

MONMOUTH COUNTY
JOINT INSURANCE FUND
DECEMBER 31, 2022

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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MONMOUTH COUNTY MUNICIPAL

JOINT INSURANCE FUND

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PART I – FINANCIAL REPORT

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

1.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITORS REPORT

Board of Commissioners
Monmouth County Municipal Joint
Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying consolidated financial statements of the various funds of the Monmouth County Municipal Joint Insurance Fund (the "Fund"), as of December 31, 2022, and the related Notes to the Financial Statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the consolidated financial statements of the various funds and the aggregate remaining fund information of the Monmouth County Municipal Joint Insurance Fund, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Monmouth County Joint Insurance Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 generally accepted auditing standards 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; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

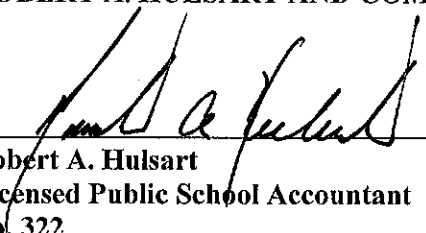
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monmouth County Joint Insurance Fund's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated May 11, 2023, on our consideration of the Fund's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the Fund's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

May 11, 2023

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND
Management Discussion and Analysis
(Unaudited)

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2022 and 2021. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance for the members of the Fund. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

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

Statement of Revenue, 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.

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
ASSETS:				
Cash and Cash Equivalents,				
Investments and Receivables	\$ 24,715,783	\$ 25,342,363	\$ (626,580)	-2.47%
Investment in Joint Ventures	3,323,744	4,759,583	(1,435,839)	-30.17%
Total Assets	<u>28,039,527</u>	<u>30,101,946</u>	<u>(2,062,419)</u>	<u>-6.85%</u>
LIABILITIES:				
Loss Reserves	13,185,298	14,144,066	(958,768)	-6.78%
Other Liabilities	3,946,382	2,972,165	974,217	32.78%
Total Liabilities	<u>17,131,680</u>	<u>17,116,231</u>	<u>15,449</u>	<u>0.09%</u>
UNRESTRICTED NET POSITION	<u>\$ 10,907,847</u>	<u>\$ 12,985,715</u>	<u>\$ (2,077,868)</u>	<u>-16.00%</u>

SUMMARY OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Revenue:				
Assessments and Other Income	<u>\$17,511,174</u>	<u>\$16,319,621</u>	<u>\$ 1,191,553</u>	7.30%
Operating Expenses:				
Provision for Claims & Claims Expense	5,683,267	5,639,934	43,333	0.77%
Excess Insurance Premiums	8,198,124	6,644,966	1,553,158	23.37%
General and Administrative Expenses	<u>2,942,282</u>	<u>2,911,072</u>	<u>31,210</u>	1.07%
Total Operating Expenses	<u>16,823,673</u>	<u>15,195,972</u>	<u>1,627,701</u>	10.71%
Operating Income/(Loss)	687,501	1,123,649	(436,148)	-38.82%
Non-Operating Income/(Expenses):				
Change in Investment in Joint Ventures	(1,435,839)	(875,228)	(560,611)	-64.05%
Investment and Dividend Income	(82,600)	219,396	(301,996)	-137.65%
Return of Surplus	<u>(1,246,930)</u>	<u>(1,339,383)</u>	<u>(92,453)</u>	-6.90%
Change in Net Position	<u>\$ (2,077,868)</u>	<u>\$ (871,566)</u>	<u>\$ (1,216,302)</u>	139.55%

In 2022, the Monmouth County Municipal JIF's (MCMJIF) total assets decreased 6.85%. Liabilities increased 0.09% primarily due to a 6.78% decrease in Loss Reserves. The Fund's Investments in Joint Ventures represents the Fund's share of the net position in the Municipal Excess Liability Joint Insurance Fund (MEL), the Municipal Excess Liability Residual Claims Fund (RCF) and the New Jersey Municipal Environmental Risk Management Fund (EJIF). The value of this asset decreased by 30.17% reflecting a decrease in equity retained by those entity. Overall, the MCMJIF's unrestricted net position decreased 16.00%.

Operating income decreased 38.82% primarily due to a 23.37% increase in Excess Insurance Premiums of 23.37% as a result of additional assessments from the MEL and RCF. Investment and Dividend Income decreased 137.65% due to unrealized losses in a rising interest rate environment.

The Fund paid a dividend of \$1,246,930 in 2022 and \$1,339,383 in 2021.

The future financial position of the MCMJIF will be impacted by medical cost trends that impact upon workers compensation costs, accident rates, workers compensation indemnity rates, and interest rates. The Fund is evaluating ways of addressing each of these challenges.

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF NET POSITION****DECEMBER 31**

	<u>2022</u>
<u>Assets</u>	
Cash	\$ 9,572,055
Investments	14,762,833
Accrued Interest Receivable	55,755
Other Receivables	100,248
Other Assets	111,457
Excess Insurance Receivable	113,435
Investment in Joint Ventures	<u>3,323,744</u>
Total Assets	<u>\$ 28,039,527</u>
<u>Liabilities, Reserves and Net Position</u>	
Accounts Payable	\$ 589,551
Prepaid Contributions	21,902
Due to Residual Claims Fund	1,552,805
Additional Assessment - RCF Assessment	647,437
Additional Assessment - MEL Assessment	1,134,687
Loss Reserves:	
Case Reserves	6,737,190
IBNR Reserves	<u>6,448,108</u>
Total Liabilities and Reserves	17,131,680
Net Position	<u>10,907,847</u>
Total Liabilities, Reserves and Net Position	<u>\$ 28,039,527</u>

The Accompanying Notes to Financial Statements are an integral part of this Statement

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31**

	<u>2022</u>
Operating Revenues:	
Assessments	<u>\$ 17,511,174</u>
Total Revenues	<u>17,511,174</u>
Operating Expenses:	
Claims Paid	5,102,763
Excess Insurance Premiums	8,198,124
General & Administrative Expenses	2,942,282
Transfer To/(From) Loss Reserves:	
Case Reserves	21,120
IBNR Reserves	<u>559,384</u>
Total Expenses	<u>16,823,673</u>
Operating Income/(Loss)	687,501
Nonoperating Revenues/(Expenses):	
Investment in Joint Ventures	(1,435,839)
Dividend Income	246,930
Investment Income	(329,530)
Return of Surplus	<u>(1,246,930)</u>
Total Nonoperating Income/(Loss)	<u>(2,765,369)</u>
Change in Net Position	(2,077,868)
Total Net Position, January 1	<u>12,985,715</u>
Total Net Position, December 31,	<u><u>\$ 10,907,847</u></u>

The Accompanying Notes to Financial Statements are an integral part of this Statement

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31**

	<u>2022</u>
Cash Flows from Operating Activities	
Cash Received from Municipal Assessment and Miscellaneous Income	\$ 17,511,174
Cash Paid for Claims & Services	<u>(16,910,855)</u>
Net Cash Provided (Used) by Operating Activities	<u>600,319</u>
Cash Flows from Investing Activities	
Net (Purchase) Redemption of Treasury Bills	<u>108,943</u>
Cash Flows from Non-Operating Activities	
Interest/Dividends Received	<u>(82,600)</u>
Cash Flows from Financing Activities	
Equity Distributions	<u>(1,246,930)</u>
Net Increase (Decrease) in Cash	(620,268)
Cash, Beginning of Year	<u>10,192,323</u>
Cash, End of Year	<u><u>\$ 9,572,055</u></u>
<u>Reconciliation of Net Cash Provided (Used) by Operating Activities</u>	
Operating Income/(Loss)	\$ 687,501
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities	
(Increase) Decrease in Other Assets	(139,847)
Increase (Decrease) in Prepaids	(5,939)
Increase (Decrease) in Cash Reserves	(1,331,168)
Increase (Decrease) in IBNR Reserves	258,965
Increase (Decrease) in Accounts Payable	955,971
(Increase) Decrease in Receivables	<u>174,836</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 600,319</u></u>

The Accompanying Notes to Financial Statements are an integral part of this Statement

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Monmouth County Municipal Joint Insurance Fund (the "JIF") was established on January 1, 1988, 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 Joint Insurance Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability, worker's compensation, and environmental protection.

The Board of Commissioners of the Joint Insurance Fund may approve subsequent memberships by a two-thirds vote or may terminate any member by a majority vote, after proper notice has been given.

The exact terms and conditions of coverage are detailed in the Fund's Risk Management Plan.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

Monies are disbursed solely for the payment of claims, allocated claim expenses and excess insurance premiums by fund year for the following funds:

Property Insurance Fund – Insures against any loss or damage, however caused, on property, motor vehicles, equipment or apparatus owned by the local unit or owned by or under the control of any of its departments, boards, agencies or commissions, or other entities which the local unit may provide coverage for under N.J.S.A. 40A:10-2.

General Liability Insurance Fund – Insures against any and all liability, which may be insured under the laws of the State of New Jersey, excluding worker's compensation and employer's liability.

Auto Insurance Fund – Insures against any and all liability resulting from the use of operation of motor vehicles, equipment or apparatus owned or controlled by the local unit or owned by or under the control of any sub-divisions thereof including its departments, boards, agencies, commissions or other entities which the local unit may provide coverage under N.J.S.A. 40A:10-2.

Workers' Compensation Insurance Fund – Insures against any and all liability that employees incur in work-connected injuries under NJSA 34:15-7.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Reinsurance Fund – Provides excess insurance coverage for property, liability, automobile and Workers' Compensation over and above the Fund's self-insured retention. The Municipal Excess Liability Insurance Fund (MEL) provides coverage in this Fund.

Environmental Fund – Provides for environmental coverage in the areas of, non-site specific coverage; petroleum storage tank coverage; legal services; and Superfund and New Jersey Spill Act Buy-out Plan. Coverage in this fund is provided through membership in the New Jersey Environmental Risk Management Plan.

Deductible Fund and Loss Contingency Fund – Utilized as a contingency for the loss funds of that fund year.

General and Administrative Fund – Utilized for payment of the Fund's operating expenses, loss prevention activities and various professional fees.

Closed Years Contingency Fund – Utilized to account for the activity arising from the consolidation of the prior year Fund Years (1988-2018). See Note 4.

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 income is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as their measurement focus.

Effective January 1, 2004, the Fund adopted GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments, Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. The primary impact of adopting the Statements included changing the presentation of Fund Equity to Net Position, changing the presentation of the Cash Flow Statement from the indirect method to the direct method, and the presentation of Management's Discussion and Analysis.

Revenues

Assessments are computed annually by the Fund actuary and administrator and paid by the member municipalities in accordance with N.J.A.C. 11:15-2.15. Assessments are accrued as revenue in the fund year for which they are levied against.

Expenses

Expenses are recognized in the accounting period in which the liability is incurred and measurable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable

Purchase orders outstanding for services rendered at December 31, 2022 are reported as expenses through the establishment of accounts payable.

Budgets

An annual budget is adopted prior to the commencement of the fiscal year. Budgets are prepared using the accrual basis of accounting. The legal level of budgetary control is established at line item account and total resources available within each fund year. The Board of Commissioners must approve all budget amendments. Budget amendments during the year were insignificant. Formal budgetary integration into the accounting system is employed as a management control device during the year. Unencumbered appropriations lapse at year-end.

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Loss Reserves

The Fund has created a reserve for all reported losses and for any potential unreported losses which have taken place but in which the Fund has not received notices of report of losses.

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1.

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 (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 coverage's 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)****Reinsurance**

The Fund uses reinsurance agreements to reduce its exposure to large losses on Property Insurance Claims. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers.

Effective December 31, 1998 the Fund entered into a Joint Purchase Agreement with the Municipal Excess Liability Joint Insurance Fund (MEL) by jointly purchasing its excess property insurance with other joint insurance funds. The MEL has agreed to act as the lead agency for the purpose of collecting and remitting premiums to the insurance company providing coverage.

Use of Estimates

The preparation of financial statements requires management of the Fund to make estimates and assumptions that affect the reported 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 reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000.

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

The carrying amount of the JIF's deposits at year-end was \$24,743,228. Of this amount \$750,000 was covered by Federal depository insurance, \$1,507,793 was uninsured, and the remaining \$22,485,435 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

The investments recorded in the general-purpose financial statements have been recorded at the carrying amount. The difference between the carrying amount and market value is not material to the general-purpose financial statements.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the JIF may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the JIF.

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the JIF or bonds or other obligations of school districts of which the JIF is a part or within which the school district located within the JIF.
- (5) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

B. Investments

(8) Agreements for the repurchase of fully collateralized securities, if:

- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
- b. the custody of collateral is transferred to a third party;
- c. the maturity of the agreement is not more than 30 days;
- d. the underlying securities are purchased through a public-depository as defined in section 1 of P.L. 1970, c. 236 (C. 17:9-41);
- e. a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments, in which the security is not physically held by the JIF, shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the JIF and prevent unauthorized use of such instruments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Cash and cash equivalents included petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report shall include, at a minimum, the specific detailed information as set forth in the statute.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Insured:		
FDIC	\$ 750,000	250,000
GUDPA	22,485,435	23,952,037
Uninsured	<u>1,507,793</u>	<u>1,485,417</u>
	<u>\$ 24,743,228</u>	<u>25,687,454</u>

E. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The JIF does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the JIF had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the JIF.

F. New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2022, the Fund had \$1,507,793 on deposit with the New Jersey Cash Management Fund.

NOTE 3: RELATIONSHIP WITH STATE SCHEDULES

The information in the Fund's financial statements differs from the State Schedules listed in the supplementary data section. Specifically, the Schedules present historical information from the inception of each fund year. In addition, the financial statements reflect the Fund's equity interest in its joint ventures. The supplementary schedules do not reflect the equity interest in the Fund's joint ventures.

NOTE 4: UNPAID CLAIMS AND LIABILITIES

The Fund has established a liability for both reported and unreported insured events. This liability includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities by Fund Year.

	Close Years Contingency Account	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Unpaid Claims and Claim Adjustment Expenses at Beginning of Year	\$	3,084,690	2,748,727	6,129,500	
Incurred Claims and Claim Adjustment Expenses:					
Provision For Insured Events of the Current Year					7,504,317
Increases (Decreases) in Provision for Insured Events of Prior Years	<u>748,344</u>	<u>69,877</u>	<u>(344,196)</u>	<u>(1,653,198)</u>	<u> </u>
Total Incurred Claims and Claim Adjustment Expense	<u>748,344</u>	<u>3,154,567</u>	<u>2,404,531</u>	<u>4,476,302</u>	<u>7,504,317</u>
Payments:					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year					(1,689,098)
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>(748,344)</u>	<u>(1,198,239)</u>	<u>(372,119)</u>	<u>(1,094,963)</u>	<u> </u>
Total Payments	<u>(748,344)</u>	<u>(1,198,239)</u>	<u>(372,119)</u>	<u>(1,094,963)</u>	<u>(1,689,098)</u>
Total Unpaid Claims and Claim Adjustment Expenses at End of Year	\$ <u> </u>	<u>1,956,328</u>	<u>2,032,412</u>	<u>3,381,339</u>	<u>5,815,219</u>

NOTE 5: MEMBERSHIP IN JOINT INSURANCE FUND

Municipal Excess Liability Residual Claims Fund

Effective December 1, 1995, the Fund became a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity pool established for the purpose of assuming and discharging the liabilities associated with the loss reserves from other New Jersey Joint Insurance Funds. The transfer of these loss reserves to the Residual Fund results in the closing of the pre-2019 Fund Years.

Each participating pool member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers of the Residual Fund are elected. As a member of the Residual Fund, the Fund may be subjected to supplemental assessments in the event of a deficiency. If the assets of the Residual Fund were to be exhausted, members would then become jointly and severally liable for the Residual Fund's liabilities.

The Residual Fund can declare and distribute dividends to members upon the approval of the State of New Jersey Department of Insurance. The distributions are divided among the members in the same ratio as their individual assessment relates to the total assessments of the participating joint insurance funds for that fund year. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for the Fund's membership assessment in the year in which the distribution was declared.

The Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the years 1988 through 2018. At December 31, 2022, the Fund's share of Net Position decreased to \$77,044 from \$526,666.

New Jersey Municipal Environmental Risk Management Fund

In 1995, the Fund became a member of the New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"). The Environmental Fund provides its members with various environmental coverages. The Environmental Fund is a risk sharing public entity risk pool that is both an insured and self-administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage from their respective members.

Each participating pool member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers of the Environmental Fund are elected.

As a member of the Environmental Fund, the Fund may be subjected to supplemental assessments in the event of a deficiency. If the assets of the Environmental Fund were to be exhausted, members would then become jointly and severally liable for the Environmental Fund's liabilities.

The Environmental Fund can declare and distribute dividends to members upon the approval of the State of New Jersey Department of Insurance. The distributions are divided among the members in the same ratio as then individual assessment relates to the total assessments of the participating joint insurance funds for that fund year.

At December 31, 2022, the Fund's share of Net Position decreased to \$1,387,413 from \$1,685,714.

NOTE 5: MEMBERSHIP IN JOINT INSURANCE FUND (Continued)**Municipal Excess Liability Joint Insurance Fund**

The Fund is a member of the Municipal Excess Liability Fund (the "MEL"). The MEL Fund provides its members with coverage when claims in the Property, Liability, Automobile and Worker's Compensation Funds exceed certain limits. The MEL Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage for the respective members.

Each participating pool member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers of the MEL Fund are elected.

As a member of the MEL Fund, the Fund may be subject to supplemental assessments in the event of a deficiency. If the assets of the MEL Fund were to be exhausted, members would then become jointly and severally liable for the MEL Fund's liability.

The MEL Fund can declare and distribute dividends to members upon the approval of the State of New Jersey Department of Insurance. The distributions are divided among the members in the same ratio as their individual assessments relate to the total assessments of the participating joint insurance funds for that fund year.

At December 31, 2022, the Fund's share of Net Position decreased to \$1,859,287 from \$2,547,203.

NOTE 6: RETURN OF SURPLUS

The Department of Banking and Insurance approved dividends in the amount of \$1,246,930. The dividend is \$1,000,000 from the Closed Years account and \$246,930 from the E-JIF.

NOTE 7: DEFICIT FUND EQUITY

At December 31, 2022, the following individual retained earnings accounts were in a deficit position - (see Exhibits C thru C-3):

Fund Year 2019

Property Fund	70,120
General Liability	73,163

Fund Year 2020

Property Fund	125,917
MEL	461,693
Environmental Fund	7,923

NOTE 7: DEFICIT FUND EQUITY (Continued)**Fund Year 2021**

Property Fund	490,151
Automotive Liability	88,323
MEL	674,805

Fund Year 2022

Property Fund	352,505
Automotive Liability	23,407
MEL	12,661
POL/EPL	518

Currently, the Fund has no plans to levy an additional assessment to the participating municipalities to eliminate the above deficits. Changes in the loss reserves for each account should eliminate the above deficits; however the Closed Years Contingency Fund will cover any remaining deficits.

NOTE 8: SUBSEQUENT EVENTS

While there are many issues that are increasing claims costs for New Jersey public entities, management is confident that the MEL and its affiliated JIF's are in an exceptionally strong position because of the decades of conservative financial practices. Management continues to evaluate the impact of the COVID 19 pandemic on workers' compensation and has established a special COVID litigation reserve of \$5,500,000. Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. Fortunately, MEL members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation law suits and the reluctance of the New Jersey Court System to grant summary judgments when Title 59 immunities should apply. Management also expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance. To mitigate these increases, the MEL is planning a rate adjustment beginning in 2022.

Additional Subsequent events have been evaluated through May 11, 2023, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

PART II – SUPPLEMENTARY SCHEDULES

DEPARTMENT OF BANKING & INSURANCE – STATE FINANCIAL REPORT

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

New Jersey Department of Insurance Joint Insurance Fund Code: 01-88

Joint Insurance Fund Name: Monmouth County Municipal Joint Insurance Fund

Street Address:
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Mail Address:
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Primary Location of books and records: PERMA Risk Management Services
Statement of Contact Person: Stephen Sacco - Phone Number: (201) 881-7632

EXECUTIVE COMMITTEE

Chairman: Thomas Rogers

Secretary: Bryan Dempsey

Thomas Nolan
Anthony Mercantante
Laurie Roth
Jonathan Capp
Jeffry Bertrand

Alternates:

James Gant
Donna Phelps

State of New Jersey}
SS
County of Monmouth}

Thomas Rogers, Chairman, and Bryan Dempsey, Secretary of the Monmouth County Municipal Joint Insurance 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, all of the herein described assets were the absolute property of the said Joint Insurance Fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said Joint Insurance Fund as of the 31st day of December, 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

(a) Is this an original filing? Yes
(i) State the amendment number _____
(ii) Date Filed _____
(iii) Number of pages attached _____

Secretary

Subscribed and sworn to before me
this _____ day of _____, 2023

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED BALANCE SHEET

AT DECEMBER 31, 2022

Exhibit A-1

	Closed Years Contingency Fund	Fund Year			Combined Total
		2019	2020	2021	
<u>Assets</u>					
Cash	\$ 2,265,303	1,042,696	1,903,963	1,811,768	2,548,325
Investments	3,493,742	1,608,134	2,936,453	2,794,262	3,930,242
Accrued Interest Receivable	13,597	5,734	9,821	9,995	16,608
Excess Insurance Receivable	-	-	113,435	-	100,248
Other Receivables	111,457	-	-	-	111,457
Total Assets	\$ 5,884,099	2,656,564	4,963,672	4,616,025	6,595,423
<u>Liabilities and Equity</u>					
Accounts Payable	\$ 432,231	-	-	-	157,320
Due to Residual Claims Fund	1,552,805	-	-	-	1,552,805
Additional Assessment - RCF Assessment	647,437	-	-	-	647,437
Additional Assessment - MEL Assessment	-	478,449	656,238	-	1,134,687
Prepaid Contributions	-	-	-	-	21,902
Loss Reserves:					
Case Reserves	1,484,695	1,420,100	1,727,850	1,727,850	2,104,545
IBNR Reserves	471,633	612,312	1,653,489	1,653,489	3,710,674
Total Liabilities	2,632,473	1,956,328	2,510,861	4,037,577	5,994,441
Equity:					
Retained Earnings - Unreserved	3,251,626	700,236	2,452,811	578,448	600,982
Total Liabilities and Equity	\$ 5,884,099	2,656,564	4,963,672	4,616,025	6,595,423

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit A-2

	Closed Years Contingency Fund	Fund Year				Combined Total
		2019	2020	2021	2022	
Revenues:						
Assessments	\$ -	-	-	-	17,511,174	17,511,174
Total Revenues	-	-	-	-	17,511,174	17,511,174
Expenses:						
Claims Paid	748,344	1,198,239	372,119	1,094,963	1,689,098	5,102,763
Excess Insurance Premiums	647,437		478,449	654,299	6,417,939	8,198,124
General & Administrative Expenses			-	-	2,942,282	2,942,282
Transfer To/(From) Loss Reserves:						
Case Reserves	(501,119)	(812,240)	(76,413)	(693,653)	2,104,545	21,120
IBNR Reserves	(140,758)	(316,122)	(639,902)	(2,054,508)	3,710,674	559,384
Total Expenses	753,904	69,877	134,253	(998,899)	16,864,538	16,823,673
Operating Income/(Loss)	(753,904)	(69,877)	(134,253)	998,899	646,636	687,501
Nonoperating Income:						
Dividend Income	246,930					246,930
Investment Income	(101,683)	(39,416)	(72,578)	(70,199)	(45,654)	(329,530)
Total Nonoperating Income	145,247	(39,416)	(72,578)	(70,199)	(45,654)	(82,600)
Net Income/(Loss)	(608,657)	(109,293)	(206,831)	928,700	600,982	604,901
Retained Earnings, Beginning of Year	5,107,213	809,529	2,659,642	(350,252)		8,226,132
Other Financing Sources/(Uses):						
Return of Surplus	(1,246,930)	-				(1,246,930)
Retained Earnings, End of Year	\$ 3,251,626	700,236	2,452,811	578,448	600,982	7,584,103

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit A-3

	Closed Years Contingency Fund	Aggregate Excess Loss Fund	Fund Year			Combined Total
			2019	2020	2021	
Cash Flows from Operating Activities:						
Cash Received from Municipal Assessment and Miscellaneous Income	\$ (2,334,444)	(879,497)	(1,201,120)	(490,420)	(1,018,421)	17,511,174 (16,910,855)
Cash Paid for Claims & Services	(2,334,444)	(879,497)	(1,201,120)	(490,420)	(1,018,421)	600,319
Net Cash Provided (Used) by Operating Activities						
Cash Flows from Investing Activities						
Net (Purchase) Redemption of Treasury Bills	1,962,211	521,849	700,807	269,661	584,657	108,943
Cash Flows from Non-Operating Activities						
Interest/Dividends Received	145,247	-	(39,416)	(72,578)	(70,199)	(82,600)
Cash Flows from Financing Activities						
Equity Distributions	(1,246,930)	-	-	-	-	(1,246,930)
Net Increase/(Decrease) in Cash	(1,473,916)	(357,648)	(539,729)	(293,337)	(503,963)	(620,268)
Cash, Beginning of Year	3,739,219	357,648	1,582,425	2,197,300	2,315,731	10,192,323
Cash, End of Year	\$ 2,265,303	-	1,042,696	1,903,963	1,811,768	9,572,055
Reconciliation of Net Cash Provided by Operating Activities						
Operating Income/(Loss)	\$ (753,904)	-	(69,877)	(134,253)	998,899	687,501
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Changes in Assets and Liabilities						
(Increase) Decrease in Other Assets	(50,251)				(17,189)	(89,596)
Increase (Decrease) in Prepaids	(1,739,972)			(189,848)	(693,653)	(5,939)
Increase (Decrease) in Case Reserves	(441,177)	(812,240)	(316,122)	(639,902)	(2,054,508)	(1,331,168)
Increase (Decrease) in IBNR	616,653	(884,810)		478,449	588,359	258,965
(Increase) Decrease in Accounts Payables	34,207	5,313	(2,881)	(4,866)	159,671	955,971
(Increase) Decrease in Receivables					(16,608)	174,836
Net Cash Provided (Used) by Operating Activities	\$ (2,334,444)	(879,497)	(1,201,120)	(490,420)	(1,018,421)	600,319

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2022

FUND YEAR 2022

Exhibit B

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	MEL	Environmental Fund	POL/EPL	General Administration	Total
Assets									
Cash	\$ 96,899	498,550	111,481	1,719,322	(3,739)	(527)	(6,276)	132,615	2,548,325
Investments	148,831	765,738	171,228	2,640,757	-	-	-	203,688	3,930,242
Contributions Receivable								100,248	100,248
Interest Receivable	891	2,425	532	8,615	2,328	9	86	1,722	16,608
Total Assets	\$ 246,621	1,266,713	283,241	4,368,694	(1,411)	(518)	(6,190)	438,273	6,595,423
Liabilities and Equity									
Loss Reserves	\$ 599,126	1,227,431	306,648	3,682,014	11,250	-	-	10,652	5,815,219
Prepaid Contributions								157,320	157,320
Accounts Payable									
Retained Earnings:									
Unreserved	(352,505)	39,282	(23,407)	686,680	(12,661)	(518)	(6,190)	270,301	600,982
Total Liabilities and Equity	\$ 246,621	1,266,713	283,241	4,368,694	(1,411)	(518)	(6,190)	438,273	6,595,423

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2022

FUND YEAR 2021

Exhibit B-1

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	General Administration	Total
Assets								
Cash	\$ (386,739)	522,183	52,040	1,416,211	107,427	(18,706)	119,352	1,811,768
Investments	-	658,086	65,583	1,784,792	135,386	-	150,415	2,794,262
Interest Receivable	2	2,265	243	6,384	370	139	592	9,995
Total Assets	\$ (386,737)	1,182,534	117,866	3,207,387	243,183	(18,567)	270,359	4,616,025
Liabilities and Equity								
Loss Reserves	\$ 103,414	765,379	206,189	2,306,357		656,238		3,381,339
Accounts Payable								656,238
Retained Earnings: Unreserved	(490,151)	417,155	(88,323)	901,030	243,183	(674,805)	270,359	578,448
Total Liabilities and Equity	\$ (386,737)	1,182,534	117,866	3,207,387	243,183	(18,567)	270,359	4,616,025

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2022

FUND YEAR 2020

Exhibit B-2

	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Workmen's Compensation Insurance Fund</u>	<u>Loss Fund Contingency</u>	<u>MEL</u>	<u>Environmental</u>	<u>POL/ EPL</u>	<u>General Administration</u>	<u>Total</u>
Assets										
Cash	\$ (115,896)	460,378	109,774	1,202,700	130,309	6,618	(7,527)	45	117,562	1,903,963
Investments	-	686,809	158,997	1,741,981	188,739	9,586	-	66	170,275	2,936,453
Excess Insurance Receivable				113,435						113,435
Interest Receivable		2,227	516	5,767	674	552	(396)		481	9,821
Total Assets	\$ (115,896)	1,129,414	269,287	3,063,883	319,722	16,756	(7,923)	111	288,318	4,963,672
Liabilities and Equity										
Loss Reserves	\$ 10,021	882,255	60,976	1,079,160		478,449				2,032,412
Accounts Payable										478,449
Retained Earnings:										
Unreserved	(125,917)	247,159	208,311	1,984,723	319,722	(461,693)	(7,923)	111	288,318	2,452,811
Total Liabilities and Equity	\$ (115,896)	1,129,414	269,287	3,063,883	319,722	16,756	(7,923)	111	288,318	4,963,672

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2022

FUND YEAR 2019

Exhibit B-3

	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Workmen's Compensation Insurance Fund</u>	<u>Loss Fund Contingency</u>	<u>MEL</u>	<u>Environmental</u>	<u>POL/EPL</u>	<u>General Administration</u>	<u>Total</u>
Assets										
Cash	\$ (70,115)	131,159	46,948	696,782	63,212	26,155	83	(647)	149,119	1,042,696
Investments	-	189,429	67,806	1,006,342	91,294	37,774	121		215,368	1,608,134
Interest Receivable	-	706	442	3,465	343	122	-		656	5,734
Total Assets	\$ (70,115)	321,294	115,196	1,706,589	154,849	64,051	204	(647)	365,143	2,656,564
Liabilities and Equity										
Loss Reserves	\$ 5	394,457	19,348	1,542,518						1,956,328
Retained Earnings:										
Unreserved	(70,120)	(73,163)	95,848	164,071	154,849	64,051	204	(647)	365,143	700,236
Total Liabilities and Equity	\$ (70,115)	321,294	115,196	1,706,589	154,849	64,051	204	(647)	365,143	2,656,564

BALANCE SHEET

AT DECEMBER 31, 2022

CLOSED YEARS CONTINGENCY FUND

Exhibit B-4

<u>Assets</u>	
Cash	\$ 2,265,303
Investments	3,493,742
Interest Receivable	13,597
Other Assets	<u>111,457</u>
Total Assets	<u>\$ 5,884,099</u>
<u>Liabilities and Equity</u>	
RCF Additional Assessment Payable	\$ 647,437
Other Liabilities	1,552,805
Surplus Return Reserve	432,231
Retained Earnings - Unreserved	<u>3,251,626</u>
Total Liabilities and Equity	<u>\$ 5,884,099</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

FUND YEAR 2022

	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Worker's Compensation Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>POL/EPL</u>	<u>General & Administrative Fund</u>	<u>Total</u>
Assessment Revenue	\$ 987,226	1,421,035	318,856	5,166,963	4,363,514	377,517	1,662,287	3,213,776	17,511,174
Regular Contributions	(3,654)	(4,253)	(888)	(15,283)	(12,661)	(517)	(7,205)	(1,193)	(45,654)
Other Income:	983,572	1,416,782	317,968	5,151,680	4,350,853	377,000	1,655,082	3,212,583	17,465,520
Interest Income									
Expenses									
Premiums	15,635				4,363,514	377,518	1,661,272		6,417,939
Claims - Paid	721,316	150,069	34,727	782,986					1,689,098
Claims - Loss Reserves	599,126	1,227,431	306,648	3,682,074					5,815,219
Claims Adjustment									
Safety Engineer								672,030	672,030
Administrative Fees								325,034	325,034
Managed Care								441,012	441,012
Professional Services								215,290	215,290
Miscellaneous								254,368	254,368
Risk Management Consultant Fees								19,550	19,550
Total Expenses	1,336,077	1,377,500	341,375	4,465,000	4,363,514	377,518	1,661,272	1,014,998	1,014,998
Net Income/(Deficit)	(352,505)	39,282	(23,407)	686,680	(12,661)	(518)	(6,190)	2,942,282	16,864,538
Adjustments:								270,301	600,982
Transfers Permanent									
Retained Earnings (Deficit) at December 31, 2022	\$ (352,505)	39,282	(23,407)	686,680	(12,661)	(518)	(6,190)	270,301	600,982

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C-1

FUND YEAR 2021

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
Assessment Revenue										
Regular Contributions	\$ 840,351	1,302,475	308,874	4,800,000	244,440	3,557,636	373,708	1,581,335	3,142,823	16,151,642
Other Income:										
Interest Income	118	(12,524)	(1,705)	(43,781)	(1,257)	(17,567)	-	-	(723)	(77,439)
	840,469	1,289,951	307,169	4,756,219	243,183	3,540,069	373,708	1,581,335	3,142,100	16,074,203
Expenses										
Premiums	15,961									6,185,878
Claims - Paid	1,211,245	107,417	189,303	1,548,832						3,056,797
Claims - Loss Reserves	103,414	765,379	206,189	2,306,357						3,381,339
Claims Adjustment										658,854
Safety Engineer										316,663
Administrative Fees										397,260
Managed Care										211,069
Professional Services										283,544
Miscellaneous										16,837
Risk Management Consultant Fees										987,514
Total Expenses	1,330,620	872,796	395,492	3,855,189	-	4,214,874	373,708	1,581,335	2,871,741	15,496,755
Net Income/(Deficit)	(490,151)	417,155	(88,323)	901,030	243,183	(674,805)	-	-	270,359	578,448
Adjustments:										
Transfers Permanent										-
Retained Earnings (Deficit) at December 31, 2022	\$ (490,151)	417,155	(88,323)	901,030	243,183	(674,805)	-	-	270,359	578,448

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C-2

FUND YEAR 2020

	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Worker's Compensation Fund</u>	<u>Loss Fund Contingency</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>POI/ EPL</u>	<u>General & Administrative Fund</u>	<u>Total</u>
Assessment Revenue										
Regular Contributions	\$ 793,354	1,387,816	325,059	4,666,000	321,401	3,387,252	377,572	1,513,348	3,097,865	15,869,667
Other Income:										
Interest Income	4,133	(4,473)	(704)	(6,850)	(1,679)	10,166	(7,924)	(1)	8,580	1,248
	<u>797,487</u>	<u>1,383,343</u>	<u>324,355</u>	<u>4,659,150</u>	<u>319,722</u>	<u>3,397,418</u>	<u>369,648</u>	<u>1,513,347</u>	<u>3,106,445</u>	<u>15,870,915</u>
Expenses										
Premiums	15,560					3,859,111	377,571	1,513,236		5,765,478
Claims - Paid	897,823	253,929	55,068	1,595,267						2,802,087
Claims - Loss Reserves	10,021	882,255	60,976	1,079,160						2,032,412
Claims Adjustment									645,936	645,936
Safety Engineer									307,631	307,631
Administrative Fees									389,471	389,471
Managed Care									206,930	206,930
Professional Services									281,455	281,455
Miscellaneous									15,294	15,294
Risk Management Consultant Fees									971,410	971,410
Total Expenses	<u>923,404</u>	<u>1,136,184</u>	<u>116,044</u>	<u>2,674,427</u>	<u>-</u>	<u>3,859,111</u>	<u>377,571</u>	<u>1,513,236</u>	<u>2,818,127</u>	<u>13,418,104</u>
Net Income/(Deficit)	<u>(125,917)</u>	<u>247,159</u>	<u>208,311</u>	<u>1,984,723</u>	<u>319,722</u>	<u>(461,693)</u>	<u>(7,923)</u>	<u>111</u>	<u>288,318</u>	<u>2,452,811</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2022		<u>247,159</u>	<u>208,311</u>	<u>1,984,723</u>	<u>319,722</u>	<u>(461,693)</u>	<u>(7,923)</u>	<u>111</u>	<u>288,318</u>	<u>2,452,811</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C-3

FUND YEAR 2019

	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Worker's Compensation Fund</u>	<u>Loss Fund Contingency</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>POL/ EPL</u>	<u>General & Administrative Fund</u>	<u>Total</u>
Assessment Revenue										
Regular Contributions	\$ 795,489	1,399,578	332,937	4,643,700	157,516	3,299,796	385,429	1,396,186	3,080,409	15,491,040
Other Income:										
Interest Income	8,997	32,542	7,559	95,306	(2,667)	57,459	205	-	36,837	296,238
	<u>804,486</u>	<u>1,432,120</u>	<u>340,496</u>	<u>4,739,006</u>	<u>154,849</u>	<u>3,357,255</u>	<u>385,634</u>	<u>1,396,186</u>	<u>3,117,246</u>	<u>15,727,278</u>
Expenses										
Premiums	15,452					3,293,204	385,430	1,396,833		5,090,919
Claims - Paid	859,149	1,110,826	225,300	3,032,417						5,227,692
Claims - Loss Reserves	5	394,457	19,348	1,542,518						1,986,328
Claims Adjustment										
Safety Engineer									633,270	633,270
Administrative Fees									266,830	266,830
Managed Care									381,834	381,834
Professional Services									202,873	202,873
Miscellaneous									273,433	273,433
Risk Management Consultant Fees									38,585	38,585
Total Expenses	<u>874,606</u>	<u>1,505,283</u>	<u>244,648</u>	<u>4,574,935</u>	<u>-</u>	<u>3,293,204</u>	<u>385,430</u>	<u>1,396,833</u>	<u>955,278</u>	<u>955,278</u>
Net Income/(Deficit)	<u>(70,120)</u>	<u>(73,163)</u>	<u>95,848</u>	<u>164,071</u>	<u>154,849</u>	<u>64,051</u>	<u>204</u>	<u>(647)</u>	<u>365,143</u>	<u>15,027,042</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2022	<u>\$ (70,120)</u>	<u>(73,163)</u>	<u>95,848</u>	<u>164,071</u>	<u>154,849</u>	<u>64,051</u>	<u>204</u>	<u>(647)</u>	<u>365,143</u>	<u>700,236</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C-4

FUND YEAR 2018

	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Worker's Compensation Fund</u>	<u>Loss Fund Contingency</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>POL/ EPL</u>	<u>General & Administrative Fund</u>	<u>Total</u>
Assessment Revenue										
Regular Contributions	\$ 778,249	1,382,110	346,640	4,618,973	136,214	3,011,161	373,828	1,233,980	2,960,610	14,841,765
Other Income:										
Interest Income	6,233	69,268	16,237	172,802	3,726	46,512	380	-	12,799	327,957
	<u>784,482</u>	<u>1,451,378</u>	<u>362,877</u>	<u>4,791,775</u>	<u>139,940</u>	<u>3,057,673</u>	<u>374,208</u>	<u>1,233,980</u>	<u>2,973,409</u>	<u>15,169,722</u>
Expenses										
Premiums	15,054					3,004,705	373,828	1,234,636		4,628,223
Claims - Paid	909,945	448,238	275,879	3,177,646						4,811,708
Claims - Loss Reserves	3	250,946	480,894	1,469,306						2,181,149
Claims Adjustment										603,493
Safety Engineer										260,319
Administrative Fees										397,618
Managed Care										193,325
Professional Services										221,894
Miscellaneous										40,662
Risk Management Consultant Fees										921,181
Total Expenses	<u>925,002</u>	<u>699,184</u>	<u>736,773</u>	<u>4,646,952</u>	<u>-</u>	<u>3,004,705</u>	<u>373,828</u>	<u>1,234,636</u>	<u>2,638,492</u>	<u>14,259,572</u>
Net Income/(Deficit)	<u>(140,520)</u>	<u>752,194</u>	<u>(373,896)</u>	<u>144,823</u>	<u>139,940</u>	<u>52,968</u>	<u>380</u>	<u>(656)</u>	<u>334,917</u>	<u>910,150</u>
Adjustments:										
Transfers Permanent										
Transferred to Closed Years Fund	<u>\$ (140,520)</u>	<u>752,194</u>	<u>(373,896)</u>	<u>144,823</u>	<u>139,940</u>	<u>52,968</u>	<u>380</u>	<u>(656)</u>	<u>334,917</u>	<u>910,150</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS****FOR THE YEAR ENDED DECEMBER 31, 2022****CLOSED YEARS CONTINGENCY FUND**

Exhibit C-5

Expenses:	
Claims Paid	\$ 748,344
Transfer to/(from) Loss Reserves:	
Case Reserves	(501,119)
IBNR Reserves	(140,758)
Residual Claims Funds - Additional Assessment	647,437
Total Expenses	<u>753,904</u>
Operating Income/(Loss)	(753,904)
Non-Operating Income	
Dividend Income	246,930
Interest Income	(101,683)
Total Non-Operating Income	<u>145,247</u>
Net Income/(Loss)	(608,657)
Retained Earnings, January 1, 2022	<u>4,197,063</u>
Retained Earnings before Other Financing Sources/(Uses)	3,588,406
Other Financing Sources/(Uses):	
Transfer from 2018 Fund Year	910,150
Equity Distributions	(1,246,930)
Total Adjustments	<u>(336,780)</u>
Retained Earnings, December 31, 2022	<u>\$ 3,251,626</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2022**

Exhibit D

2022 ASSESSMENT YEAR

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 976,697	721,316	599,126	(343,745)
General Liability	1,450,000	150,069	1,227,431	72,500
Automotive	325,000	34,727	306,648	(16,375)
Workmen's Compensation	5,166,963	782,986	3,682,014	701,963
Reinsurance:				
Property Fund-Crime	15,635	15,635		-
Mel	2,680,051	2,947,303		(267,252)
Mel Property	1,416,211	1,416,211		-
Environmental Fund	432,314	377,518		54,796
POL/EPL Fund	1,662,798	1,661,272		1,526
Expenses:				
Claims Adjustment	672,030	672,030		-
Safety	357,718	325,034		32,684
Administrative Fees	425,480	441,012		(15,532)
Managed Care	215,290	215,290		-
Professional Services	306,116	254,368		51,748
Miscellaneous	243,442	19,550		223,892
Risk Management Consultant Fees	996,333	1,014,998		(18,665)
	<u>\$ 17,342,078</u>	<u>11,049,319</u>	<u>5,815,219</u>	<u>477,540</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2022**

Exhibit D-1

2021 ASSESSMENT YEAR

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 824,390	1,211,245	103,414	(490,269)
General Liability	1,302,475	107,417	765,379	429,679
Automotive	308,874	189,303	206,189	(86,618)
Workmen's Compensation	4,800,000	1,548,832	2,306,357	944,811
Loss Fund Contingency	244,440		-	244,440
Reinsurance:				
Property Fund-Crime	15,961	15,961		-
Mel	2,475,188	3,132,426		(657,238)
Mel Property	1,082,448	1,082,448		-
Environmental Fund	373,708	373,708		-
POL/EPL Fund	1,581,335	1,581,335		-
Expenses:				
Claims Adjustment	658,853	658,854		(1)
Safety	349,347	316,663		32,684
Administrative Fees	397,260	397,260		-
Managed Care	211,069	211,069		-
Professional Services	319,990	283,544		36,446
Miscellaneous	236,978	16,837		220,141
Risk Management Consultant Fees	969,326	987,514		(18,188)
	<u>\$ 16,151,642</u>	<u>12,114,416</u>	<u>3,381,339</u>	<u>655,887</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2022****Exhibit D-2****2020 ASSESSMENT YEAR**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 777,794	897,823	10,021	(130,050)
General Liability	1,387,816	253,929	882,255	251,632
Automotive	325,059	55,068	60,976	209,015
Workmen's Compensation	4,666,000	1,595,267	1,079,160	1,991,573
Loss Fund Contingency	321,401		-	321,401
Reinsurance:				
Property Fund-Crime	15,560	15,560		-
Mel	2,318,622	2,797,071		(478,449)
Mel Property	1,068,630	1,062,040		6,590
Environmental Fund	377,572	377,571		1
POL/EPL Fund	1,513,348	1,513,236		112
Expenses:				
Claims Adjustment	645,935	645,936		(1)
Safety	334,535	307,631		26,904
Administrative Fees	389,471	389,471		-
Managed Care	206,930	206,930		-
Professional Services	313,716	281,455		32,261
Miscellaneous	255,492	15,294		240,198
Risk Management Consultant Fees	951,786	971,410		(19,624)
	<u>\$ 15,869,667</u>	<u>11,385,692</u>	<u>2,032,412</u>	<u>2,451,563</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2022**

Exhibit D-3

2019 ASSESSMENT YEAR

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 780,037	859,149	5	(79,117)
General Liability	1,399,578	1,110,826	394,457	(105,705)
Automotive	332,937	225,300	19,348	88,289
Workmen's Compensation	4,643,700	3,032,417	1,542,518	68,765
Loss Fund Contingency	157,516		-	157,516
Reinsurance:				
Property Fund-Crime	15,452	15,452		-
Mel	2,358,454	2,330,619		27,835
Mel Property	962,585	962,585		-
Environmental Fund	385,429	385,430		(1)
POL/EPL Fund	1,396,186	1,396,833		(647)
Expenses:				
Claims Adjustment	633,270	633,270		-
Loss Fund Management	33,738	33,738		-
Safety	323,716	266,830		56,886
Administrative Fees	381,834	381,834		-
Managed Care	202,873	202,873		-
Professional Services	254,721	239,695		15,026
Miscellaneous	294,979	38,585		256,394
Risk Management Consultant Fees	955,278	955,278		-
	<u>\$ 15,512,283</u>	<u>13,070,714</u>	<u>1,956,328</u>	<u>485,241</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL OPERATING RESULTS ANALYSIS

Schedule A
Sheet 1 of 2

FUND YEARS - 2022, 2021, 2020, 2019, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2022

1 Underwriting Income:		
Regular Contributions (Earned)	\$ 345,177,949	
Additional Contributions	2,781,914	
Dividend & Miscellaneous Income	2,252,240	
Total Income		350,212,103
2 Incurred Liabilities:		
Claims:		
Paid	129,022,093	
Case Reserve (1)	33,619,581	
IBNR Reserve (1)	10,049,171	
Subtotal		172,690,845
Limited Incurred Claims (claims-excess)		172,690,845
Expenses:		
Miscellaneous	431,741	
Excess Insurance Premiums	4,119,554	
MEL	70,357,259	
Environmental Premiums	8,313,030	
POL/EPL	13,615,525	
Administrative	58,443,014	
Subtotal Expenses		155,280,123
Total Incurred Liabilities (limited claims and expenses)		327,970,968
3 Underwriting Surplus/(Deficit) = 1-2		22,241,135
4 Investment Income (Earned)		17,868,580
5 Gross Statutory Surplus/(Deficit) = 3+4		40,109,715

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL OPERATING RESULTS ANALYSIS

Schedule A
Sheet 2 of 2

FUND YEARS - 2022, 2021, 2020, 2019, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2022

6 <u>Return of Surplus:</u>	
Paid	32,093,380
Authorized and Unpaid	432,232
Subtotal Return of Surplus	<u>32,525,612</u>
7 <u>Net Statutory Surplus/(Deficit) = 5-6</u>	<u>7,584,103</u>
8 <u>Future Investment Income on Claims Reserve (2)</u>	
9 <u>Fund Operating Position</u>	<u>\$ 7,584,103</u>

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL BALANCE SHEET

Schedule B

FUND YEARS 2022, 2021, 2020, 2019, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2022

1 Assets:		
Cash and Investments (1)	<u>\$ 24,334,888</u>	24,334,888
Receivables (1):		
Other - Assessments and Receivables	<u>380,895</u>	
Total Receivables		<u>380,895</u>
Total Assets		24,715,783
2 Liabilities:		
Claims:		
Case Reserves	6,737,190	
IBNR Reserves	<u>6,448,108</u>	
Subtotal Claims		13,185,298
Expenses (Paid) (1):		
Other	3,789,062	
Administrative	<u>157,320</u>	
Total Liabilities		<u>17,131,680</u>
3 Net Statutory Surplus/(Deficit) = 1-2		7,584,103
4 Future Investment Income on Claim Reserves		
5 Fund Operating Position		<u>\$ 7,584,103</u>

(1) Refer to Notes to Financial Statements

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2022

DECEMBER 31, 2022

<u>1 Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 17,511,174	
Miscellaneous Income	-	
Total Income		17,511,174
<u>2 Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	1,689,098	
Case Reserve (1)	2,104,545	
IBNR Reserve (1)	3,710,674	
Subtotal		7,504,317
Limited Incurred Claims (claims-excess)		7,504,317
<u>Expenses:</u>		
Excess Insurance Premiums	15,635	
MEL	4,363,514	
Environmental	377,518	
POL/EPL	1,661,272	
Administrative	2,942,282	
Subtotal Expenses		9,360,221
Total Incurred Liabilities (limited claims and expenses)		16,864,538
<u>3 Underwriting Surplus/(Deficit) = 1-2</u>		646,636
<u>4 Investment Income (Earned)</u>		(45,654)
<u>5 Gross Statutory Surplus/(Deficit) = 3+4</u>		600,982

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2022

DECEMBER 31, 2022

Schedule C
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6 Return of Surplus:

Paid	-
Authorized and Unpaid	-
Subtotal Return of Surplus	<u>-</u>

7 Net Statutory Surplus/(Deficit) = 5-6

600,982

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 600,982

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2021

DECEMBER 31, 2022

1 <u>Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 16,151,642	
Miscellaneous Income	-	
Total Income		16,151,642
2 <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	3,056,797	
Case Reserve (1)	1,727,850	
IBNR Reserve (1)	1,653,489	
Subtotal		6,438,136
Limited Incurred Claims (claims-excess)		6,438,136
3 <u>Expenses:</u>		
Excess Insurance Premiums	15,961	
MEL	4,214,874	
Environmental	373,708	
POL/EPL	1,581,335	
Administrative	2,871,741	
Subtotal Expenses		9,057,619
Total Incurred Liabilities (limited claims and expenses)		15,495,755
3 <u>Underwriting Surplus/(Deficit) = 1-2</u>		655,887
4 <u>Investment Income (Earned)</u>		(77,439)
5 <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		578,448

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2021

DECEMBER 31, 2022

Schedule C
Sheet 2 of 2

6 Return of Surplus:

Paid	-
Authorized and Unpaid	-
Subtotal Return of Surplus	<u>-</u>

7 Net Statutory Surplus/(Deficit) = 5-6

578,448

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 578,448

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2020

Schedule C
Sheet 1 of 2

DECEMBER 31, 2022

1 <u>Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 15,869,667	
Miscellaneous Income	-	
Total Income		15,869,667
2 <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	2,802,087	
Case Reserve (1)	1,420,100	
IBNR Reserve (1)	612,312	
Subtotal	<u>4,834,499</u>	
Limited Incurred Claims (claims-excess)		<u>4,834,499</u>
<u>Expenses:</u>		
Excess Insurance Premiums	15,560	
MEL	3,859,111	
Environmental	377,571	
POL/EPL	1,513,236	
Administrative	2,818,127	
Subtotal Expenses	<u>8,583,605</u>	
Total Incurred Liabilities (limited claims and expenses)		<u>13,418,104</u>
3 <u>Underwriting Surplus/(Deficit) = 1-2</u>		2,451,563
4 <u>Investment Income (Earned)</u>		<u>1,248</u>
5 <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		2,452,811

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

FUND YEAR - 2020

DECEMBER 31, 2022

<u>6 Return of Surplus:</u>	
Paid	-
Authorized and Unpaid	-
Subtotal Return of Surplus	<u> -</u>
<u>7 Net Statutory Surplus/(Deficit) = 5-6</u>	<u> 2,452,811</u>
<u>8 Future Investment Income on Claims Reserve (2)</u>	
<u>9 Fund Operating Position</u>	<u> \$ 2,452,811</u>

(1) Refer to Notes to Financial Statements
(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2019

DECEMBER 31, 2022

1 Underwriting Income:		
Regular Contributions (Earned)	\$ 15,491,040	
Miscellaneous Income	-	
Total Income		15,491,040
2 Incurred Liabilities:		
Claims:		
Paid	5,227,692	
Case Reserve (1)	1,484,695	
IBNR Reserve (1)	471,633	
Subtotal		<u>7,184,020</u>
Limited Incurred Claims (claims-excess)		<u>7,184,020</u>
Expenses:		
Excess Insurance Premiums	15,452	
MEL	3,293,204	
Environmental	385,430	
POL/EPL	1,396,833	
Administrative	2,752,103	
Subtotal Expenses		<u>7,843,022</u>
Total Incurred Liabilities (limited claims and expenses)		<u>15,027,042</u>
3 Underwriting Surplus/(Deficit) = 1-2		463,998
4 Investment Income (Earned)		<u>236,238</u>
5 Gross Statutory Surplus/(Deficit) = 3+4		700,236

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2019

DECEMBER 31, 2022

Schedule C
Sheet 2 of 2

6 Return of Surplus:

Paid	-
Authorized and Unpaid	-
Subtotal Return of Surplus	<u>-</u>

7 Net Statutory Surplus/(Deficit) = 5-6

700,236

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 700,236

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2018

DECEMBER 31, 2022

<u>1 Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 14,841,765	
Miscellaneous Income	-	
Total Income		14,841,765
<u>2 Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	4,811,708	
Case Reserve (1)	1,739,972	
IBNR Reserve (1)	441,177	
Subtotal		<u>6,992,857</u>
Limited Incurred Claims (claims-excess)		<u>6,992,857</u>
<u>Expenses:</u>		
Excess Insurance Premiums	15,054	
MEL	3,004,705	
Environmental	373,828	
POL/EPL	1,234,636	
Administrative	2,638,492	
Subtotal Expenses		<u>7,266,715</u>
Total Incurred Liabilities (limited claims and expenses)		<u>14,259,572</u>
<u>3 Underwriting Surplus/(Deficit) = 1-2</u>		582,193
<u>4 Investment Income (Earned)</u>		<u>327,957</u>
<u>5 Gross Statutory Surplus/(Deficit) = 3+4</u>		910,150

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2018

DECEMBER 31, 2022

Schedule C
Sheet 2 of 2

6 Return of Surplus:

Paid	-
Authorized and Unpaid	-
Subtotal Return of Surplus	<u>-</u>

7 Net Statutory Surplus/(Deficit) = 5-6

910,150

8 Transferred to Close Years Fund

910,150

9 Fund Operating Position

\$ -

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

CLOSED YEARS FUND

DECEMBER 31, 2022

1 <u>Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 280,154,426	
Additional Contributions	2,781,914	
Dividend Income	1,790,612	
Miscellaneous Income	461,628	
Total Income		285,188,580
2 <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	116,246,419	
Case Reserve (1)	26,882,391	
IBNR Reserve (1)	3,601,063	
Subtotal		<u>146,729,873</u>
Limited Incurred Claims (claims-excess)		<u>146,729,873</u>
<u>Expenses:</u>		
Intrafunds Payable	247,668	
Interfunds Paid	184,073	
Excess Insurance Premiums	4,056,946	
MEL Premiums	54,626,556	
Environmental Premiums	6,798,803	
POL/EPL	7,462,849	
Administrative	47,058,761	
Subtotal Expenses		<u>120,435,656</u>
Total Incurred Liabilities (limited claims and expenses)		<u>267,165,529</u>
3 <u>Underwriting Surplus/(Deficit) = 1-2</u>		18,023,051
4 <u>Investment Income (Earned)</u>		<u>17,754,187</u>
5 <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		35,777,238

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

CLOSED YEARS FUND

DECEMBER 31, 2022

6	<u>Return of Surplus:</u>	
	Paid	32,093,380
	Authorized and Unpaid	432,232
	Subtotal Return of Surplus	<u>32,525,612</u>
7	<u>Net Statutory Surplus/(Deficit) = 5-6</u>	<u>3,251,626</u>
8	<u>Future Investment Income on Claims Reserve (2)</u>	
9	<u>Fund Operating Position</u>	<u>\$ 3,251,626</u>

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Schedule D

2022 ASSESSMENT YEAR

DECEMBER 31, 2022

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>POL/ EPL</u>	<u>General and Administrative</u>	<u>Total</u>
1 Underwriting Income									
Regular Contributions (Earned)	\$ 987,226	1,421,035	318,856	5,166,963	4,363,514	377,517	1,662,287	3,213,776	17,511,174
Miscellaneous Income									
Total Income	<u>987,226</u>	<u>1,421,035</u>	<u>318,856</u>	<u>5,166,963</u>	<u>4,363,514</u>	<u>377,517</u>	<u>1,662,287</u>	<u>3,213,776</u>	<u>17,511,174</u>
2 Incurred Liabilities									
Claims (Limited Incurred)	1,320,442	1,377,500	341,375	4,465,000	4,363,514	377,518	1,661,272	2,942,282	7,504,317
Expenses	15,635								9,360,221
Total Liabilities	<u>1,336,077</u>	<u>1,377,500</u>	<u>341,375</u>	<u>4,465,000</u>	<u>4,363,514</u>	<u>377,518</u>	<u>1,661,272</u>	<u>2,942,282</u>	<u>16,864,538</u>
3 Underwriting Surplus/(Deficit)	<u>(348,851)</u>	<u>43,535</u>	<u>(22,519)</u>	<u>701,963</u>	<u>-</u>	<u>(1)</u>	<u>1,015</u>	<u>271,494</u>	<u>646,636</u>
4 Adjustments									
Investment Income	(3,654)	(4,253)	(888)	(15,283)	(12,661)	(517)	(7,205)	(1,193)	(45,654)
Transfers (Permanent)									
Total Adjustments	<u>(3,654)</u>	<u>(4,253)</u>	<u>(888)</u>	<u>(15,283)</u>	<u>(12,661)</u>	<u>(517)</u>	<u>(7,205)</u>	<u>(1,193)</u>	<u>(45,654)</u>
5 Gross Statutory Surplus	<u>(352,505)</u>	<u>39,282</u>	<u>(23,407)</u>	<u>686,680</u>	<u>(12,661)</u>	<u>(518)</u>	<u>(6,190)</u>	<u>270,301</u>	<u>600,982</u>
6 Return of Surplus									
7 Net Statutory Surplus	<u>(352,505)</u>	<u>39,282</u>	<u>(23,407)</u>	<u>686,680</u>	<u>(12,661)</u>	<u>(518)</u>	<u>(6,190)</u>	<u>270,301</u>	<u>600,982</u>
8 Temporary Transfers									
9 Temporary Surplus Balance	<u>(352,505)</u>	<u>39,282</u>	<u>(23,407)</u>	<u>686,680</u>	<u>(12,661)</u>	<u>(518)</u>	<u>(6,190)</u>	<u>270,301</u>	<u>600,982</u>
10 Future Investment Income									
11 Future Operating Position	<u>\$ (352,505)</u>	<u>39,282</u>	<u>(23,407)</u>	<u>686,680</u>	<u>(12,661)</u>	<u>(518)</u>	<u>(6,190)</u>	<u>270,301</u>	<u>600,982</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

2021 ASSESSMENT YEAR

DECEMBER 31, 2022

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Earned)	\$ 840,351	1,302,475	308,874	4,800,000	244,440	3,557,636	373,708	1,581,335	3,142,823	16,151,642
Miscellaneous Income	840,351	1,302,475	308,874	4,800,000	244,440	3,557,636	373,708	1,581,335	3,142,823	16,151,642
Total Income										
2 Incurred Liabilities										
Claims (Limited Incurred)	1,314,659	872,796	395,492	3,855,189		4,214,874	373,708	1,581,335	2,871,741	6,438,136
Expenses	15,961	872,796	395,492	3,855,189	-	4,214,874	373,708	1,581,335	2,871,741	9,057,619
Total Liabilities	1,330,620	1,745,592	790,984	7,710,378		8,429,748	747,416	3,162,670	5,743,482	15,495,755
3 Underwriting Surplus/(Deficit)	(490,269)	429,679	(86,618)	944,811	244,440	(657,238)	-	-	271,082	655,887
4 Adjustments										
Investment Income	118	(12,524)	(1,705)	(43,781)	(1,257)	(17,567)	-	-	(723)	(77,439)
Transfers (Permanent)	118	(12,524)	(1,705)	(43,781)	(1,257)	(17,567)	-	-	(723)	(77,439)
Total Adjustments	236	(25,048)	(3,410)	(87,562)	(2,514)	(35,134)	-	-	(1,446)	(154,878)
5 Gross Statutory Surplus	(490,151)	417,155	(88,323)	901,030	243,183	(674,805)	-	-	270,359	578,448
6 Return of Surplus										
7 Net Statutory Surplus	(490,151)	417,155	(88,323)	901,030	243,183	(674,805)	-	-	270,359	578,448
8 Temporary Transfers										
9 Temporary Surplus Balance	(490,151)	417,155	(88,323)	901,030	243,183	(674,805)	-	-	270,359	578,448
10 Future Investment Income										
11 Future Operating Position	\$ (490,151)	417,155	(88,323)	901,030	243,183	(674,805)	-	-	270,359	578,448

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Schedule D

2020 ASSESSMENT YEAR

DECEMBER 31, 2022

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Eamed)	\$ 793,354	1,387,816	325,059	4,666,000	321,401	3,387,252	377,572	1,513,348	3,097,865	15,869,667
Miscellaneous Income	793,354	1,387,816	325,059	4,666,000	321,401	3,387,252	377,572	1,513,348	3,097,865	15,869,667
Total Income										
2 Incurred Liabilities										
Claims (Limited Incurred)	907,844	1,136,184	116,044	2,674,427		3,859,111	377,571	1,513,236	2,818,127	4,834,499
Expenses	15,560					3,859,111	377,571	1,513,236	2,818,127	8,583,605
Total Liabilities	923,404	1,136,184	116,044	2,674,427	-	3,859,111	377,571	1,513,236	2,818,127	13,418,104
3 Underwriting Surplus/(Deficit)	(130,050)	251,632	209,015	1,991,573	321,401	(471,859)	1	112	279,738	2,451,563
4 Adjustments										
Investment Income	4,133	(4,473)	(704)	(6,850)	(1,679)	10,166	(7,924)	(1)	8,580	1,248
Transfers (Permanent)										
Total Adjustments	4,133	(4,473)	(704)	(6,850)	(1,679)	10,166	(7,924)	(1)	8,580	1,248
5 Gross Statutory Surplus	(125,917)	247,159	208,311	1,984,723	319,722	(461,693)	(7,923)	111	288,318	2,452,811
6 Return of Surplus										
7 Net Statutory Surplus	(125,917)	247,159	208,311	1,984,723	319,722	(461,693)	(7,923)	111	288,318	2,452,811
8 Temporary Transfers										
9 Temporary Surplus Balance	(125,917)	247,159	208,311	1,984,723	319,722	(461,693)	(7,923)	111	288,318	2,452,811
10 Future Investment Income										
11 Future Operating Position	\$ (125,917)	247,159	208,311	1,984,723	319,722	(461,693)	(7,923)	111	288,318	2,452,811

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

2019 ASSESSMENT YEAR

DECEMBER 31, 2022

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Earned)	\$ 795,489	1,399,578	332,937	4,643,700	157,516	3,299,796	385,429	1,396,186	3,080,409	15,491,040
Miscellaneous Income	795,489	1,399,578	332,937	4,643,700	157,516	3,299,796	385,429	1,396,186	3,080,409	15,491,040
Total Income										
2 Incurred Liabilities										
Claims (Limited Incurred) Expenses	859,154	1,505,283	244,648	4,574,935	-	3,293,204	385,430	1,396,833	2,752,103	7,184,020
Total Liabilities	874,606	1,505,283	244,648	4,574,935	-	3,293,204	385,430	1,396,833	2,752,103	7,843,022
3 Underwriting Surplus/(Deficit)	(79,117)	(105,705)	88,289	68,765	157,516	6,592	(1)	(647)	328,306	463,998
4 Adjustments										
Investment Income	8,997	32,542	7,559	95,306	(2,667)	57,459	205	-	36,837	236,238
Transfers (Permanent)	8,997	32,542	7,559	95,306	(2,667)	57,459	205	-	36,837	236,238
Total Adjustments										
5 Gross Statutory Surplus	(70,120)	(73,163)	95,848	164,071	154,849	64,051	204	(647)	365,143	700,236
6 Return of Surplus										
7 Net Statutory Surplus	(70,120)	(73,163)	95,848	164,071	154,849	64,051	204	(647)	365,143	700,236
8 Temporary Transfers										
9 Temporary Surplus Balance	(70,120)	(73,163)	95,848	164,071	154,849	64,051	204	(647)	365,143	700,236
10 Future Investment Income										
11 Future Operating Position	\$ (70,120)	(73,163)	95,848	164,071	154,849	64,051	204	(647)	365,143	700,236

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Schedule D

2018 ASSESSMENT YEAR

DECEMBER 31, 2022

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Earned)	\$ 778,249	1,382,110	346,640	4,618,973	136,214	3,011,161	373,828	1,233,980	2,960,610	14,841,765
Miscellaneous Income										
Total Income	<u>778,249</u>	<u>1,382,110</u>	<u>346,640</u>	<u>4,618,973</u>	<u>136,214</u>	<u>3,011,161</u>	<u>373,828</u>	<u>1,233,980</u>	<u>2,960,610</u>	<u>14,841,765</u>
2 Incurred Liabilities										
Claims (Limited Incurred)	909,948	699,184	736,773	4,646,952		3,004,705	373,828	1,234,636	2,638,492	6,992,857
Expenses	15,054									7,266,715
Total Liabilities	<u>925,002</u>	<u>699,184</u>	<u>736,773</u>	<u>4,646,952</u>	<u>-</u>	<u>3,004,705</u>	<u>373,828</u>	<u>1,234,636</u>	<u>2,638,492</u>	<u>14,259,572</u>
3 Underwriting Surplus/(Deficit)	<u>(146,753)</u>	<u>682,926</u>	<u>(390,133)</u>	<u>(27,979)</u>	<u>136,214</u>	<u>6,456</u>	<u>-</u>	<u>(656)</u>	<u>322,118</u>	<u>582,193</u>
4 Adjustments										
Investment Income	6,233	69,268	16,237	172,802	3,726	46,512	380		12,799	327,957
Transfers (Permanent)										
Total Adjustments	<u>6,233</u>	<u>69,268</u>	<u>16,237</u>	<u>172,802</u>	<u>3,726</u>	<u>46,512</u>	<u>380</u>	<u>-</u>	<u>12,799</u>	<u>327,957</u>
5 Gross Statutory Surplus	<u>(140,520)</u>	<u>752,194</u>	<u>(373,896)</u>	<u>144,823</u>	<u>139,940</u>	<u>52,968</u>	<u>380</u>	<u>(656)</u>	<u>334,917</u>	<u>910,150</u>
6 Return of Surplus										
7 Net Statutory Surplus	<u>(140,520)</u>	<u>752,194</u>	<u>(373,896)</u>	<u>144,823</u>	<u>139,940</u>	<u>52,968</u>	<u>380</u>	<u>(656)</u>	<u>334,917</u>	<u>910,150</u>
8 Temporary Transfers										
9 Temporary Surplus Balance	<u>(140,520)</u>	<u>752,194</u>	<u>(373,896)</u>	<u>144,823</u>	<u>139,940</u>	<u>52,968</u>	<u>380</u>	<u>(656)</u>	<u>334,917</u>	<u>910,150</u>
10 Future Investment Income										
11 Transferred to Close Years Fund	<u>\$ (140,520)</u>	<u>752,194</u>	<u>(373,896)</u>	<u>144,823</u>	<u>139,940</u>	<u>52,968</u>	<u>380</u>	<u>(656)</u>	<u>334,917</u>	<u>910,150</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule E

2022 FUND YEAR CLAIMS ANALYSIS

DECEMBER 31, 2022

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	721,316	150,069	34,727	782,986	1,689,098
Case Reserve	598,125	257,064	87,247	1,162,109	2,104,545
IBNR Reserve	1,001	970,367	219,401	2,519,905	3,710,674
Limited Incurred Claims	<u>\$ 1,320,442</u>	<u>1,377,500</u>	<u>341,375</u>	<u>4,465,000</u>	<u>7,504,317</u>
Number of Claims	246	155	54	443	898
Cost/Claim	<u>\$ 5,368</u>	<u>8,887</u>	<u>6,322</u>	<u>10,079</u>	<u>8,357</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

2021 FUND YEAR CLAIMS ANALYSIS

Schedule E

DECEMBER 31, 2022

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 1,211,245	107,417	189,303	1,548,832	3,056,797
Case Reserve	103,414	292,216	46,309	1,285,911	1,727,850
IBNR Reserve	-	473,163	159,880	1,020,446	1,653,489
Limited Incurred Claims	<u>\$ 1,314,659</u>	<u>872,796</u>	<u>395,492</u>	<u>3,855,189</u>	<u>6,438,136</u>
Number of Claims	278	185	89	592	1,144
Cost/Claim	<u>\$ 4,729</u>	<u>4,718</u>	<u>4,444</u>	<u>6,512</u>	<u>5,628</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule E

2020 FUND YEAR CLAIMS ANALYSIS

DECEMBER 31, 2022

	Property	General Liability	Automotive Liability	Worker's Compensation	Totals
Paid Claims	\$ 897,823	253,929	55,068	1,595,267	2,802,087
Case Reserve	10,021	610,461	23,663	775,955	1,420,100
IBNR Reserve	-	271,794	37,313	303,205	612,312
Limited Incurred Claims	\$ 907,844	1,136,184	116,044	2,674,427	4,834,499
Number of Claims	260	159	56	485	960
Cost/Claim	\$ 3,492	7,146	2,072	5,514	5,036

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

2019 FUND YEAR CLAIMS ANALYSIS

Schedule E

DECEMBER 31, 2022

	Property	General Liability	Automotive Liability	Worker's Compensation	Totals
Paid Claims	\$ 859,149	1,110,826	225,300	3,032,417	5,227,692
Case Reserve	5	270,150	6,650	1,207,890	1,484,695
IBNR Reserve	-	124,307	12,698	334,628	471,633
Limited Incurred Claims	\$ 859,154	1,505,283	244,648	4,574,935	7,184,020
Number of Claims	251	215	68	356	890
Cost/Claim	\$ 3,423	7,001	3,598	12,851	8,072

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2022 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2022

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance	\$ 15,635	-	15,635
Environmental Fund Expenses	377,518	-	377,518
MEL Expenses	4,363,514	-	4,363,514
POL/EPL Expenses	1,661,272	-	1,661,272
Administrative Expenses			
Administrator	405,204		405,204
Loss Fund Management	35,808		35,808
Claims Adjuster	672,030		672,030
Safety	280,604	44,430	325,034
Managed Care	215,290	-	215,290
Legal	124,612	11,720	136,332
Treasurer	21,542	-	21,542
Actuary	46,302	-	46,302
Payroll Auditor	20,332	-	20,332
Auditor	-	17,115	17,115
Underwriting Managers	12,745	-	12,745
Risk Manager	932,478	82,520	1,014,998
Miscellaneous	18,015	1,535	19,550
Sub-Total Administrative	<u>2,784,962</u>	<u>157,320</u>	<u>2,942,282</u>
Total Expenses	<u>\$ 9,202,901</u>	<u>157,320</u>	<u>9,360,221</u>

MONMOUTH COUNTY MUNICIPAL**JOINT INSURANCE FUND****FUND YEAR EXPENSE ANALYSIS****2021 ASSESSMENT YEAR****Schedule F****AS OF DECEMBER 31, 2022**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance	\$ 15,961		15,961
Environmental Fund Expenses	373,708		373,708
MEL Expenses	3,558,636	656,238	4,214,874
POL/EPL Expenses	1,581,335		1,581,335
Administrative Expenses			
Administrator	397,260		397,260
Loss Fund Management	35,101		35,101
Claims Adjuster	658,854		658,854
Safety	316,663		316,663
Managed Care	211,069		211,069
Legal	136,222		136,222
Treasurer	21,120		21,120
Actuary	45,394		45,394
Payroll Auditor	16,433		16,433
Auditor	16,779		16,779
Underwriting Managers	12,495		12,495
Risk Manager	987,514		987,514
Miscellaneous	16,837		16,837
Sub-Total Administrative	<u>2,871,741</u>		<u>2,871,741</u>
Total Expenses	<u>\$ 8,401,381</u>	<u>656,238</u>	<u>9,057,619</u>

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2020 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2022

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance	\$ 15,560		15,560
Environmental Fund Expenses	377,571		377,571
MEL Expenses	3,380,662	478,449	3,859,111
POL/EPL Expenses	1,513,236		1,513,236
Administrative Expenses			
Administrator	389,471		389,471
Loss Fund Management	34,413		34,413
Claims Adjuster	645,936		645,936
Safety	307,631		307,631
Managed Care	206,930		206,930
Legal	137,299		137,299
Treasurer	20,706		20,706
Actuary	40,795		40,795
Payroll Auditor	19,542		19,542
Auditor	16,450		16,450
Underwriting Managers	12,250		12,250
Risk Manager	971,410		971,410
Miscellaneous	15,294		15,294
Sub-Total Administrative	<u>2,818,127</u>		<u>2,818,127</u>
Total Expenses	<u>\$ 8,105,156</u>	<u>478,449</u>	<u>8,583,605</u>

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2019 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2022

	<u>Total</u>
Excess Insurance	\$ 15,452
Environmental Fund Expenses	385,430
MEL Expenses	3,293,204
POL/EPL Expenses	1,396,833
Administrative Expenses	
Administrator	381,834
Loss Fund Management	33,738
Claims Adjuster	633,270
Safety	266,830
Managed Care	202,873
Legal	136,628
Treasurer	20,300
Actuary	43,631
Payroll Auditor	11,000
Auditor	16,127
Underwriting Managers	12,009
Risk Manager	955,278
Miscellaneous	38,585
Sub-Total Administrative	<u>2,752,103</u>
Total Expenses	<u>\$ 7,843,022</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR PROGRAM SUMMARY

2022 ASSESSMENT YEAR

PERIOD ENDED DECEMBER 31, 2022

Schedule G

	Coverages		Worker's Compensation	Environmental	Public Officials/ Employment Practices	Cyber	Totals
	General Liability	Auto Liability					
Limits	\$ 125,000,000	\$ 5,000,000	Statutory	\$1,000,000 Third Party \$50,000 On-site Cleanup Cost Liability \$1,000,000 Public Officials Pollution Liability \$ 50,000 De Minimis Abandoned Waste Sites \$1,000,000 Underground Storage	QBE Insurance \$2,000,000	AXA \$3,000,000 spec/\$6,000,000	
Fund Retention: Specific	\$ 100,000	\$ 300,000	\$ 300,000		None		
Excess Insurance	Zurich Insurance \$125,000,000 per occurrence-blanket limit in excess of JIF/MEL \$1,000,000 self-insured retention	Municipal Excess Liability Joint Insurance Fund provides \$4,700,000 in excess of \$300,000 for both liability and automotive. Munich Re provides optional limits excess of \$5,000,000 up to \$15,000,000 excess of \$5,000,000.	Municipal Excess Liability Joint Insurance Fund provides \$1,750,000 in excess of \$300,000 workers' compensation. The \$3,250,000 excess of \$1,750,000 layer is subject to a \$3,500,000 per member local unit. Safety National provides statutory limits excess of JIF/MEL retention \$2,000,000 for workers' compensation and \$5,000,000 for Employers Liability.	\$9,000,000 Ascot Specialty Insurance Co. provides \$9,000,000/\$9,000,000 Occurrence/Aggregate. Munich Re provides optional excess liability reinsurance to the Municipal Excess Liability Joint Insurance Fund		Covbell Cyber Security \$5,000,000 spec/\$6,000,000 Aggregate Excess of AXA Great American \$3,000,000 spec/\$6,000,000 Aggregate Excess of Covbell	
Number of Participants	41	41	41	41	41	41	
Incurred Liabilities	\$ 1,320,442	\$ 1,377,500	\$ 4,465,000				\$ 7,604,317
Exposure Units	\$ 1,355,629,282 Property Values	392,429 Population	\$ 252,080,995 Payroll	392,429 Population	Full time Employees - 2,526 Population - 392,429		
Liabilities/Unit	\$ 0.00	\$ 3.51	\$ 0.02				\$ 134.02

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**ANALYSIS OF CASH AND INVESTMENTS**

Table 1

FUND YEARS 2022, 2021, 2020, 2019, AGGREGATE EXCESS LOSS AND CLOSED YEARS FUND**DECEMBER 31, 2022**

<u>Institution</u>	<u>Amount</u>
State of N.J. - Cash Management Fund Dean Witter Trust Co.	\$ 1,507,793
Investor's Bank - Operating Account	3,456,692
Investor's Bank - Administrative Account	113,519
BNY Mellon - JCMI Account	4,494,053
Wilmington Trust - Investment	<u>14,762,831</u>
	<u>\$ 24,334,888</u>

MONMOUTH COUNTY MUNICIPAL JOINT INUSRANCE FUND

ADMINISTRATIVE EXPENSES PAYABLE

2022 ASSESSMENT YEAR

AT DECEMBER 31, 2022

Table 2

LIABILITIES (ACCRUED)

Safety	\$ 44,430
Legal	11,720
Auditors	17,115
Risk Management Consultant Fees	82,520
Miscellaneous	<u>1,535</u>
Total	<u>\$ 157,320</u>

PART III – REPORT ON INTERNAL CONTROL OVER FINANCIAL

REPORTING

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

Board of Commissioners
Monmouth County Municipal Joint
Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054

We have audited the financial statements of the Monmouth County Municipal Joint Insurance Fund (the "Fund"), as of and for the year ended December 31, 2022, and have issued our report thereon dated May 11, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented or detected and corrected on a timely basis.

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's general-purpose 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 general-purpose 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* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Robert A. Hulsart

ROBERT A. HULSART & COMPANY
Certified Public Accountants

May 11, 2023

PART IV – COMMENTS AND RECOMMENDATIONS

COMMENTS/RECOMMENDATIONS

There are none.

APPRECIATION

We desire to express our appreciation for the assistance and courtesies rendered by the officials during the course of the audit.