



**REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

ATLANTIC COUNTY
MUNICIPAL JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

New Jersey Department of Insurance Joint Insurance Fund Code: JIF 1Joint Insurance Fund Name: Atlantic County Municipal Joint Insurance Fund

Street Address: _____ Mail Address: 6000 Sagemore Drive
 _____ Suite 6203
 _____ Marlton, NJ 08053

Primary location of books and records: 6000 Sagemore Drive - Suite 6203, Marlton, NJ 08053Statement Contact Person: Paul Forlenza Phone No. (856) 446-9135

EXECUTIVE COMMITTEE

Chairperson	<u>Elizabeth Woods</u>	<u>Ed Grant</u>
Secretary	<u>Jessica Bishop</u>	<u>Scott Wahl</u>
	<u>Roy Spoltore</u>	<u>Varvara Keun</u>
	<u>Heather Sparks</u>	

EXECUTIVE COMMITTEE ALTERNATES

<u>Steve O'Connor</u>	<u>DJ Ayers</u>
<u>Dawn Marie Bascelli</u>	<u>Leigh Ann Nepoli</u>
<u>LaVerne Kim</u>	
<u>Lisa McLaughlin</u>	

State of New Jersey
 County of Atlantic

Elizabeth Woods (Chairperson), Jessica Bishop (Secretary), of the Atlantic
County Municipal Joint Insurance Fund being duly sworn, each for themself

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, 2022 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, 2022, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairperson_____
Secretary

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

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

INDEPENDENT AUDITOR'S REPORT

Executive Committee
Atlantic County Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Atlantic County Municipal Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Cont'd)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Cont'd)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 21, 2023

**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**

INDEPENDENT AUDITOR'S REPORT

Executive Committee
Atlantic County Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Atlantic County Municipal Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 21, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Executive Committee
Atlantic County Municipal Joint Insurance Fund

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from 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 financial statements. 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 Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

A handwritten signature in dark ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 21, 2023

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Atlantic County Municipal Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2022, 2021, and 2020. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance coverage for municipalities that are 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:

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

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

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

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the years ended December 31, 2022, 2021, and 2020.

Net Position Summary	12/31/2022	12/31/2021	12/31/2020	2021 To 2022 Change	
				Amount	Percentage
Assets					
Cash and Cash Equivalents	\$ 22,244,582	\$ 10,919,346	\$ 24,883,701	\$ 11,325,236	50.9%
Investments	24,772,783	39,977,768	28,642,356	(15,204,985)	-61.4%
Other Assets	480,945	1,469,197	2,854,824	(988,252)	-205.5%
Total Assets	<u>47,498,310</u>	<u>52,366,311</u>	<u>56,380,881</u>	<u>(4,868,001)</u>	<u>-10.2%</u>
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	25,230,416	25,790,180	25,071,499	(559,764)	-2.2%
Other Liabilities	8,836,173	7,333,562	8,572,926	1,502,611	17.0%
Total Liabilities	<u>34,066,589</u>	<u>33,123,742</u>	<u>33,644,425</u>	<u>942,847</u>	<u>2.8%</u>
Net Position - Unrestricted	<u>\$ 13,431,721</u>	<u>\$ 19,242,569</u>	<u>\$ 22,736,456</u>	<u>\$ (5,810,848)</u>	<u>-43.3%</u>

Revenues, Expenses, And Changes In Net Position Summary	12/31/2022	12/31/2021	12/31/2020	2021 To 2022 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	<u>\$ 24,334,200</u>	<u>\$ 26,067,381</u>	<u>\$ 22,852,316</u>	<u>\$ (1,733,181)</u>	<u>-7.1%</u>
Operating Expenses:					
Provision For Claims and Claims					
Adjustment Expenses	11,600,231	13,827,511	14,715,925	(2,227,280)	-19.2%
Premium For Excess Insurance	6,679,017	6,591,332	6,497,678	87,685	1.3%
Residual Claims Fund					
Supplemental Assessment	956,455	74,581	632,112	881,874	92.2%
MEL Claims Fund					
Supplemental Assessment	1,140,643	989,876	-	150,767	13.2%
(Over)/Under Funding MEL					
Retro Liability	-	-	(244,453)	-	0.0%
Professional & Contractual Services	<u>3,733,095</u>	<u>3,398,984</u>	<u>3,417,876</u>	<u>334,111</u>	<u>8.9%</u>
Total Operating Expenses	<u>24,109,441</u>	<u>24,882,284</u>	<u>25,019,138</u>	<u>(772,843)</u>	<u>-3.2%</u>
Operating Income (Loss)	224,759	1,185,097	(2,166,822)	(960,338)	-427.3%
Investment Income (Loss)	(1,336,874)	(45,899)	1,177,987	(1,290,975)	-96.6%
Change In Investment In Joint Venture	(948,733)	(883,085)	(449,704)	(65,648)	-6.9%
Distributions To Members	<u>(3,750,000)</u>	<u>(3,750,000)</u>	<u>(3,750,000)</u>	<u>-</u>	<u>0.0%</u>
Change In Net Position	<u>\$ (5,810,848)</u>	<u>\$ (3,493,887)</u>	<u>\$ (5,188,539)</u>	<u>\$ (2,316,961)</u>	<u>-39.9%</u>

Financial Highlights Continued

Cash and Cash Equivalents increased over the prior year by \$11,325,236 while investments decreased by \$15,204,985 and Other Assets decreased by \$988,252 resulting in a net decrease in assets of \$4,868,001 (10.2%) which is driven by unrealized loss in investments. Other Assets include Investments in Joint Ventures (the JIF's ownership of the MEL and RCF), accrued investment income, subrogation receivable, JIF Retrospective potential liability due under the ACM Retrospective Program, and prepaid expenses. As the JIF typically holds all investments to maturity, the unrealized loss will not be recognized as a realized loss. The JIF participates in the JCMI (Joint Cash Management Investment Committee) investment portfolio, which is managed by an Asset Manager. Based upon the size of the portfolio and changes in investment rates, investments may be sold prior to maturity and reinvested for a higher yield. Claims liabilities decreased by 2.2% in case reserves with an increase of 17.0% in Other Liabilities resulting in an overall 2.8% increase (\$942,847) in Total Liabilities & Reserves. The increase in Other Liabilities is a result of changes in State Regulations and Statutes and the impact on the Fund Actuary's IBNR calculations coupled with additional assessments from both the MEL (\$1,140,643) and RCF (\$956,455). The additional assessments for both the MEL and RCF will be re-evaluated at the 12/31/23 valuation and each year subsequently and paid out over ten (10) years. As a result, the overall net position of the Fund decreased by \$5,810,848. It is notable to highlight the JIF released \$3,750,000 in Surplus in the Fall of 2022.

Regular Contributions decreased by approximately \$1,733,181 over 2021 with one member (Dennis Township) qualifying for the Fund Retrospective Program. The Retrospective Program identifies those members that are the driving force behind the Loss Funding increases year to year and removes the risk they place on the Fund by placing these Members in a min/max Loss Funding Contract. The Fund chose to leave the \$5,377 loss-funding obligation in the overall JIF loss-funding budget for 2022. The loss funding allocations by line of coverage are recommended by the Fund Actuary. The reduction to Regular Contributions is being driven by the JIF transferring less from the 2022 Fund Year into the Closed MEL Unencumbered Surplus account per Exhibit A-2 of the Audit. 2021 was the first year where the Closed MEL Unencumbered Surplus was allocated as Regular Contributions, which is why 2021 was significantly higher.

An overall 3.2% decrease in Operating Expenses over the prior year was driven by a 19.2% (\$2,227,280) decrease in Provisions for Claims and Claims Adjusted Expenses, a 1.3% increase (\$87,685) in Premium for Excess Insurance, a 91.4% increase in RCF Supplemental Assessment, a 26.3% increase in MEL Supplemental Assessment, and a 8.9% increase in Professional & Contractual Services driven by the timing of actual payments made. As a result of recent changes in State laws and regulations pertaining to SAM, Fire Fighters' Cancer Presumption, WC Pension offset, COVID, and Title 59 Erosion; the MEL had a deficit position of approximately \$14,700,000 (inclusive of \$4,171,940 unrealized investment income loss) while the RCF had a deficit position of approximately \$21,300,000 (inclusive of \$7,208,708 unrealized investment income loss) as of 12/31/22, prior to the Supplemental Assessments. The MEL recognized that the prior practice of calculating a Surplus Trigger Assessment based upon a set ratio of surplus to reserves and IBNR would have resulted in significant additional assessments that would result in some MEL affiliated JIFs having overall deficit positions. As an alternative, an evaluation by the MEL and RCF Actuary was completed to determine the appropriate MEL and RCF Surplus positions at 12/31/22, and the resulting supplemental assessment to the MEL and MEL affiliated JIFs. The Fund Actuary recognizes the impact of the MEL's liability to the RCF Supplemental Assessment and does not recognize the impact of unrealized investment income loss in the overall Surplus positions. Because of the changes made to the calculations necessary for the MEL and RCF Supplemental Assessments, the MEL Supplemental Assessment was \$16,000,001 and the RCF Supplemental Assessment was \$14,056,726. Due to the changes in legislation and regulations as noted earlier, the TPA has re-evaluated the Case Reserves resulting in significant increases for both the MEL and the RCF. Similarly, the Fund Actuary recognizes this in the IBNR calculations as well. The MEL Case Reserves and IBNR increased approximately \$16,000,000 and the RCF Case Reserves and IBNR increased approximately \$20,000,000 since 12/31/21. As the deterioration is being driven by significant Case Reserves and IBNR, the MEL and RCF are delaying invoicing of the Supplemental Assessment until 2024 utilizing the 12/31/23 valuations. Again, the overall Supplemental Assessments will be invoiced over ten (10) years beginning with the 12/31/23 valuation and revalued each year thereafter.

Financial Highlights Continued

In 2022, Professional & Contractual Services, which includes, but is not limited to the fees to pay Fund Professionals (Actuary, TPA, Administrator, etc.), Member Benefits (Training, Reimbursement Programs, Conference Attendance Fees, etc.), and other Operating Expenses (Printing, Legal Notices, Record Retention Services, etc.) increased from the prior year by 8.9% (\$334,111) as a result of timing for payments made and accruals. Increases in professional fees averaged 2.00%. A new line item was added for Technology Risk Services Director (\$100,000), Police Risk Services increased \$2,000 (8.33%), Cyber Risk Services increased \$151,757 (1841.04%), with a reduction to Technology Risk Management Services of \$13,339 (100%) and Contingency \$15,889 (44.27%). Professional & Contractual Services and Member Benefit costs represented just 13% of the total Fund's budget.

The 2022 MEL Budget increased 9.9% (\$4,708,510) over 2021 prior to exposure growth, which is driven by the hardening of the worldwide excess insurance market. The MEL elected to fund their Loss Funding Budget at the "low" confidence level compared to the standard "central" confidence level provided by the Fund Actuary. The JIF is budgeted an increase of \$187,674 (4.43%) which is a result of the removal of the Retrospective Program tempering the impact of exposure growth and the overall MEL rate increases. Removal of the Retrospective Program reduces the liability of an additional 25% of Workers' Comp and General Liability loss funding. Over the last 18 months, the worldwide insurance market has been hardening due to ongoing natural disasters (i.e., hurricanes & wildfires), the uncertainty arising from the COVID-19 pandemic, the impact of law enforcement related claims, and the impact of social inflation. In response to the hardening market, the MEL is reviewing its current SIR's and considering other funding mechanisms that would allow the MEL to share risk with its reinsurers. The financial strength of the MEL provides an opportunity for it to protect its members against the ravages of the hardening market.

For Fund Year 2022, the JIF EPL/POL insurer AIG issued a 5% statewide premium increase. This increase varies JIF by JIF based upon a revised formula for the pricing of all members based upon their individual exposures and loss performance. This revised formula was necessary when it was determined that good performing members in poor performing JIFs were paying more premium than necessary while poor performing members in good performing JIFs were not paying enough premium to cover their exposures. 2022 was year 4 of a 5-year phase-in process. Some members will see significant swings in their premium until the new process is fully implemented. As the ACM JIF had historically been a poor performer in this line of coverage and received significant increases annually, the JIF became over assessed. As a result, the EPL/POL decrease was 12.0% prior to the application of member deductibles, buy downs, and land use premium.

Volunteer, Directors, and Officers Liability Coverage remained with QBE at expiring rates.

Cyber Liability Coverage consists of loss funds within the MEL layer, primary coverage with XL Insurance, and excess coverage with Beazley. MEL loss funds increased 70%, primary coverage increased 100%, and excess liability coverage increased 100%.

In 2022, the Fund authorized a surplus release of \$3,750,000 to its members, which was a flat 0.0% increase over what was released in 2021. It should be noted that the Fund had a surplus of approximately \$13.0 million at December 31, 2022 and continues to take a prudent approach toward surplus distribution in recognition of trends potentially affecting the Fund's overall financial strength balanced with the needs of members' local budgets.

Economic Conditions

Continuing a trend from the last year, several factors outside the control of the Fund continue to influence its financial condition. As noted above, the MEL has experienced an unprecedented impact on their financials resulting in the member JIFs having to absorb some \$16 million in claims costs via Supplemental Assessment to place the

Economic Conditions Continued

MEL in a surplus position. The costs associated with ongoing COVID related costs whether they result from new claims, reopeners, and/or long haulers, the costs of COVID related claims are continuing to influence the Fund. Beyond the impact of COVID claims, the Fund must still budget in anticipation of increasing health care costs and indemnity costs both of which are being impacted by unprecedented inflationary pressures. In addition, municipalities continue to have a great deal of difficulty in hiring new/replacement personnel. While certainly a concern across all employers, it appears to be greatly amplified in the public sector as employees are retiring earlier to collect a guaranteed pension. As a result, public employers are asking existing employees to take on additional responsibilities for which they might not be qualified and reducing their hiring standards that could lead to additional claims in the future. All of these issues are against a backdrop of an ever-increasing petitioner friendly court vicinage, an ever-expanding definition of compensability, and a continued increase in the number of claim “re-openers” being filed by previously injured employees.

The issues described above have been exasperated by acts of the New Jersey Legislature. Concerning COVID, the State enacted legislation in 2020 creating a presumption that made all COVID claims from first responders and essential employees eligible for workers compensation benefits. This made it very difficult for the Fund to deny any COVID related claims. The JIF & MEL continue to manage ongoing costs associated with COVID “long haulers” While not a current source of new claims, in 2020, the New Jersey Legislature amended various statutes thereby opening the Fund to potential liability for claims of sexual abuse and molestation that could have occurred many years ago. Specifically, the statute opened a two-year window where victims of sexual abuse and molestation could bring a claim against a responsible party for incidents that were previously banned due to an existing two-year statute of limitations and removes the statute of limitations for these types of claims going forward. Thankfully, the Fund has not seen as many claims as was originally anticipated; however, those that have been received have been very expensive to investigate, manage, and settle. In addition, the Actuary must consider the potential for additional claims from future events due to these legislative changes.

A third legislative change came from an amendment to the New Jersey Workers Compensation Law that makes certain types of cancers developed by fire fighters compensable. Again, the cancer might have manifested years ago; however, if the fire fighter meets the parameters in the law, the costs associated with their cancer will be compensable under the New Jersey Workers Compensation Law. While the number of these claims so far has been minimal, it is likely that the number of claims will increase as word of this legislative change spreads in a post pandemic setting.

An additional factor outside of the Fund’s control affecting its financial position is the worldwide insurance market that has become very difficult over the two years. With an increasing number of natural disasters, the impact of global warming, and the increasing costs of building materials, the excess property insurance market has experienced increasing rates, stricter coverage terms, reduced limits, and a demand for more detailed exposure data. The excess liability market has experienced a similar trend due to increasing law enforcement liability claims, the impact of “social inflation”, and the general eroding of New Jersey Title 59 immunities due to judicial decisions and legislative changes. In addition, the workers compensation market is becoming more challenging because of the financial impact of the COVID 19 pandemic, the expanding definition of compensability, and changes to State statute. Finally, the cyber insurance market has become very difficult due to the increasing number of high-profile attacks against large corporations and public infrastructure projects as well as the recognition that these attacks are becoming much more sophisticated and difficult to defend. As a result, the local JIFs and the MEL created a specialty JIF to provide specific coverage and risk management tools to its members effective January 1, 2023.

Finally, as noted above, the JIF has recognized an unprecedented unrealized loss in its investment portfolio due to the Federal Reserve Board’s aggressive increase in short term interest rates to try to combat inflation. While the establishment of, and participation in, the Joint Cash Management & Investment Committee has created greater liquidity in the municipal debt marketplace, thereby driving down the costs of borrowing for municipalities throughout the State, it has had an unintended negative impact on those JIFs participating in the Program.

Contacting the Fund's Management

This financial report is designed to provide the Atlantic County Municipal Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Atlantic County Municipal Joint Insurance Fund office located at 6000 Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9100.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 22,244,582	\$ 10,919,346
Investments	24,772,783	39,977,768
Investment in Joint Ventures	378,884	1,327,617
Accrued Interest Receivable	39,207	78,713
JIF Retro Program	60,388	60,388
Prepaid Expenses	2,466	2,479
	<hr/>	<hr/>
Total Assets	47,498,310	52,366,311
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Expenses	532,626	318,082
Due to Residual Claims Fund	1,903,409	1,606,050
Residual Claims Fund Supplemental Assessment	956,455	74,581
MEL Claims Fund Supplemental Assessment	1,140,643	989,876
Aggregate Excess Loss Fund Contingency	941,070	1,048,442
Authorized Return of Surplus	3,361,970	3,296,531
	<hr/>	<hr/>
Total Liabilities	8,836,173	7,333,562
	<hr/>	<hr/>
Reserves:		
Claims:		
Case Reserves	14,549,063	16,529,625
IBNR Reserves	11,765,829	10,129,933
Excess Insurance Recoverable	(1,084,476)	(869,378)
	<hr/>	<hr/>
Total Reserves	25,230,416	25,790,180
	<hr/>	<hr/>
Total Liabilities and Reserves	34,066,589	33,123,742
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	\$ 13,431,721	\$ 19,242,569
	<hr/>	<hr/>

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

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Regular Contributions	\$ 24,202,825	\$ 23,074,692
MEL Surplus Transfer	131,375	2,970,391
JIF Retro Program Income	-	20,798
Other Income	-	1,500
	<hr/>	<hr/>
Total Operating Revenues	24,334,200	26,067,381
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	11,600,231	13,827,511
Premium for Excess Insurance	6,679,017	6,591,332
Residual Claims Fund Supplemental Assessment	956,455	74,581
MEL Claims Fund Supplemental Assessment	1,140,643	989,876
Other Operating Expenses:		
Actuary - The Actuarial Advantage	39,576	42,889
Administration - Risk Program Administrators	1,036,960	1,016,627
Administrative Consultant - PERMA, Inc.	44,933	44,052
Application Fee	-	1,500
Attorney - DeWeese Law Firm, P.C.	135,873	133,209
Auditor - Bowman & Company LLP	20,582	20,178
Claims Administration - Qual-Lynx	855,157	828,169
Claims Auditor - North Shore Risk Consulting	46,080	(33,000)
Contingency - Various	13,997	7,600
Other Expenses - Various	52,919	30,726
Payroll Auditor - Bowman & Company LLP	17,735	17,387
Property Appraiser - AssetWorks, LLC	59,158	32,768
Risk Management Consultants - Various	711,480	693,771
Safety Director - J.A. Montgomery Risk Control Services	227,098	222,645
Safety Programs/ EPL Cyber - Various	337,262	209,390
Treasurer - John Hansen	25,000	24,514
Underwriting Manager - Conner Strong & Buckelew	12,496	12,251
Wellness Program - Various	96,789	94,308
	<hr/>	<hr/>
Total Operating Expenses	24,109,441	24,882,284
	<hr/>	<hr/>
Operating Income	224,759	1,185,097
Non-Operating Expenses:		
Investment Loss	(1,336,874)	(45,899)
Change in Investment in Joint Ventures	(948,733)	(883,085)
	<hr/>	<hr/>
Change in Net Position	(2,060,848)	256,113
Net Position, Beginning	19,242,569	22,736,456
	<hr/>	<hr/>
Net Position Before Distributions to Members	17,181,721	22,992,569
Distributions to Members	3,750,000	3,750,000
	<hr/>	<hr/>
Net Position, Ending	\$ 13,431,721	\$ 19,242,569
	<hr/>	<hr/>

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

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 24,334,200	\$ 26,045,083
Receipts from Other Income	-	1,500
Payments for Claim Payments	(11,862,636)	(12,340,284)
Payments for Insurance Premiums	(7,743,570)	(9,558,048)
Payments to Professionals and Suppliers	<u>(3,518,442)</u>	<u>(3,407,205)</u>
Net Cash Flows Provided by Operating Activities	<u>1,209,552</u>	<u>741,046</u>
Cash Flows From Investing Activities:		
Redemption of Investment Securities	65,717,000	9,200,000
Purchase of Investment Securities	(52,490,070)	(21,137,556)
Investment Income	<u>680,687</u>	<u>602,147</u>
Net Cash Flows Provided by (Used In) Investing Activities	<u>13,907,617</u>	<u>(11,335,409)</u>
Cash Flows Used in Noncapital Financing Activities:		
Distribution to Members	<u>(3,791,933)</u>	<u>(3,369,992)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,325,236	(13,964,355)
Cash and Cash Equivalents - Beginning	<u>10,919,346</u>	<u>24,883,701</u>
Cash and Cash Equivalents - Ending	<u>\$ 22,244,581</u>	<u>\$ 10,919,346</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 224,759	\$ 1,185,097
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Excess Insurance Receivable	-	477,572
JIF Retro Program	-	(20,798)
Prepaid Expenses	13	(134)
Accrued Expenses	214,544	(7,991)
MEL Claims Fund Supplemental Assessment	150,767	1,001,202
MEL Retrospective Potential Obligation	-	(2,334,700)
Due to Residual Claims Fund	297,359	290,974
RCF Claims Fund Supplemental Assessment	881,874	(568,857)
Claims Reserves	<u>(559,764)</u>	<u>718,681</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 1,209,552</u>	<u>\$ 741,046</u>
Supplemental Disclosure - Noncash Activity:		
Unrealized Loss on Investments		
included in Investment Income	<u>\$ (2,068,994)</u>	<u>\$ (678,908)</u>
Change in Investment in Joint Ventures	<u>\$ (948,733)</u>	<u>\$ (883,085)</u>

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

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

On January 1, 1987, the Atlantic County Municipal Joint Insurance Fund (the "Fund") was formed 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 and N.J.S.A. 11:15-3 of the New Jersey Statutes. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

The Executive Committee of the Fund may approve subsequent membership by a two-thirds vote or may terminate any member by a majority vote, after proper notice has been given. New memberships are effective upon approval by the Commissioners of Banking and Insurance and the Department of Community Affairs. Early terminations require prior approval by the Commissioner of Insurance. The members of the Fund must also be members of the Municipal Excess Liability Joint Insurance Fund ("MEL").

During the year ended December 31, 2022, members of the Fund included: Absecon City, Avalon Borough, Brigantine City, Buena Borough, Cape May City, Cape May Point Borough, Commercial Township, Corbin City, Deerfield Township, Dennis Township, Downe Township, Egg Harbor Township, Estell Manor, Folsom Borough, Galloway Township, Hamilton Township, Linwood City, Longport Borough, Lower Township, Margate City, Middle Township, Millville City, Mullica Township, Newfield Borough, North Wildwood City, Northfield City, Ocean City, Pleasantville City, Sea Isle City, Somers Point City, Stone Harbor Borough, Upper Deerfield Township, Upper Township, Ventnor City, Waterford Township, West Cape May Borough, West Wildwood Borough, Weymouth Township, Wildwood City, Wildwood Crest Borough and Woodbine Borough.

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund offers the following coverages to its members:

- Workers' Compensation including Employers' Liability.
- General Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Automobile Liability and damage.
- Public Employees Blanket Bond.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Fund in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, The Financial Reporting Entity, as amended. Blended component units, although legally separate entities, are in substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Fund has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on the fair value of investments are allocated every month based upon each line of coverage's share of opening cash and investment balances.

Annual Contributions

Annual contributions are based on loss funds as determined by the Fund's actuary and are received in two installments. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Executive Committee.

Supplemental Contributions

The Executive Committee shall by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Retrospective Assessment Program

Beginning in Fund Year 2011, the Finance Committee opted to introduce a Retrospective Assessment Program that identifies those members that are the driving force behind the Loss Funding increases year to year and remove the risk they place on the Fund by capping these members in a min/max contract.

Each year the Fund performs an analysis of each member's performance over the prior three and six year periods to determine those members that are having the greatest negative impact on the Fund's surplus position. The actuary re-prices the premiums for these members as if they were stand-alone members in the Fund. The Fund can then reduce the amount of the Loss Funding Budget by the difference between the member's loss funding assessment and the Actuary's loss funding assessment or a percentage amount as determined by the Finance Committee. Each remaining member of the Fund is then slotted into their appropriate assessment increase/decrease category based upon their performance.

Those members in the Retrospective Assessment Program are then given an increase equal to the increase in the loss funding budget had they remained in the original loss funding formula.

The Program is designed to enable members with losses in excess of budget to spread potentially large increases in loss funding over a number of years easing a potential burden on their local budget and providing them time to address claims and loss issues. The program provides a financial incentive to improve performance. Members of the Fund who have succeeded in maintaining losses at or below budget levels benefit in that they are no longer supplementing poor performing members.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **Reported Claims Case Reserves**

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.

B. **Claims Incurred But Not Reported (IBNR) Reserve**

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage Inc.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2022 and 2021. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage

Coverage in excess of the Fund's self-insured retention limit is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund as described in Note 6.

Fund Transfers

All fund transfers are recognized at the time actual transfers take place.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Transfers (Cont'd)

Inter-year fund transfers may be conducted by the Fund at any time. Inter-year fund transfers require prior approval of the Department of Banking and Insurance and may be conducted only where each member participates in each and every loss retention fund account during that fund year.

The Commissioner of the Department of Banking and Insurance shall waive the full participation requirement provided the Fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.

The Fund may seek approval from the Commissioner to make inter-year fund transfers at any time from a claims or loss retention trust account from any year, which has been completed for at least twenty-four months. The inter-year fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

The membership for each year involving inter-year transfers must be identical between years. The Commissioner of the Department of Banking and Insurance shall waive the identical membership requirement provided the fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization of the Executive Committee. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by the Fund's actuary may be declared to be refundable by the Fund no less than twenty-four months after the end of the year.

The initial and any subsequent refund for any year from a Claim or Loss Retention Account is subject to the limitation that after the refund, the remaining net current surplus must exceed thirty-five percent of unpaid claims for that year. In later years, the Fund can seek annual approval for payment of refunds from a Claim or Loss Retention Account remaining from any year, which has been completed for at least thirty-six months or longer and may include such refund payments with initial refund payments from the preceding year. A full and final refund is not allowed until all case reserves and IBNR reserves are closed.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Commissioners/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities and positive changes in the Fund's investment in joint ventures.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Fund's investment in joint ventures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$6,084,995 as of December 31, 2022, \$273,935 was insured while \$5,811,060 was collateralized under GUDPA.

Of the Fund's bank balance of \$11,353,598 as of December 31, 2021, \$270,811 was insured while \$11,082,787 was collateralized under GUDPA.

Cash and Cash Equivalents includes investments in U.S. Treasury Bills with maturities of 3 months or less. U.S. Treasury Bills are not FDIC insured or collateralized by GUPDA but are backed by the U.S. government. The value of U.S. Treasury Bills were \$16,624,176 as of December 31, 2022.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in United States Treasury Notes and the Joint Cash Management and Investment Program of \$24,772,783 and \$39,977,768 as of December 31, 2022 and 2021, respectively, were held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Fund may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Fund has no investment policy that would further limit its investment choices.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Concentration of Credit Risk

The Fund does not place a limit on the amount that may be invested in any one issuer. All of the Fund's investments are in debt obligations and joint investment pools.

Joint Cash Management and Investment Program

During the year, the Fund participated in the Joint Management and Investment Program (the "JCMI"). The JCMI was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes, which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The JCMI is designed to ensure the quality of investments to minimize risk to the JCMI's participants. The program is administered by the Municipal Excess Liability Joint Insurance Fund (the "MEL").

As of December 31, 2022 and 2021, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy Level *</u>	<u>Market Value</u>	
					<u>2022</u>	<u>2021</u>
U.S. TREASURY NOTE	1.500%	01/31/22	AAA	Level 1	\$ -	\$ 1,001,100
U.S. TREASURY NOTE	1.875%	02/28/22	AAA	Level 1	-	5,149,481
U.S. TREASURY NOTE	1.750%	03/31/22	AAA	Level 1	-	2,007,920
U.S. TREASURY NOTE	1.750%	06/30/22	AAA	Level 1	-	2,015,160
U.S. TREASURY NOTE	1.500%	08/15/22	AAA	Level 1	-	1,253,579
U.S. TREASURY NOTE	1.500%	09/15/22	AAA	Level 1	-	1,058,988
U.S. TREASURY NOTE	1.375%	10/15/22	AAA	Level 1	-	1,038,291
U.S. TREASURY NOTE	1.500%	02/28/23	AAA	Level 1	1,005,364	1,021,958
U.S. TREASURY NOTE	1.625%	05/31/23	AAA	Level 1	2,322,364	2,385,438
U.S. TREASURY NOTE	1.375%	09/30/23	AAA	Level 1	2,048,823	2,125,431
JOINT CASH MANAGEMENT						
INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	19,396,232	20,920,422
					<u>\$ 24,772,783</u>	<u>\$ 39,977,768</u>

Fair Value Measurements of Investments

* The Fund categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Fair Value Measurements of Investments (Cont'd)

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Investment Loss

The following schedule summarizes the net investment loss for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investment Income	\$ 656,943	\$ 575,411
Less: Investment Expenses	<u>25,843</u>	<u>18,220</u>
Net Investment Earnings	631,100	557,191
Other Adjustments:		
Realized Gain	101,020	75,820
Unrealized Loss	<u>(2,068,994)</u>	<u>(678,910)</u>
Total Investment Loss	<u><u>\$ (1,336,874)</u></u>	<u><u>\$ (45,899)</u></u>

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses. The following represents changes in those aggregate undiscounted reported and unreported liabilities for the years ended December 31, 2022 and 2021 and for all open Fund years net of excess insurance recoveries:

	<u>2022</u>	<u>2021</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 27,396,230</u>	<u>\$ 26,386,575</u>
Incurring claims and claims adjustment expenses:		
Provision for insured events of current fund year	12,742,087	15,236,056
Changes in provision for insured events of prior fund years	<u>(1,141,856)</u>	<u>(1,408,545)</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES (CONT'D)

	<u>2022</u>	<u>2021</u>
Total incurred claims and claims adjustment expenses all fund years	\$ 11,600,231	\$ 13,827,511
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	2,675,957	3,876,746
Attributable to insured events of prior fund years	9,186,679	8,941,110
Total payments all fund years	11,862,636	12,817,856
Total unpaid claim and claim adjustment expenses all fund years - Ending	\$ 27,133,825	\$ 27,396,230
Analysis of Balance:		
Due to Residual Claims Fund	\$ 1,903,409	\$ 1,606,050
Net Reserves	25,230,416	25,790,180
	\$ 27,133,825	\$ 27,396,230

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

Municipal Excess Liability Residual Claims Fund

The Fund is currently a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members. The transfer of loss reserves to the Residual Fund results in the closing of fund years and the unencumbering of the net position related to those closed fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected.

As a member of the Residual Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Residual Fund were to be exhausted, members would become jointly and severely liable for the Residual Fund's liabilities.

The Residual Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year. In accordance 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.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS (CONT'D)

Municipal Excess Liability Joint Insurance Fund

The Fund is currently a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the MEL are elected.

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

The MEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

Equity Interest

As of December 31, 2022 and 2021, the Fund's share of net position of the Residual Fund and the MEL was as follows:

	<u>2022</u>	<u>2021</u>
Residual Fund	\$ (506,171)	\$ (39,737)
MEL	<u>885,055</u>	<u>1,367,354</u>
	<u>\$ 378,884</u>	<u>\$ 1,327,617</u>

Selected Financial Information

Selected summarized financial information for the Residual Fund and the MEL as of December 31, 2022 is as follows:

	<u>Residual Fund</u>	<u>MEL</u>
Total Assets	<u>\$ 130,005,896</u>	<u>\$ 105,175,044</u>
Total Liabilities	<u>\$ 137,214,600</u>	<u>\$ 96,334,014</u>
Net Position	<u>\$ (7,208,704)</u>	<u>\$ 8,841,030</u>
Total Revenue	<u>\$ 39,009,899</u>	<u>\$ 73,348,661</u>
Total Expenses	<u>\$ 46,325,292</u>	<u>\$ 79,665,447</u>
Change in Net Position	<u>\$ (7,315,393)</u>	<u>\$ (6,316,786)</u>
Distributions to Members	<u>\$ 685,000</u>	<u>\$ -</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS (CONT'D)

Selected summarized financial information for the Residual Fund and the MEL as of December 31, 2021 is as follows:

	Residual <u>Fund</u>	<u>MEL</u>
Total Assets	\$ 117,451,484	\$ 94,866,419
Total Liabilities	\$ 117,344,795	\$ 79,708,603
Net Position	\$ 106,689	\$ 15,157,816
Total Revenue	\$ 23,320,377	\$ 61,165,435
Total Expenses	\$ 35,854,430	\$ 62,259,276
Change in Net Position	\$ (12,534,053)	\$ (1,093,841)
Distributions to Members	\$ 671,000	\$ -

Financial statements for the Municipal Excess Liability Residual Claims Fund, and the Municipal Excess Liability Joint Insurance Fund are available at the office of the Fund's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

Note 7: SURPLUS DISTRIBUTION

The Executive Committee approved a surplus distribution in the amount of \$3,750,000 for the years ended December 31, 2022 and 2021, respectively. The surplus distribution was payable from the Closed Fund Years Account.

Note 8: AGGREGATE EXCESS LOSS CONTINGENCY FUND

As permitted by the Fund's By-Laws, Fund members have the option to take their portion of the surplus distribution as a deposit in the Fund's Aggregate Excess Loss Contingency Fund ("AELCF"). The Fund members earn monthly interest on a rate based on the percentage of the total AELCF balance to the average cash and investments balance.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: AGGREGATE EXCESS LOSS CONTINGENCY FUND (CONT'D)

As of December 31, 2022, the Aggregate Excess Loss Contingency Fund was allocated as follows:

	Beginning Balance	Contributions / (Withdraws)	Accrued Interest	Ending Balance
Buena Vista Township	\$ 170	\$ (170)	\$ -	-
Egg Harbor City	42,266		648	42,914
Hamilton Township	85,503		1,311	86,814
Hammonton	193,572		2,969	196,541
Lower Township	163,494	(166,136)	2,642	-
Middle Township	174,076		2,670	176,745
Mullica Township	27,870		427	28,298
Northfield	110,824		1,700	112,523
Pleasantville	507		8	515
Port Republic	4,564	(4,577)	13	-
Stone Harbor	9,457		145	9,602
Upper Deerfield	73,953		1,134	75,087
Upper Township	134,072	47,298	2,116	183,487
Waterford	28,112		431	28,544
	<u>\$ 1,048,442</u>	<u>\$ (123,586)</u>	<u>\$ 16,214</u>	<u>\$ 941,070</u>

As of December 31, 2021, the Aggregate Excess Loss Contingency Fund was allocated as follows:

	Beginning Balance	Contributions / (Withdraws)	Accrued Interest	Ending Balance
Buena Vista Township	\$ 16,238	\$ (16,068)	\$ -	\$ 170
Egg Harbor City	42,087		179	42,266
Hamilton Township	85,134		369	85,503
Hammonton	102,735	90,328	509	193,572
Lower Township		163,376	118	163,494
Middle Township	173,325		751	174,076
Mullica Township	27,750		120	27,870
Northfield	110,345		478	110,824
Pleasantville	505		2	507
Port Republic	2,816	1,735	13	4,564
Stone Harbor	9,416		41	9,457
Upper Deerfield	73,634		319	73,953
Upper Township	117,281	16,257	535	134,072
Waterford	27,991		121	28,112
	<u>\$ 789,257</u>	<u>\$ 255,628</u>	<u>\$ 3,556</u>	<u>\$ 1,048,442</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 9: RELATED PARTY TRANSACTIONS

As disclosed in Note 6, the Fund is a member of the Municipal Excess Liability Residual Claims Fund (the “Residual Fund”) and Municipal Excess Liability Joint Insurance Fund (the “MEL”) and has an ownership interest in those funds.

Excess insurance premiums paid to the MEL were \$4,422,926 and \$4,188,232 for the years ended December 31, 2022 and 2021, respectively. As disclosed in Note 11, the Fund was also assessed supplemental assessments during 2022 and 2021, and a premium deferral during 2021. As disclosed in Note 4, the Fund participated in the Joint Cash Management and Investment Program during 2022 and 2021.

During 2022 and 2021, the Fund was assessed \$1,905,563 and \$1,606,121, respectively, for the transfer of fund year 2018 and 2017 liabilities to the Residual Fund. As disclosed in Note 11, the Fund was also assessed supplemental assessments during 2022 and 2021.

Note 10: MEL UNENCUMBERED SURPLUS ACCOUNT

During the 2022 Fund Budget planning process, the Fund was notified by the Municipal Excess Liability Joint Insurance Fund (the “MEL”) that the JIF Retrospective Program and its obligations on the Fund has ended for all years inclusive of 2022. The MEL Unencumbered Surplus Account was created to hold any remaining balances once annual MEL premiums are paid and any existing balances in the MEL Retrospective Program was transferred to the MEL Unencumbered Surplus Account and the MEL Retrospective Contingency Account was closed.

Pursuant to the terms of the MEL Retrospective Program, the Fund paid the MEL JIF \$3,588,291 (inclusive of Elected Officials credits) in the Fund year 2021 which represents 85% of the Funds obligation to the MEL JIF for excess workers’ compensation and liability loss funding and excess premiums.

In developing the Fund year 2022 budget, the Fund budgeted an additional \$131,375 more than the Fund’s obligation for excess workers’ compensation and liability loss funding and excess property premium which was transferred to the MEL Unencumbered Surplus Account. These funds will be available to pay obligations pursuant to the MEL Surplus Floor Program.

As of December 31, 2022, the following was transferred into the MEL Unencumbered Surplus Account:

<u>Fund Year</u>	<u>Transfer</u>
2016	\$ 631,793
2017	617,601
2018	257,584
2019	494,988
2020	592,207
2021	635,691
2022	131,375
	<u>\$ 3,361,239</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 11: SUPPLEMENTAL ASSESSMENTS

The Board of Fund Commissioners of the Municipal Excess Liability Residual Claims Fund (the Residual Fund”) and Municipal Excess Liability Joint Insurance Fund (the “MEL”) passed resolutions to amend their plans of risk management. After the end of the year before the Residual Fund and MEL have finalized their year-end accounting, their Commissioners shall levy an additional supplementary assessment so that their statutory surplus for all fund years combined is no less than 12.5 percent of unpaid claims including IBNR. A supplementary assessment payable over 10 years becomes automatic if the statutory surplus falls below a trigger number thus guaranteeing that the MEL and Residual Fund will have the resources to pay claims.

For the year ended December 31, 2022, supplemental assessments paid and due to the Residual Fund and MEL were as follows:

December 31,	MEL		Residual Fund	
	<u>Paid</u>	<u>Unpaid</u>	<u>Paid</u>	<u>Unpaid</u>
2019	\$ -	\$ -	\$ 335,780	\$ -
2020	228,743	-	403,369	-
2021	(11,326)	-	74,581	-
2022	-	1,140,643	-	956,455
MEL Premium Deferral	1,001,202	-	-	-
	<u>\$ 1,218,619</u>	<u>\$ 1,140,643</u>	<u>\$ 813,730</u>	<u>\$ 956,455</u>

For the year ended December 31, 2021, supplemental assessments paid and due to the Residual Fund and MEL were as follows:

December 31,	MEL		Residual Fund	
	<u>Paid</u>	<u>Unpaid</u>	<u>Paid</u>	<u>Unpaid</u>
2019	\$ -	\$ -	\$ 335,780	\$ -
2020	228,743	-	403,369	-
2021	-	(11,326)	-	74,581
MEL Premium Deferral	-	1,001,202	-	-
	<u>\$ 228,743</u>	<u>\$ 989,876</u>	<u>\$ 739,149</u>	<u>\$ 74,581</u>

MEL Premium Deferral

From 2016 to 2021, the MEL deferred 15% of the loss fund via their retrospective program to their member JIFs with the understanding that it could call in this deferral if needed. During 2021, the MEL called in the Fund’s Premium Deferral in the amount of \$1,001,202.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 12: SUBSEQUENT EVENTS

COVID-19 Pandemic - While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Fund is in an exceptionally strong position because of years of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Fund.

Claims Activity - Workers' compensation claims are also expected to increase because of changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims continue to increase because of changes in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

Reinsurance – Effective January 1, 2023, the Fund joined the New Jersey Cyber Risk Management Fund (the "Cyber JIF").

The Municipal Excess Liability Joint Insurance Fund (the "MEL") 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 in 2023 for its affiliated Joint Insurance Funds.

Investments – Global financial performance for 2023 continues to be affected by the economy. Factors such as financial conditions, COVID policy, natural gas problems, war in Ukraine, and inflation are expected to weigh on growth. Management continues to monitor the impact of these economic factors on the Fund's financial performance.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	\$ 680,684	\$ 7,547,612	\$ 1,748,636	\$ 17,419,298	\$ 27,396,230
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	1,340,169	2,441,058	493,869	8,466,991	12,742,087
Changes in provision for insured events of prior fund years	(320,547)	(120,662)	(426,226)	(274,421)	(1,141,856)
Total incurred claims and claims adjustment expenses all fund years	1,019,622	2,320,396	67,643	8,192,570	11,600,231
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	736,861	52,414	27,101	1,859,581	2,675,957
Attributable to insured events of prior fund years	278,303	2,222,810	388,440	6,297,126	9,186,679
Total payments all fund years	1,015,164	2,275,224	415,541	8,156,707	11,862,636
Total unpaid claim and claim adjustment expenses - Ending	\$ 685,142	\$ 7,592,784	\$ 1,400,738	\$ 17,455,161	\$ 27,133,825
Analysis of Balance:					
Due to Residual Claims Fund					\$ 1,903,409
Net Reserves					25,230,416
					<u>\$ 27,133,825</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2022

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 24,558,783	\$ 24,113,877	\$ 24,251,045	\$ 24,336,094	\$ 23,985,865	\$ 23,232,760	\$ 22,876,943	\$ 22,672,703	\$ 22,839,155	\$ 24,145,088
Ceded	5,373,972	5,373,972	5,849,732	6,562,369	6,842,683	6,067,101	6,451,508	6,497,678	6,591,332	6,679,018
	19,184,811	18,739,905	18,401,313	17,773,725	17,143,182	17,165,659	16,425,435	16,175,025	16,247,823	17,466,070
Unallocated Expenses	2,945,251	2,950,020	3,138,910	3,283,465	3,189,456	3,305,273	3,302,931	3,415,126	3,469,210	3,777,131
Estimated Claims and Expenses, End of Policy Year:										
Incurred	10,790,000	11,930,000	12,320,000	11,435,695	11,071,000	12,436,850	12,174,495	12,731,805	15,236,056	12,742,087
Ceded			-					1,076,843		
Net Incurred	10,790,000	11,930,000	12,320,000	11,435,695	11,071,000	12,436,850	12,174,495	11,654,962	15,236,056	12,742,087
Paid (Net of Recoveries) as of:										
End of Policy Year	3,043,196	3,367,861	2,981,853	2,794,897	2,742,891	3,304,914	3,378,116	2,976,300	3,876,746	2,675,957
One Year Later	5,336,588	5,983,216	5,058,536	5,757,222	5,120,718	5,883,037	6,172,897	5,500,426	6,515,762	
Two Years Later	7,009,672	7,760,931	6,801,803	7,533,650	6,854,843	7,644,958	7,961,384	7,332,676		
Three Years Later	8,501,326	9,547,810	8,420,927	9,382,390	8,383,575	9,453,268	9,420,173			
Four Years Later (A)	9,408,656	10,920,591	10,150,365	10,257,680	9,410,957	11,145,658				
Reestimated Ceded Claims and Expenses	2,283,247	1,678,666	807,658	1,313,389	1,606,121	1,905,563	-	1,084,476	-	-
Reestimated Incurred Claims and Expenses:										
End of Policy Year	10,790,000	11,930,000	12,320,000	11,435,695	11,071,000	12,436,850	12,174,495	11,654,962	15,236,056	12,742,087
One Year Later	11,055,000	12,162,000	10,196,207	10,842,625	10,507,326	12,033,059	13,277,375	10,252,763	15,070,211	
Two Years Later	10,724,600	11,626,951	10,477,926	11,777,415	10,500,578	13,459,094	14,100,699	10,155,414		
Three Years Later	10,447,066	12,365,342	11,092,467	11,889,928	11,379,575	12,991,749	13,204,032			
Four Years Later (A)	11,691,903	12,599,257	10,958,023	11,567,578	11,078,078	13,051,221				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 901,903	\$ 669,257	\$ (1,361,977)	\$ 131,883	\$ 7,078	\$ 614,371	\$ 1,029,537	\$ (1,499,548)	\$ (165,845)	\$ -

(A) At the end of the Fourth Year the Fund Cedes remaining
actuarially calculated liabilities to the Residual Claims Fund (R.C.F.)

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2022

ASSETS

Cash and Cash Equivalents	\$ 22,244,582	
Investments	<u>24,772,783</u>	
Total Cash and Investments		\$ 47,017,365
Receivables:		
Interest	39,207	
JIF Retro Program	<u>60,388</u>	
Total Receivables		99,595
Prepaid Expenses		<u>2,466</u>
Total Assets		\$ 47,119,426
<u>LIABILITIES</u>		
Claims:		
Case Reserves	14,549,063	
IBNR Reserve	11,765,829	
Less: Excess Insurance Recoverable	<u>(1,084,476)</u>	
Total Claims		25,230,416
Accrued Expenses:		
Operating	<u>532,627</u>	
Total Accrued Expenses		532,627
Other Liabilities:		
Due to Residual Claims Fund	1,903,409	
Residual Claims Fund Supplemental Assessment	956,455	
MEL Claims Fund Supplemental Assessment	1,140,643	
Aggregate Excess Loss Fund Contingency	823,011	
Aggregate Excess Loss Fund Contingency		
Accrued Interest	118,059	
Authorized Return of Surplus	<u>3,361,970</u>	
Total Other Liabilities		<u>8,303,547</u>
Total Liabilities		<u>34,066,590</u>
Net Statutory Surplus		<u>\$ 13,052,836</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$ 525,386,462		
MEL Surplus Transfer	3,361,239		
Supplemental Contributions	300,000		
MEL and RCF Dividends	2,749,270		
JIF Retro Program	527,848		
Other Income	<u>57,283</u>		
Total Underwriting Income			\$ 532,382,102
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	225,296,871		
Case Reserves	14,546,474		
IBNR Reserves	11,765,829		
Residual Claims Fund Premiums	<u>32,961,120</u>		
Subtotal		\$ 284,570,294	
Less Excess Insurance:			
Received	696,395		
Receivable	-		
Recoverable	<u>1,084,476</u>		
Subtotal		<u>1,780,871</u>	
Total Limited Incurred Claims		282,789,423	
Expenses:			
Excess Insurance Premiums	118,736,260		
Operating	<u>85,571,720</u>		
Total Expenses		<u>204,307,980</u>	
Total Incurred Liabilities			<u>487,097,403</u>
Underwriting Surplus			45,284,699
Investment Income			
Cumulative Investment Income			24,076,258
Unrealized Losses - Current Year			<u>(2,068,994)</u>
Total Investment Income			<u>22,007,264</u>
Supplemental Assessment:			
Paid:			
Residual Claims Fund	813,730		
MEL Claims Fund	<u>1,218,619</u>		
Total Paid Supplemental Assessment		<u>2,032,349</u>	
Unpaid:			
Residual Claims Fund	956,455		
MEL Claims Fund	<u>1,140,643</u>		
Total Unpaid Supplemental Assessment		<u>2,097,098</u>	
Total Supplemental Assessment			<u>4,129,447</u>
Gross Statutory Surplus			63,162,516
Return of Surplus:			
Paid		45,806,640	
Aggregate Excess Loss Fund Contingency		823,011	
Aggregate Excess Loss Fund Contingency			
Accrued Interest		118,059	
Authorized and Unpaid		<u>3,361,970</u>	
Total Return of Surplus			<u>50,109,680</u>
Net Statutory Surplus			<u>\$ 13,052,836</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION

Note 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS

The information in the Atlantic County Municipal Joint Insurance Fund (the "Fund")'s basic financial statements, Exhibits A-1 through A-3, differs from the accompanying Supplementary Information required by the Division of Banking and Insurance as of and for the year ended December 31, 2022. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures as follows:

Total Assets - Comparative Statements of Net Position	\$ 47,498,310
Less Investment in Joint Ventures	<u>378,884</u>
Total Assets - Statutory Basis	<u><u>\$ 47,119,426</u></u>
Net Position - Comparative Statements of Net Position	\$ 13,431,721
Less Investment in Joint Ventures	<u>378,884</u>
Net Statutory Surplus	<u><u>\$ 13,052,837</u></u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$ 24,202,824		
Supplemental Contributions	-		
Retro Program	-		
Other Income	-		
	<hr/>		
Total Underwriting Income			\$ 24,202,824
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	2,675,957		
Case Reserves	3,629,567		
IBNR Reserves	6,436,563		
	<hr/>		
Subtotal		\$ 12,742,087	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	-		
	<hr/>		
Subtotal		-	
		<hr/>	
Total Limited Incurred Claims		12,742,087	
Expenses:			
Excess Insurance Premiums	6,679,018		
Operating	3,777,131		
	<hr/>		
Total Expenses		10,456,149	
		<hr/>	
Total Incurred Liabilities			23,198,236
			<hr/>
Underwriting Surplus			1,004,588
Investment Loss			(57,736)
			<hr/>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(131,375)
Excess Insurance Premiums			131,375
			<hr/>
Gross Statutory Surplus			946,852
Return of Surplus:			
Paid		-	
Authorized and Unpaid		-	
		<hr/>	
Total Return of Surplus			-
			<hr/>
Net Statutory Surplus			\$ 946,852
			<hr/>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

Underwriting Income:		
Regular Contributions	<u>\$ 23,074,692</u>	
Total Underwriting Income		\$ 23,074,692
Incurring Liabilities:		
Claims:		
Paid (Net of Recoveries)	6,515,762	
Case Reserves	5,327,667	
IBNR Reserves	<u>3,226,782</u>	
Subtotal		\$ 15,070,211
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		15,070,211
Expenses:		
Excess Insurance Premiums	6,591,332	
Operating	<u>3,469,210</u>	
Total Expenses		<u>10,060,542</u>
Total Incurred Liabilities		<u>25,130,753</u>
Underwriting Deficit		(2,056,061)
Investment Loss		<u>(235,537)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:		
Regular Contributions		(635,690)
Excess Insurance Premiums		<u>635,690</u>
Gross Statutory Deficit		(2,291,598)
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Deficit		<u><u>\$ (2,291,598)</u></u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

Underwriting Income:		
Regular Contributions	\$ 22,812,726	
JIF Retro Program	20,798	
Other Income	<u>1,500</u>	
Total Underwriting Income		\$ 22,835,024
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	7,332,676	
Case Reserves	2,682,352	
IBNR Reserves	<u>1,224,862</u>	
Subtotal		\$ 11,239,890
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	<u>1,084,476</u>	
Subtotal		<u>1,084,476</u>
Total Limited Incurred Claims		10,155,414
Expenses:		
Excess Insurance Premiums	6,497,678	
Operating	<u>3,415,126</u>	
Total Expenses		<u>9,912,804</u>
Total Incurred Liabilities		<u>20,068,218</u>
Underwriting Surplus		2,766,806
Investment Loss		<u>(162,322)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:		
Regular Contributions		(592,207)
Excess Insurance Premiums		<u>592,207</u>
Gross Statutory Surplus		2,604,484
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 2,604,484</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$ 22,605,495		
JIF Retro Program	<u>39,590</u>		
Total Underwriting Income			\$ 22,645,085
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	9,420,173		
Case Reserves	2,906,237		
IBNR Reserves	<u>877,622</u>		
Subtotal		\$ 13,204,032	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		13,204,032	
Expenses:			
Excess Insurance Premiums	6,451,508		
Operating	<u>3,302,931</u>		
Total Expenses		<u>9,754,439</u>	
Total Incurred Liabilities			<u>22,958,471</u>
Underwriting Deficit			(313,386)
Investment Income			231,858
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(494,988)
Excess Insurance Premiums			<u>494,988</u>
Gross Statutory Deficit			(81,528)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u>\$ (81,528)</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$ 22,597,629		
Other Income	<u>925</u>		
Total Underwriting Income			\$ 22,598,554
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	11,145,658		
Residual Claims Fund Premium	<u>1,905,563</u>		
Subtotal		\$ 13,051,221	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		13,051,221	
Expenses:			
Excess Insurance Premiums	6,067,101		
Operating	<u>3,305,273</u>		
Total Expenses		<u>9,372,374</u>	
Total Incurred Liabilities			<u>22,423,595</u>
Underwriting Surplus			174,959
Investment Income			693,898
Supplemental Assessment:			
Unpaid			
Residual Claims Fund		<u>95,646</u>	
Total Unpaid Supplemental Assessment			<u>95,646</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(257,584)
Excess Insurance Premiums			257,584
Surplus Transfer to Closed Fund Year			<u>(773,211)</u>
Gross Statutory Surplus			-
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ -</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF MEL UNENCUMBERED SURPLUS ACCOUNT
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

Underwriting Income		
MEL Surplus Transfer	<u>\$ 3,361,239</u>	
Total Underwriting Income		\$ 3,361,239
Expenses:		
Supplemental Assessment:		
Paid	1,218,619	
Unpaid	<u>1,140,643</u>	
Total Supplemental Assessment		<u>\$ 2,359,262</u>
Total Expenses		<u>2,359,262</u>
Underwriting Surplus		1,001,977
Investment Income		<u>43,402</u>
Intrafund Transfers		
Regular Contributions		3,361,239
Excess Insurance Premiums		<u>(3,361,239)</u>
Gross Statutory Surplus		<u>1,045,379</u>
Net Statutory Surplus		<u>\$ 1,045,379</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF RCF SUPPLEMENTAL ASSESSMENT ACCOUNT - FUTURE FUND YEARS
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

Expenses:

Supplemental Assessment:

Unpaid	\$	<u>860,809</u>
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Total Supplemental Assessment	\$	<u>860,809</u>
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Total Expenses	\$	<u>860,809</u>
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Underwriting Deficit		<u>(860,809)</u>
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Net Statutory Deficit	\$	<u><u>(860,809)</u></u>
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ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF CLOSED FUND YEARS
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 2022

Underwriting Income:		
Regular Contributions	\$ 410,093,096	
Supplemental Contributions	300,000	
MEL and RCF Dividends	2,749,270	
JIF Retro Program	467,460	
Other Income	<u>54,858</u>	
Total Underwriting Income		\$ 413,664,684
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	188,206,645	
Case Reserves	651	
Residual Claims Fund Premiums	<u>31,055,557</u>	
Subtotal		\$ 219,262,853
Less Excess Insurance:		
Received	696,395	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>696,395</u>
Total Limited Incurred Claims		218,566,458
Expenses:		
Excess Insurance Premiums	86,449,623	
Operating	<u>68,302,049</u>	
Total Expenses		<u>154,751,672</u>
Total Incurred Liabilities		<u>373,318,130</u>
Underwriting Surplus		40,346,554
Investment Income		21,493,701
Supplemental Assessments		
Paid		
Residual Claims Fund	<u>813,730</u>	
Total Paid Supplemental Assessment		<u>813,730</u>
Total Supplemental Assessment		<u>813,730</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:		
Regular Contributions		(1,249,395)
Excess Insurance Premiums		1,249,395
Surplus Transfer From 2018 Fund Year		<u>773,211</u>
Gross Statutory Surplus		61,799,736
Return of Surplus:		
Paid	45,806,640	
Aggregate Excess Loss Fund Contingency	823,011	
Aggregate Excess Loss Fund Contingency		
Accrued Interest	118,059	
Authorized and Unpaid	<u>3,361,970</u>	
Total Return of Surplus		<u>50,109,680</u>
Net Statutory Surplus		<u>\$ 11,690,056</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Loss Contingency</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 1,116,818	\$ 2,114,933	\$ 442,653	\$ 7,512,647	\$ 1,974,188	\$ 421,250	\$ 4,422,925	\$ 2,249,985	\$ 3,947,425	\$ 24,202,824
Total Income	1,116,818	2,114,933	442,653	7,512,647	1,974,188	421,250	4,422,925	2,249,985	3,947,425	24,202,824
Incurred Liabilities:										
Claims	1,340,169	2,441,058	493,869	8,466,991						12,742,087
Expenses							4,422,926	2,256,092	3,777,131	10,456,149
Total Liabilities	1,340,169	2,441,058	493,869	8,466,991	-	-	4,422,926	2,256,092	3,777,131	23,198,236
Underwriting Surplus (Deficit)	(223,351)	(326,125)	(51,216)	(954,344)	1,974,188	421,250	(1)	(6,107)	170,294	1,004,588
Adjustments:										
Investment Loss	(436)	(5,048)	(985)	(18,139)	(4,622)	(982)	(9,660)	(2,658)	(15,206)	(57,736)
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(131,375)			(131,375)
Excess Insurance Premiums							131,375			131,375
Total Adjustments	(436)	(5,048)	(985)	(18,139)	(4,622)	(982)	(9,660)	(2,658)	(15,206)	(830,947)
Gross Statutory Surplus (Deficit)	(223,787)	(331,173)	(52,201)	(972,483)	1,969,566	420,268	(9,661)	(8,765)	155,088	946,852
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ (223,787)	\$ (331,173)	\$ (52,201)	\$ (972,483)	\$ 1,969,566	\$ 420,268	\$ (9,661)	\$ (8,765)	\$ 155,088	\$ 946,852

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						Public Officials	Expense &	
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>MEL</u>	<u>Employment Practices</u>	<u>Contingency</u>	<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 1,070,748	\$ 2,159,650	\$ 370,512	\$ 7,306,440	\$ 1,924,824	\$ 4,233,863	\$ 2,357,467	\$ 3,651,188	\$ 23,074,692
Total Income	1,070,748	2,159,650	370,512	7,306,440	1,924,824	4,233,863	2,357,467	3,651,188	23,074,692
Incurred Liabilities:									
Claims	1,154,175	2,595,838	496,412	10,823,786					15,070,211
Expenses						4,223,984	2,367,348	3,469,210	10,060,542
Total Liabilities	1,154,175	2,595,838	496,412	10,823,786	-	4,223,984	2,367,348	3,469,210	25,130,753
Underwriting Surplus (Deficit)	(83,427)	(436,188)	(125,900)	(3,517,346)	1,924,824	9,879	(9,881)	181,978	(2,056,061)
Adjustments:									
Investment Loss	(452)	(51,881)	(8,134)	(87,596)	(48,428)	(35,921)	(291)	(2,834)	(235,537)
Intrafund Transfers	100,000				(100,000)				-
Intrafund Transfers to MEL Unencumbered									
Surplus Account:									
Regular Contributions						635,691			635,691
Excess Insurance Premiums						(635,691)			(635,691)
Total Adjustments	99,548	(51,881)	(8,134)	(87,596)	(148,428)	(35,921)	(291)	(2,834)	(235,537)
Gross Statutory Surplus (Deficit)	16,121	(488,069)	(134,034)	(3,604,942)	1,776,396	(26,042)	(10,172)	179,144	(2,291,598)
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 16,121	\$ (488,069)	\$ (134,034)	\$ (3,604,942)	\$ 1,776,396	\$ (26,042)	\$ (10,172)	\$ 179,144	\$ (2,291,598)

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Loss Contingency</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 1,065,108	\$ 2,157,532	\$ 359,567	\$ 7,206,738	\$ 1,903,932	\$ 37,656	\$ 4,021,920	\$ 2,474,984	\$ 3,585,289	\$ 22,812,726
JIF Retro Program					20,798					20,798
Other Income									1,500	1,500
Total Income	1,065,108	2,157,532	359,567	7,206,738	1,924,730	37,656	4,021,920	2,474,984	3,586,789	22,835,024
Incurred Liabilities:										
Claims	946,145	2,165,958	314,192	6,729,119						10,155,414
Expenses							4,021,919	2,475,759	3,415,126	9,912,804
Total Liabilities	946,145	2,165,958	314,192	6,729,119	-	-	4,021,919	2,475,759	3,415,126	20,068,218
Underwriting Surplus (Deficit)	118,963	(8,426)	45,375	477,619	1,924,730	37,656	1	(775)	171,663	2,766,806
Adjustments:										
Investment Income (Loss)	(82)	(43,465)	(5,243)	(36,111)	(40,711)	(805)	4,404	3,642	(43,951)	(162,322)
Intrafund Transfers										-
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(592,207)			(592,207)
Excess Insurance Premiums							592,207			592,207
Total Adjustments	(82)	(43,465)	(5,243)	(36,111)	(40,711)	(805)	4,404	3,642	(43,951)	429,885
Gross Statutory Surplus (Deficit)	118,881	(51,891)	40,132	441,508	1,884,019	36,851	4,405	2,867	127,712	2,604,484
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 118,881	\$ (51,891)	\$ 40,132	\$ 441,508	\$ 1,884,019	\$ 36,851	\$ 4,405	\$ 2,867	\$ 127,712	\$ 2,604,484

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 1,032,594	\$ 2,176,214	\$ 358,861	\$ 7,228,548	\$ 1,908,464	\$ 3,808,816	\$ 2,651,472	\$ 3,440,526	\$ 22,605,495
JIF Retro Program					39,590				39,590
Total Income	1,032,594	2,176,214	358,861	7,228,548	1,948,054	3,808,816	2,651,472	3,440,526	22,645,085
Incurred Liabilities:									
Claims	828,583	1,368,195	328,707	10,678,547					13,204,032
Expenses						3,808,817	2,642,691	3,302,931	9,754,439
Total Liabilities	828,583	1,368,195	328,707	10,678,547	-	3,808,817	2,642,691	3,302,931	22,958,471
Underwriting Surplus (Deficit)	204,011	808,019	30,154	(3,449,999)	1,948,054	(1)	8,781	137,595	(313,386)
Adjustments:									
Investment Income (Loss)	1,163	5,552	2,483	130,414	10,232	13,054	(212)	69,172	231,858
Intrafund Transfers									-
Intrafund Transfers to MEL Unencumbered									
Surplus Account:									
Regular Contributions						(494,988)			(494,988)
Excess Insurance Premiums						494,988			494,988
Total Adjustments	1,163	5,552	2,483	130,414	10,232	13,054	(212)	69,172	726,846
Gross Statutory Surplus (Deficit)	205,174	813,571	32,637	(3,319,585)	1,958,286	13,053	8,569	206,767	(81,528)
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 205,174	\$ 813,571	\$ 32,637	\$ (3,319,585)	\$ 1,958,286	\$ 13,053	\$ 8,569	\$ 206,767	\$ (81,528)

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>MEL</u>	<u>RCF</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 994,222	\$ 2,265,360	\$ 384,693	\$ 7,399,404	\$ 1,960,270	\$ 3,450,123		\$ 2,741,259	\$ 3,402,298	\$ 22,597,629
Other Income									925	925
Total Income	994,222	2,265,360	384,693	7,399,404	1,960,270	3,450,123	-	2,741,259	3,403,223	22,598,554
Incurred Liabilities:										
Claims	1,236,120	2,745,364	298,416	8,771,321						13,051,221
Expenses						3,452,866		2,614,235	3,305,273	9,372,374
Total Liabilities	1,236,120	2,745,364	298,416	8,771,321	-	3,452,866	-	2,614,235	3,305,273	22,423,595
Underwriting Surplus (Deficit)	(241,898)	(480,004)	86,277	(1,371,917)	1,960,270	(2,743)	-	127,024	97,950	174,959
Adjustments:										
Investment Income	5,953	122,048	26,007	239,730	150,934			3,019	146,207	693,898
Intrafund Transfers	310,000				(310,000)					-
RCF Supplemental Assessment							\$ 95,646			95,646
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions						(257,584)				(257,584)
Excess Insurance Premiums						257,584				257,584
(Surplus) Deficit Transfer to Closed Fund Year	(74,055)	357,956	(112,284)	1,132,187	(1,801,204)	2,743	95,646	(130,043)	(244,157)	(773,211)
Total Adjustments	241,898	480,004	(86,277)	1,371,917	(1,960,270)	2,743	-	(127,024)	(97,950)	16,333
Gross Statutory Surplus (Deficit)	-	-	-	-	-	-	-	-	-	-
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 736,861	\$ 52,414	\$ 27,101	\$ 1,859,581	\$ 2,675,957
Case Reserves	602,308	470,335	48,054	2,508,870	3,629,567
IBNR Reserves	1,000	1,918,309	418,714	4,098,540	6,436,563
Subtotal	1,340,169	2,441,058	493,869	8,466,991	12,742,087
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 1,340,169	\$ 2,441,058	\$ 493,869	\$ 8,466,991	\$ 12,742,087
Number of Claims	203	406	97	522	1,228
Cost per Claim	\$ 6,602	\$ 6,012	\$ 5,091	\$ 16,220	\$ 10,376

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 1,082,521	\$ 354,481	\$ 44,540	\$ 5,034,220	\$ 6,515,762
Case Reserves	71,654	759,001	158,643	4,338,369	5,327,667
IBNR Reserves		1,482,356	293,229	1,451,197	3,226,782
Subtotal	1,154,175	2,595,838	496,412	10,823,786	15,070,211
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 1,154,175	\$ 2,595,838	\$ 496,412	\$ 10,823,786	\$ 15,070,211
Number of Claims	200	363	92	818	1,473
Cost per Claim	\$ 5,771	\$ 7,151	\$ 5,396	\$ 13,232	\$ 10,231

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 938,623	\$ 517,222	\$ 128,737	\$ 5,748,094	\$ 7,332,676
Case Reserves	7,522	1,255,969	33,620	1,385,241	2,682,352
IBNR Reserves		392,767	151,835	680,260	1,224,862
Subtotal	946,145	2,165,958	314,192	7,813,595	11,239,890
Excess Insurance					
Received					-
Receivable					-
Recoverable				1,084,476	1,084,476
Subtotal	-	-	-	1,084,476	1,084,476
Limited Incurred Claims	\$ 946,145	\$ 2,165,958	\$ 314,192	\$ 6,729,119	\$ 10,155,414
Number of Claims	219	419	85	1,016	1,739
Cost per Claim	\$ 4,320	\$ 5,169	\$ 3,696	\$ 6,623	\$ 5,840

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 828,427	\$ 638,412	\$ 157,267	\$ 7,796,067	\$ 9,420,173
Case Reserves	156	689,877	97,093	2,119,111	2,906,237
IBNR Reserves		39,906	74,347	763,369	877,622
Subtotal	828,583	1,368,195	328,707	10,678,547	13,204,032
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 828,583	\$ 1,368,195	\$ 328,707	\$ 10,678,547	\$ 13,204,032
Number of Claims	216	376	107	608	1,307
Cost per Claim	\$ 3,836	\$ 3,639	\$ 3,072	\$ 17,563	\$ 10,103

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
MEL	\$ 4,263,551		\$ 4,263,551
MEL Unencumbered Surplus Account	131,375		131,375
POL/EPL	2,256,092		2,256,092
Elected Official Credits	28,000		28,000
Subtotal Excess Insurance	6,679,018	-	6,679,018
Operating Expenses:			
Actuary	39,345	\$ 231	39,576
Administration	1,036,960		1,036,960
Administrative Consultant	44,933		44,933
Annual Planning Retreat	11,619		11,619
Attorney	135,873		135,873
Auditor		20,582	20,582
Claims Administration	838,825	67,850	906,675
Claims Auditor		15,360	15,360
Contingency	11,997	2,000	13,997
EPL/Cyber:			
Cyber Risk Services	157,111		157,111
EPL/Cyber Incentive Program	18,574	8,700	27,274
Fidelity Bond - Professionals	2,549		2,549
JIF Website	5,461		5,461
Legal Notices	1,438	123	1,561
Meeting Expense	2,477	3,333	5,810
Office Supplies	1,518		1,518
Other Expenses	633		633
Payroll Auditor	17,735		17,735
Performance Bond	1,133		1,133
Postage/Copies/Fax	2,842	183	3,025
PRIMA/AGRIP Conference	8,214		8,214
Printing	3,116		3,116
Property Appraiser	59,158		59,158
Record Retention Service	1,693		1,693
Recording Secretary	6,584		6,584
Risk Management Consultants	711,480		711,480
Safety Director/Loss Control	227,098		227,098
Safety Programs:			
Optional Safety Budget	11,523	15,346	26,869
Safety Incentive Program	2,826	117,174	120,000
Training			
Police Risk Services	26,000		26,000
Training	3,250		3,250
Treasurer	25,000		25,000
Underwriting Manager	12,496		12,496
Wellness Program	86,764	10,024	96,788
Subtotal Operating Expenses	3,516,225	260,906	3,777,131
Total Expenses	\$ 10,195,243	\$ 260,906	\$ 10,456,149

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
MEL	\$ 3,552,544		\$ 3,552,544
MEL Unencumbered Surplus Account	635,690		635,690
POL/EPL	2,367,348		2,367,348
Elected Official Credits	35,750		35,750
Subtotal Excess Insurance	6,591,332	-	6,591,332
Operating Expenses:			
Actuary	42,889		42,889
Administration	1,016,627		1,016,627
Administrative Consultant	44,052		44,052
Application Fee	1,500		1,500
Attorney	133,209		133,209
Auditor	20,178		20,178
Claims Administration	823,775	\$ 54,825	878,600
Claims Auditor		15,360	15,360
Contingency	5,100		5,100
EPL/Cyber:			
EPL/Cyber Incentive Program	29,172		29,172
Fidelity Bond - Professionals	2,549		2,549
JIF Website	5,335		5,335
Legal Notices	2,005		2,005
Meeting Expense	277		277
Office Supplies	736		736
Other Expenses	149		149
Payroll Auditor	17,387		17,387
Performance Bond	499		499
Postage/Copies/Fax	1,834		1,834
PRIMA/AGRIP Conference	5,109		5,109
Printing	4,067		4,067
Property Appraiser	32,768		32,768
Record Retention Service	1,711		1,711
Recording Secretary	6,455		6,455
Risk Management Consultants	693,771		693,771
Safety Director/Loss Control	222,645		222,645
Safety Programs:			
Optional Safety Budget	26,842		26,842
Safety Incentive Program	78,372	22,507	100,879
Training			
Police-Online Training	2,167		2,167
Training	16,074		16,074
Treasurer	24,514		24,514
Underwriting Manager	12,251		12,251
Wellness Program	94,101		94,101
Subtotal Operating Expenses	3,376,518	92,692	3,469,210
Total Expenses	\$ 9,967,850	\$ 92,692	\$ 10,060,542

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
MEL	\$ 3,395,467		\$ 3,395,467
MEL Unencumbered Surplus Account	592,207		592,207
POL/EPL	2,475,759		2,475,759
Elected Official Credits	34,245		34,245
Subtotal Excess Insurance	6,497,678	-	6,497,678
Operating Expenses:			
Actuary	34,502		34,502
Administration	996,693		996,693
Administrative Consultant	44,052		44,052
Attorney	130,597		130,597
Auditor	19,782		19,782
Claims Administration	815,857		815,857
Claims Auditor		\$ 15,360	15,360
Contingency	8,500		8,500
EPL/Cyber:			
Cyber On-Line Employee Training	4,122		4,122
EPL/Cyber Incentive Program	27,601		27,601
Technology Risk Management Service	13,339		13,339
Fidelity Bond - Professionals	2,528		2,528
JIF Website	5,017		5,017
Legal Notices	1,906		1,906
Meeting Expense	600		600
Office Supplies	1,545		1,545
Other Expenses	124		124
Payroll Auditor	17,056		17,056
Performance Bond	483		483
Postage/Copies/Fax	2,226		2,226
PRIMA/AGRIP Conference	2,653		2,653
Printing	4,245		4,245
Property Appraiser	47,407		47,407
Record Retention Service	1,779		1,779
Recording Secretary	6,455		6,455
Risk Management Consultants	693,540		693,540
Safety Director/Loss Control	222,645		222,645
Safety Programs:			
Optional Safety Budget	25,425		25,425
Safety Incentive Program	105,392		105,392
Training			
Police-Online Training	24,000		24,000
Training	7,075		7,075
Treasurer	24,514		24,514
Underwriting Manager	12,251		12,251
Wellness Program	95,855		95,855
Subtotal Operating Expenses	3,399,766	15,360	3,415,126
Total Expenses	\$ 9,897,444	\$ 15,360	\$ 9,912,804

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
MEL	\$ 3,274,558		\$ 3,274,558
MEL Unencumbered Surplus Account	494,988		494,988
POL/EPL	2,642,691		2,642,691
Elected Official Credits	39,271		39,271
Subtotal Excess Insurance	6,451,508	-	6,451,508
Operating Expenses:			
Actuary	43,860		43,860
Administration	907,959		907,959
Administrative Consultant	43,188		43,188
Annual Planning Retreat	14,413		14,413
Attorney	127,763		127,763
Auditor	19,394		19,394
Claims Administration	785,238		785,238
Contingency	17,580		17,580
EPL/Cyber:			
Cyber On-Line Employee Training	8,243		8,243
EPL/Cyber Incentive Program	26,814		26,814
Technology Risk Management Service	13,339		13,339
Fidelity Bond - Professionals	2,486		2,486
JIF Website	4,753		4,753
Legal Notices	1,407		1,407
Meeting Expense	6,722		6,722
Office Supplies	1,407		1,407
Other Expenses	312		312
Payroll Auditor	16,712		16,712
Performance Bond	704		704
Postage/Copies/Fax	4,847		4,847
PRIMA/AGRIP Conference	8,881		8,881
Printing	8,532		8,532
Property Appraiser	33,207		33,207
Record Retention Service	1,575		1,575
Recording Secretary	6,328		6,328
Risk Management Consultants	685,800		685,800
Safety Director/Loss Control	217,735		217,735
Safety Programs:			
Optional Safety Budget	25,922		25,922
Safety Incentive Program	109,955		109,955
Training			
Police-Online Training	24,000		24,000
Training	11,703		11,703
Treasurer	24,033		24,033
Underwriting Manager	12,011		12,011
Wellness Program	86,108		86,108
Subtotal Operating Expenses	3,302,931	-	3,302,931
Total Expenses	\$ 9,754,439	-	\$ 9,754,439

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	\$ 1,340,169	\$ 2,441,058	\$ 493,869	\$ 8,466,991
Administrative Expenses (1)	377,076	714,074	149,455	2,536,527
	<u>\$ 1,717,245</u>	<u>\$ 3,155,132</u>	<u>\$ 643,324</u>	<u>\$ 11,003,518</u>
Exposure Units	<u>\$1,445,167,494</u> (Property Value)	<u>362,681</u> (Population)	<u>3,070</u> (Vehicles)	<u>\$ 269,307,340</u> (Payroll)
Liabilities per Exposure Unit	<u>\$1.19</u> (Per \$1,000 Value)	<u>\$8.70</u> (Per Capita)	<u>\$209.55</u> (Per Vehicle)	<u>\$40.86</u> (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	\$ 1,154,175	\$ 2,595,838	\$ 496,412	\$ 10,823,786
Administrative Expenses (1)	340,564	686,902	117,846	2,323,899
	<u>\$ 1,494,739</u>	<u>\$ 3,282,740</u>	<u>\$ 614,258</u>	<u>\$ 13,147,685</u>
Exposure Units	\$1,409,914,054 (Property Value)	362,681 (Population)	3,102 (Vehicles)	\$ 266,599,985 (Payroll)
Liabilities per Exposure Unit	\$1.06 (Per \$1,000 Value)	\$9.05 (Per Capita)	\$198.02 (Per Vehicle)	\$49.32 (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	\$ 946,145	\$ 2,165,958	\$ 314,192	\$ 6,729,119
Administrative Expenses (1)	337,149	682,944	113,817	2,281,216
	<u>\$ 1,283,294</u>	<u>\$ 2,848,902</u>	<u>\$ 428,009</u>	<u>\$ 9,010,335</u>
Exposure Units	<u>\$1,283,037,929</u> (Property Value)	<u>362,681</u> (Population)	<u>3,008</u> (Vehicles)	<u>\$ 261,294,619</u> (Payroll)
Liabilities per Exposure Unit	<u>\$1.00</u> (Per \$1,000 Value)	<u>\$7.86</u> (Per Capita)	<u>\$142.29</u> (Per Vehicle)	<u>\$34.48</u> (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	\$ 828,583	\$ 1,368,195	\$ 328,707	\$ 10,678,547
Administrative Expenses (1)	315,906	665,778	109,788	2,211,459
	<u>\$ 1,144,489</u>	<u>\$ 2,033,973</u>	<u>\$ 438,495</u>	<u>\$ 12,890,006</u>
Exposure Units	<u>\$1,211,821,413</u> (Property Value)	<u>362,681</u> (Population)	<u>2,911</u> (Vehicles)	<u>\$ 255,351,296</u> (Payroll)
Liabilities per Exposure Unit	<u>\$0.94</u> (Per \$1,000 Value)	<u>\$5.61</u> (Per Capita)	<u>\$150.63</u> (Per Vehicle)	<u>\$50.48</u> (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2022

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
M&T Bank	
Commercial Checking	\$ 23,932
Investors Bank	
Imprest Account	819,654
Expense Account	750
Loss Fund Account	4,776,070
Wilmington Trust	
Treasury Bills (Maturities of 3-months or less)	<u>16,624,176</u>
Total Cash and Cash Equivalents	<u>22,244,582</u>
<u>Investments</u>	
BNY Mellon	
Joint Cash Management and Investment Program (JCMI)	19,396,232
Wilmington Trust - Investment Account	<u>5,376,551</u>
Total Investments	<u>24,772,783</u>
Total Cash, Cash Equivalents, and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	<u><u>\$ 47,017,365</u></u>
Total Cash, Cash Equivalents, and Investments by Fund Year:	
2022	\$ 11,258,026
2021	6,350,524
2020	5,417,551
2019	3,659,569
MEL Unencumbered Surplus Account	2,184,434
Closed Years	<u>18,147,261</u>
	<u><u>\$ 47,017,365</u></u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2022

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>	
Administrative Expenses:			
Actuary - The Actuarial Advantage	2022	\$ 231	
Auditor - Bowman & Company LLP	2022	20,582	
Claims Administration - Qual-Lynx	2022	67,850	
Claims Auditor - North Shore Risk Consulting	2022	15,360	
Contingency - Various	2022	2,000	
EPL/Cyber Incentive Program - Various	2022	8,700	
Legal Notices - Courier Post	2022	123	
Meeting Expense - Various	2022	3,333	
Optional Safety Expenses - Various	2022	15,346	
Postage & Fax - Arthur J. Gallagher	2022	183	
Safety Incentive Program - Various	2022	117,174	
Wellness Program - Various	2022	<u>10,024</u>	
Total Fund Year 2022			<u>\$ 260,906</u>
Administrative Expenses:			
Claims Administration - Qual-Lynx	2021	54,825	
Claims Auditor - North Shore Risk Consulting	2021	15,360	
Safety Incentive Program - Various	2021	<u>22,507</u>	
Total Fund Year 2021			<u>92,692</u>
Administrative Expenses:			
Claims Auditor - North Shore Risk Consulting	2020	<u>15,360</u>	
Total Fund Year 2020			<u>15,360</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis			<u><u>\$ 368,958</u></u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in dark ink, reading "Dennis J. Skalkowski". The signature is written in a cursive, flowing style.

Dennis J. Skalkowski
Certified Public Accountant