<u>\$ 6,527,523</u>	<u>\$ 6,526,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 4 – JULY 1, 1989 TO JUNE 30, 1990

	(A) Deposits Collected \$500,000 Pool	(B) Interest Income	(C) Funds Transferred	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Modesto	\$ 166,263	\$ 79,483	\$ -	\$ 245,746	\$ 197,326	\$ -	\$ -	\$ -	\$ 48,420
Ontario	156,835	73,274	-	230,109	202,176	-	-	-	27,933
Santa Barbara	155,133	102,575	-	257,708	143,573	-	-	-	114,135
Visalia	<u>62,192</u>	<u>28,745</u>	<u>3,376</u>	<u>94,313</u>	<u>84,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,906</u>
	<u>\$ 540,423</u>	<u>\$ 284,077</u>	<u>\$ 3,376</u>	<u>\$ 827,876</u>	<u>\$ 627,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,394</u>

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 968,392	\$ 426,520	\$ -	\$ 1,394,912	\$ 1,394,829	\$ -	\$ -	\$ -	\$ 83
Bakersfield	466,398	246,889	-	713,287	713,244	-	-	-	43
Burbank	564,037	237,779	-	801,816	801,795	-	-	-	21
Gardena	170,127	69,130	-	239,257	239,101	-	-	-	156
Modesto	427,740	199,569	-	627,309	622,087	-	-	-	5,222
Monterey	172,424	109,909	-	282,333	277,603	-	-	-	4,730
Ontario	405,259	270,291	-	675,550	675,373	-	-	-	177
Palo Alto	481,713	195,799	-	677,512	677,501	-	-	-	11
Santa Barbara	387,832	193,398	-	581,230	576,913	-	-	-	4,317

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

Santa Monica	666,476	381,747	-	1,048,223	1,047,336	-	-	-	887
Visalia	<u>157,774</u>	<u>68,606</u>	<u>-</u>	<u>226,380</u>	<u>226,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
	<u>\$ 4,868,172</u>	<u>\$2,399,637</u>	<u>\$ -</u>	<u>\$ 7,267,809</u>	<u>\$ 7,252,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,685</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 5 – JULY 1, 1990 TO JUNE 30, 1991

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 1,088,295	\$ 395,748	\$ 1,484,043	\$ 1,358,214	\$ -	\$ -	\$ -	\$ 125,829
Bakersfield	497,967	185,112	683,079	618,902	-	-	-	64,177
Burbank	595,898	225,792	821,690	731,078	-	-	-	90,612
Gardena	182,935	69,622	252,557	241,293	-	-	-	11,264
Modesto	491,583	264,796	756,379	713,746	-	-	-	42,633
Monterey	182,788	104,852	287,640	134,349	-	-	-	153,291
Ontario	464,064	202,790	666,854	561,618	-	-	-	105,236
Palo Alto	512,308	190,613	702,921	677,690	-	-	-	25,231
Santa Barbara	429,697	212,504	642,201	492,218	-	-	-	149,983
Santa Monica	744,971	341,776	1,086,747	939,264	-	-	-	147,483
Visalia	<u>180,027</u>	<u>66,663</u>	<u>246,690</u>	<u>217,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,596</u>
	<u>\$ 5,370,533</u>	<u>\$2,260,268</u>	<u>\$ 7,630,801</u>	<u>\$ 6,685,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945,335</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 6 – JULY 1, 1991 TO JUNE 30, 1992

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 845,011	\$ 271,917	\$ 1,116,928	\$ 1,143,240	\$ 410,388	\$ 760,280	\$ 1,170,668	\$ (1,196,980)
Bakersfield	392,364	127,974	520,338	529,785	143,439	265,736	409,176	(418,623)
Burbank	467,142	129,800	596,942	604,672	127,086	235,438	362,524	(370,254)
Gardena	150,240	57,784	208,024	209,483	24,872	46,078	70,950	(72,409)
Modesto	386,004	152,230	538,234	537,835	92,163	170,740	262,903	(262,504)
Monterey	145,258	67,559	212,817	97,359	47,189	87,421	134,610	(19,152)
Ontario	375,765	138,966	514,731	373,487	258,941	479,713	738,654	(597,410)
Palo Alto	409,606	126,691	536,297	540,553	76,660	142,020	218,680	(222,936)
Santa Barbara	358,552	134,989	493,541	350,000	73,935	136,971	210,906	(67,365)
Santa Monica	620,491	248,484	868,975	877,449	376,658	697,793	1,074,451	(1,082,925)
Visalia	<u>155,190</u>	<u>52,464</u>	<u>207,654</u>	<u>212,125</u>	<u>72,231</u>	<u>133,815</u>	<u>206,046</u>	<u>(210,517)</u>
	<u>\$ 4,305,623</u>	<u>\$ 1,508,858</u>	<u>\$ 5,814,481</u>	<u>\$ 5,475,988</u>	<u>\$ 1,703,562</u>	<u>\$ 3,156,005</u>	<u>\$ 4,859,568</u>	<u>\$ (4,521,075)</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 7 – JULY 1, 1992 TO JUNE 30, 1993

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred to Year 2	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 872,835	\$ 290,720	\$ -	\$ 1,163,555	\$ (1,657,061)	\$ 2,444,855	\$ 493,998	\$ 2,938,853	\$ (118,237)
Bakersfield	393,468	148,282	91,560	633,310	(455,461)	944,626	190,947	1,135,573	(46,802)
Burbank	468,514	166,134	-	634,648	(65,838)	607,405	122,781	730,186	(29,700)
Modesto	403,812	79,131	-	482,943	(751,790)	1,089,875	220,308	1,310,183	(75,450)
Monterey	154,252	52,754	-	207,006	(29,765)	200,098	40,448	240,546	(3,775)
Mountain View <sup>(1)</sup>	291,684	91,776	-	383,460	(425,137)	704,914	142,492	847,406	(38,809)
Ontario	398,123	162,395	-	560,518	(1,111,387)	1,318,414	266,504	1,584,918	86,987
Palo Alto	438,745	146,790	-	585,535	73,333	442,857	89,519	532,376	(20,174)
Santa Barbara	367,723	134,382	-	502,105	35,634	397,149	80,280	477,429	(10,958)
Santa Monica	631,676	149,102	-	780,778	(1,165,146)	1,685,091	340,830	2,025,921	(79,997)
Visalia	<u>162,692</u>	<u>67,120</u>	<u>212,866</u>	<u>442,678</u>	<u>(158,935)</u>	<u>321,985</u>	<u>65,086</u>	<u>387,071</u>	<u>214,542</u>
	<u>\$ 4,583,524</u>	<u>\$1,488,586</u>	<u>\$ 304,426</u>	<u>\$ 6,376,536</u>	<u>\$ (5,711,553)</u>	<u>\$10,157,269</u>	<u>\$2,053,193</u>	<u>\$12,210,462</u>	<u>\$ (122,373)</u>

(1) The Authority for California Cities Excess Liability approved Mountain View for entry into the program year 7 pool effective for the fourteen month plus period from April 25, 1992 to June 30, 1993.

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 8 – JULY 1, 1993 TO JUNE 30, 1994

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred to Year 2	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 589,097	\$ 220,617	\$ -	\$ 809,714	\$ 661,157	\$ 130,569	\$ 2,352	\$ 132,921	\$ 15,636
Bakersfield	267,235	95,099	(91,560)	270,774	221,075	59,230	681	59,911	(10,212)
Burbank	329,067	125,882	-	454,949	422,796	72,935	507	73,442	(41,289)
Modesto	262,942	119,343	-	382,285	275,166	58,000	1,469	59,469	47,650
Monterey	105,710	57,151	-	162,861	-	23,430	242	23,672	139,189
Mountain View	159,350	80,735	-	240,085	80,000	35,319	667	35,986	124,099
Ontario	279,850	146,602	-	426,452	-	62,027	1,522	63,549	362,903
Palo Alto	309,159	116,728	-	425,887	394,992	68,523	484	69,007	(38,112)
Santa Barbara	256,508	133,535	-	390,043	150,000	56,853	318	57,171	182,872
Santa Monica	425,961	223,464	-	649,425	18,490	94,411	1,748	96,159	534,776
Visalia	<u>103,616</u>	<u>32,985</u>	<u>(135,128)</u>	<u>1,473</u>	<u>60,910</u>	<u>22,966</u>	<u>400</u>	<u>23,366</u>	<u>(82,803)</u>
	<u>\$ 3,088,495</u>	<u>\$1,352,141</u>	<u>\$ (226,688)</u>	<u>\$ 4,213,948</u>	<u>\$ 2,284,586</u>	<u>\$ 684,263</u>	<u>\$ 10,390</u>	<u>\$ 694,653</u>	<u>\$ 1,234,709</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 9 – JULY 1, 1994 TO JUNE 30, 1995

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(C) Funds Transferred	(D) Total Accumulated Funds	(E) Retro-Refunds Paid to Date	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 620,799	\$ 267,981	\$ -	\$ 888,780	\$ 728,522	\$ -	\$ 5,402	\$ 5,402	\$ 154,856
Bakersfield	297,034	146,115	-	443,149	-	-	2,585	2,585	440,564
Burbank	345,334	146,621	-	491,955	445,628	-	3,004	3,004	43,323
Modesto	270,852	134,116	-	404,968	19,225	-	2,356	2,356	383,387
Monterey	112,393	55,023	-	167,416	-	-	978	978	166,438
Mountain View	167,639	77,782	-	245,421	120,218	-	1,458	1,458	123,745
Ontario	282,551	142,817	-	425,368	-	-	2,458	2,458	422,910
Palo Alto	331,028	140,286	-	471,314	431,539	-	2,880	2,880	36,895
Santa Barbara	269,455	134,956	-	404,411	-	-	2,344	2,344	402,067
Santa Monica	467,441	202,777	-	670,218	500,000	-	4,067	4,067	166,151
Visalia	<u>110,607</u>	<u>40,504</u>	<u>(111,986)</u>	<u>39,125</u>	<u>-</u>	<u>-</u>	<u>962</u>	<u>962</u>	<u>38,163</u>
	<u>\$ 3,275,133</u>	<u>\$ 1,488,978</u>	<u>\$ (111,986)</u>	<u>\$ 4,652,125</u>	<u>\$ 2,245,132</u>	<u>\$ -</u>	<u>\$ 28,494</u>	<u>\$ 28,494</u>	<u>\$ 2,378,499</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 10 – JULY 1, 1995 TO JUNE 30, 1996

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	Excess Insurance	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 632,535	\$ 207,680	\$ 840,215	\$ 81,636	\$ 172,712	\$ 13,246	\$ 185,958	\$ 572,621
Bakersfield	304,490	99,370	403,860	38,030	83,140	6,377	89,517	276,313
Burbank	355,287	117,991	473,278	49,507	97,010	7,440	104,450	319,321
Modesto	291,830	90,414	382,244	35,613	79,683	6,112	85,795	260,836
Monterey	115,970	38,609	154,579	14,344	31,665	2,429	34,094	106,141
Mountain View	177,713	59,274	236,987	26,445	48,524	3,722	52,246	158,296
Ontario	285,931	90,807	376,738	43,604	78,073	5,987	84,060	249,074
Palo Alto	313,896	105,021	418,917	45,948	85,709	6,573	92,282	280,687
Santa Barbara	270,942	92,623	363,565	37,572	73,980	5,674	79,654	246,339
Santa Monica	471,073	154,302	625,375	61,534	128,625	9,865	138,490	425,351
Visalia	<u>109,072</u>	<u>35,100</u>	<u>144,172</u>	<u>14,000</u>	<u>29,782</u>	<u>2,284</u>	<u>32,066</u>	<u>98,106</u>
	<u>\$ 3,328,739</u>	<u>\$1,091,191</u>	<u>\$ 4,419,930</u>	<u>\$ 448,233</u>	<u>\$ 908,903</u>	<u>\$ 69,709</u>	<u>\$ 978,612</u>	<u>\$ 2,993,085</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 11 – JULY 1, 1996 TO JUNE 30, 1997

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	Excess Insurance	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 647,081	\$ 199,324	\$ 846,405	\$ 69,525	\$ 11,488	\$ 45,610	\$ 57,098	\$ 719,782
Bakersfield	323,143	98,638	421,781	30,532	5,737	22,777	28,514	362,735
Burbank	343,002	109,697	452,699	42,162	6,090	24,177	30,267	380,270
Modesto	291,262	89,288	380,550	30,329	5,171	20,530	25,701	324,520
Monterey	122,748	38,000	160,748	12,914	2,179	8,652	10,831	137,003
Mountain View	186,176	57,128	243,304	19,994	3,305	13,123	16,428	206,882
Ontario	313,307	98,106	411,413	37,127	5,562	22,084	27,646	346,640
Palo Alto	331,582	103,951	435,533	37,401	5,887	23,372	29,259	368,873
Santa Barbara	286,768	88,783	375,551	31,574	5,091	20,213	25,304	318,673
Santa Cruz	89,949	24,441	114,390	9,506	1,597	6,340	7,937	96,947
Santa Monica	497,910	153,168	651,078	51,654	8,840	35,096	43,936	555,488
Visalia	113,875	35,452	149,327	12,190	2,022	8,027	10,049	127,088
	<u>\$ 3,546,803</u>	<u>\$1,095,976</u>	<u>\$ 4,642,779</u>	<u>\$ 384,908</u>	<u>\$ 62,969</u>	<u>\$250,001</u>	<u>\$ 312,970</u>	<u>\$ 3,944,901</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 12 – JULY 1, 1997 TO JUNE 30, 1998

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	Excess Insurance	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 645,599	\$ 141,899	\$ 787,498	\$ 130,119	\$ -	\$ 84,870	\$ 84,870	\$ 572,509
Bakersfield	341,891	74,702	416,593	58,263	-	44,945	44,945	313,385
Burbank	362,837	82,457	445,294	80,456	-	47,699	47,699	317,139
Modesto	325,478	70,612	396,090	57,771	-	42,787	42,787	295,532
Monterey	128,484	28,388	156,872	25,472	-	16,890	16,890	114,510
Mountain View	196,524	43,697	240,221	40,674	-	25,835	25,835	173,712
Ontario	317,860	71,050	388,910	68,122	-	41,786	41,786	279,002
Palo Alto	369,439	82,091	451,530	71,370	-	48,566	48,566	331,594
Santa Barbara	306,900	67,875	374,775	56,867	-	40,345	40,345	277,563
Santa Cruz	178,820	39,642	218,462	36,279	-	23,508	23,508	158,675
Santa Monica	514,524	114,459	628,983	99,517	-	67,639	67,639	461,827
Visalia	<u>115,088</u>	<u>25,350</u>	<u>140,438</u>	<u>24,044</u>	<u>-</u>	<u>15,130</u>	<u>15,130</u>	<u>101,264</u>
	<u>\$ 3,803,444</u>	<u>\$ 842,222</u>	<u>\$ 4,645,666</u>	<u>\$ 748,954</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 3,396,712</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 13 – JULY 1, 1998 TO JUNE 30, 1999

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	Excess Insurance	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 666,345	\$ 87,632	\$ 753,977	\$ 240,854	\$ 434	\$ -	\$ 434	\$ 512,689
Bakersfield	357,987	47,421	405,408	118,083	233	-	233	287,092
Modesto	326,839	31,422	358,261	155,508	213	-	213	202,540
Monterey	134,468	11,195	145,663	78,460	88	-	88	67,115
Mountain View	223,175	20,263	243,438	116,201	145	-	145	127,092
Ontario	321,441	31,177	352,618	174,962	209	-	209	177,447
Palo Alto	394,012	51,682	445,694	132,108	257	-	257	313,329
Santa Barbara	320,210	41,784	361,994	103,744	209	-	209	258,041
Santa Cruz	180,363	16,076	196,439	105,477	118	-	118	90,844
Santa Monica	543,831	72,262	616,093	184,209	354	-	354	431,530
Visalia	<u>118,955</u>	<u>9,449</u>	<u>128,404</u>	<u>74,020</u>	<u>78</u>	<u>-</u>	<u>78</u>	<u>54,306</u>
	<u>\$ 3,587,626</u>	<u>\$ 420,363</u>	<u>\$ 4,007,989</u>	<u>\$ 1,483,626</u>	<u>\$ 2,338</u>	<u>\$ -</u>	<u>\$ 2,338</u>	<u>\$ 2,522,025</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 14 – JULY 1, 1999 TO JUNE 30, 2000

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	Excess Insurance	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 735,019	\$ 62,301	\$ 797,320	\$ 229,863	\$ -	\$ -	\$ -	\$ 567,457
Bakersfield	367,080	24,245	391,325	169,795	-	-	-	221,530
Modesto	338,985	21,656	360,641	150,984	-	-	-	209,657
Monterey	143,302	8,100	151,402	76,497	-	-	-	74,905
Mountain View	222,556	15,025	237,581	112,853	-	-	-	124,728
Ontario	330,483	22,928	353,411	170,100	-	-	-	183,311
Palo Alto	396,553	28,602	425,155	175,579	-	-	-	249,576
Santa Barbara	351,627	23,240	374,867	138,510	-	-	-	236,357
Santa Cruz	200,738	12,762	213,500	102,589	-	-	-	110,911
Santa Monica	561,088	47,917	609,005	175,803	-	-	-	433,202
Visalia	<u>129,346</u>	<u>7,237</u>	<u>136,583</u>	<u>72,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,145</u>
	<u>\$ 3,776,777</u>	<u>\$ 274,013</u>	<u>\$ 4,050,790</u>	<u>\$ 1,575,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,475,779</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

PROGRAM YEAR 15 – JULY 1, 2000 TO JUNE 30, 2001

	(A) Deposits Collected \$1,000,000 Pool	(B) Interest Income	(D) Total Accumulated Funds	Excess Insurance	(F) Allocated Paid Claims	(G) Unpaid Claims Liability	(H) Total Incurred Claims and Expenses	(I) Projected Retrospectively Rated Refund Available
Anaheim	\$ 760,049	\$ 27,483	\$ 787,532	\$ 259,995	\$ -	\$ -	\$ -	\$ 527,537
Bakersfield	370,553	10,663	381,216	183,732	-	-	-	197,484
Modesto	358,174	9,751	367,925	164,712	-	-	-	203,213
Monterey	157,115	3,758	160,873	80,202	-	-	-	80,671
Mountain View	237,173	6,993	244,166	127,600	-	-	-	116,566
Ontario	347,711	10,921	358,632	181,562	-	-	-	177,070
Palo Alto	420,745	12,035	432,780	188,661	-	-	-	244,119
Santa Barbara	359,021	9,997	369,018	148,740	-	-	-	220,278
Santa Cruz	209,182	6,363	215,545	116,045	-	-	-	99,500
Santa Monica	631,065	21,113	652,178	198,848	-	-	-	453,330
Visalia	<u>135,242</u>	<u>3,128</u>	<u>138,370</u>	<u>75,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,557</u>
	<u>\$ 3,986,030</u>	<u>\$ 122,205</u>	<u>\$ 4,108,235</u>	<u>\$ 1,725,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,382,325</u>

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

See Accompanying Note to Schedule of Retrospectively Rated Refund Liability by Member.

**AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY  
NOTE TO SCHEDULE OF RETROSPECTIVELY RATED REFUND LIABILITY BY MEMBER  
AS OF JUNE 30, 2001**

**NOTE 1**

The following explanations are provided to assist the reader in understanding the various columns in the Schedule of Retrospectively Rated Refund Liability by Member.

**Column A - Deposits Collected.** Deposits collected based on the member cities audited covered payroll.

**Column B - Interest Income.** Interest earned to date for each cities' retained funds.

**Column C - Funds Transferred.** When applicable, any transfers made by a member city between pool years.

**Column D - Total Accumulated Funds.** Subtotal of Columns A, B and C.

**Column E - Retro-refunds Paid.** When applicable, retro-refunds paid out (cash basis) to the member cities.

**Column F - Allocated Paid Claims.** When applicable, each member cities' allocated portion of paid claims, based on their experience rating when compared to all other member cities.

**Column G - Unpaid Claims Liability.** Each member cities' portion of the unpaid claims liability. The unpaid claims liability consists of both reserves remaining on open, reported claims, and reserves actuarially determined for incurred but not reported claims outstanding. Each members' amount is allocated based on their experience rating when compared to all other member cities.

**Column H - Total Incurred Claims and Expenses.** Subtotal of Columns F and G.

**Column I - Projected Retrospectively Rated Refund Available.** Final total of Column D minus E and H. This column represents the amount, by member city, which is projected to be available for future retrospectively rated refunds. This number will increase or decrease as claims and claims reserves are adjusted and as additional interest is earned. This number will also change as member cities' claim experience rating changes when compared to all other member cities' rating.

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