

**MONMOUTH COUNTY**  
**JOINT INSURANCE FUND**  
**DECEMBER 31, 2020**

**ROBERT A. HULSART AND COMPANY**  
**Certified Public Accountants**

**2807 Hurley Pond Road, Suite 100**  
**P.O. Box 1409**  
**Wall, New Jersey 07719**

**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 AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the various funds and account groups of the Monmouth County Municipal Joint Insurance Fund (the "Fund"), which comprise the consolidated balance sheets as of December 31, 2020, and the related consolidated statements of operations and changes in net position for the year then ended, and the related consolidated statement of revenues and consolidated statement of expenditures of the various funds for the year ended.

### Management's Responsibility for the Financial Statements

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

### Auditors Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (The "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

### **Auditors Responsibility – (Continued)**

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account groups of the Fund, as of December 31, 2020, and the results of operations and changes in fund balance basis of such funds for the year then ended and the consolidated statements of revenues and consolidated statement of expenditures of the various funds for the year ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

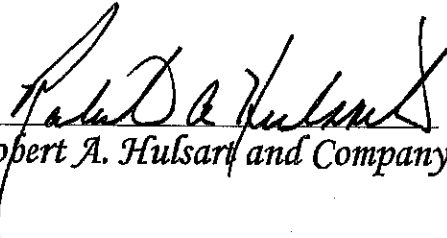
### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued a report dated May 13, 2021 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 reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**Report on Other Legal and Regulatory Requirements – (Continued)**

Our audit was conducted for the purpose of forming opinion on the consolidated financial statements of the Fund taken as a whole. The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



*Robert A. Hulsart and Company*

**Robert A. Hulsart  
Certified Public Accountant  
Registered Municipal Accountant  
R.M.A. Number 158**

May 13, 2021

**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, 2020 and 2019. 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, 2020 and 2019.

SUMMARY OF STATEMENT OF NET POSITION

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents,				
Investments and Receivables	\$ 25,147,789	\$ 24,555,393	\$ 592,396	2.41%
Investment in Joint Ventures	<u>5,634,811</u>	<u>6,146,258</u>	<u>(511,447)</u>	-8.32%
Total Assets	<u>30,782,600</u>	<u>30,701,651</u>	<u>80,949</u>	0.26%
<b>LIABILITIES:</b>				
Loss Reserves	15,138,564	13,481,163	1,657,401	12.29%
Other Liabilities	<u>1,786,755</u>	<u>1,864,435</u>	<u>(77,680)</u>	-4.17%
Total Liabilities	<u>16,925,319</u>	<u>15,345,598</u>	<u>1,579,721</u>	10.29%
<b>UNRESTRICTED NET POSITION</b>	<u>\$ 13,857,281</u>	<u>\$ 15,356,053</u>	<u>\$ (1,498,772)</u>	-9.76%

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

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Revenue:				
Assessments and Other Income	<u>\$ 16,037,805</u>	<u>\$ 15,665,763</u>	<u>\$ 372,042</u>	2.37%
Operating Expenses:				
Provision for Claims & Claims Expense	7,884,456	6,409,876	1,474,580	23.00%
Excess Insurance Premiums	5,797,824	5,353,380	444,444	8.30%
General and Administrative Expenses	<u>2,811,517</u>	<u>2,723,870</u>	<u>87,647</u>	3.22%
Total Operating Expenses	<u>16,493,797</u>	<u>14,487,126</u>	<u>2,006,671</u>	13.85%
Operating Income/(Loss)	(455,992)	1,178,637	(1,634,629)	-138.69%
Non-Operating Income/(Expenses):				
Change in Investment in Joint Ventures	(511,447)	(204,502)	(306,945)	-150.09%
Investment and Dividend Income	675,265	888,044	(212,779)	-23.96%
Return of Surplus	<u>(1,206,598)</u>	<u>(1,408,792)</u>	<u>(202,194)</u>	-14.35%
Change in Net Position	<u>\$ (1,498,772)</u>	<u>\$ 453,387</u>	<u>\$ (1,952,159)</u>	-430.57%

In 2020, the Monmouth County Municipal JIF's (MCMJIF) total assets increased 0.26%. Liabilities increased 10.29% primarily due to a 12.29% increase 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 8.32% reflecting a decrease in equity retained by those entity. Overall, the MCMJIF's unrestricted net position decreased 9.76%.

Operating income decreased 138.69% as a result of a 23.00% increase in Provision for Claims and Claims Expense. Excess Insurance Premiums increased in 2020 by 8.30%. Investment and Dividend Income decreased 23.96% due to a low interest rate environment.

The Fund paid a dividend of \$1,206,598 in 2020 and \$1,408,792 in 2019.

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.

STATEMENT OF NET POSITION

DECEMBER 31

	<u>2020</u>
<b><u>Assets</u></b>	
Cash	\$ 5,172,171
Investments	19,753,681
Accrued Interest Receivable	43,481
Other Receivables	82,895
Other Assets	95,561
Investment in Joint Ventures	<u>5,634,811</u>
Total Assets	<u>\$ 30,782,600</u>
<b><u>Liabilities, Reserves and Net Position</u></b>	
Accounts Payable	\$ 1,786,755
Loss Reserves:	
Case Reserves	8,249,117
IBNR Reserves	<u>6,889,447</u>
Total Liabilities and Reserves	16,925,319
Net Position	<u>13,857,281</u>
Total Liabilities, Reserves and Net Position	<u>\$ 30,782,600</u>

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

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31

	<u>2020</u>
Operating Revenues:	
Assessments	\$ 16,037,805
Total Revenues	<u>16,037,805</u>
Operating Expenses:	
Claims Paid	5,481,387
Excess Insurance Premiums	5,797,824
General & Administrative Expenses	2,811,517
Transfer To/(From) Loss Reserves:	
Case Reserves	(321,901)
IBNR Reserves	<u>2,724,970</u>
Total Expenses	<u>16,493,797</u>
Operating Income/(Loss)	(455,992)
Nonoperating Revenues/(Expenses):	
Investment in Joint Ventures	(511,447)
Dividend Income	206,598
Investment Income	468,667
Return of Surplus	<u>(1,206,598)</u>
Total Nonoperating Income/(Loss)	<u>(1,042,780)</u>
Change in Net Position	(1,498,772)
Total Net Position, January 1	<u>15,356,053</u>
Total Net Position, December 31,	<u>\$ 13,857,281</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31

	<u>2020</u>
Cash Flows from Operating Activities	
Cash Received from Municipal Assessment and Miscellaneous Income	\$ 16,044,310
Cash Paid for Claims & Services	<u>(14,667,607)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,376,703</u>
Cash Flows from Investing Activities	
Net (Purchase) Redemption of Treasury Bills	<u>(487,922)</u>
Cash Flows from Non-Operating Activities	
Interest/Dividends Received	<u>675,265</u>
Cash Flows from Financing Activities	
Equity Distributions	<u>(1,206,598)</u>
Net Increase (Decrease) in Cash	357,448
Cash, Beginning of Year	<u>4,814,723</u>
Cash, End of Year	<u>\$ 5,172,171</u>
<b><u>Reconciliation of Net Cash Provided (Used) by Operating Activities</u></b>	
Operating Income/(Loss)	\$ (455,992)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities	
(Increase) Decrease in Other Assets	(49,364)
Increase (Decrease) in Cash Reserves	(909,551)
Increase (Decrease) in IBNR Reserves	2,566,952
Increase (Decrease) in Accounts Payable	(77,680)
(Increase) Decrease in Receivables	<u>302,338</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,376,703</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, 2020**

**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 (1988-2016). 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, 2020 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 \$25,351,715. Of this amount \$250,000 was covered by Federal depository insurance and the remaining \$25,101,715 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, 2020</u>	<u>Dec. 31, 2019</u>
Insured:		
FDIC	\$ 250,000	250,000
GUDPA	<u>25,101,715</u>	<u>24,283,670</u>
	<u>\$ 25,351,715</u>	<u>24,533,670</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.

**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.

	<b>Close Years Contingency Account</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Unpaid Claims and Claim Adjustment Expenses at Beginning of Year	\$	2,917,775	3,671,483	5,674,647	
Incurred Claims and Claim Adjustment Expenses:					
Provision For Insured Events of the Current Year					7,579,347
Increases (Decreases) in Provision for Insured Events of Prior Years	<u>675,477</u>	<u>102,635</u>	<u>502,116</u>	<u>(503,529)</u>	<u>          </u>
Total Incurred Claims and Claim Adjustment Expense	<u>675,477</u>	<u>3,020,410</u>	<u>4,173,599</u>	<u>5,171,118</u>	<u>7,579,347</u>
Payments:					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year					(1,355,793)
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>(675,477)</u>	<u>(1,182,817)</u>	<u>(1,044,933)</u>	<u>(1,222,367)</u>	<u>          </u>
Total Payments	<u>(675,477)</u>	<u>(1,182,817)</u>	<u>(1,044,933)</u>	<u>(1,222,367)</u>	<u>(1,355,793)</u>
Total Unpaid Claims and Claim Adjustment Expenses at End of Year	\$ <u>          </u>	<u>1,837,593</u>	<u>3,128,666</u>	<u>3,948,751</u>	<u>6,223,554</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-2017 Fund Years.

**NOTE 5: MEMBERSHIP IN JOINT INSURANCE FUND (Continued)**

**Municipal Excess Liability Residual Claims Fund (Continued)**

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 2016. At December 31, 2020, the Fund's share of Net Position decreased to \$1,161,102 from \$1,277,167.

**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, 2020, the Fund's share of Net Position increased to \$1,783,208 from \$1,668,570.

**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, 2020, the Fund's share of Net Position decreased to \$2,690,501 from \$3,200,521.

**NOTE 6: RETURN OF SURPLUS**

The Department of Banking and Insurance approved dividends in the amount of \$1,206,598. The dividend includes \$1,000,000 from the Closed Years account, and \$206,598 from the Environmental Joint Insurance Fund.

**NOTE 7: DEFICIT FUND EQUITY**

At December 31, 2020, the following individual retained earnings accounts were in a deficit position - (see Exhibits C thru C-3):

**Fund Year 2017**

General Liability Fund

\$ 411,819



**NOTE 7: DEFICIT FUND EQUITY (Continued)****Fund Year 2018**

Property Fund	147,092
Automotive Fund	412,495
POL/EPL Fund	656

**Fund Year 2019**

Property Fund	254,092
General Liability Fund	16,282
POL/EPL Fund	647

**Fund Year 2020**

Property Fund	418,568
---------------	---------

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.

**PART II – SUPPLEMENTARY SCHEDULES**

**DEPARTMENT OF BANKING & INSURANCE – STATE FINANCIAL REPORT**

**ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020**

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  
Lori Cole

Alternates:

Jeffry Bertrand  
Adam Hubeny

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 \_\_\_\_\_, 2021

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED BALANCE SHEET

AT DECEMBER 31, 2020

Exhibit A-1

	Closed Years Contingency Fund	Aggregate Excess Loss Fund	Fund Year			Combined Total
			2017	2018	2019	
<b>Assets</b>						
Cash	\$ 1,138,257	193,119	683,898	804,483	991,693	5,172,171
Investments	4,347,258	737,567	2,611,962	3,072,499	3,787,499	19,753,681
Accrued Interest Receivable	9,001	1,239	4,833	5,629	9,381	43,481
Other Receivables	79,331	-	-	-	-	82,895
Other Assets	95,561	-	-	-	-	95,561
<b>Total Assets</b>	<b>\$ 5,669,408</b>	<b>931,925</b>	<b>3,300,693</b>	<b>3,882,611</b>	<b>4,788,573</b>	<b>25,147,789</b>
<b>Liabilities and Equity</b>						
Accounts Payable	\$ 1,520,537	\$ 214,399			3,002	1,786,755
Loss Reserves:						
Case Reserves			1,442,381	2,349,032	2,659,565	8,249,117
IBNR Reserves			395,212	779,634	1,289,166	6,889,447
<b>Total Liabilities</b>	<b>1,520,537</b>	<b>214,399</b>	<b>1,837,593</b>	<b>3,128,666</b>	<b>3,951,753</b>	<b>16,925,319</b>
Equity:						
Retained Earnings - Unreserved	4,148,871	717,526	1,463,100	753,945	836,820	8,222,470
<b>Total Liabilities and Equity</b>	<b>\$ 5,669,408</b>	<b>931,925</b>	<b>3,300,693</b>	<b>3,882,611</b>	<b>4,788,573</b>	<b>25,147,789</b>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit A-2

	Closed Years Contingency Fund	Aggregate Excess Loss Fund	2017	2018	Fund Year		2020	Combined Total
					2019	2020		
Revenues:								
Assessments	\$ -	168,138	-	-	-	-	15,869,667	16,037,805
Total Revenues	-	168,138	-	-	-	-	15,869,667	16,037,805
Expenses:								
Claims Paid	675,477	-	1,182,817	1,044,933	1,222,367	1,355,793	5,481,387	5,481,387
Excess Insurance Premiums	296,396	214,399	-	-	32,721	5,287,029	5,797,824	5,797,824
General & Administrative Expenses	(427,862)	-	(772,443)	(197,268)	(722,447)	1,798,119	2,811,517	2,811,517
Transfer To/(From) Loss Reserves:	(43,728)	(307,739)	(307,739)	(345,549)	(1,003,449)	4,425,435	(321,901)	(321,901)
Case Reserves	500,283	214,399	102,635	502,116	(470,808)	15,645,172	2,724,970	2,724,970
IBNR Reserves	(500,283)	(46,261)	(102,635)	(502,116)	470,808	224,495	(455,992)	(455,992)
Operating Income/(Loss)	(500,283)	(46,261)	(102,635)	(502,116)	470,808	224,495	(455,992)	(455,992)
Nonoperating Income:								
Dividend Income	206,598	-	-	-	-	-	206,598	206,598
Investment Income	124,100	12,806	64,580	73,436	116,032	77,713	468,667	468,667
Total Nonoperating Income	330,698	12,806	64,580	73,436	116,032	77,713	675,265	675,265
Net Income/(Loss)	(169,585)	(33,455)	(38,055)	(428,680)	586,840	302,208	219,273	219,273
Retained Earnings, Beginning of Year	5,525,054	750,981	1,501,155	1,182,625	249,980	9,209,795	9,209,795	9,209,795
Other Financing Sources/(Uses):								
Return of Surplus	(1,206,598)	-	-	-	-	-	(1,206,598)	(1,206,598)
Retained Earnings, End of Year	\$ 4,148,871	717,526	1,463,100	753,945	836,820	302,208	8,222,470	8,222,470

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit A-3

	Closed Years Contingency Fund	Aggregate Excess Loss Fund	Fund Year			Combined Total
			2017	2018	2019	
Cash Flows from Operating Activities:						
Cash Received from Municipal Assessment and Miscellaneous Income	\$ -	174,643	-	-		16,044,310
Cash Paid for Claims & Services	(1,919,046)		(1,171,104)	(1,032,101)	(1,155,593)	(14,667,607)
Net Cash Provided (Used) by Operating Activities	(1,919,046)	174,643	(1,171,104)	(1,032,101)	(1,155,593)	1,376,703
Cash Flows from Investing Activities						
Net (Purchase) Redemption of Treasury Bills	2,260,759	(144,445)	901,251	835,397	856,012	(487,922)
Cash Flows from Non-Operating Activities						
Interest/Dividends Received	330,698	12,806	64,580	73,436	116,032	675,265
Cash Flows from Financing Activities						
Equity Distributions	(1,206,598)	-	-	-	-	(1,206,598)
Net Increase/(Decrease) in Cash	(534,187)	43,004	(205,273)	(123,268)	(183,549)	357,448
Cash, Beginning of Year	1,672,444	150,115	889,171	927,751	1,175,242	4,814,723
Cash, End of Year	\$ 1,138,257	193,119	683,898	804,483	991,693	5,172,171
Reconciliation of Net Cash Provided by Operating Activities						
Operating Income/(Loss)	\$ (500,283)	(46,261)	(102,635)	(502,116)	470,808	(455,992)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					224,495	
Changes in Assets and Liabilities						
(Increase) Decrease in Other Assets	(49,364)					(49,364)
Increase (Decrease) in Case Reserves	(1,015,512)					(909,551)
Increase (Decrease) in IBNR	(201,746)					2,566,952
Increase (Decrease) in Accounts Payables	(223,117)	214,399				(77,680)
(Increase) Decrease in Receivables	70,976	6,505	11,713	12,832	217,274	302,338
Net Cash Provided (Used) by Operating Activities	\$ (1,919,046)	174,643	(1,171,104)	(1,032,101)	(1,155,593)	1,376,703

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2020

FUND YEAR 2020

Exhibit B

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POL/ EPL	General Administration	Total
<b>Assets</b>										
Cash	\$ 31,169	277,108	63,634	839,521	66,691	8,135	-	23	74,440	1,360,721
Investments	119,038	1,058,336	243,032	3,206,318	254,710	31,070	1	89	284,302	5,196,896
Other Receivables	-	-	-	-	-	-	-	-	3,564	3,564
Interest Receivable	409	1,763	399	5,802	-	4,142	-	-	883	13,398
<b>Total Assets</b>	<b>\$ 150,616</b>	<b>1,337,207</b>	<b>307,065</b>	<b>4,051,641</b>	<b>321,401</b>	<b>43,347</b>	<b>1</b>	<b>112</b>	<b>363,189</b>	<b>6,574,579</b>
<b>Liabilities and Equity</b>										
Loss Reserves	\$ 569,184	1,328,474	305,038	4,020,858	-	17,189	-	-	31,628	6,223,554
Accounts Payable	-	-	-	-	-	-	-	-	-	48,817
Retained Earnings:										
Unreserved	(418,568)	8,733	2,027	30,783	321,401	26,158	1	112	331,561	302,208
<b>Total Liabilities and Equity</b>	<b>\$ 150,616</b>	<b>1,337,207</b>	<b>307,065</b>	<b>4,051,641</b>	<b>321,401</b>	<b>43,347</b>	<b>1</b>	<b>112</b>	<b>363,189</b>	<b>6,574,579</b>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2020

FUND YEAR 2019

Exhibit B-1

	<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>
<b>Assets</b>										
Cash	\$ (151,651)	283,844	63,404	659,669	36,540	14,570	48	(647)	85,916	991,693
Investments	-	939,743	209,917	2,184,017	120,976	48,240	158		284,448	3,787,499
Interest Receivable	4	1,627	404	4,080		1,897	-		1,369	9,381
<b>Total Assets</b>	<u>\$ (151,647)</u>	<u>1,225,214</u>	<u>273,725</u>	<u>2,847,766</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>371,733</u>	<u>4,788,573</u>
<b>Liabilities and Equity</b>										
Loss Reserves	\$ 102,445	1,241,496	245,288	2,359,522		-			3,002	3,948,751
Accounts Payable	-									3,002
Retained Earnings:										
Unreserved	(254,092)	(16,282)	28,437	488,244	157,516	64,707	206	(647)	388,731	836,820
<b>Total Liabilities and Equity</b>	<u>\$ (151,647)</u>	<u>1,225,214</u>	<u>273,725</u>	<u>2,847,766</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>371,733</u>	<u>4,788,573</u>



**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**COMBINING BALANCE SHEET AT DECEMBER 31, 2020**

**FUND YEAR 2018**

Exhibit B-2

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POL/ EPL	General Administration	Total
<b>Assets</b>										
Cash	\$ (141,770)	279,055	54,499	489,015	32,943	12,468	90	(656)	78,839	804,483
Investments	-	905,469	176,836	1,586,742	106,889	40,458	290		255,815	3,072,499
Interest Receivable	-	1,634	344	2,932	189	73	-		457	5,629
<b>Total Assets</b>	<b>\$ (141,770)</b>	<b>1,186,158</b>	<b>231,679</b>	<b>2,078,689</b>	<b>140,021</b>	<b>52,999</b>	<b>380</b>	<b>(656)</b>	<b>335,111</b>	<b>3,882,611</b>
<b>Liabilities and Equity</b>										
Loss Reserves	\$ 5,322	572,058	644,174	1,907,112						3,128,666
Retained Earnings:										
Unreserved	(147,092)	614,100	(412,495)	171,577	140,021	52,999	380	(656)	335,111	753,945
<b>Total Liabilities and Equity</b>	<b>\$ (141,770)</b>	<b>1,186,158</b>	<b>231,679</b>	<b>2,078,689</b>	<b>140,021</b>	<b>52,999</b>	<b>380</b>	<b>(656)</b>	<b>335,111</b>	<b>3,882,611</b>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2020

FUND YEAR 2017

Exhibit B-3

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POL/ EPL	General Administration	Total
<b>Assets</b>										
Cash	\$ 62,259	111,832	67,695	330,213	29,837	3,735	61	9	78,257	683,898
Investments	237,782	427,112	258,544	1,261,159	113,952	14,267	231	35	298,880	2,611,962
Interest Receivable	410	817	442	2,435	195	24	-	-	510	4,833
<b>Total Assets</b>	<b>\$ 300,451</b>	<b>539,761</b>	<b>326,681</b>	<b>1,593,807</b>	<b>143,984</b>	<b>18,026</b>	<b>292</b>	<b>44</b>	<b>377,647</b>	<b>3,300,693</b>
<b>Liabilities and Equity</b>										
Loss Reserves	\$ 3,292	951,580	3,778	878,943						1,837,593
Retained Earnings: Unreserved	297,159	(411,819)	322,903	714,864	143,984	18,026	292	44	377,647	1,463,100
<b>Total Liabilities and Equity</b>	<b>\$ 300,451</b>	<b>539,761</b>	<b>326,681</b>	<b>1,593,807</b>	<b>143,984</b>	<b>18,026</b>	<b>292</b>	<b>44</b>	<b>377,647</b>	<b>3,300,693</b>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDBALANCE SHEETAT DECEMBER 31, 2020CLOSED YEARS CONTINGENCY FUND

Exhibit B-4

<u>Assets</u>	
Cash	\$ 1,138,257
Investments	4,347,258
Retro Premium Receivable	79,331
Interest Receivable	9,001
Other Assets	<u>95,561</u>
Total Assets	<u>\$ 5,669,408</u>
<u>Liabilities and Equity</u>	
Accounts Payable	\$ 1,520,537
Retained Earnings - Unreserved	<u>4,148,871</u>
Total Liabilities and Equity	<u>\$ 5,669,408</u>

BALANCE SHEET

AT DECEMBER 31, 2020

AGGREGATE EXCESS LOSS FUND CONTINGENCY

Exhibit B-5

Assets

Cash	\$ 193,119
Investments	737,567
Interest Receivable	<u>1,239</u>
Total Assets	<u>\$ 931,925</u>

Liabilities and Equity

Accounts Payable	\$ 214,399
Retained Earnings - Unreserved	<u>717,526</u>
Total Liabilities and Equity	<u>\$ 931,925</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

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

FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C

FUND YEAR 2020

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
<b>Assessment Revenue</b>										
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	4,111	8,733	2,026	30,783	-	19,568	-	-	12,492	77,713
	<u>797,465</u>	<u>1,396,549</u>	<u>327,085</u>	<u>4,696,783</u>	<u>321,401</u>	<u>3,406,820</u>	<u>377,572</u>	<u>1,513,348</u>	<u>3,110,357</u>	<u>15,947,380</u>
<b>Expenses</b>										
Premiums	15,560									5,287,029
Claims - Paid	631,289	59,342	20,020	645,142						1,355,793
Claims - Loss Reserves	569,184	1,328,474	305,038	4,020,858						6,223,554
Claims Adjustment										645,936
Safety Engineer										271,944
Administrative Fees										389,471
Managed Care										206,930
Professional Services										277,955
Miscellaneous										15,294
Risk Management Consultant Fees										971,266
Total Expenses	<u>1,216,033</u>	<u>1,387,816</u>	<u>325,058</u>	<u>4,666,000</u>	<u>-</u>	<u>3,380,662</u>	<u>377,571</u>	<u>1,513,236</u>	<u>2,778,796</u>	<u>15,645,172</u>
Net Income/(Deficit)	<u>(418,568)</u>	<u>8,733</u>	<u>2,027</u>	<u>30,783</u>	<u>321,401</u>	<u>26,158</u>	<u>1</u>	<u>112</u>	<u>331,561</u>	<u>302,208</u>
<b>Adjustments:</b>										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2020	<u>\$ (418,568)</u>	<u>8,733</u>	<u>2,027</u>	<u>30,783</u>	<u>321,401</u>	<u>26,158</u>	<u>1</u>	<u>112</u>	<u>331,561</u>	<u>302,208</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

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

**FOR THE YEAR ENDED DECEMBER 31, 2020**

Exhibit C-1

FUND YEAR 2019

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General & Administrative Fund	Total
<b>Assessment Revenue</b>										
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	40,106	9,960	119,711	-	58,115	207	-	40,425	277,521
	<u>804,486</u>	<u>1,439,684</u>	<u>342,897</u>	<u>4,763,411</u>	<u>157,516</u>	<u>3,357,911</u>	<u>385,636</u>	<u>1,396,186</u>	<u>3,120,834</u>	<u>15,768,561</u>
<b>Expenses</b>										
Premiums	15,452					3,293,204	385,430	1,396,833		5,090,919
Claims - Paid	940,681	214,470	69,172	1,915,645						3,139,968
Claims - Loss Reserves	102,445	1,241,496	245,288	2,359,522						3,948,751
Claims Adjustment									633,270	633,270
Safety Engineer									266,830	266,830
Administrative Fees									381,834	381,834
Managed Care									202,873	202,873
Professional Services									273,433	273,433
Miscellaneous									38,585	38,585
Risk Management Consultant Fees									955,278	955,278
Total Expenses	<u>1,058,578</u>	<u>1,455,966</u>	<u>314,460</u>	<u>4,275,167</u>	<u>-</u>	<u>3,293,204</u>	<u>385,430</u>	<u>1,396,833</u>	<u>2,752,103</u>	<u>14,931,741</u>
Net Income/(Deficit)	<u>(254,092)</u>	<u>(16,282)</u>	<u>28,437</u>	<u>488,244</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>368,731</u>	<u>836,820</u>
<b>Adjustments:</b>										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2020	<u>\$ (254,092)</u>	<u>(16,282)</u>	<u>28,437</u>	<u>488,244</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>368,731</u>	<u>836,820</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

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

**FOR THE YEAR ENDED DECEMBER 31, 2020**

Exhibit C-2

FUND YEAR 2018

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Contingency Fund	MEL	Environmental Fund	POL/EPL	General & Administrative Fund	Total
<b>Assessment Revenue</b>										
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	69,741	16,203	173,518	3,807	46,543	380	-	12,993	329,418
	<u>784,482</u>	<u>1,451,851</u>	<u>362,843</u>	<u>4,792,491</u>	<u>140,021</u>	<u>3,057,704</u>	<u>374,208</u>	<u>1,233,980</u>	<u>2,973,603</u>	<u>15,171,183</u>
<b>Expenses</b>										
Premiums	15,054					3,004,705	373,828	1,234,636		4,628,223
Claims - Paid	911,198	265,693	131,164	2,713,802						4,021,857
Claims - Loss Reserves	5,322	572,058	644,174	1,907,112						3,128,666
Claims Adjustment									603,493	603,493
Safety Engineer									260,319	260,319
Administrative Fees									397,618	397,618
Managed Care									193,325	193,325
Professional Services									221,894	221,894
Miscellaneous									40,662	40,662
Risk Management Consultant Fees									921,181	921,181
Total Expenses	<u>931,574</u>	<u>837,751</u>	<u>775,338</u>	<u>4,620,914</u>	<u>-</u>	<u>3,004,705</u>	<u>373,828</u>	<u>1,234,636</u>	<u>2,638,492</u>	<u>14,417,238</u>
Net Income/(Deficit)	<u>(147,092)</u>	<u>614,100</u>	<u>(412,495)</u>	<u>171,577</u>	<u>140,021</u>	<u>52,999</u>	<u>380</u>	<u>(656)</u>	<u>335,111</u>	<u>753,945</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2020	<u>\$ (147,092)</u>	<u>614,100</u>	<u>(412,495)</u>	<u>171,577</u>	<u>140,021</u>	<u>52,999</u>	<u>380</u>	<u>(656)</u>	<u>335,111</u>	<u>753,945</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C-3

FUND YEAR 2017

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General & Administrative Fund	Total
<b>Assessment Revenue</b>										
Regular Contributions	\$ 778,765	1,463,272	349,140	4,555,667	136,388	3,137,455	392,140	1,177,602	2,647,948	14,638,377
Other Income:										
Interest Income	17,284	68,632	19,051	153,389	7,596	11,564	292	3	21,036	298,847
	<u>796,049</u>	<u>1,531,904</u>	<u>368,191</u>	<u>4,709,056</u>	<u>143,984</u>	<u>3,149,019</u>	<u>392,432</u>	<u>1,177,605</u>	<u>2,668,984</u>	<u>14,937,224</u>
<b>Expenses</b>										
Premiums	15,331					3,130,993	392,140	1,177,561		4,716,025
Claims - Paid	480,267	992,143	41,510	3,115,249						4,629,169
Claims - Loss Reserves	3,292	951,580	3,778	878,943						1,837,593
Claims Adjustment									591,660	591,660
Safety Engineer									254,727	254,727
Administrative Fees									356,745	356,745
Managed Care									193,334	193,334
Professional Services									195,538	195,538
Miscellaneous									42,931	42,931
Risk Management Consultant Fees									656,402	656,402
Total Expenses	<u>498,890</u>	<u>1,943,723</u>	<u>45,288</u>	<u>3,994,192</u>	<u>-</u>	<u>3,130,993</u>	<u>392,140</u>	<u>1,177,561</u>	<u>2,291,337</u>	<u>13,474,124</u>
Net Income/(Deficit)	<u>297,159</u>	<u>(411,819)</u>	<u>322,903</u>	<u>714,864</u>	<u>143,984</u>	<u>18,026</u>	<u>292</u>	<u>44</u>	<u>377,647</u>	<u>1,463,100</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2020	\$ <u>297,159</u>	<u>(411,819)</u>	<u>322,903</u>	<u>714,864</u>	<u>143,984</u>	<u>18,026</u>	<u>292</u>	<u>44</u>	<u>377,647</u>	<u>1,463,100</u>



MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C-4

FUND YEAR 2016

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
<b>Assessment Revenue</b>										
Regular Contributions	\$ 714,164	1,475,974	322,763	4,678,011	136,624	3,119,560	388,457	1,079,859	2,595,627	14,511,039
Other Income:										
Interest Income	11,016	58,043	12,634	112,590	6,408	280	2,210	-	29,522	232,703
	<u>725,180</u>	<u>1,534,017</u>	<u>335,397</u>	<u>4,790,601</u>	<u>143,032</u>	<u>3,119,840</u>	<u>390,667</u>	<u>1,079,859</u>	<u>2,625,149</u>	<u>14,743,742</u>
<b>Expenses</b>										
Premiums	14,772					3,113,087	388,457	1,081,494		4,597,810
Claims - Paid	473,333	429,000	54,265	2,744,939						3,701,537
Claims - Loss Reserves	2,325	542,058		672,875					580,059	1,217,258
Claims Adjustment									245,099	245,099
Safety Engineer									349,752	349,752
Administrative Fees									189,543	189,543
Managed Care									201,932	201,932
Professional Services									40,289	40,289
Miscellaneous									644,274	644,274
Risk Management Consultant Fees									2,250,948	2,250,948
Total Expenses	<u>490,430</u>	<u>971,058</u>	<u>54,265</u>	<u>3,417,814</u>	<u>-</u>	<u>3,113,087</u>	<u>388,457</u>	<u>1,081,494</u>	<u>2,250,948</u>	<u>11,767,553</u>
Net Income/(Deficit)	<u>234,750</u>	<u>562,959</u>	<u>281,132</u>	<u>1,372,787</u>	<u>143,032</u>	<u>6,753</u>	<u>2,210</u>	<u>(1,635)</u>	<u>374,201</u>	<u>2,976,189</u>
Adjustments:										
Transfers Permanent										
Transferred to Closed Years Fund	\$ <u>234,750</u>	<u>562,959</u>	<u>281,132</u>	<u>1,372,787</u>	<u>143,032</u>	<u>6,753</u>	<u>2,210</u>	<u>(1,635)</u>	<u>374,201</u>	<u>2,976,189</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSFOR THE YEAR ENDED DECEMBER 31, 2020CLOSED YEARS CONTINGENCY FUND

Exhibit C-5

Expenses:	
Excess Insurance Premium	\$ 296,396
Total Expenses	<u>296,396</u>
Operating Income/(Loss)	(296,396)
Non-Operating Income	
Dividend Income	206,598
Interest Income	124,100
Total Non-Operating Income	<u>330,698</u>
Net Income/(Loss)	34,302
Retained Earnings, January 1, 2020	<u>2,548,865</u>
Retained Earnings before Other Financing Sources/(Uses)	2,583,167
Other Financing Sources/(Uses):	
Transfer from 2016 Fund Year	2,772,302
Equity Distributions	<u>(1,206,598)</u>
Total Adjustments	<u>1,565,704</u>
Retained Earnings, December 31, 2020	<u>\$ 4,148,871</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2020

AGGREGATE EXCESS LOSS FUND CONTINGENCY

Exhibit C-6

Revenues:	
Regular Contribution	\$ 168,138
Total Revenues	<u>168,138</u>
Expenses:	
Excess Insurance Premium	<u>214,399</u>
Total Expenses	214,399
Operating Income/(Loss)	(46,261)
Non-Operating Income	
Interest Income	<u>12,806</u>
Total Non-Operating Income	<u>12,806</u>
Net Income/(Loss)	(33,455)
Retained Earnings, January 1, 2020	<u>750,981</u>
Retained Earnings, December 31, 2020	<u>\$ 717,526</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND****STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2020**

Exhibit D

**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	631,289	569,184	(422,679)
General Liability	1,387,816	59,342	1,328,474	-
Automotive	325,059	20,020	305,038	1
Workmen's Compensation	4,666,000	645,142	4,020,858	-
Loss Fund Contingency	321,401		-	321,401
Reinsurance:				
Property Fund-Crime	15,560	15,560		-
Mel	2,318,622	2,318,622		-
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	271,944		62,591
Administrative Fees	389,471	389,471		-
Managed Care	206,930	206,930		-
Professional Services	313,716	277,955		35,761
Miscellaneous	255,492	15,294		240,198
Risk Management Consultant Fees	951,786	971,266		(19,480)
	<u>\$ 15,869,667</u>	<u>9,421,618</u>	<u>6,223,554</u>	<u>224,495</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND****STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2020**

Exhibit D-1

**2019 ASSESSMENT YEAR**

<b><u>Account Description</u></b>	<b><u>Budget</u></b>	<b><u>Expenses</u></b>	<b><u>Loss Reserves</u></b>	<b><u>Variance Excess/ (Deficit)</u></b>
Self Insurance Claims:				
Property	\$ 780,037	940,681	102,445	(263,089)
General Liability	1,399,578	214,470	1,241,496	(56,388)
Automotive	332,937	69,172	245,288	18,477
Workmen's Compensation	4,643,700	1,915,645	2,359,522	368,533
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>10,982,990</u>	<u>3,948,751</u>	<u>580,542</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND****STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2020**

Exhibit D-2

**2018 ASSESSMENT YEAR**

<b><u>Account Description</u></b>	<b><u>Budget</u></b>	<b><u>Expenses</u></b>	<b><u>Loss Reserves</u></b>	<b><u>Variance Excess/ (Deficit)</u></b>
Self Insurance Claims:				
Property	\$ 763,195	911,198	5,322	(153,325)
General Liability	1,382,110	265,693	572,058	544,359
Automotive	346,640	131,164	644,174	(428,698)
Workmen's Compensation	4,618,973	2,713,802	1,907,112	(1,941)
Loss Fund Contingency	136,214		-	136,214
Reinsurance:				
Property Fund-Crime	15,054	15,054		-
Mel	2,139,442	2,109,670		29,772
Mel Property	895,035	895,035		-
Environmental Fund	373,828	373,828		-
POL/EPL Fund	1,233,980	1,234,636		(656)
Expenses:				
Claims Adjustment	603,493	603,493		-
Safety	311,769	260,319		51,450
Administrative Fees	397,618	397,618		-
Managed Care	193,334	193,325		9
Professional Services	245,267	221,894		23,373
Miscellaneous	292,241	40,662		251,579
Risk Management Consultant Fees	916,888	921,181		(4,293)
	<b><u>\$ 14,865,081</u></b>	<b><u>11,288,572</u></b>	<b><u>3,128,666</u></b>	<b><u>447,843</u></b>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND****STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2020**

Exhibit D-3

**2017 ASSESSMENT YEAR**

<b><u>Account Description</u></b>	<b><u>Budget</u></b>	<b><u>Expenses</u></b>	<b><u>Loss Reserves</u></b>	<b><u>Variance Excess/ (Deficit)</u></b>
Self Insurance Claims:				
Property	\$ 763,434	480,267	3,292	279,875
General Liability	1,463,272	992,143	951,580	(480,451)
Automotive	349,140	41,510	3,778	303,852
Workmen's Compensation	4,555,667	3,115,249	878,943	561,475
Loss Fund Contingency	136,388		-	136,388
Reinsurance:				
Property Fund-Crime	15,331	15,331		-
Mel	2,292,895	2,286,433		6,462
Mel Property	844,560	844,560		-
Environmental Fund	392,140	392,140		-
POL/EPL Fund	1,177,602	1,177,561		41
Expenses:				
Claims Adjustment	591,660	591,660		-
Safety	308,207	254,727		53,480
Administrative Fees	356,745	356,745		-
Managed Care	193,334	193,334		-
Professional Services	240,458	195,538		44,920
Miscellaneous	300,324	42,931		257,393
Risk Management Consultant Fees	657,220	656,402		818
	<u>\$ 14,638,377</u>	<u>11,636,531</u>	<u>1,837,593</u>	<u>1,164,253</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL OPERATING RESULTS ANALYSIS

Schedule A  
Sheet 1 of 2

FUND YEARS - 2020, 2019, 2018, 2017, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2020

<b>1 Underwriting Income:</b>		
Regular Contributions (Earned)	\$ 312,407,828	
Additional Contributions	2,781,914	
Dividend & Miscellaneous Income	<u>2,012,857</u>	
Total Income		317,202,599
<b>2 Incurred Liabilities:</b>		
Claims:		
Paid	118,642,258	
Case Reserve (1)	32,788,355	
IBNR Reserve (1)	<u>9,937,031</u>	
Subtotal		<u>161,367,644</u>
Limited Incurred Claims (claims-excess)		<u>161,367,644</u>
<b>Expenses:</b>		
Miscellaneous	431,741	
Excess Insurance Premiums	3,389,502	
MEL	61,337,263	
Environmental Premiums	7,561,804	
POL/EPL	10,372,918	
Administrative	<u>52,589,660</u>	
Subtotal Expenses		<u>135,682,888</u>
Total Incurred Liabilities (limited claims and expenses)		<u>297,050,532</u>
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>		20,152,067
<b>4 Investment Income (Earned)</b>		<u>18,009,702</u>
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>		38,161,769



MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL OPERATING RESULTS ANALYSIS

Schedule A  
Sheet 2 of 2

FUND YEARS - 2020, 2019, 2018, 2017, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2020

<b>6</b> <u>Return of Surplus:</u>	
Paid	29,460,826
Authorized and Unpaid	478,473
Subtotal Return of Surplus	<u>29,939,299</u>
<b>7</b> <u>Net Statutory Surplus/(Deficit) = 5-6</u>	<u>8,222,470</u>
<b>8</b> <u>Future Investment Income on Claims Reserve (2)</u>	
<b>9</b> <u>Fund Operating Position</u>	<u>\$ 8,222,470</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 2020, 2019, 2018, 2017, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2020

<b>1 Assets:</b>		
<b>Cash and Investments (1)</b>	\$ 24,925,852	24,925,852
<b>Receivables (1):</b>		
Other - Assessments and Receivables	221,937	221,937
Total Receivables		<u>221,937</u>
<b>Total Assets</b>		25,147,789
<b>2 Liabilities:</b>		
<b>Claims:</b>		
Case Reserves	8,249,117	
IBNR Reserves	6,889,447	
Subtotal Claims		15,138,564
<b>Expenses (Paid) (1):</b>		
Other	1,752,125	
Administrative	34,630	
<b>Total Liabilities</b>		<u>16,925,319</u>
<b>3 Net Statutory Surplus/(Deficit) = 1-2</b>		8,222,470
<b>4 Future Investment Income on Claim Reserves</b>		
<b>5 Fund Operating Position</b>		<u>\$ 8,222,470</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 - 2020

DECEMBER 31, 2020

<b><u>1 Underwriting Income:</u></b>		
Regular Contributions (Earned)	\$ 15,869,667	
Miscellaneous Income	-	15,869,667
Total Income		
<b><u>2 Incurred Liabilities:</u></b>		
Claims:		
Paid	1,355,793	
Case Reserve (1)	1,798,119	
IBNR Reserve (1)	4,425,435	
Subtotal	<u>7,579,347</u>	
Limited Incurred Claims (claims-excess)	<u>7,579,347</u>	
<b><u>Expenses:</u></b>		
Excess Insurance Premiums	15,560	
MEL	3,380,662	
Environmental	377,571	
POL/EPL	1,513,236	
Administrative	2,778,796	
Subtotal Expenses	<u>8,065,825</u>	
Total Incurred Liabilities (limited claims and expenses)	<u>15,645,172</u>	
<b><u>3 Underwriting Surplus/(Deficit) = 1-2</u></b>		224,495
<b><u>4 Investment Income (Earned)</u></b>		<u>77,713</u>
<b><u>5 Gross Statutory Surplus/(Deficit) = 3+4</u></b>		302,208

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C  
Sheet 2 of 2

FUND YEAR - 2020

DECEMBER 31, 2020

<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>302,208</u>
<u>8 Future Investment Income on Claims Reserve (2)</u>	
<u>9 Fund Operating Position</u>	<u>\$ 302,208</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, 2020**

<b>1 Underwriting Income:</b>		
Regular Contributions (Earned)	\$ 15,491,040	
Miscellaneous Income	-	
Total Income		15,491,040
<b>2 Incurred Liabilities:</b>		
Claims:		
Paid	3,139,968	
Case Reserve (1)	2,659,585	
IBNR Reserve (1)	1,289,166	
Subtotal		<u>7,088,719</u>
Limited Incurred Claims (claims-excess)		<u>7,088,719</u>
<b>Expenses:</b>		
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>14,931,741</u>
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>		559,299
<b>4 Investment Income (Earned)</b>		<u>277,521</u>
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>		836,820

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C  
Sheet 2 of 2

FUND YEAR - 2019

DECEMBER 31, 2020

<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>836,820</u>
<u>8 Future Investment Income on Claims Reserve (2)</u>	
<u>9 Fund Operating Position</u>	<u>\$ 836,820</u>

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule C  
Sheet 1 of 2

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2018

DECEMBER 31, 2020

<b>1 Underwriting Income:</b>		
Regular Contributions (Earned)	\$ 14,841,765	
Miscellaneous Income	-	
Total Income		14,841,765
<b>2 Incurred Liabilities:</b>		
Claims:		
Paid	4,021,857	
Case Reserve (1)	2,349,032	
IBNR Reserve (1)	779,634	
Subtotal		7,150,523
Limited Incurred Claims (claims-excess)		7,150,523
<b>Expenses:</b>		
Excess Insurance Premiums	15,054	
MEL	3,004,705	
Environmental	373,828	
POL/EPL	1,234,636	
Administrative	2,638,492	
Subtotal Expenses		7,266,715
Total Incurred Liabilities (limited claims and expenses)		14,417,238
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>		424,527
<b>4 Investment Income (Earned)</b>		329,418
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>		753,945

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C  
Sheet 2 of 2

FUND YEAR - 2018

DECEMBER 31, 2020

<b>6</b>	<b><u>Return of Surplus:</u></b>	
	Paid	-
	Authorized and Unpaid	-
	Subtotal Return of Surplus	<u>-</u>
<b>7</b>	<b><u>Net Statutory Surplus/(Deficit) = 5-6</u></b>	<u>753,945</u>
<b>8</b>	<b><u>Future Investment Income on Claims Reserve (2)</u></b>	
<b>9</b>	<b><u>Fund Operating Position</u></b>	<u>\$ 753,945</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 - 2017

DECEMBER 31, 2020

<b>1 Underwriting Income:</b>		
Regular Contributions (Earned)	\$ 14,638,377	
Miscellaneous Income	-	
Total Income		14,638,377
<b>2 Incurred Liabilities:</b>		
Claims:		
Paid	4,629,169	
Case Reserve (1)	1,442,381	
IBNR Reserve (1)	395,212	
Subtotal		6,466,762
Limited Incurred Claims (claims-excess)		6,466,762
<b>Expenses:</b>		
Excess Insurance Premiums	15,331	
MEL	3,130,993	
Environmental	392,140	
POL/EPL	1,177,561	
Administrative	2,291,337	
Subtotal Expenses		7,007,362
Total Incurred Liabilities (limited claims and expenses)		13,474,124
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>		1,164,253
<b>4 Investment Income (Earned)</b>		298,847
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>		1,463,100

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C  
Sheet 2 of 2

FUND YEAR - 2017

DECEMBER 31, 2020

<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>1,463,100</u>
<u>8 Future Investment Income on Claims Reserve (2)</u>	
<u>9 Fund Operating Position</u>	<u>\$ 1,463,100</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 - 2016

DECEMBER 31, 2020

<b>1 Underwriting Income:</b>		
Regular Contributions (Earned)	\$ 14,511,039	
Miscellaneous Income	-	
Total Income		14,511,039
<b>2 Incurred Liabilities:</b>		
<u>Claims:</u>		
Paid	3,701,537	
Case Reserve (1)	1,015,512	
IBNR Reserve (1)	201,746	
Subtotal		4,918,795
Limited Incurred Claims (claims-excess)		4,918,795
<u>Expenses:</u>		
Excess Insurance Premiums	14,772	
MEL	3,113,087	
Environmental	388,457	
POL/EPL	1,081,494	
Administrative	2,250,948	
Subtotal Expenses		6,848,758
Total Incurred Liabilities (limited claims and expenses)		11,767,553
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>		2,743,486
<b>4 Investment Income (Earned)</b>		232,703
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>		2,976,189

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C  
Sheet 2 of 2

FUND YEAR - 2016

DECEMBER 31, 2020

6 Return of Surplus:

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

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

2,976,189

8 Transferred to Close Years Fund

2,976,189

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, 2020

<b>1 Underwriting Income:</b>		
Regular Contributions (Earned)	\$ 250,674,284	
Additional Contributions	2,781,914	
Dividend Income	1,551,229	
Miscellaneous Income	461,628	
Total Income		255,469,055
<b>2 Incurred Liabilities:</b>		
Claims:		
Paid	105,495,471	
Case Reserve (1)	24,539,238	
IBNR Reserve (1)	3,047,584	
Subtotal		133,082,293
Limited Incurred Claims (claims-excess)		133,082,293
<b>Expenses:</b>		
Intrafunds Payable	247,668	
Interfunds Paid	184,073	
Excess Insurance Premiums	3,328,105	
MEL Premiums	48,313,300	
Environmental Premiums	6,032,835	
POL/EPL	5,050,652	
Administrative	42,128,932	
Subtotal Expenses		105,285,565
Total Incurred Liabilities (limited claims and expenses)		238,367,858
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>		17,101,197
<b>4 Investment Income (Earned)</b>		16,986,973
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>		34,088,170

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C  
Sheet 2 of 2

CLOSED YEARS FUND

DECEMBER 31, 2020

<u>6 Return of Surplus:</u>	
Paid	29,460,826
Authorized and Unpaid	478,473
Subtotal Return of Surplus	<u>29,939,299</u>
<u>7 Net Statutory Surplus/(Deficit) = 5-6</u>	<u>4,148,871</u>
<u>8 Future Investment Income on Claims Reserve (2)</u>	
<u>9 Fund Operating Position</u>	<u>\$ 4,148,871</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

**AGGREGATE EXCESS LOSS FUND CONTINGENCY**

**DECEMBER 31, 2020**

<b>1 Underwriting Income:</b>			
Regular Contributions (Earned)	\$	<u>892,695</u>	
Total Income			892,695
<b>2 Incurred Liabilities:</b>			
<u>Claims:</u>			
Paid	-		
Case Reserve (1)	-		
IBNR Reserve (1)	-		
Subtotal			<u>-</u>
Limited Incurred Claims (claims-excess)			<u>-</u>
<u>Expenses:</u>			
Miscellaneous Expenses			
Excess Insurance Premiums		<u>214,399</u>	
Subtotal Expenses			<u>214,399</u>
Total Incurred Liabilities (limited claims and expenses)			<u>214,399</u>
<b>3 Underwriting Surplus/(Deficit) = 1-2</b>			<u>678,296</u>
<b>4 Investment Income (Earned)</b>			<u>39,230</u>
<b>5 Gross Statutory Surplus/(Deficit) = 3+4</b>			<u>717,526</u>
<b>6 Return of Surplus:</b>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			<u>-</u>
<b>7 Net Statutory Surplus/(Deficit) = 5-6</b>			<u>717,526</u>
<b>8 Future Investment Income on Claims Reserve (2)</b>			
<b>9 Fund Operating Position</b>			<u>\$ 717,526</u>

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS**

**2020 ASSESSMENT YEAR**

**DECEMBER 31, 2020**

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General and Administrative	Total
<b>1 Underwriting Income</b>										
Regular Contributions (Earned)	\$ 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
<b>2 Incurred Liabilities</b>										
Claims (Limited Incurred)	1,200,473	1,387,816	325,058	4,666,000	-	3,380,662	377,571	1,513,236	2,778,796	7,579,347
Expenses	15,560	1,387,816	325,058	4,666,000	-	3,380,662	377,571	1,513,236	2,778,796	8,065,825
Total Liabilities	1,216,033	1,387,816	325,058	4,666,000	-	3,380,662	377,571	1,513,236	2,778,796	15,645,172
<b>3 Underwriting Surplus/(Deficit)</b>	(422,679)	-	1	-	321,401	6,590	1	112	319,069	224,495
<b>4 Adjustments</b>										
Investment Income	4,111	8,733	2,026	30,783	-	19,568	-	-	12,492	77,713
Transfers (Permanent)	4,111	8,733	2,026	30,783	-	19,568	-	-	12,492	77,713
Total Adjustments	(418,568)	8,733	2,027	30,783	321,401	26,158	1	112	331,561	302,208
<b>5 Gross Statutory Surplus</b>										
<b>6 Return of Surplus</b>										
<b>7 Net Statutory Surplus</b>	(418,568)	8,733	2,027	30,783	321,401	26,158	1	112	331,561	302,208
<b>8 Temporary Transfers</b>										
<b>9 Temporary Surplus Balance</b>	(418,568)	8,733	2,027	30,783	321,401	26,158	1	112	331,561	302,208
<b>10 Future Investment Income</b>										
<b>11 Future Operating Position</b>	\$ (418,568)	8,733	2,027	30,783	321,401	26,158	1	112	331,561	302,208



**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS**

Schedule D

**2019 ASSESSMENT YEAR**

**DECEMBER 31, 2020**

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Loss Fund Contingency</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>POL/EPL</u>	<u>General and Administrative</u>	<u>Total</u>
<b>1 Underwriting Income</b>										
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										
Total Income	<u>795,489</u>	<u>1,399,578</u>	<u>332,937</u>	<u>4,643,700</u>	<u>157,516</u>	<u>3,299,796</u>	<u>385,429</u>	<u>1,396,186</u>	<u>3,080,409</u>	<u>15,491,040</u>
<b>2 Incurred Liabilities</b>										
Claims (Limited Incurred)	1,043,126	1,455,966	314,460	4,275,167		3,293,204	385,430	1,396,833	2,752,103	7,088,719
Expenses	15,452									
Total Liabilities	<u>1,058,578</u>	<u>1,455,966</u>	<u>314,460</u>	<u>4,275,167</u>	<u>-</u>	<u>3,293,204</u>	<u>385,430</u>	<u>1,396,833</u>	<u>2,752,103</u>	<u>7,843,022</u>
<b>3 Underwriting Surplus/(Deficit)</b>	<u>(263,089)</u>	<u>(56,388)</u>	<u>18,477</u>	<u>368,533</u>	<u>157,516</u>	<u>6,592</u>	<u>(1)</u>	<u>(647)</u>	<u>328,306</u>	<u>559,299</u>
<b>4 Adjustments</b>										
Investment Income	8,997	40,106	9,960	119,711	-	58,115	207		40,425	277,521
Transfers (Permanent)										
Total Adjustments	<u>8,997</u>	<u>40,106</u>	<u>9,960</u>	<u>119,711</u>	<u>-</u>	<u>58,115</u>	<u>207</u>	<u>-</u>	<u>40,425</u>	<u>277,521</u>
<b>5 Gross Statutory Surplus</b>	<u>(254,092)</u>	<u>(16,282)</u>	<u>28,437</u>	<u>488,244</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>368,731</u>	<u>836,820</u>
<b>6 Return of Surplus</b>										
<b>7 Net Statutory Surplus</b>	<u>(254,092)</u>	<u>(16,282)</u>	<u>28,437</u>	<u>488,244</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>368,731</u>	<u>836,820</u>
<b>8 Temporary Transfers</b>										
<b>9 Temporary Surplus Balance</b>	<u>(254,092)</u>	<u>(16,282)</u>	<u>28,437</u>	<u>488,244</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>368,731</u>	<u>836,820</u>
<b>10 Future Investment Income</b>										
<b>11 Future Operating Position</b>	<u>\$ (254,092)</u>	<u>(16,282)</u>	<u>28,437</u>	<u>488,244</u>	<u>157,516</u>	<u>64,707</u>	<u>206</u>	<u>(647)</u>	<u>368,731</u>	<u>836,820</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS**

**2018 ASSESSMENT YEAR**

**DECEMBER 31, 2020**

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General and Administrative	Total
<b>1 Underwriting Income</b>										
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>
<b>2 Incurred Liabilities</b>										
Claims (Limited Incurred)	916,520	837,751	775,338	4,620,914		3,004,705	373,828	1,234,636	2,638,492	7,150,523
Expenses	15,054									7,266,715
Total Liabilities	<u>931,574</u>	<u>837,751</u>	<u>775,338</u>	<u>4,620,914</u>	<u>-</u>	<u>3,004,705</u>	<u>373,828</u>	<u>1,234,636</u>	<u>2,638,492</u>	<u>14,417,238</u>
<b>3 Underwriting Surplus/(Deficit)</b>	<u>(153,325)</u>	<u>544,359</u>	<u>(428,698)</u>	<u>(1,941)</u>	<u>136,214</u>	<u>6,456</u>	<u>-</u>	<u>(656)</u>	<u>322,118</u>	<u>424,527</u>
<b>4 Adjustments</b>										
Investment Income	6,233	69,741	16,203	173,518	3,807	46,543	380		12,993	329,418
Transfers (Permanent)										
Total Adjustments	<u>6,233</u>	<u>69,741</u>	<u>16,203</u>	<u>173,518</u>	<u>3,807</u>	<u>46,543</u>	<u>380</u>	<u>-</u>	<u>12,993</u>	<u>329,418</u>
<b>5 Gross Statutory Surplus</b>	<u>(147,092)</u>	<u>614,100</u>	<u>(412,495)</u>	<u>171,577</u>	<u>140,021</u>	<u>52,999</u>	<u>380</u>	<u>(656)</u>	<u>335,111</u>	<u>753,945</u>
<b>6 Return of Surplus</b>										
<b>7 Net Statutory Surplus</b>	<u>(147,092)</u>	<u>614,100</u>	<u>(412,495)</u>	<u>171,577</u>	<u>140,021</u>	<u>52,999</u>	<u>380</u>	<u>(656)</u>	<u>335,111</u>	<u>753,945</u>
<b>8 Temporary Transfers</b>										
<b>9 Temporary Surplus Balance</b>	<u>(147,092)</u>	<u>614,100</u>	<u>(412,495)</u>	<u>171,577</u>	<u>140,021</u>	<u>52,999</u>	<u>380</u>	<u>(656)</u>	<u>335,111</u>	<u>753,945</u>
<b>10 Future Investment Income</b>										
<b>11 Future Operating Position</b>	<u>\$ (147,092)</u>	<u>614,100</u>	<u>(412,495)</u>	<u>171,577</u>	<u>140,021</u>	<u>52,999</u>	<u>380</u>	<u>(656)</u>	<u>335,111</u>	<u>753,945</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS**

**2017 ASSESSMENT YEAR**

DECEMBER 31, 2020

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General and Administrative	Total
<b>1 Underwriting Income</b>										
Regular Contributions (Earned)	\$ 778,765	1,463,272	349,140	4,555,667	136,388	3,137,455	392,140	1,177,602	2,647,948	14,638,377
Miscellaneous Income										
Total Income	<u>778,765</u>	<u>1,463,272</u>	<u>349,140</u>	<u>4,555,667</u>	<u>136,388</u>	<u>3,137,455</u>	<u>392,140</u>	<u>1,177,602</u>	<u>2,647,948</u>	<u>14,638,377</u>
<b>2 Incurred Liabilities</b>										
Claims (Limited Incurred) Expenses	483,559	1,943,723	45,288	3,994,192		3,130,993	392,140	1,177,561	2,291,337	6,466,762
Total Liabilities	<u>483,559</u>	<u>1,943,723</u>	<u>45,288</u>	<u>3,994,192</u>	<u>-</u>	<u>3,130,993</u>	<u>392,140</u>	<u>1,177,561</u>	<u>2,291,337</u>	<u>7,007,362</u>
<b>3 Underwriting Surplus/(Deficit)</b>	<u>279,875</u>	<u>(480,451)</u>	<u>303,852</u>	<u>561,475</u>	<u>136,388</u>	<u>6,462</u>	<u>-</u>	<u>41</u>	<u>356,611</u>	<u>1,164,253</u>
<b>4 Adjustments</b>										
Investment Income	17,284	68,632	19,051	153,389	7,596	11,564	292	3	21,036	298,847
Transfers (Permanent)										
Total Adjustments	<u>17,284</u>	<u>68,632</u>	<u>19,051</u>	<u>153,389</u>	<u>7,596</u>	<u>11,564</u>	<u>292</u>	<u>3</u>	<u>21,036</u>	<u>298,847</u>
<b>5 Gross Statutory Surplus</b>	<u>297,159</u>	<u>(411,819)</u>	<u>322,903</u>	<u>714,864</u>	<u>143,984</u>	<u>18,026</u>	<u>292</u>	<u>44</u>	<u>377,647</u>	<u>1,463,100</u>
<b>6 Return of Surplus</b>										
<b>7 Net Statutory Surplus</b>	<u>297,159</u>	<u>(411,819)</u>	<u>322,903</u>	<u>714,864</u>	<u>143,984</u>	<u>18,026</u>	<u>292</u>	<u>44</u>	<u>377,647</u>	<u>1,463,100</u>
<b>8 Temporary Transfers</b>										
<b>9 Temporary Surplus Balance</b>	<u>297,159</u>	<u>(411,819)</u>	<u>322,903</u>	<u>714,864</u>	<u>143,984</u>	<u>18,026</u>	<u>292</u>	<u>44</u>	<u>377,647</u>	<u>1,463,100</u>
<b>10 Future Investment Income</b>										
<b>11 Future Operating Position</b>	<u>\$ 297,159</u>	<u>(411,819)</u>	<u>322,903</u>	<u>714,864</u>	<u>143,984</u>	<u>18,026</u>	<u>292</u>	<u>44</u>	<u>377,647</u>	<u>1,463,100</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS**

2016 ASSESSMENT YEAR

DECEMBER 31, 2020

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/EPL	General and Administrative	Total
<b>1 Underwriting Income</b>										
Regular Contributions (Earned)	\$ 714,164	1,475,974	322,763	4,678,011	136,624	3,119,560	388,457	1,079,859	2,595,627	14,511,039
Miscellaneous Income	714,164	1,475,974	322,763	4,678,011	136,624	3,119,560	388,457	1,079,859	2,595,627	14,511,039
Total Income										
<b>2 Incurred Liabilities</b>										
Claims (Limited Incurred)	475,658	971,058	54,265	3,417,814	-	3,113,087	388,457	1,081,494	2,250,948	4,918,795
Expenses	14,772	971,058	54,265	3,417,814	-	3,113,087	388,457	1,081,494	2,250,948	6,848,758
Total Liabilities	490,430	971,058	54,265	3,417,814	-	3,113,087	388,457	1,081,494	2,250,948	11,767,553
<b>3 Underwriting Surplus/(Deficit)</b>	223,734	504,916	268,498	1,260,197	136,624	6,473	-	(1,635)	344,679	2,743,486
<b>4 Adjustments</b>										
Investment Income	11,016	58,043	12,634	112,590	6,408	280	2,210	-	29,522	232,703
Transfers (Permanent)										
Total Adjustments	11,016	58,043	12,634	112,590	6,408	280	2,210	-	29,522	232,703
<b>5 Gross Statutory Surplus</b>	234,750	562,959	281,132	1,372,787	143,032	6,753	2,210	(1,635)	374,201	2,976,189
<b>6 Return of Surplus</b>										
<b>7 Net Statutory Surplus</b>	234,750	562,959	281,132	1,372,787	143,032	6,753	2,210	(1,635)	374,201	2,976,189
<b>8 Temporary Transfers</b>										
<b>9 Temporary Surplus Balance</b>	234,750	562,959	281,132	1,372,787	143,032	6,753	2,210	(1,635)	374,201	2,976,189
<b>10 Future Investment Income</b>										
<b>11 Transferred to Close Years Fund</b>	\$ 234,750	562,959	281,132	1,372,787	143,032	6,753	2,210	(1,635)	374,201	2,976,189

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule E

2020 FUND YEAR CLAIMS ANALYSIS

DECEMBER 31, 2020

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 631,289	59,342	20,020	645,142	1,355,793
Case Reserve	568,184	379,887	35,486	814,562	1,798,119
IBNR Reserve	1,000	948,587	269,552	3,206,296	4,425,435
Limited Incurred Claims	<u>\$ 1,200,473</u>	<u>1,387,816</u>	<u>325,058</u>	<u>4,666,000</u>	<u>7,579,347</u>
Number of Claims	252	128	48	474	902
Cost/Claim	<u>\$ 4,764</u>	<u>10,842</u>	<u>6,772</u>	<u>9,844</u>	<u>8,403</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

2019 FUND YEAR CLAIMS ANALYSIS

Schedule E

DECEMBER 31, 2020

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 940,681	214,470	69,172	1,915,645	3,139,968
Case Reserve	102,445	639,685	115,354	1,802,101	2,659,585
IBNR Reserve	-	601,811	129,934	557,421	1,289,166
Limited Incurred Claims	<u>\$ 1,043,126</u>	<u>1,455,966</u>	<u>314,460</u>	<u>4,275,167</u>	<u>7,088,719</u>
Number of Claims	250	204	66	352	872
Cost/Claim	<u>\$ 4,173</u>	<u>7,137</u>	<u>4,765</u>	<u>12,145</u>	<u>8,129</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

2018 FUND YEAR CLAIMS ANALYSIS

Schedule E

DECEMBER 31, 2020

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 911,198	265,693	131,164	2,713,802	4,021,857
Case Reserve	5,322	389,105	429,412	1,525,193	2,349,032
IBNR Reserve	-	182,953	214,762	381,919	779,634
Limited Incurred Claims	<u>\$ 916,520</u>	<u>837,751</u>	<u>775,338</u>	<u>4,620,914</u>	<u>7,150,523</u>
Number of Claims	270	240	83	292	885
Cost/Claim	<u>\$ 3,395</u>	<u>3,491</u>	<u>9,341</u>	<u>15,825</u>	<u>8,080</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

Schedule E

**2017 FUND YEAR CLAIMS ANALYSIS**

**DECEMBER 31, 2020**

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 480,267	992,143	41,510	3,115,249	4,629,169
Case Reserve	3,292	813,253	-	625,836	1,442,381
IBNR Reserve	-	138,327	3,778	253,107	395,212
Limited Incurred Claims	\$ 483,559	1,943,723	45,288	3,994,192	6,466,762
Number of Claims	216	203	64	359	842
Cost/Claim	\$ 2,239	9,575	708	11,126	7,680



**JOINT INSURANCE FUND**

**FUND YEAR EXPENSE ANALYSIS**

**2020 ASSESSMENT YEAR**

**Schedule F**

**AS OF DECEMBER 31, 2020**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<b>Excess Insurance</b>	\$ 15,560	-	15,560
<b>Environmental Fund Expenses</b>	377,571	-	377,571
<b>MEL Expenses</b>	3,380,662	-	3,380,662
<b>POL/EPL Expenses</b>	1,513,236	-	1,513,236
<b>Administrative Expenses</b>			
Administrator	389,471		389,471
Loss Fund Management	34,413		34,413
Claims Adjuster	645,936		645,936
Safety	271,244	700	271,944
Managed Care	206,930		206,930
Legal	125,326	11,973	137,299
Treasurer	20,706		20,706
Actuary	40,795		40,795
Payroll Auditor	16,042		16,042
Auditor	-	16,450	16,450
Underwriting Managers	12,250		12,250
Risk Manager	970,562	704	971,266
Miscellaneous	13,493	1,801	15,294
<b>Sub-Total Administrative</b>	<u>2,747,168</u>	<u>31,628</u>	<u>2,778,796</u>
<b>Total Expenses</b>	<u>\$ 8,034,197</u>	<u>31,628</u>	<u>8,065,825</u>

**MONMOUTH COUNTY MUNICIPAL****JOINT INSURANCE FUND****FUND YEAR EXPENSE ANALYSIS****2019 ASSESSMENT YEAR****Schedule F****AS OF DECEMBER 31, 2020**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<b>Excess Insurance</b>	\$ 15,452	-	15,452
<b>Environmental Fund Expenses</b>	385,430	-	385,430
<b>MEL Expenses</b>	3,293,204	-	3,293,204
<b>POL/EPL Expenses</b>	1,396,833	-	1,396,833
<b>Administrative Expenses</b>			
Administrator	381,834		381,834
Loss Fund Management	33,738		33,738
Claims Adjuster	633,270		633,270
Safety	266,830	-	266,830
Managed Care	202,873		202,873
Legal	136,628	-	136,628
Treasurer	20,300		20,300
Actuary	43,631		43,631
Payroll Auditor	11,000		11,000
Auditor	16,127	-	16,127
Underwriting Managers	12,009		12,009
Risk Manager	952,276	3,002	955,278
Miscellaneous	38,585	-	38,585
<b>Sub-Total Administrative</b>	<u>2,749,101</u>	<u>3,002</u>	<u>2,752,103</u>
<b>Total Expenses</b>	<u>\$ 7,840,020</u>	<u>3,002</u>	<u>7,843,022</u>

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2018 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2020

	<u>Total</u>
Excess Insurance	\$ 15,054
Environmental Fund Expenses	<u>373,828</u>
MEL Expenses	<u>3,004,705</u>
POL/EPL Expenses	<u>1,234,636</u>
<b>Administrative Expenses</b>	
Administrator	397,618
Claims Adjuster	603,493
Safety	260,319
Managed Care	193,325
Legal	113,374
Treasurer	19,902
Actuary	42,775
Payroll Auditor	18,259
Auditor	15,810
Underwriting Managers	11,774
Risk Manager	921,181
Miscellaneous	<u>40,662</u>
Sub-Total Administrative	<u>2,638,492</u>
Total Expenses	<u>\$ 7,266,715</u>

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2017 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2020

	<u>Total</u>
Excess Insurance	\$ 15,331
Environmental Fund Expenses	392,140
MEL Expenses	3,130,993
POL/EPL Expenses	1,177,561
<b>Administrative Expenses</b>	
Administrator	356,745
Claims Adjuster	591,660
Safety	254,727
Managed Care	193,334
Legal	89,145
Treasurer	19,512
Actuary	41,937
Payroll Auditor	17,901
Auditor	15,500
Underwriting Managers	11,543
Risk Manager	656,402
Miscellaneous	42,931
Sub-Total Administrative	2,291,337
Total Expenses	<u>\$ 7,007,362</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**FUND YEAR PROGRAM SUMMARY**  
**2020 ASSESSMENT YEAR**  
**PERIOD ENDING DECEMBER 31, 2020**

	Coverages		Worker's Compensation	Environmental	Public Officers/ Employment Practices	Cyber	Totals
	General Liability	Auto Liability					
<b>Limits</b>	\$ 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	QBE Insurance \$2,000,000	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage	
<b>Fund Retention: Specific</b>	\$ 100,000	\$ 300,000	\$ 300,000	\$ 50,000 De Minimis Abandoned Waste Sites Liability \$1,000,000 Underground Storage	None Members have various deductible or co-insurance based on program compliance	\$25,000 deductible per member \$3,000,000 each/\$6,000,000 policy aggregate	
<b>Excess Insurance</b>	Zurich Insurance \$125,000,000 per occurrence-blanket limit in excess of JIF/MEI \$500,000, self-insured retention	Municipal Excess Liability Joint Insurance Fund provides \$1,700,000 in excess of \$300,000 for both liability and workers' compensation	Underwriters at Lloyd's of London (Brit) provides \$3,000,000 in excess of JIF/MEI retention of \$2,000,000 on a pro-rata basis with the MEI (95% Brit/20% MEI) for liability. Safety National provides statutory limits excess of JIF/MEI retention \$2,000,000 for Workers' Compensation and \$5,000,000 for Employers Liability	\$9,000,000 Ascot Specialty Insurance Co.	Underwriters at Lloyd's of London (Brit) provides optional excess liability reinsurance to the Municipal Excess Liability Joint Insurance on a pro-rata basis 80% Brit/20% MEI. Member optional limits in layers \$2,000,000 through \$8,000,000	Beazley \$6,000,000 policy aggregate	
<b>Number of Participants</b>	41	41	41	41	41	41	
<b>Incurred Liabilities</b>	\$ 1,200,473	\$ 1,397,816	\$ 4,866,000				\$ 7,579,347
<b>Exposure Units</b>	\$ 1,036,926,733 Property Values	389,786 Population	\$ 243,689,644 Payroll	389,786 Population	Full time Employees - 2,517 Population - 389,786		
<b>Liabilities/Unit</b>	\$ 0.00	\$ 3.56	\$ 124.88	\$ 0.02			\$ 128.46

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**ANALYSIS OF CASH AND INVESTMENTS**

Table 1

**FUND YEARS 2020, 2019, 2018, 2017, AGGREGATE EXCESS LOSS AND CLOSED YEARS FUND**

**DECEMBER 31, 2020**

<b><u>Institution</u></b>	<b><u>Amount</u></b>
State of N.J. - Cash Management Fund Dean Witter Trust Co.	\$ 1,484,810
Investor's Bank - Operating Account	3,618,201
Investor's Bank - Administrative Account	69,161
Wilmington Trust - Investment	<u>19,753,680</u>
	<u>\$ 24,925,852</u>

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**

**ADMINISTRATIVE EXPENSES PAYABLE**

**2020 ASSESSMENT YEAR**

**AT DECEMBER 31, 2020**

**Table 2**

**LIABILITIES (ACCRUED)**

Safety	\$ 700
Legal	11,973
Auditors	16,450
Risk Management Consultants	704
Miscellaneous	<u>1,801</u>
Total	<u>\$ 31,628</u>

**ADMINISTRATIVE EXPENSES PAYABLE**

**2019 ASSESSMENT YEAR**

**AT DECEMBER 31, 2020**

**Table 3**

**LIABILITIES (ACCRUED)**

Risk Management Consultants	<u>\$ 3,002</u>
Total	<u>\$ 3,002</u>

**PART III – REPORT ON INTERNAL CONTROL OVER FINANCIAL**  
**REPORTING**



# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

73.

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.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

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

Board of Commissioners  
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, 2020, and have issued our report thereon dated May 13, 2021. 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.

This report is intended solely for the information and use of the management of the Board of Commissioner's, management and the appropriate state agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Robert A. Hulsart*

ROBERT A. HULSART & COMPANY  
Certified Public Accountants

May 13, 2021

**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.