



**REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**



ATLANTIC COUNTY
MUNICIPAL JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

New Jersey Department of Insurance Joint Insurance Fund Code: JIF 1

Joint 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 08053

Statement Contact Person: Paul Forlenza Phone No. (856) 446-9135

EXECUTIVE COMMITTEE

Chairperson Elizabeth Woods Dawn Marie Bascelli
Secretary Jessica Bishop Scott Wahl
Varvara Keun Kellie Seib
Heather Miller _____

EXECUTIVE COMMITTEE ALTERNATES

Dorothy Jo Ayres Mary Canesi
Karen Fournier Connie Mahon
Jennifer VanSant _____
Leigh Ann Napoli _____

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, 2023 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, 2023, 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 _____, 2024

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, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2023 and 2022, 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.

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.

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.

Executive Committee
Atlantic County Municipal Joint Insurance Fund

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 17, 2024, 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
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 17, 2024

**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, 2023, 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 17, 2024.

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,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 17, 2024

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, 2023, 2022, and 2021. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide 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, 2023, 2022, and 2021.

Net Position Summary				2022 To 2023 Change	
	12/31/2023	12/31/2022	12/31/2021	Amount	Percentage
Assets					
Cash and Cash Equivalents	\$ 13,917,784	\$ 22,244,582	\$ 10,919,346	\$ (8,326,798)	-37.4%
Investments	35,062,288	24,772,783	39,977,768	10,289,505	41.5%
Other Assets	1,453,174	480,945	1,469,197	972,229	202.1%
Total Assets	50,433,246	47,498,310	52,366,311	2,934,936	6.2%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	28,125,675	25,230,416	25,790,180	2,895,259	11.5%
Other Liabilities	7,743,600	8,836,173	7,333,562	(1,092,573)	-12.4%
Total Liabilities	35,869,275	34,066,589	33,123,742	1,802,686	5.3%
Net Position - Unrestricted	\$ 14,563,971	\$ 13,431,721	\$ 19,242,569	\$ 1,132,250	8.4%

Revenues, Expenses, And Changes In Net Position Summary				2022 To 2023 Change	
	12/31/2023	12/31/2022	12/31/2021	Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$ 27,411,610	\$ 24,334,200	\$ 26,067,381	\$ 3,077,410	12.6%
Operating Expenses:					
Provision For Claims and Claims					
Adjustment Expenses	15,641,743	11,600,231	13,827,511	4,041,512	34.8%
Premium For Excess Insurance	7,498,081	6,679,017	6,591,332	819,064	12.3%
Residual Claims Fund					
Supplemental Assessment	109,779	956,455	74,581	(846,676)	-88.5%
MEL Claims Fund					
Supplemental Assessment	-	1,140,643	989,876	(1,140,643)	-100.0%
Professional & Contractual Services	3,764,578	3,733,095	3,398,984	31,483	0.8%
Total Operating Expenses	27,014,181	24,109,441	24,882,284	2,904,740	12.0%
Operating Income	397,429	224,759	1,185,097	172,670	76.8%
Investment Income (Loss)	2,193,747	(1,336,874)	(45,899)	3,530,621	264.1%
Change In Investment In Joint Venture	541,074	(948,733)	(883,085)	1,489,807	157.0%
Distributions To Members	(2,000,000)	(3,750,000)	(3,750,000)	(1,750,000)	-46.7%
Change In Net Position	\$ 1,132,250	\$ (5,810,848)	\$ (3,493,887)	\$ 6,943,098	119.5%

Financial Highlights Continued

Cash and Cash Equivalents decreased over the prior year by \$8,326,798 while investments increased by \$10,289,505 and Other Assets increased by \$972,229 resulting in a net increase in assets of \$2,934,936 (6.2%) which is driven by a decrease in unrealized loss in investments coupled with an increase in realized gains in investments. Other Assets include Investments in Joint Ventures (the JIF's ownership of the MEL, RCF, and Cyber Fund), 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. In some circumstances, based upon the size of the portfolio and changes in investment rates, investments may be sold prior to the maturity date and reinvested for a higher yield which may result in a realized loss. The realized loss will be offset by realized gains when the said investments reach their maturity date. Claims liabilities increased by 11.5% in case reserves with a decrease of 12.4% in Other Liabilities resulting in an overall 5.3% increase (\$1,802,686) in Total Liabilities & Reserves. The decrease in Other Liabilities is being driven by the reduction (\$1,750,000) in Authorized Return of Surplus. The JIF takes a prudent approach to toward surplus distribution taking into consideration the overall surplus position in recognition of trends potentially affecting the Fund's overall financial strength balanced with the needs of members' local budgets. For example, the 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 (\$1,066,235). The 12/31/22 valuation additional assessments for both the MEL (\$1,140,643) and RCF (\$956,455) will be re-evaluated annually and paid out over ten (10) years with the first installment date to be determined. The JIF continues to accrue for the full 12/31/22 Supplemental Assessments. The 12/31/23 RCF Supplemental Assessment (\$1,200,000 Total - \$109,780 ACM JIF) will be invoiced and due in 2024. As a result, the overall net position of the Fund increased by \$1,132,250. It is notable to highlight the JIF released \$2,000,000 in Surplus in the Fall of 2023.

Regular Contributions increased by approximately \$3,077,410 over 2022 with no members 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 loss funding allocations by line of coverage are recommended by the Fund Actuary. The increase to Regular Contributions is being driven by an overall Budget increase of 12.75% (\$3,083,248) with a Loss Fund increase of \$2,170,186 (16.01%). In preparation of the 2022 Budget, the Actuary provided the Finance Committee with the option to fund additional perils including Fire Fighters' Cancer Presumption, WC Pension Offset, Sexual Abuse and Molestation, and Title 59 Erosion. Ultimately, the Finance Committee decided to fund 25% of the optional additional perils for 2022. When developing the 2023 Budget, the funding of these additional perils is no longer optional and were included in the Actuary's base figures. As customary, the Actuary provided three confidence levels of loss funding: low (40% confidence level), central (55% confidence level), and high (70% confidence level). The Finance Committee opted to fund the central loss funding recommendation as they have done historically.

An overall 12.0% increase in Operating Expenses over the prior year was driven by a 34.8% (\$4,041,512) increase in Provisions for Claims and Claims Adjusted Expenses, a 12.3% increase (\$819,065) in Premium for Excess Insurance, an 88.5% (\$846,676) decrease in RCF Supplemental Assessment, a 100% decrease in MEL Supplemental Assessment, and a 0.8% increase in Professional & Contractual Services driven by the timing of actual payments made. As of 12/31/22 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), prior to the Supplemental Assessments as a result of changes in State laws and regulations pertaining to SAM, Fire Fighters' Cancer Presumption, WC Pension offset, COVID, and Title 59 Erosion. 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 (\$16,000,001) and RCF Supplemental Assessment (\$14,056,726) remain as a potential liability at 12/31/23. These Supplemental Assessments will be evaluated annually and will be invoiced when the claims paid reflect these liabilities. Due to RCF deterioration of \$1,156,002, the RCF issued an additional Supplemental Assessment of \$1,200,000 of which the ACM JIF owes \$109,780 for the 12/31/23 valuation to be invoiced and paid in 2024.

Financial Highlights Continued

In 2023, 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 0.08% (\$31,483) as a result of timing for payments made and accruals. Increases in professional fees averaged 2.00%. Professional & Contractual Services and Member Benefit costs represented just 12% of the total Fund's budget.

The 2023 MEL Budget projected a 16.3% budget increase (\$8,096,295) over 2022 inclusive of exposure growth, which is driven by the hardening of the worldwide excess insurance market. The JIF budgeted an increase of \$663,552 (15.00%). The worldwide insurance market has been challenging due to ongoing natural disasters (i.e., hurricanes & wildfires), the lingering effects from the COVID-19 pandemic, the impact of law enforcement related claims, and the impact of social inflation. 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 2023, the JIF EPL/POL/Land Use insurer QBE originally issued a 2% statewide premium increase; however, was later amended to be an overall increase of 5% due to the overall MEL performance and rates at time of renewal. 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. 2023 is year 4 of a 5-year phase in process. Some members will continue to recognize small swings in their premium until the new process is fully implemented.

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

In recognition of the difficulty in securing Cyber Liability coverage for public entities in the commercial insurance market, the need for all members to implement stringent cyber security protocols, the volatile nature of cyber related losses and the recent poor loss experience for members in the Cyber line of coverage; the MEL affiliated JIFs formed the Cyber Risk Management Joint Insurance Fund to provide Cyber related services and coverage for all MEL affiliated JIFs effective January 1, 2023. The Cyber JIF carries a self-insured retention and purchases specific and aggregate excess coverage for each member JIF. The Cyber JIF premium is allocated to members utilizing population tiers to create size categories. The members with smaller populations will have a lower premium than those members with large populations. This recognizes the complexity of larger towns that may have greater exposures than smaller towns.

In 2023, the Fund authorized a surplus release of \$2,000,000 to its members, which was a 46.7% decrease over what was released in 2022. It should be noted that the Fund had a surplus of approximately \$13.0 million at December 31, 2023 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 several years, 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 MEL in a surplus position. Increasing Workers' Compensation claim costs resulting from new claims, claim "reopeners", and the costs of COVID "long haulers" claims continue to influence the Fund. In addition, the Fund must still budget for increasing health care costs and indemnity costs both of which have been impacted by unprecedented inflationary pressures the last few years. 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 as soon as they are eligible 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/or 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, increasing TTD rates, and a continued increase in the number of claim petitions.

Economic Conditions Continued

The issues described above have been exasperated by recent legislative and regulatory changes. In regards to 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". In addition, 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 or well into the future. 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, which has been very challenging over the last several years. With an increasing number of natural disasters, the impact of global warming, and the increasing costs of building materials and labor, the excess property insurance market has experienced increasing rates, stricter coverage terms, reduced limits, and a demand for more detailed exposure data. In fact, in 2023, the United States experienced 28 separate billion-dollar property loss events.

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 the changes to State statutes and regulations noted above. 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. As investments in lower return instruments continue to mature, and the available funds are reinvested in higher interest rate vehicles, the unrealized losses will be reduced over time.

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 13,917,784	\$ 22,244,582
Investments	35,062,288	24,772,783
Investment in Joint Ventures	919,958	378,884
Accrued Interest Receivable	510,065	39,207
JIF Retro Program	20,798	60,388
Prepaid Expenses	2,353	2,466
	<u>50,433,246</u>	<u>47,498,310</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Expenses	254,569	532,626
Due to Residual Claims Fund	2,364,197	1,903,409
Residual Claims Fund Supplemental Assessment	1,066,235	956,455
MEL Claims Fund Supplemental Assessment	1,140,643	1,140,643
Aggregate Excess Loss Fund Contingency	1,177,054	941,070
Authorized Return of Surplus	1,740,902	3,361,970
	<u>7,743,600</u>	<u>8,836,173</u>
Reserves:		
Claims:		
Case Reserves	14,319,286	14,549,063
IBNR Reserves	14,951,705	11,765,829
Excess Insurance Recoverable	(1,145,316)	(1,084,476)
	<u>28,125,675</u>	<u>25,230,416</u>
Total Liabilities and Reserves	<u>35,869,275</u>	<u>34,066,589</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 14,563,971</u>	<u>\$ 13,431,721</u>

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Regular Contributions	\$ 27,247,843	\$ 24,202,825
MEL Surplus Transfer	163,767	131,375
	<hr/>	<hr/>
Total Operating Revenues	27,411,610	24,334,200
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	15,641,743	11,600,231
Premium for Excess Insurance	7,498,081	6,679,017
Residual Claims Fund Supplemental Assessment	109,779	956,455
MEL Claims Fund Supplemental Assessment	-	1,140,643
Other Operating Expenses:		
Actuary - The Actuarial Advantage	35,368	39,576
Administration - Risk Program Administrators	1,057,699	1,036,960
Administrative Consultant - PERMA, Inc.	45,832	44,933
Attorney - DeWeese Law Firm, P.C.	138,590	135,873
Auditor - Bowman & Company LLP	20,993	20,582
Claims Administration - Qual-Lynx	837,250	855,157
Claims Auditor - North Shore Risk Consulting	-	46,080
Contingency - Various	7,300	13,997
Other Expenses - Various	46,813	52,919
Payroll Auditor - Bowman & Company LLP	22,762	17,735
Property Appraiser - AssetWorks, LLC	35,974	59,158
Risk Management Consultants - Various	748,538	711,480
Safety Director - J.A. Montgomery Risk Control Services	235,046	227,098
Safety Programs/ EPL Cyber - Various	400,390	337,262
Treasurer - John Hansen	25,500	25,000
Underwriting Manager - Conner Strong & Buckelew	12,746	12,496
Wellness Program - Various	93,777	96,789
	<hr/>	<hr/>
Total Operating Expenses	27,014,181	24,109,441
	<hr/>	<hr/>
Operating Income	397,429	224,759
Non-Operating Revenues (Expenses):		
Investment Income (Loss)	2,193,747	(1,336,874)
Change in Investment in Joint Ventures	541,074	(948,733)
	<hr/>	<hr/>
Change in Net Position	3,132,250	(2,060,848)
Net Position, Beginning	13,431,721	19,242,569
	<hr/>	<hr/>
Net Position Before Distributions to Members	16,563,971	17,181,721
Distributions to Members	2,000,000	3,750,000
	<hr/>	<hr/>
Net Position, Ending	\$ 14,563,971	\$ 13,431,721
	<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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 27,411,610	\$ 24,334,200
Receipts from Retro Program	39,590	-
Payments for Claim Payments	(12,285,696)	(11,862,636)
Payments for Insurance Premiums	(7,498,080)	(7,743,570)
Payments to Professionals and Suppliers	<u>(4,042,521)</u>	<u>(3,518,442)</u>
Net Cash Flows Provided by Operating Activities	<u>3,624,903</u>	<u>1,209,552</u>
Cash Flows From Investing Activities:		
Redemption of Investment Securities	5,460,000	65,717,000
Purchase of Investment Securities	(15,077,627)	(52,490,070)
Investment Income	<u>1,051,010</u>	<u>680,687</u>
Net Cash Flows Provided by (Used In) Investing Activities	<u>(8,566,617)</u>	<u>13,907,617</u>
Cash Flows Used in Noncapital Financing Activities:		
Distribution to Members	<u>(3,385,084)</u>	<u>(3,791,933)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,326,798)	11,325,236
Cash and Cash Equivalents - Beginning	<u>22,244,582</u>	<u>10,919,346</u>
Cash and Cash Equivalents - Ending	<u>\$ 13,917,784</u>	<u>\$ 22,244,582</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 397,429	\$ 224,759
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
JIF Retro Program	39,590	-
Prepaid Expenses	113	13
Accrued Expenses	(278,056)	214,544
MEL Claims Fund Supplemental Assessment	-	150,767
Due to Residual Claims Fund	460,788	297,359
RCF Claims Fund Supplemental Assessment	109,780	881,874
Claims Reserves	<u>2,895,259</u>	<u>(559,764)</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 3,624,903</u>	<u>\$ 1,209,552</u>
Supplemental Disclosure - Noncash Activity:		
Unrealized Gain/Loss on Investments		
included in Investment Income	<u>\$ 861,344</u>	<u>\$ (2,068,994)</u>
Change in Investment in Joint Ventures	<u>\$ 541,074</u>	<u>\$ (948,733)</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, 2023, 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.

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 Governmental Accounting Standards Board ("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.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Component Unit (Cont'd)

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 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.

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.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Cash, Cash Equivalents, and Investments (Cont'd)

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 GUDPA. 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.

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.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

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, 2023 and 2022. 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.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities (Cont'd)

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.

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.

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 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.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 3: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk (Cont'd)

Of the Fund's bank balance of \$6,633,684 as of December 31, 2023, \$256,168 was insured while \$6,377,516 was collateralized under GUDPA.

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.

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 \$7,889,546 and \$16,624,176 as of December 31, 2023 and 2022, respectively.

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 \$35,062,288 and \$24,772,783 as of December 31, 2023 and 2022, 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.

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").

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

As of December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
U.S. TREASURY NOTE	1.500%	02/28/23	AAA	Level 1	\$ -	\$ 1,005,364
U.S. TREASURY NOTE	1.625%	05/31/23	AAA	Level 1	-	2,322,364
U.S. TREASURY NOTE	1.375%	09/30/23	AAA	Level 1	-	2,048,823
U.S. TREASURY NOTE	3.000%	06/30/24	AAA	Level 1	1,030,101	-
U.S. TREASURY NOTE	4.125%	01/31/25	AAA	Level 1	2,981,250	-
U.S. TREASURY NOTE	4.625%	02/28/25	AAA	Level 1	3,721,803	-
U.S. TREASURY NOTE	3.875%	03/31/25	AAA	Level 1	2,359,080	-
U.S. TREASURY NOTE	4.625%	06/30/25	AAA	Level 1	4,636,007	-
JOINT CASH MANAGEMENT INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	20,334,047	19,396,232
					<u>\$ 35,062,288</u>	<u>\$ 24,772,783</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.

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 Gain/Loss

The following schedule summarizes the net investment loss for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Investment Income	\$ 1,550,934	\$ 673,157
Less: Investment Expenses	<u>35,999</u>	<u>25,843</u>
Net Investment Earnings	1,514,935	647,314
Other Adjustments:		
AELCF Interest	(21,802)	(16,214)
Realized Gain (Loss)	(160,730)	101,020
Unrealized Gain (Loss)	<u>861,344</u>	<u>(2,068,994)</u>
Total Investment Gain (Loss)	<u>\$ 2,193,747</u>	<u>\$ (1,336,874)</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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, 2023 and 2022 and for all open Fund years net of excess insurance recoveries:

	<u>2023</u>	<u>2022</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	\$ 27,133,825	\$ 27,396,230
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	15,864,891	12,742,087
Changes in provision for insured events of prior fund years	<u>(223,148)</u>	<u>(1,141,856)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>\$ 15,641,743</u>	<u>\$ 11,600,231</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	2,863,286	2,675,957
Attributable to insured events of prior fund years	<u>9,423,253</u>	<u>9,186,679</u>
Total payments all fund years	<u>12,286,539</u>	<u>11,862,636</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 30,489,029</u>	<u>\$ 27,133,825</u>
Analysis of Balance:		
Due to Residual Claims Fund	\$ 2,363,354	\$ 1,903,409
Net Reserves	<u>28,125,675</u>	<u>25,230,416</u>
	<u>\$ 30,489,029</u>	<u>\$ 27,133,825</u>

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.

New Jersey Cyber Risk Management Fund

The Fund is currently a member of the New Jersey Cyber Risk Management Fund (the Cyber Fund"). 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 cyber 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 Cyber Fund are elected.

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

The Cyber 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.

Equity Interest

As of December 31, 2023 and 2022, the Fund's share of net position of the Residual Fund, the MEL and the Cyber Fund were as follows:

	<u>2023</u>	<u>2022</u>	
Residual Fund	\$ (207,635)	\$ (506,171)	
MEL	988,096	885,055	
Cyber	139,497	-	
	<u>\$ 919,958</u>	<u>\$ 378,884</u>	

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Selected Financial Information

Selected summarized financial information for the Residual Fund, MEL, and the Cyber Fund as of December 31, 2023 is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Cyber Fund</u>
Total Assets	<u>\$ 128,884,717</u>	<u>\$ 115,148,943</u>	<u>\$ 3,232,144</u>
Total Liabilities	<u>\$ 133,653,232</u>	<u>\$ 102,767,420</u>	<u>\$ 1,312,993</u>
Net Position	<u>\$ (4,768,515)</u>	<u>\$ 12,381,523</u>	<u>\$ 1,919,151</u>
Total Revenue	<u>\$ 37,647,508</u>	<u>\$ 69,704,751</u>	<u>\$ 6,419,422</u>
Total Expenses	<u>\$ 34,507,315</u>	<u>\$ 66,164,257</u>	<u>\$ 4,500,271</u>
Change in Net Position	<u>\$ 2,440,193</u>	<u>\$ 3,540,494</u>	<u>\$ 1,919,151</u>
Distributions to Members	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ -</u>

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>\$ 45,640,292</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>

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund, and the New Jersey Cyber Risk Management 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

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: SURPLUS DISTRIBUTION

The Executive Committee approved a surplus distribution in the amount of \$2,000,000 and \$3,750,000 for the years ended December 31, 2023 and 2022, 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.

As of December 31, 2023, the Aggregate Excess Loss Contingency Fund was allocated as follows:

	<u>Beginning Balance</u>	<u>Contributions / (Withdraws)</u>	<u>Accrued Interest</u>	<u>Ending Balance</u>
Corbin City	\$ -	\$ 878	\$ -	\$ 878
Egg Harbor City	42,914		994	43,908
Egg Harbor Township	-	143,563	-	143,563
Hamilton Township	86,814		2,011	88,825
Hammonton	196,541	30,865	4,553	231,959
Middle Township	176,745		4,095	180,840
Mullica Township	28,298		656	28,954
Northfield	112,523		2,607	115,130
Pleasantville	515		12	527
Stone Harbor	9,602		222	9,824
Upper Deerfield	75,087		1,740	76,827
Upper Township	183,487	32,420	4,251	220,158
Waterford	28,544	6,456	661	35,661
	<u>\$ 941,070</u>	<u>\$ 214,182</u>	<u>\$ 21,802</u>	<u>\$ 1,177,054</u>

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		2,669	176,745
Mullica Township	27,870		428	28,298
Northfield	110,824		1,699	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	2,117	183,487
Waterford	28,112		432	28,544
	<u>\$ 1,048,440</u>	<u>\$ (123,585)</u>	<u>\$ 16,215</u>	<u>\$ 941,070</u>

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"), the Municipal Excess Liability Joint Insurance Fund (the "MEL"), and the New Jersey Cyber Risk Management Fund (the "Cyber Fund") and has an ownership interest in those funds.

Municipal Excess Liability Joint Insurance Fund

Excess insurance premiums paid to the MEL were \$5,068,650 and \$4,422,926 for the years ended December 31, 2023 and 2022, respectively. As disclosed in Note 11, the Fund was also assessed supplemental assessments during 2023 and 2022. As disclosed in Note 4, the Fund participated in the Joint Cash Management and Investment Program during 2023 and 2022. As disclosed in Note 10, the Fund also assessed an additional \$163,767 and \$131,375 for the years ended December 31, 2023 and 2022, respectively for additional excess loss funding that was transferred to the MEL Unencumbered Surplus Account.

Municipal Excess Liability Residual Claims Fund

During 2023 and 2022, the Fund was assessed \$2,363,354 and \$1,905,563, respectively, for the transfer of fund year 2019 and 2018 liabilities to the Residual Fund. As disclosed in Note 11, the Fund was also assessed supplemental assessments during 2023 and 2022.

New Jersey Cyber Risk Management Fund

Excess insurance premiums paid to the Cyber Fund were \$458,519 for the year ended December 31, 2023.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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.

For the years ending December 31, 2023 and 2022, the Fund budgeted an additional \$163,767 and \$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, 2023, the following was transferred into the MEL Unencumbered Surplus Account:

Fund Year	Transfer
2016	\$ 631,793
2017	617,601
2018	257,584
2019	494,988
2020	592,207
2021	635,690
2022	131,375
2023	163,767
	<u>\$ 3,525,005</u>

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, 2023, supplemental assessments paid and due to the Residual Fund and MEL were as follows:

December 31,	MEL		Residual Fund	
	Paid	Unpaid	Paid	Unpaid
2019	\$ -	\$ -	\$ 335,780	\$ -
2020	228,743	-	403,369	-
2021	(11,326)	-	74,581	-
2022	-	1,140,643	-	956,455
2023	-	-	-	109,780
MEL Premium Deferral	1,001,202	-	-	-
	<u>\$ 1,218,619</u>	<u>\$ 1,140,643</u>	<u>\$ 813,730</u>	<u>\$ 1,066,235</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 11: SUPPLEMENTAL ASSESSMENTS (CONT'D)

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>

Note 12: SUBSEQUENT EVENTS

COVID-19 Pandemic - While there are many issues that are increasing claims costs 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 to total disability claims while shifting the burden to the Fund. In addition, the Fund continues to see the financial impact of claim "reopeners", an expanding definition of compensability, increasing TTD rates impacted by inflation, and an increasing number of claim petitions. 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 legislative changes and judicial decisions that are deteriorating Title 59 immunities and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

Investments - The Fund's investment performance continues to be affected by the economy. Factors such as financial conditions, COVID policies, natural gas problems, the 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 and is adjusting its investment philosophy in recognition of these factors.

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, 2023

	<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	\$ 685,142	\$ 7,592,784	\$ 1,400,738	\$ 17,455,161	\$ 27,133,825
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	1,497,890	2,577,999	543,001	11,246,001	15,864,891
Changes in provision for insured events of prior fund years	(575,956)	(225,717)	78,202	500,323	(223,148)
Total incurred claims and claims adjustment expenses all fund years	921,934	2,352,282	621,203	11,746,324	15,641,743
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	1,021,862	73,394	20,842	1,747,188	2,863,286
Attributable to insured events of prior fund years	108,946	2,404,339	216,720	6,693,248	9,423,253
Total payments all fund years	1,130,808	2,477,733	237,562	8,440,436	12,286,539
Total unpaid claim and claim adjustment expenses - Ending	\$ 476,268	\$ 7,467,333	\$ 1,784,379	\$ 20,761,049	\$ 30,489,029
Analysis of Balance:					
Due to Residual Claims Fund					\$ 2,363,354
Net Reserves					28,125,675
					<u>\$ 30,489,029</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2023

	<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>	<u>2023</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 24,113,877	\$ 24,251,045	\$ 24,336,094	\$ 23,985,865	\$ 635,131	\$ 23,021,177	\$ 22,881,462	\$ 23,084,527	\$ 24,632,811	\$ 27,632,006
Ceded	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	7,498,081
	18,739,905	18,401,313	17,773,725	17,143,182	(5,431,970)	16,569,669	16,383,784	16,493,195	17,953,793	20,133,925
Unallocated Expenses	2,950,020	3,138,910	3,283,465	3,189,456	3,305,273	3,302,931	3,415,126	3,412,885	3,758,300	3,838,234
Estimated Claims and Expenses, End of Policy Year:										
Incurred	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	15,864,891
Ceded		-					1,076,843			
Net Incurred	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	15,864,891
Paid (Net of Recoveries) as of:										
End of Policy Year	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	2,863,286
One Year Later	5,983,216	5,058,536	5,757,222	5,120,718	5,883,037	6,172,897	5,500,426	6,515,762	5,181,516	
Two Years Later	7,760,931	6,801,803	7,533,650	6,854,843	7,644,958	7,961,384	7,332,676	8,311,412		
Three Years Later	9,547,810	8,420,927	9,382,390	8,383,575	9,453,268	9,420,173	9,195,197			
Four Years Later (A)	10,920,591	10,150,365	10,257,680	9,410,957	11,145,658	10,787,902				
Reestimated Ceded Claims and Expenses	1,678,666	807,658	1,313,389	1,606,121	1,903,062	2,363,354	1,145,316	-	-	-
Reestimated Incurred Claims and Expenses:										
End of Policy Year	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	15,864,891
One Year Later	12,162,000	10,196,207	10,842,625	10,507,326	12,033,059	13,277,375	10,252,763	15,070,211	12,026,277	
Two Years Later	11,626,951	10,477,926	11,777,415	10,500,578	13,459,094	14,100,699	10,155,414	14,158,444		
Three Years Later	12,365,342	11,092,467	11,889,928	11,379,575	12,991,749	13,204,032	12,769,549			
Four Years Later (A)	12,599,257	10,958,023	11,567,578	11,078,078	13,051,221	13,151,256				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 669,257	\$ (1,361,977)	\$ 131,883	\$ 7,078	\$ 614,371	\$ 976,761	\$ 1,114,587	\$ (1,077,612)	\$ (715,810)	\$ -

(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, 2023

ASSETS

Cash and Cash Equivalents	\$ 13,917,784	
Investments	<u>35,062,288</u>	
Total Cash and Investments		\$ 48,980,072
Receivables:		
Interest	510,065	
JIF Retro Program	<u>20,798</u>	
Total Receivables		530,863
Prepaid Expenses		<u>2,353</u>
Total Assets		\$ 49,513,288
 <u>LIABILITIES</u>		
Claims:		
Case Reserves	14,319,286	
IBNR Reserve	14,951,705	
Less: Excess Insurance Recoverable	<u>(1,145,316)</u>	
Total Claims		28,125,675
Accrued Expenses:		
Operating	<u>254,569</u>	
Total Accrued Expenses		254,569
Other Liabilities:		
Due to Residual Claims Fund	2,364,197	
Residual Claims Fund Supplemental Assessment	1,066,235	
MEL Claims Fund Supplemental Assessment	1,140,643	
Aggregate Excess Loss Fund Contingency	1,037,193	
Aggregate Excess Loss Fund Contingency		
Accrued Interest	139,861	
Authorized Return of Surplus	<u>1,740,902</u>	
Total Other Liabilities		<u>7,489,031</u>
Total Liabilities		<u>35,869,275</u>
Net Statutory Surplus		<u><u>\$ 13,644,013</u></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, 2023

Underwriting Income:		
Regular Contributions	\$ 552,634,306	
MEL Surplus Transfer	3,525,005	
Supplemental Contributions	300,000	
MEL and RCF Dividends	2,749,270	
JIF Retro Program	527,848	
Other Income	<u>55,783</u>	
Total Underwriting Income		\$ 559,792,212
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	235,680,001	
Case Reserves	14,319,286	
IBNR Reserves	14,951,705	
Residual Claims Fund Premiums	<u>35,321,885</u>	
Subtotal		\$ 300,272,877
Less Excess Insurance:		
Received	696,395	
Receivable	-	
Recoverable	<u>1,145,316</u>	
Subtotal		<u>1,841,711</u>
Total Limited Incurred Claims		298,431,166
Expenses:		
Excess Insurance Premiums	126,234,341	
Operating	<u>89,334,796</u>	
Total Expenses		<u>215,569,137</u>
Total Incurred Liabilities		<u>514,000,303</u>
Underwriting Surplus		45,791,909
Investment Income		
Cumulative Investment Income		25,303,934
Unrealized Losses - Current Year		<u>(1,102,923)</u>
Total Investment Income		<u>24,201,011</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	1,066,235	
MEL Claims Fund	<u>1,140,643</u>	
Total Unpaid Supplemental Assessment		<u>2,206,878</u>
Total Supplemental Assessment		<u>4,239,227</u>
Gross Statutory Surplus		65,753,693
Return of Surplus:		
Paid		49,191,724
Aggregate Excess Loss Fund Contingency		1,037,193
Aggregate Excess Loss Fund Contingency		
Accrued Interest		139,861
Authorized and Unpaid		<u>1,740,902</u>
Total Return of Surplus		<u>52,109,680</u>
Net Statutory Surplus		<u>\$ 13,644,013</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, 2023. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures as follows:

Total Assets - Comparative Statements of Net Position	\$ 50,433,246
Less Investment in Joint Ventures	<u>919,958</u>
Total Assets - Statutory Basis	<u>\$ 49,513,288</u>
Net Position - Comparative Statements of Net Position	\$ 14,563,971
Less Investment in Joint Ventures	<u>919,958</u>
Net Statutory Surplus	<u>\$ 13,644,013</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	\$ 27,247,844		
Total Underwriting Income			\$ 27,247,844
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	2,863,286		
Case Reserves	3,926,347		
IBNR Reserves	<u>9,075,258</u>		
Subtotal		\$ 15,864,891	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		15,864,891	
Expenses:			
Excess Insurance Premiums	7,498,081		
Operating	<u>3,838,234</u>		
Total Expenses		<u>11,336,315</u>	
Total Incurred Liabilities			<u>27,201,206</u>
Underwriting Surplus			46,638
Investment Income			<u>384,162</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(163,767)
Excess Insurance Premiums			<u>163,767</u>
Gross Statutory Surplus			430,800
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 430,800</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, 2023

Underwriting Income:			
Regular Contributions	\$ 24,202,824		
Total Underwriting Income			\$ 24,202,824
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	5,181,516		
Case Reserves	3,742,941		
IBNR Reserves	<u>3,101,820</u>		
Subtotal		\$ 12,026,277	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		12,026,277	
Expenses:			
Excess Insurance Premiums	6,679,018		
Operating	<u>3,758,300</u>		
Total Expenses		<u>10,437,318</u>	
Total Incurred Liabilities			<u>22,463,595</u>
Underwriting Surplus			1,739,229
Investment Income			<u>429,978</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(131,375)
Excess Insurance Premiums			<u>131,375</u>
Gross Statutory Surplus			2,169,207
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 2,169,207</u></u>

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, 2023

Underwriting Income:			
Regular Contributions	<u>\$ 23,074,692</u>		
Total Underwriting Income			\$ 23,074,692
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	8,311,412		
Case Reserves	3,968,342		
IBNR Reserves	<u>1,878,690</u>		
Subtotal		\$ 14,158,444	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		14,158,444	
Expenses:			
Excess Insurance Premiums	6,591,332		
Operating	<u>3,412,885</u>		
Total Expenses		<u>10,004,217</u>	
Total Incurred Liabilities			<u>24,162,661</u>
Underwriting Deficit			(1,087,969)
Investment Income			<u>9,835</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(635,690)
Excess Insurance Premiums			<u>635,690</u>
Gross Statutory Deficit			(1,078,134)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u><u>\$ (1,078,134)</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, 2023

Underwriting Income:			
Regular Contributions	\$ 22,812,726		
JIF Retro Program	<u>20,798</u>		
Total Underwriting Income			\$ 22,833,524
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	9,195,197		
Case Reserves	2,678,415		
IBNR Reserves	<u>895,937</u>		
Subtotal		\$ 12,769,549	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>1,145,316</u>		
Subtotal		<u>1,145,316</u>	
Total Limited Incurred Claims		11,624,233	
Expenses:			
Excess Insurance Premiums	6,497,678		
Operating	<u>3,415,126</u>		
Total Expenses		<u>9,912,804</u>	
Total Incurred Liabilities			<u>21,537,037</u>
Underwriting Surplus			1,296,487
Investment Income			<u>46,437</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(592,207)
Excess Insurance Premiums			<u>592,207</u>
Gross Statutory Surplus			1,342,924
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ 1,342,924</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, 2023

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)	10,787,902		
Residual Claims Fund Premium	<u>2,363,354</u>		
Subtotal		\$ 13,151,256	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		13,151,256	
Expenses:			
Excess Insurance Premiums	6,451,508		
Operating	<u>3,302,931</u>		
Total Expenses		<u>9,754,439</u>	
Total Incurred Liabilities			<u>22,905,695</u>
Underwriting Deficit			(260,610)
Investment Income			376,092
Supplemental Assessment:			
Unpaid			
Residual Claims Fund		<u>205,426</u>	
Total Unpaid Supplemental Assessment			<u>205,426</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(494,988)
Excess Insurance Premiums			494,988
Deficit Transfer to Closed Fund Year			<u>89,944</u>
Gross Statutory Deficit			
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<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, 2023

Underwriting Income		
MEL Surplus Transfer	<u>\$ 3,525,005</u>	
Total Underwriting Income		\$ 3,525,005
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		1,165,743
Investment Income		<u>141,521</u>
Intrafund Transfers		
Regular Contributions		3,525,005
Excess Insurance Premiums		<u>(3,525,005)</u>
Gross Statutory Surplus		<u>1,307,264</u>
Net Statutory Surplus		<u><u>\$ 1,307,264</u></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, 2023

Expenses:

Supplemental Assessment:

Paid

Unpaid

\$ 765,163

Total Supplemental Assessment

\$ 765,163

Total Expenses

\$ 765,163

Underwriting Deficit

(765,163)

Net Statutory Deficit

\$ (765,163)

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, 2023

Underwriting Income:			
Regular Contributions	\$ 432,690,725		
Supplemental Contributions	300,000		
MEL and RCF Dividends	2,749,270		
JIF Retro Program	467,460		
Other Income	<u>55,783</u>		
Total Underwriting Income			\$ 436,263,238
Incurred Liabilities:			
Claims:			
Paid (Net of Subrogation)	199,340,688		
Case Reserves	3,241		
Residual Claims Fund Premiums	<u>32,958,531</u>		
Subtotal		\$ 232,302,460	
Less Excess Insurance:			
Received	696,395		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>696,395</u>	
Total Limited Incurred Claims		231,606,065	
Expenses:			
Excess Insurance Premiums	92,516,724		
Operating	<u>71,607,320</u>		
Total Expenses		<u>164,124,044</u>	
Total Incurred Liabilities			<u>395,730,109</u>
Underwriting Surplus			40,533,129
Investment Income			22,812,986
Supplemental Assessments			
Paid			
Residual Claims Fund	<u>813,730</u>		
Total Paid Supplemental Assessment		813,730	
Unpaid			
Residual Claims Fund	<u>95,646</u>		
Total Unpaid Supplemental Assessment		<u>95,646</u>	
Total Supplemental Assessment			<u>909,376</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(1,506,978)
Excess Insurance Premiums			1,506,978
Deficit Transfer From 2019 Fund Year			<u>(89,944)</u>
Gross Statutory Surplus			62,346,795
Return of Surplus:			
Paid		49,191,724	
Aggregate Excess Loss Fund Contingency		1,037,193	
Aggregate Excess Loss Fund Contingency			
Accrued Interest		139,861	
Authorized and Unpaid		<u>1,740,902</u>	
Total Return of Surplus			<u>52,109,680</u>
Net Statutory Surplus			<u>\$ 10,237,115</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Cyber</u>	<u>Deductible</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 1,176,610	\$ 2,234,136	\$ 466,671	\$ 9,488,837	\$ 458,830	\$ 2,358,752	\$ 5,068,650	\$ 1,968,135	\$ 4,027,223	\$ 27,247,844
Total Income	1,176,610	2,234,136	466,671	9,488,837	458,830	2,358,752	5,068,650	1,968,135	4,027,223	27,247,844
Incurred Liabilities:										
Claims	1,497,890	2,577,999	543,001	11,246,001						15,864,891
Expenses					458,519		5,068,650	1,970,912	3,838,234	11,336,315
Total Liabilities	1,497,890	2,577,999	543,001	11,246,001	458,519	-	5,068,650	1,970,912	3,838,234	27,201,206
Underwriting Surplus (Deficit)	(321,280)	(343,863)	(76,330)	(1,757,164)	311	2,358,752	-	(2,777)	188,989	46,638
Adjustments:										
Investment Income	4,713	47,353	9,692	169,848		51,649			100,907	384,162
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(163,767)			(163,767)
Excess Insurance Premiums							163,767			163,767
Total Adjustments	4,713	47,353	9,692	169,848	-	51,649	-	-	100,907	384,162
Gross Statutory Surplus (Deficit)	(316,567)	(296,510)	(66,638)	(1,587,316)	311	2,410,401	-	(2,777)	289,896	430,800
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ (316,567)	\$ (296,510)	\$ (66,638)	\$ (1,587,316)	\$ 311	\$ 2,410,401	\$ -	\$ (2,777)	\$ 289,896	\$ 430,800

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, 2023

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	1,008,227	2,333,368	469,115	8,215,567						12,026,277
Expenses							4,422,926	2,256,092	3,758,300	10,437,318
Total Liabilities	1,008,227	2,333,368	469,115	8,215,567	-	-	4,422,926	2,256,092	3,758,300	22,463,595
Underwriting Surplus (Deficit)	108,591	(218,435)	(26,462)	(702,920)	1,974,188	421,250	(1)	(6,107)	189,125	1,739,229
Adjustments:										
Investment Income	2,103	74,997	14,480	137,340	73,838	15,684			111,536	429,978
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(131,375)			(131,375)
Excess Insurance Premiums							131,375			131,375
Total Adjustments	2,103	74,997	14,480	137,340	73,838	15,684	-	-	111,536	429,978
Gross Statutory Surplus (Deficit)	110,694	(143,438)	(11,982)	(565,580)	2,048,026	436,934	(1)	(6,107)	300,661	2,169,207
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 110,694	\$ (143,438)	\$ (11,982)	\$ (565,580)	\$ 2,048,026	\$ 436,934	\$ (1)	\$ (6,107)	\$ 300,661	\$ 2,169,207

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, 2023

	<u>Coverages and Other Accounts</u>						<u>Public Officials Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>MEL</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
Other Income (Refund)									-
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	977,412	1,960,437	738,162	10,482,433					14,158,444
Expenses						4,223,984	2,367,348	3,412,885	10,004,217
Total Liabilities	977,412	1,960,437	738,162	10,482,433	-	4,223,984	2,367,348	3,412,885	24,162,661
Underwriting Surplus (Deficit)	93,336	199,213	(367,650)	(3,175,993)	1,924,824	9,879	(9,881)	238,303	(1,087,969)
Adjustments:									
Investment Income (Loss)	5,839	24,337	5,739	(30,415)	33,212			(28,877)	9,835
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	105,839	24,337	5,739	(30,415)	(66,788)	-	-	(28,877)	9,835
Gross Statutory Surplus (Deficit)	199,175	223,550	(361,911)	(3,206,408)	1,858,036	9,879	(9,881)	209,426	(1,078,134)
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 199,175	\$ 223,550	\$ (361,911)	\$ (3,206,408)	\$ 1,858,036	\$ 9,879	\$ (9,881)	\$ 209,426	\$ (1,078,134)

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, 2023

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										-
Total Income	1,065,108	2,157,532	359,567	7,206,738	1,924,730	37,656	4,021,920	2,474,984	3,585,289	22,833,524
Incurred Liabilities:										
Claims	895,615	2,450,677	293,872	7,984,069						11,624,233
Expenses							4,021,919	2,475,759	3,415,126	9,912,804
Total Liabilities	895,615	2,450,677	293,872	7,984,069	-	-	4,021,919	2,475,759	3,415,126	21,537,037
Underwriting Surplus (Deficit)	169,493	(293,145)	65,695	(777,331)	1,924,730	37,656	1	(775)	170,163	1,296,487
Adjustments:										
Investment Income (Loss)	7,012	8,268	4,605	10,193	44,919	889			(29,449)	46,437
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(592,207)			(592,207)
Excess Insurance Premiums							592,207			592,207
Total Adjustments	7,012	8,268	4,605	10,193	44,919	889			(29,449)	46,437
Gross Statutory Surplus (Deficit)	176,505	(284,877)	70,300	(767,138)	1,969,649	38,545	1	(775)	140,714	1,342,924
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 176,505	\$ (284,877)	\$ 70,300	\$ (767,138)	\$ 1,969,649	\$ 38,545	\$ 1	\$ (775)	\$ 140,714	\$ 1,342,924

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, 2023

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	\$ 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	811,861	1,600,849	210,233	10,528,313						13,151,256
Expenses						3,808,817		2,642,691	3,302,931	9,754,439
Total Liabilities	811,861	1,600,849	210,233	10,528,313	-	3,808,817	-	2,642,691	3,302,931	22,905,695
Underwriting Surplus (Deficit)	220,733	575,365	148,628	(3,299,765)	1,948,054	(1)	-	8,781	137,595	(260,610)
Adjustments:										
Investment Income	11,166	59,536	11,554	145,310	56,638				91,888	376,092
Intrafund Transfers				1,500,000	(1,500,000)					-
RCF Supplemental Assessment							\$ (205,426)			(205,426)
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions						(494,988)				(494,988)
Excess Insurance Premiums						494,988				494,988
(Surplus) Deficit Transfer to Closed Fund Year	(231,899)	(634,901)	(160,182)	1,654,455	(504,692)	1	205,426	(8,781)	(229,483)	89,944
Total Adjustments	(220,733)	(575,365)	(148,628)	3,299,765	(1,948,054)	1	-	(8,781)	(137,595)	260,610
Gross Statutory Surplus (Deficit)	-	-	-	-	-	-	-	-	-	-
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<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)	\$ 1,021,862	\$ 73,394	\$ 20,842	\$ 1,747,188	\$ 2,863,286
Case Reserves	475,028	404,714	74,904	2,971,701	3,926,347
IBNR Reserves	1,000	2,099,891	447,255	6,527,112	9,075,258
Subtotal	1,497,890	2,577,999	543,001	11,246,001	15,864,891
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 1,497,890	\$ 2,577,999	\$ 543,001	\$ 11,246,001	\$ 15,864,891
Number of Claims	188	295	84	506	1,073
Cost per Claim	\$ 7,968	\$ 8,739	\$ 6,464	\$ 22,225	\$ 14,786

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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)	\$ 1,008,182	\$ 117,818	\$ 55,507	\$ 4,000,009	\$ 5,181,516
Case Reserves	45	772,758	50,127	2,920,011	3,742,941
IBNR Reserves		1,442,792	363,481	1,295,547	3,101,820
Subtotal	1,008,227	2,333,368	469,115	8,215,567	12,026,277
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 1,008,227	\$ 2,333,368	\$ 469,115	\$ 8,215,567	\$ 12,026,277
Number of Claims	214	451	100	545	1,310
Cost per Claim	\$ 4,711	\$ 5,174	\$ 4,691	\$ 15,074	\$ 9,180

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<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)	\$ 977,323	\$ 578,540	\$ 73,193	\$ 6,682,356	\$ 8,311,412
Case Reserves	89	589,602	519,626	2,859,025	3,968,342
IBNR Reserves		792,295	145,343	941,052	1,878,690
Subtotal	977,412	1,960,437	738,162	10,482,433	14,158,444
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 977,412	\$ 1,960,437	\$ 738,162	\$ 10,482,433	\$ 14,158,444
Number of Claims	201	372	93	823	1,489
Cost per Claim	\$ 4,863	\$ 5,270	\$ 7,937	\$ 12,737	\$ 9,509

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<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)	\$ 895,512	\$ 1,468,408	\$ 152,546	\$ 6,678,731	\$ 9,195,197
Case Reserves	103	751,208	45,497	1,881,607	2,678,415
IBNR Reserves		231,061	95,829	569,047	895,937
Subtotal	895,615	2,450,677	293,872	9,129,385	12,769,549
Excess Insurance Received					-
Receivable					-
Recoverable				1,145,316	1,145,316
Subtotal	-	-	-	1,145,316	1,145,316
Limited Incurred Claims	\$ 895,615	\$ 2,450,677	\$ 293,872	\$ 7,984,069	\$ 11,624,233
Number of Claims	219	420	85	1,018	1,742
Cost per Claim	\$ 4,090	\$ 5,835	\$ 3,457	\$ 7,843	\$ 6,673

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Cyber	\$ 458,519		\$ 458,519
MEL	4,879,633		4,879,633
MEL Unencumbered Surplus Account	163,767		163,767
POL/EPL	1,970,912		1,970,912
Elected Official Credits	25,250		25,250
	<hr/>		<hr/>
Subtotal Excess Insurance	7,498,081	-	7,498,081
Operating Expenses:			
Actuary	35,368		35,368
Administration	1,057,699		1,057,699
Administrative Consultant	45,832		45,832
Annual Planning Retreat	10,260		10,260
Attorney	138,590		138,590
Auditor		\$ 20,993	20,993
Claims Administration	896,675		896,675
Contingency	3,300	2,000	5,300
EPL/Cyber:			
Cyber Risk Services	151,143		151,143
EPL/Cyber Incentive Program	16,624	10,145	26,769
Technology Risk Management Service	53,488		53,488
Fidelity Bond - Professionals	2,549		2,549
JIF Website	5,427		5,427
Legal Notices	1,320		1,320
Meeting Expense	621	2,099	2,720
Office Supplies	493		493
Other Expenses	124		124
Payroll Auditor	22,762		22,762
Performance Bond	1,121		1,121
Postage/Copies/Fax	2,368	173	2,541
PRIMA/AGRIP Conference	6,081		6,081
Printing	4,063	1,618	5,681
Property Appraiser	35,974		35,974
Record Retention Service	1,780		1,780
Recording Secretary	6,716		6,716
Risk Management Consultants	748,538		748,538
Safety Director/Loss Control	235,046		235,046
Safety Programs:			
Optional Safety Budget	15,255	12,584	27,839
Safety Incentive Program	12,079	107,921	120,000
Training			
Police Risk Services	26,000		26,000
Training	11,382		11,382
Treasurer	25,500		25,500
Underwriting Manager	12,746		12,746
Wellness Program	81,444	12,333	93,777
	<hr/>		<hr/>
Subtotal Operating Expenses	3,668,368	169,866	3,838,234
	<hr/>		<hr/>
Total Expenses	\$ 11,166,449	\$ 169,866	\$ 11,336,315
	<hr/>		<hr/>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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
	<hr/>		
Subtotal Excess Insurance	6,679,018	-	6,679,018
	<hr/>		
Operating Expenses:			
Actuary	39,576		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	844,225	\$ 57,850	902,075
Claims Auditor	15,360		15,360
Contingency	13,997	2,000	15,997
EPL/Cyber:			
Cyber Risk Services	157,111		157,111
EPL/Cyber Incentive Program	27,274		27,274
Fidelity Bond - Professionals	2,549		2,549
JIF Website	5,461		5,461
Legal Notices	1,561		1,561
Meeting Expense	5,810		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	3,025		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	26,869		26,869
Safety Incentive Program	78,916	24,853	103,769
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	96,788		96,788
	<hr/>		
Subtotal Operating Expenses	3,673,597	84,703	3,758,300
	<hr/>		
Total Expenses	\$ 10,352,615	\$ 84,703	\$ 10,437,318
	<hr/>		

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<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
	<hr/>		
Subtotal Excess Insurance	6,591,332	-	6,591,332
	<hr/>		
Operating Expenses:			
Actuary	42,889		42,889
Administration	1,016,627		1,016,627
Administrative Consultant	44,052		44,052
Attorney	133,209		133,209
Auditor	20,178		20,178
Claims Administration	823,775		823,775
Claims Auditor	15,360		15,360
Contingency	5,100		5,100
EPL/Cyber:			
Cyber On-Line Employee Training	8,398		8,398
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	100,879		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
	<hr/>		
Subtotal Operating Expenses	3,412,885	-	3,412,885
	<hr/>		
Total Expenses	\$ 10,004,217	-	\$ 10,004,217
	<hr/> <hr/>		

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<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
	<hr/>		
Subtotal Excess Insurance	6,497,678	-	6,497,678
	<hr/>		
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
	<hr/>		
Subtotal Operating Expenses	3,415,126	-	3,415,126
	<hr/>		
Total Expenses	\$ 9,912,804	-	\$ 9,912,804
	<hr/> <hr/>		

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<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)	\$ 1,497,890	\$ 2,577,999	\$ 543,001	\$ 11,246,001
Administrative Expenses (1)	337,874	641,551	134,009	2,724,801
	<u>\$ 1,835,764</u>	<u>\$ 3,219,550</u>	<u>\$ 677,010</u>	<u>\$ 13,970,802</u>
Exposure Units	\$1,525,172,287 (Property Value)	360,594 (Population)	2,984 (Vehicles)	\$ 273,671,446 (Payroll)
Liabilities per Exposure Unit	\$1.20 (Per \$1,000 Value)	\$8.93 (Per Capita)	\$226.88 (Per Vehicle)	\$51.05 (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 2022 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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)	\$ 1,008,227	\$ 2,333,368	\$ 469,115	\$ 8,215,567
Administrative Expenses (1)	375,196	710,514	148,710	2,523,881
	<u>\$ 1,383,423</u>	<u>\$ 3,043,882</u>	<u>\$ 617,825</u>	<u>\$ 10,739,448</u>
Exposure Units	\$1,445,167,494 (Property Value)	362,681 (Population)	3,070 (Vehicles)	\$ 269,307,340 (Payroll)
Liabilities per Exposure Unit	\$0.96 (Per \$1,000 Value)	\$8.39 (Per Capita)	\$201.25 (Per Vehicle)	\$39.88 (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, 2023

	<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)	\$ 977,412	\$ 1,960,437	\$ 738,162	\$ 10,482,433
Administrative Expenses (1)	335,035	675,750	115,932	2,286,168
	<u>\$ 1,312,447</u>	<u>\$ 2,636,187</u>	<u>\$ 854,094</u>	<u>\$ 12,768,601</u>
Exposure Units	\$1,409,914,054 (Property Value)	362,681 (Population)	3,102 (Vehicles)	\$ 266,599,985 (Payroll)
Liabilities per Exposure Unit	\$0.93 (Per \$1,000 Value)	\$7.27 (Per Capita)	\$275.34 (Per Vehicle)	\$47.89 (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, 2023

	<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)	\$ 895,615	\$ 2,450,677	\$ 293,872	\$ 7,984,069
Administrative Expenses (1)	337,149	682,944	113,817	2,281,216
	<u>\$ 1,232,764</u>	<u>\$ 3,133,621</u>	<u>\$ 407,689</u>	<u>\$ 10,265,285</u>
Exposure Units	\$1,283,037,929 (Property Value)	362,681 (Population)	3,008 (Vehicles)	\$ 261,294,619 (Payroll)
Liabilities per Exposure Unit	\$0.96 (Per \$1,000 Value)	\$8.64 (Per Capita)	\$135.53 (Per Vehicle)	\$39.29 (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, 2023

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
M&T Bank	
Commercial Checking	\$ 6,167
Citizens Bank	
Imprest Account	658,064
Expense Account	750
Loss Fund Account	5,363,257
Wilmington Trust	
Treasury Bills (Maturities of 3-months or less)	<u>7,889,546</u>
 Total Cash and Cash Equivalents	 <u>13,917,784</u>
<u>Investments</u>	
BNY Mellon	
Joint Cash Management and Investment Program (JCMI)	20,334,047
Wilmington Trust - Investment Account	<u>14,728,241</u>
 Total Investments	 <u>35,062,288</u>
 Total Cash, Cash Equivalents, and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	 <u>\$ 48,980,072</u>
 Total Cash, Cash Equivalents, and Investments by Fund Year:	
2023	\$ 13,491,464
2022	8,988,751
2021	4,714,139
2020	3,703,570
MEL Unencumbered Surplus Account	2,424,803
Closed Years	<u>15,657,345</u>
	<u>\$ 48,980,072</u>

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2023

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>	
Administrative Expenses:			
Auditor - Bowman & Company LLP	2023	\$ 20,993	
Contingency - Various	2023	2,000	
EPL/Cyber Incentive Program - Various	2023	10,145	
Meeting Expense - Various	2023	2,099	
Optional Safety Expenses - Various	2023	12,584	
Postage & Fax - Arthur J. Gallagher	2023	173	
Printing - Various	2023	1,618	
Safety Incentive Program - Various	2023	107,921	
Wellness Program - Various	2023	<u>12,333</u>	
Total Fund Year 2023			<u>\$ 169,866</u>
Administrative Expenses:			
Claims Administration - Qual-Lynx	2022	57,850	
Contingency - Various	2022	2,000	
Safety Incentive Program - Various	2022	<u>24,853</u>	
Total Fund Year 2022			<u>84,703</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis			<u><u>\$ 254,569</u></u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 AND RECOMMENDATIONS 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



Dennis J. Skalkowski
Certified Public Accountant