

MONMOUTH COUNTY
JOINT INSURANCE FUND
DECEMBER 31, 2019

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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MONMOUTH COUNTY MUNICIPAL

JOINT INSURANCE FUND

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PART I – FINANCIAL REPORT

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the various funds and account groups of the Monmouth County Municipal Joint Insurance Fund (the "Fund"), which comprise the consolidated balance sheets as of December 31, 2019, and the related consolidated statements of operations and changes in net position for the year then ended, and the related consolidated statement of revenues and consolidated statement of expenditures of the various funds for the year ended.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (The "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Auditors Responsibility – (Continued)

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account groups of the Fund, as of December 31, 2019, and the results of operations and changes in fund balance basis of such funds for the year then ended and the consolidated statements of revenues and consolidated statement of expenditures of the various funds for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

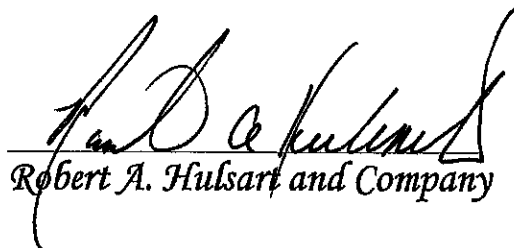
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated May 8, 2020 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Report on Other Legal and Regulatory Requirements – (Continued)

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


Robert A. Hulsart and Company

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

May 8, 2020

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

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2019 and 2018. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

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

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

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

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

Financial Highlights

The following tables summarize the financial position and results of operations for the Fund as of and for the years ended December 31, 2019 and 2018.

SUMMARY OF STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
ASSETS:				
Cash and Cash Equivalents,				
Investments and Receivables	\$ 24,555,393	\$ 24,357,716	\$ 197,677	0.81%
Investment in Joint Ventures	<u>6,146,258</u>	<u>6,350,850</u>	<u>(204,592)</u>	-3.22%
Total Assets	<u>30,701,651</u>	<u>30,708,566</u>	<u>(6,915)</u>	-0.02%
LIABILITIES:				
Loss Reserves	13,481,163	13,305,593	175,570	1.32%
Other Liabilities	<u>1,864,435</u>	<u>2,500,217</u>	<u>(635,782)</u>	-25.43%
Total Liabilities	<u>15,345,598</u>	<u>15,805,810</u>	<u>(460,212)</u>	-2.91%
UNRESTRICTED NET POSITION	<u>\$ 15,356,053</u>	<u>\$ 14,902,756</u>	<u>\$ 453,297</u>	3.04%

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

	2019	2018	Increase (Decrease)	Percent Change
Operating Revenue:				
Assessments and Other Income	\$ 15,665,763	\$ 15,006,920	\$ 658,843	4.39%
Operating Expenses:				
Provision for Claims & Claims Expense	6,409,876	7,537,809	(1,127,933)	-14.96%
Excess Insurance Premiums	5,353,380	4,628,223	725,157	15.67%
General and Administrative Expenses	2,723,870	2,661,244	62,626	2.35%
Total Operating Expenses	14,487,126	14,827,276	(340,150)	-2.29%
Operating Income/(Loss)	1,178,637	179,644	998,993	556.10%
Non-Operating Income/(Expenses):				
Change in Investment in Joint Ventures	(204,592)	(298,305)	93,713	31.42%
Investment and Dividend Income	888,044	514,022	374,022	72.76%
Return of Surplus	(1,408,792)	(1,117,259)	291,533	26.09%
Change in Net Position	\$ 453,297	\$ (721,898)	\$ 1,175,195	162.79%

In 2019, the Monmouth County Municipal JIF's (MCMJIF) total assets decreased 0.02%. Liabilities decreased 2.91% primarily due to a 25.43% decrease in Other Liabilities. The Fund's Investments in Joint Ventures represents the Fund's share of the net position in the Municipal Excess Liability Joint Insurance Fund (MEL), the Municipal Excess Liability Residual Claims Fund (RCF) and the New Jersey Municipal Environmental Risk Management Fund (EJIF). The value of this asset decreased by 3.22% reflecting a decrease in equity retained by those entity. Overall, the MCMJIF's unrestricted net position increased 3.04%.

Operating income increased 556.10% as a result of a 14.96% decrease in provision for claims and claims expense. Excess Insurance Premiums increased in 2019 by 15.67%. Investment and Dividend Income increased 72.76% due to a favorable interest rate environment.

The Fund paid a dividend of \$1,408,792 in 2019 and \$1,117,259 in 2018.

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

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

	<u>2019</u>
<u>Assets</u>	
Cash	\$ 4,814,723
Investments	19,265,759
Accrued Interest Receivable	103,516
Other Receivables	325,198
Other Assets	46,197
Investment in Joint Ventures	<u>6,146,258</u>
Total Assets	<u>\$ 30,701,651</u>
<u>Liabilities, Reserves and Net Position</u>	
Accounts Payable	\$ 1,864,435
Loss Reserves:	
Case Reserves	9,158,668
IBNR Reserves	<u>4,322,495</u>
Total Liabilities and Reserves	15,345,598
Net Position	<u>15,356,053</u>
Total Liabilities, Reserves and Net Position	<u>\$ 30,701,651</u>

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

7.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31

	<u>2019</u>
Operating Revenues:	
Assessments	<u>\$ 15,665,763</u>
Total Revenues	<u>15,665,763</u>
Operating Expenses:	
Claims Paid	5,111,868
Excess Insurance Premiums	5,353,380
General & Administrative Expenses	2,723,870
Transfer To/(From) Loss Reserves:	
Case Reserves	1,294,894
IBNR Reserves	<u>3,114</u>
Total Expenses	<u>14,487,126</u>
Operating Income/(Loss)	1,178,637
Nonoperating Revenues/(Expenses):	
Investment in Joint Ventures	(204,592)
Dividend Income	208,791
Investment Income	679,253
Return of Surplus	<u>(1,408,792)</u>
Total Nonoperating Income/(Loss)	<u>(725,340)</u>
Change in Net Position	453,297
Total Net Position, January 1	<u>14,902,756</u>
Total Net Position, December 31,	<u><u>\$ 15,356,053</u></u>

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

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

	<u>2019</u>
Cash Flows from Operating Activities	
Cash Received from Municipal Assessment and Miscellaneous Income	\$ 15,432,416
Cash Paid for Claims & Services	<u>(14,969,649)</u>
Net Cash Provided (Used) by Operating Activities	<u>462,767</u>
Cash Flows from Investing Activities	
Net (Purchase) Redemption of Treasury Bills	<u>(529,762)</u>
Cash Flows from Non-Operating Activities	
Interest/Dividends Received	<u>888,044</u>
Cash Flows from Financing Activities	
Equity Distributions	<u>(1,408,792)</u>
Net Increase (Decrease) in Cash	(587,743)
Cash, Beginning of Year	<u>5,402,466</u>
Cash, End of Year	<u><u>\$ 4,814,723</u></u>
<u>Reconciliation of Net Cash Provided (Used) by Operating Activities</u>	
Operating Income/(Loss)	\$ 1,178,637
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities	
(Increase) Decrease in Other Assets	(14,080)
Increase (Decrease) in Cash Reserves	287,232
Increase (Decrease) in IBNR Reserves	(111,662)
Increase (Decrease) in Accounts Payable	(607,711)
Increase (Decrease) in Prepayments	(28,071)
(Increase) Decrease in Receivables	<u>(241,578)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 462,767</u></u>

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Monmouth County Municipal Joint Insurance Fund (the "JIF") was established on January 1, 1988, in accordance with P.L. 1983, C. 372, entitled "An act concerning joint insurance funds for local units of government and supplementing Chapter 10 of Title 40A of the New Jersey Statutes". The Joint Insurance Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability, worker's compensation, and environmental protection.

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

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

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Closed Years Contingency Fund – Utilized to account for the activity arising from the consolidation of the prior year Fund Years (1988-2015). See Note 4.

Basis of Accounting

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America as applicable to government entities. The Fund utilizes the accrual basis of accounting whereby income is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as their measurement focus.

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

Revenues

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

Expenses

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable

Purchase orders outstanding for services rendered at December 31, 2019 are reported as expenses through the establishment of accounts payable.

Budgets

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

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

Loss Reserves

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

Cash and Investments

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

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage's such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Reinsurance

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

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

Use of Estimates

The preparation of financial statements requires management of the Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

A. Deposits

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

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

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

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

The carrying amount of the JIF's deposits at year-end was \$24,533,670. Of this amount \$250,000 was covered by Federal depository insurance and the remaining \$24,283,670 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

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

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

B. Investments

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

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

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

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

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

C. Cash Management Plan

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

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

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

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

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

	<u>Bank Balance</u>	
	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Depository Account</u>		
Insured:		
FDIC	\$ 250,000	250,000
GUDPA	<u>24,283,670</u>	<u>24,039,300</u>
	<u>\$ 24,533,670</u>	<u>24,289,300</u>

E. Custodial Credit Risk – Deposits

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

State law limits investments as noted above.

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

NOTE 3: RELATIONSHIP WITH STATE SCHEDULES

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

NOTE 4: UNPAID CLAIMS AND LIABILITIES

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

	Close Years Contingency Account	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Unpaid Claims and Claim Adjustment Expenses at Beginning of Year	\$	1,774,649	4,441,587	5,180,420	
Incurring Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the Current Year					7,592,248
Increases (Decreases) in Provision for Insured Events of Prior Years	<u>623,433</u>	<u>30,167</u>	<u>(767,160)</u>	<u>(222,203)</u>	
Total Incurred Claims and Claim Adjustment Expense	<u>623,433</u>	<u>1,804,816</u>	<u>3,674,427</u>	<u>4,958,217</u>	<u>7,592,248</u>
Payments:					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year					(1,917,601)
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>(623,433)</u>	<u>(527,558)</u>	<u>(756,652)</u>	<u>(1,286,734)</u>	
Total Payments	<u>(623,433)</u>	<u>(527,558)</u>	<u>(756,652)</u>	<u>(1,286,734)</u>	<u>(1,917,601)</u>
Total Unpaid Claims and Claim Adjustment Expenses at End of Year	\$	<u>1,277,258</u>	<u>2,917,775</u>	<u>3,671,483</u>	<u>5,674,647</u>

NOTE 5: MEMBERSHIP IN JOINT INSURANCE FUND**Municipal Excess Liability Residual Claims Fund**

Effective December 1, 1995, the Fund became a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity pool established for the purpose of assuming and discharging the liabilities associated with the loss reserves from other New Jersey Joint Insurance Funds. The transfer of these loss reserves to the Residual Fund results in the closing of the pre-2016 Fund Years.

NOTE 5: MEMBERSHIP IN JOINT INSURANCE FUND (Continued)

Municipal Excess Liability Residual Claims Fund (Continued)

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

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

The Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the years 1988 through 2015. At December 31, 2019, the Fund's share of Net Position decreased to \$1,277,167 from \$1,292,315.

New Jersey Municipal Environmental Risk Management Fund

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

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

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

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

At December 31, 2019, the Fund's share of Net Position increased to \$1,668,570 from \$1,642,129.

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

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

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

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

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

At December 31, 2019, the Fund's share of Net Position decreased to \$3,200,521 from \$3,416,406.

NOTE 6: RETURN OF SURPLUS

On October 10, 2019 The Department of Banking and Insurance approved dividends in the amount of \$1,408,792. The dividend includes \$1,200,000 from the Closed Years account and \$208,792 from the Environmental Joint Insurance Fund.

NOTE 7: DEFICIT FUND EQUITY

At December 31, 2019, the following individual retained earnings accounts were in a deficit position - (see Exhibits C thru C-3):

Fund Year 2016

POL/EPL Fund	\$ 1,635
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Fund Year 2017

General Liability Fund	225,629
------------------------	---------

Fund Year 2018

Property Fund	89,966
Automotive Fund	335,198
POL/EPL Fund	656

NOTE 7: DEFICIT FUND EQUITY (Continued)**Fund Year 2019**

Property Fund	240,010
Automotive Fund	129,664
POL/EPL Fund	647

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

NOTE 8: SUBSEQUENT EVENTS

Management continues to evaluate the impact of the COVID-19 pandemic on the organization. While the financial impact of Worker's Compensation claims from this exposure is uncertain, management is confident that the MEL has more than sufficient resources to pay all claims in a timely fashion. Further, the members are experiencing a lower rate of workers' compensation claims because they have reduced their operations. Liability claims are also expected to decline because of (1) the stronger immunities under New Jersey Law during a declared emergency and (2) the lower number of accidents due to reduced member operations. Management expects a jump in excess and reinsurance premiums beginning 2021 and is currently taking steps to mitigate this increase.

PART II – SUPPLEMENTARY SCHEDULES

DEPARTMENT OF BANKING & INSURANCE – STATE FINANCIAL REPORT

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

20.

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

Joint Insurance Fund Name: Monmouth County Municipal Joint Insurance Fund

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

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

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

EXECUTIVE COMMITTEE

Chairman: Thomas Rogers

Secretary: Bryan Dempsey

Thomas Nolan
Anthony Mercantante
Laurie Roth
Jonathan Capp
Lori Cole

Alternates:

Jeffry Bertrand
Lorraine Carafa

State of New Jersey}
SS
County of Monmouth}

Thomas Rogers, Chairman, and Bryan Dempsey, Secretary of the Monmouth County Municipal Joint Insurance Fund, being duly sworn, each for himself, deposes and says that they are the above described executive committee members of the said Joint Insurance Fund, and that on the 31st day of December, all of the herein described assets were the absolute property of the said Joint Insurance Fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said Joint Insurance Fund as of the 31st day of December, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairman

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

Secretary

Subscribed and sworn to before me
this _____ day of _____, 2020

COMBINED BALANCE SHEET

Exhibit A-1

21.

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit A-2

	Closed Years Contingency Fund	Aggregate Excess Loss Fund	Fund Year			Combined Total
			2016	2017	2018	2019
Revenues:						
Assessments	\$ -	174,723	-	-	-	15,491,040
Total Revenues	-	174,723	-	-	-	15,491,040
Expenses:						
Claims Paid	623,433	-	527,558	756,542	1,286,734	1,917,601
Excess Insurance Premiums	262,461	-	-	-	-	5,090,919
General & Administrative Expenses				(10)	4,498	2,719,382
Transfer To/(From) Loss Reserves:						
Case Reserves	(667,830)		(353,366)	(916,196)	(149,746)	3,382,032
IBNR Reserves	(118,669)		(204,025)	(607,616)	(1,359,191)	2,292,615
Total Expenses	99,395	-	(29,833)	(767,280)	(217,705)	15,402,549
Operating Income/(Loss)	(99,395)	174,723	29,833	767,280	217,705	88,491
Nonoperating Income:						
Dividend Income	208,791					208,791
Investment Income	146,209	15,955	104,171	113,849	137,580	679,253
Total Nonoperating Income	355,000	15,955	104,171	113,849	137,580	888,044
Net Income/(Loss)	255,605	190,678	134,004	881,129	355,285	2,066,681
Retained Earnings, Beginning of Year	3,702,052	560,303	2,842,185	620,026	827,340	8,551,906
Other Financing Sources/(Uses):						
Return of Surplus	(1,408,792)	-	-	-	-	(1,408,792)
Retained Earnings, End of Year	\$ 2,548,865	750,981	2,976,189	1,501,155	1,182,625	9,209,795

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit A-3

	Closed Years Contingency Fund	Aggregate Excess Loss Fund	Fund Year			Combined Total
			2016	2017	2018	2019
Cash Flows from Operating Activities:						
Cash Received from Municipal Assessment and Miscellaneous Income	\$ -	168,031	-	-	-	15,432,416
Cash Paid for Claims & Services	(1,941,678)	-	(527,908)	(758,279)	(2,134,663)	(14,969,649)
Net Cash Provided (Used) by Operating Activities	(1,941,678)	168,031	(527,908)	(758,279)	(2,134,663)	462,767
Cash Flows from Investing Activities						
Net (Purchase) Redemption of Treasury Bills	2,235,343	(159,038)	237,787	404,067	1,395,590	(529,762)
Cash Flows from Non-Operating Activities						
Interest/Dividends Received	355,000	15,955	104,171	113,849	137,580	888,044
Cash Flows from Financing Activities						
Equity Distributions	(1,408,792)	-	-	-	-	(1,408,792)
Net Increase/(Decrease) in Cash	(760,127)	24,948	(185,950)	(240,363)	(601,493)	(587,743)
Cash, Beginning of Year	1,589,842	125,167	1,028,679	1,129,534	1,529,244	5,402,466
Cash, End of Year	\$ 829,715	150,115	842,729	889,171	927,751	4,814,723
Reconciliation of Net Cash Provided by Operating Activities						
Operating Income/(Loss)	\$ (99,395)	174,723	29,833	767,280	217,705	88,491
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Changes in Assets and Liabilities						
(Increase) Decrease in Other Assets	(14,080)					(14,080)
Increase (Decrease) in Case Reserves	(1,675,492)					287,232
Increase (Decrease) in IBNR	(233,445)					(111,662)
Increase (Decrease) in Accounts Payables	84,341					(607,711)
Increase (Decrease) in Prepayments	-					(28,071)
(Increase) Decrease in Receivables	(3,607)	(6,692)	(350)	(1,747)	(2,527)	(241,578)
Net Cash Provided (Used) by Operating Activities	\$ (1,941,678)	168,031	(527,908)	(758,279)	(2,134,663)	462,767

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2019

FUND YEAR 2019

Exhibit B

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POL/ EPL	General Administration	Total
Assets										
Cash	\$ 32,840	259,031	64,115	704,651	32,053	(6,690)	(3,732)	(647)	93,621	1,175,242
Investments	128,543	1,013,910	250,960	2,758,181	125,463	-	-		366,454	4,643,511
Other Receivables	11,458	20,505	4,940	70,679		42,113	3,914		41,693	195,302
Interest Receivable	1,223	4,245	1,056	13,073		7,586	24		4,146	31,353
Total Assets	\$ 174,064	1,297,691	321,071	3,546,584	157,516	43,009	206	(647)	505,914	6,045,408
Liabilities and Equity										
Loss Reserves	\$ 414,074	1,427,355	299,211	3,534,007		-			120,781	5,674,647
Accounts Payable	-									120,781
Retained Earnings:										
Unreserved	(240,010)	(129,664)	21,860	12,577	157,516	43,009	206	(647)	385,133	249,980
Total Liabilities and Equity	\$ 174,064	1,297,691	321,071	3,546,584	157,516	43,009	206	(647)	505,914	6,045,408

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2019

FUND YEAR 2018

Exhibit B-1

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POL/ EPL	General Administration	Total
<u>Assets</u>										
Cash	\$ (61,311)	261,229	59,233	564,565	27,769	10,400	75	(656)	66,447	927,751
Investments	-	1,031,462	233,880	2,229,180	109,647	41,064	298		262,365	3,907,896
Interest Receivable	17	4,635	1,079	10,527	433	717	1		1,052	18,461
Total Assets	<u>\$ (61,294)</u>	<u>1,297,326</u>	<u>294,192</u>	<u>2,804,272</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>4,854,108</u>
<u>Liabilities and Equity</u>										
Loss Reserves	\$ 28,672	877,569	629,390	2,135,852						3,671,483
Retained Earnings:										
Unreserved	(89,966)	419,757	(335,198)	668,420	137,849	52,181	374	(656)	329,864	1,182,625
Total Liabilities and Equity	<u>\$ (61,294)</u>	<u>1,297,326</u>	<u>294,192</u>	<u>2,804,272</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>4,854,108</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2019

FUND YEAR 2017

Exhibit B-2

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POLJ EPL	General Administration	Total
Assets										
Cash	\$ 60,362	206,188	65,923	449,704	28,529	3,569	58	9	74,829	889,171
Investments	238,497	814,674	260,469	1,776,829	112,722	14,104	228	34	295,656	3,513,213
Interest Receivable	1,049	3,943	1,159	8,514	500	74	1	-	1,306	16,546
Total Assets	\$ 299,908	1,024,805	327,551	2,235,047	141,751	17,747	287	43	371,791	4,418,930
Liabilities and Equity										
Loss Reserves	\$ 5,906	1,250,434	67,463	1,593,972						2,917,775
Retained Earnings:										
Unreserved	294,002	(225,629)	260,088	641,075	141,751	17,747	287	43	371,791	1,501,155
Total Liabilities and Equity	\$ 299,908	1,024,805	327,551	2,235,047	141,751	17,747	287	43	371,791	4,418,930

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING BALANCE SHEET AT DECEMBER 31, 2018

FUND YEAR 2016

Exhibit B-3

	Property Fund	General Liability Fund	Automotive Liability Fund	Workmen's Compensation Insurance Fund	Loss Fund Contingency	MEL	Environmental	POL/ EPL	General Administration	Total
<u>Assets</u>										
Cash	\$ 47,788	222,703	56,669	412,300	28,832	1,361	439	(1,635)	74,272	842,729
Investments	188,450	878,223	223,471	1,625,892	113,695	5,368	1,732	-	292,889	3,329,720
Other Receivables				-			-		5,740	5,740
Interest Receivable	837	4,091	992	7,470	505	24	39	-	1,300	15,258
Total Assets	\$ 237,075	1,105,017	281,132	2,045,662	143,032	6,753	2,210	(1,635)	374,201	4,193,447
<u>Liabilities and Equity</u>										
Loss Reserves	\$ 2,325	542,058	-	672,875						1,217,258
Retained Earnings:										
Unreserved	234,750	562,959	281,132	1,372,787	143,032	6,753	2,210	(1,635)	374,201	2,976,189
Total Liabilities and Equity	\$ 237,075	1,105,017	281,132	2,045,662	143,032	6,753	2,210	(1,635)	374,201	4,193,447

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDBALANCE SHEETAT DECEMBER 31, 2019CLOSED YEARS CONTINGENCY FUND

Exhibit B-4

Assets

Cash	\$ 829,715
Investments	3,278,297
Retro Premium Receivable	118,997
Interest Receivable	19,313
Other Assets	<u>46,197</u>
Total Assets	<u>\$ 4,292,519</u>

Liabilities and Equity

Accounts Payable	\$ 1,743,654
Retained Earnings - Unreserved	<u>2,548,865</u>
Total Liabilities and Equity	<u>\$ 4,292,519</u>

BALANCE SHEET

AT DECEMBER 31, 2019

AGGREGATE EXCESS LOSS FUND CONTINGENCY

Exhibit B-5

Assets

Cash	\$ 150,115
Investments	593,122
Contributions Receivable	5,159
Interest Receivable	<u>2,585</u>
Total Assets	<u>\$ 750,981</u>

Equity

Retained Earnings - Unreserved	<u>\$ 750,981</u>
Total Equity	<u>\$ 750,981</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C

FUND YEAR 2019

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
Assessment Revenue										
Regular Contributions	\$ 795,489	1,399,578	332,937	4,643,700	157,516	3,299,796	385,429	1,396,186	3,080,409	15,491,040
Other Income:										
Interest Income	7,840	20,834	5,123	66,982	-	36,417	207	-	24,106	161,489
	<u>803,329</u>	<u>1,420,412</u>	<u>338,060</u>	<u>4,710,682</u>	<u>157,516</u>	<u>3,336,213</u>	<u>385,636</u>	<u>1,396,186</u>	<u>3,104,515</u>	<u>15,652,529</u>
Expenses										
Premiums	15,452					3,293,204	385,430	1,396,833		5,090,919
Claims - Paid	613,613	122,721	16,989	1,164,078						1,917,601
Claims - Loss Reserves	414,074	1,427,355	299,211	3,534,007						5,674,647
Claims Adjustment									633,270	633,270
Safety Engineer									237,627	237,627
Administrative Fees									381,834	381,834
Managed Care									202,873	202,873
Professional Services									269,933	269,933
Miscellaneous									38,567	38,567
Risk Management Consultant Fees									955,278	955,278
Total Expenses	<u>1,043,339</u>	<u>1,550,076</u>	<u>316,200</u>	<u>4,698,085</u>	<u>-</u>	<u>3,293,204</u>	<u>385,430</u>	<u>1,396,833</u>	<u>2,719,382</u>	<u>15,402,549</u>
Net Income/(Deficit)	<u>(240,010)</u>	<u>(129,664)</u>	<u>21,860</u>	<u>12,577</u>	<u>157,516</u>	<u>43,009</u>	<u>206</u>	<u>(647)</u>	<u>385,133</u>	<u>249,980</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2019	<u>\$ (240,010)</u>	<u>(129,664)</u>	<u>21,860</u>	<u>12,577</u>	<u>157,516</u>	<u>43,009</u>	<u>206</u>	<u>(647)</u>	<u>385,133</u>	<u>249,980</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C-1

FUND YEAR 2018

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
Assessment Revenue										
Regular Contributions	\$ 778,249	1,382,110	346,640	4,618,973	136,214	3,011,161	373,828	1,233,980	2,960,610	14,841,765
Other Income:										
Interest Income	6,234	49,585	11,658	133,025	1,635	45,725	374	-	7,746	255,982
	<u>784,483</u>	<u>1,431,695</u>	<u>358,298</u>	<u>4,751,998</u>	<u>137,849</u>	<u>3,056,886</u>	<u>374,202</u>	<u>1,233,980</u>	<u>2,968,356</u>	<u>15,097,747</u>
Expenses										
Premiums	15,054					3,004,705	373,828	1,234,636		4,628,223
Claims - Paid	830,723	134,369	64,106	1,947,726						2,976,924
Claims - Loss Reserves	28,672	877,569	629,390	2,135,852						3,671,483
Claims Adjustment									603,493	603,493
Safety Engineer									260,319	260,319
Administrative Fees									397,618	397,618
Managed Care									193,325	193,325
Professional Services									221,894	221,894
Miscellaneous									40,662	40,662
Risk Management Consultant Fees									921,181	921,181
Total Expenses	<u>874,449</u>	<u>1,011,938</u>	<u>693,496</u>	<u>4,083,578</u>	<u>-</u>	<u>3,004,705</u>	<u>373,828</u>	<u>1,234,636</u>	<u>2,638,492</u>	<u>13,915,122</u>
Net Income/(Deficit)	<u>(89,966)</u>	<u>419,757</u>	<u>(335,198)</u>	<u>668,420</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>1,182,625</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2019	\$ (89,966)	419,757	(335,198)	668,420	137,849	52,181	374	(656)	329,864	1,182,625

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

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

FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C-2

FUND YEAR 2017

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
Assessment Revenue										
Regular Contributions	\$ 778,765	1,463,272	349,140	4,555,667	136,388	3,137,455	392,140	1,177,602	2,647,948	14,638,377
Other Income:										
Interest Income	12,560	55,395	13,929	120,266	5,363	11,285	287	2	15,180	234,267
	<u>791,325</u>	<u>1,518,667</u>	<u>363,069</u>	<u>4,675,933</u>	<u>141,751</u>	<u>3,148,740</u>	<u>392,427</u>	<u>1,177,604</u>	<u>2,663,128</u>	<u>14,872,644</u>
Expenses										
Premiums	15,331					3,130,993	392,140	1,177,561		4,716,025
Claims - Paid	476,086	493,862	35,518	2,440,886						3,446,352
Claims - Loss Reserves	5,906	1,250,434	67,463	1,593,972						2,917,775
Claims Adjustment									591,660	591,660
Safety Engineer									254,727	254,727
Administrative Fees									356,745	356,745
Managed Care									193,334	193,334
Professional Services									195,538	195,538
Miscellaneous									42,931	42,931
Risk Management Consultant Fees									656,402	656,402
Total Expenses	<u>497,323</u>	<u>1,744,296</u>	<u>102,981</u>	<u>4,034,858</u>	<u>-</u>	<u>3,130,993</u>	<u>392,140</u>	<u>1,177,561</u>	<u>2,291,337</u>	<u>13,371,489</u>
Net Income/(Deficit)	<u>294,002</u>	<u>(225,629)</u>	<u>260,088</u>	<u>641,075</u>	<u>141,751</u>	<u>17,747</u>	<u>287</u>	<u>43</u>	<u>371,791</u>	<u>1,501,155</u>
Adjustments:										
Transfers Permanent										
Retained Earnings (Deficit) at December 31, 2019	<u>\$ 294,002</u>	<u>(225,629)</u>	<u>260,088</u>	<u>641,075</u>	<u>141,751</u>	<u>17,747</u>	<u>287</u>	<u>43</u>	<u>371,791</u>	<u>1,501,155</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C-3

FUND YEAR 2016

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
Assessment Revenue										
Regular Contributions	\$ 714,164	1,475,974	322,763	4,678,011	136,624	3,119,560	388,457	1,079,859	2,595,627	14,511,039
Other Income:										
Interest Income	11,016	58,043	12,634	112,590	6,408	280	2,210	-	29,522	232,703
	<u>725,180</u>	<u>1,534,017</u>	<u>335,397</u>	<u>4,790,601</u>	<u>143,032</u>	<u>3,119,840</u>	<u>390,667</u>	<u>1,079,859</u>	<u>2,625,149</u>	<u>14,743,742</u>
Expenses										
Premiums	14,772					3,113,087	388,457	1,081,494		4,597,810
Claims - Paid	473,333	429,000	54,265	2,744,939						3,701,537
Claims - Loss Reserves	2,325	542,058	-	872,875					580,059	1,217,258
Claims Adjustment									245,099	245,099
Safety Engineer									349,752	349,752
Administrative Fees									189,543	189,543
Managed Care									201,932	201,932
Professional Services									40,289	40,289
Miscellaneous									644,274	644,274
Risk Management Consultant Fees									2,250,948	11,767,553
Total Expenses	<u>490,430</u>	<u>971,058</u>	<u>54,265</u>	<u>3,417,814</u>	<u>-</u>	<u>3,113,087</u>	<u>388,457</u>	<u>1,081,494</u>	<u>2,250,948</u>	<u>11,767,553</u>
Net Income/(Deficit)	<u>234,750</u>	<u>562,959</u>	<u>281,132</u>	<u>1,372,787</u>	<u>143,032</u>	<u>6,753</u>	<u>2,210</u>	<u>(1,635)</u>	<u>374,201</u>	<u>2,976,189</u>
Adjustments:										
Transfers Permanent										-
Retained Earnings (Deficit) at December 31, 2019	<u>\$ 234,750</u>	<u>562,959</u>	<u>281,132</u>	<u>1,372,787</u>	<u>143,032</u>	<u>6,753</u>	<u>2,210</u>	<u>(1,635)</u>	<u>374,201</u>	<u>2,976,189</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

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

FOR THE YEAR ENDED DECEMBER 31, 2019

FUND YEAR 2015

Exhibit C-4

	Property Fund	General Liability Fund	Automotive Liability Fund	Worker's Compensation Fund	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General & Administrative Fund	Total
<u>Assessment Revenue</u>										
Regular Contributions	\$ 634,822	1,434,750	293,170	4,465,000	128,223	3,023,127	348,572	922,927	2,384,006	13,634,597
Other Income:										
Interest Income	3,282	44,397	6,758	38,049	5,306	2,710	124	(5)	26,501	127,122
	<u>638,104</u>	<u>1,479,147</u>	<u>299,928</u>	<u>4,503,049</u>	<u>133,529</u>	<u>3,025,837</u>	<u>348,696</u>	<u>922,922</u>	<u>2,410,507</u>	<u>13,761,719</u>
<u>Expenses</u>										
Premiums	13,822					3,023,127	348,572	922,927		4,308,448
Claims - Paid	581,740	1,049,438	242,189	4,634,345						6,507,712
Claims - Loss Reserves	338	280,921		841,178						1,122,437
Claims Adjustment									524,323	524,323
Safety Engineer									223,888	223,888
Administrative Fees									316,140	316,140
Managed Care									171,331	171,331
Professional Services									184,245	184,245
Miscellaneous									16,102	16,102
Risk Management Consultant Fees									588,849	588,849
Total Expenses	<u>595,900</u>	<u>1,330,359</u>	<u>242,189</u>	<u>5,475,523</u>	<u>-</u>	<u>3,023,127</u>	<u>348,572</u>	<u>922,927</u>	<u>2,024,878</u>	<u>13,983,475</u>
Net Income/(Deficit)	<u>42,204</u>	<u>148,788</u>	<u>57,739</u>	<u>(972,474)</u>	<u>133,529</u>	<u>2,710</u>	<u>124</u>	<u>(5)</u>	<u>385,629</u>	<u>(201,756)</u>
Adjustments:										
Transfers Permanent										
Transferred to Close Years Fund	<u>\$ 42,204</u>	<u>148,788</u>	<u>57,739</u>	<u>(972,474)</u>	<u>133,529</u>	<u>2,710</u>	<u>124</u>	<u>(5)</u>	<u>385,629</u>	<u>(201,756)</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSFOR THE YEAR ENDED DECEMBER 31, 2019CLOSED YEARS CONTINGENCY FUND

Exhibit C-5

Expenses:	
Excess Insurance Premium	\$ 262,461
Total Expenses	<u>262,461</u>
Operating Income/(Loss)	(262,461)
Non-Operating Income	
Dividend Income	208,791
Interest Income	<u>115,631</u>
Total Non-Operating Income	<u>324,422</u>
Net Income/(Loss)	61,961
Retained Earnings, January 1, 2019	<u>4,097,452</u>
Retained Earnings before Other Financing Sources/(Uses)	4,159,413
Other Financing Sources/(Uses):	
Transfer from 2015 Fund Year	(201,756)
Equity Distributions	<u>(1,408,792)</u>
Total Adjustments	<u>(1,610,548)</u>
Retained Earnings, December 31, 2019	<u>\$ 2,548,865</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS****FOR THE YEAR ENDED DECEMBER 31, 2019****AGGREGATE EXCESS LOSS FUND CONTINGENCY**

Exhibit C-6

Revenues:	
Regular Contribution	\$ 174,723
Total Revenues	<u>174,723</u>
Operating Income/(Loss)	174,723
Non-Operating Income	
Interest Income	<u>15,955</u>
Total Non-Operating Income	<u>15,955</u>
Net Income/(Loss)	190,678
Retained Earnings, January 1, 2019	<u>560,303</u>
Retained Earnings, December 31, 2019	<u><u>\$ 750,981</u></u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2019****Exhibit D****2019 ASSESSMENT YEAR**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 780,037	613,813	414,074	(247,850)
General Liability	1,399,578	122,721	1,427,355	(150,498)
Automotive	332,937	16,989	299,211	16,737
Workmen's Compensation	4,643,700	1,164,078	3,534,007	(54,385)
Loss Fund Contingency	157,516		-	157,516
Reinsurance:				
Property Fund-Crime	15,452	15,452		-
Mel	2,358,454	2,330,619		27,835
Mel Property	962,585	962,585		-
Environmental Fund	385,429	385,430		(1)
POL/EPL Fund	1,396,186	1,396,833		(647)
Expenses:				
Claims Adjustment	633,270	633,270		-
Loss Fund Management	33,738	33,738		-
Safety	323,716	237,627		86,089
Administrative Fees	381,834	381,834		-
Managed Care	202,873	202,873		-
Professional Services	254,721	236,195		18,526
Miscellaneous	294,979	38,567		256,412
Risk Management Consultant Fees	955,278	955,278		-
	<u>\$ 15,512,283</u>	<u>9,727,902</u>	<u>5,674,647</u>	<u>109,734</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2019****Exhibit D-1****2018 ASSESSMENT YEAR**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 763,195	830,723	28,672	(96,200)
General Liability	1,382,110	134,369	877,569	370,172
Automotive	346,640	64,106	629,390	(346,856)
Workmen's Compensation	4,618,973	1,947,726	2,135,852	535,395
Loss Fund Contingency	136,214		-	136,214
Reinsurance:				
Property Fund-Crime	15,054	15,054		-
Mel	2,139,442	2,109,670		29,772
Mel Property	895,035	895,035		-
Environmental Fund	373,828	373,828		-
POL/EPL Fund	1,233,980	1,234,636		(656)
Expenses:				
Claims Adjustment	603,493	603,493		-
Safety	311,769	260,319		51,450
Administrative Fees	397,618	397,618		-
Managed Care	193,334	193,325		9
Professional Services	245,267	221,894		23,373
Miscellaneous	292,241	40,662		251,579
Risk Management Consultant Fees	916,888	921,181		(4,293)
	<u>\$ 14,865,081</u>	<u>10,243,639</u>	<u>3,671,483</u>	<u>949,959</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2019****Exhibit D-2****2017 ASSESSMENT YEAR**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 763,434	476,086	5,906	281,442
General Liability	1,463,272	493,862	1,250,434	(281,024)
Automotive	349,140	35,518	67,463	246,159
Workmen's Compensation	4,555,667	2,440,886	1,593,972	520,809
Loss Fund Contingency	136,388		-	136,388
Reinsurance:				
Property Fund-Crime	15,331	15,331		-
Mel	2,292,895	2,286,433		6,462
Mel Property	844,560	844,560		-
Environmental Fund	392,140	392,140		-
POL/EPL Fund	1,177,602	1,177,561		41
Expenses:				
Claims Adjustment	591,660	591,660		-
Safety	308,207	254,727		53,480
Administrative Fees	356,745	356,745		-
Managed Care	193,334	193,334		-
Professional Services	240,458	195,538		44,920
Miscellaneous	300,324	42,931		257,393
Risk Management Consultant Fees	657,220	656,402		818
	<u>\$ 14,638,377</u>	<u>10,453,714</u>	<u>2,917,775</u>	<u>1,266,888</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**STATEMENT OF BUDGETARY EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2019****Exhibit D-3****2016 ASSESSMENT YEAR**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/ (Deficit)</u>
Self Insurance Claims:				
Property	\$ 699,393	473,333	2,325	223,735
General Liability	1,475,974	429,000	542,058	504,916
Automotive	322,763	54,265	-	268,498
Workmen's Compensation	4,678,011	2,744,939	672,875	1,260,197
Loss Fund Contingency	136,624		-	136,624
Reinsurance:				
Property Fund-Crime	14,771	14,772		(1)
Mel	2,330,677	2,324,204		6,473
Mel Property	788,883	788,883		-
Environmental Fund	388,457	388,457		-
POL/EPL Fund	1,079,859	1,081,494		(1,635)
Expenses:				
Claims Adjustment	580,059	580,059		-
Safety	294,956	245,099		49,857
Administrative Fees	349,750	349,752		(2)
Managed Care	189,543	189,543		-
Professional Services	218,194	201,932		16,262
Miscellaneous	318,851	40,289		278,562
Risk Management Consultant Fees	644,274	644,274		-
	<u>\$ 14,511,039</u>	<u>10,550,295</u>	<u>1,217,258</u>	<u>2,743,486</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL OPERATING RESULTS ANALYSIS

Schedule A
Sheet 1 of 2

FUND YEARS - 2019, 2018, 2017, 2016, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2019

<u>1 Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 296,370,023	
Additional Contributions	2,781,914	
Dividend & Miscellaneous Income	1,806,259	
Total Income		300,958,196
<u>2 Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	113,160,871	
Case Reserve (1)	33,110,256	
IBNR Reserve (1)	7,212,061	
Subtotal		153,483,188
Limited Incurred Claims (claims-excess)		153,483,188
<u>Expenses:</u>		
Miscellaneous	431,741	
Excess Insurance Premiums	3,077,546	
MEL	57,742,202	
Environmental Premiums	7,184,233	
POL/EPL	8,859,682	
Administrative	49,778,143	
Subtotal Expenses		127,073,547
Total Incurred Liabilities (limited claims and expenses)		280,556,735
<u>3 Underwriting Surplus/(Deficit) = 1-2</u>		20,401,461
<u>4 Investment Income (Earned)</u>		17,541,035
<u>5 Gross Statutory Surplus/(Deficit) = 3+4</u>		37,942,496

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL OPERATING RESULTS ANALYSIS

Schedule A
Sheet 2 of 2

FUND YEARS - 2019, 2018, 2017, 2016, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2019

6 Return of Surplus:

Paid	28,373,945	
Authorized and Unpaid	358,756	
Subtotal Return of Surplus		28,732,701

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

9,209,795

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 9,209,795

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

HISTORICAL BALANCE SHEET

Schedule B

FUND YEARS 2019, 2018, 2017, 2016, CLOSED AND AGGREGATE EXCESS LOSS YEARS

DECEMBER 31, 2019

<u>1 Assets:</u>		
Cash and Investments (1)	<u>\$ 24,080,482</u>	24,080,482
Receivables (1):		
Other - Assessments and Receivables	<u>474,911</u>	
Total Receivables		<u>474,911</u>
Total Assets		24,555,393
<u>2 Liabilities:</u>		
Claims:		
Case Reserves	9,158,668	
IBNR Reserves	<u>4,322,495</u>	
Subtotal Claims		13,481,163
Expenses (Paid) (1):		
Other	1,743,654	
Administrative	<u>120,781</u>	
Total Liabilities		<u>15,345,598</u>
3 Net Statutory Surplus/(Deficit) = 1-2		9,209,795
4 Future Investment Income on Claim Reserves		
5 Fund Operating Position		<u><u>\$ 9,209,795</u></u>

(1) Refer to Notes to Financial Statements

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2019

DECEMBER 31, 2019

<u>1 Underwriting Income:</u>			
Regular Contributions (Earned)	\$ 15,491,040		
Miscellaneous Income	-		
Total Income			15,491,040
<u>2 Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,917,601		
Case Reserve (1)	3,382,032		
IBNR Reserve (1)	2,292,615		
Subtotal		7,592,248	
Limited Incurred Claims (claims-excess)		7,592,248	
<u>Expenses:</u>			
Excess Insurance Premiums	15,452		
MEL	3,293,204		
Environmental	385,430		
POL/EPL	1,396,833		
Administrative	2,719,382		
Subtotal Expenses		7,810,301	
Total Incurred Liabilities (limited claims and expenses)			15,402,549
<u>3 Underwriting Surplus/(Deficit) = 1-2</u>			88,491
<u>4 Investment Income (Earned)</u>			161,489
<u>5 Gross Statutory Surplus/(Deficit) = 3+4</u>			249,980

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

FUND YEAR - 2019

DECEMBER 31, 2019

6 Return of Surplus:
Paid
Authorized and Unpaid
Subtotal Return of Surplus

-
-

-

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

249,980

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 249,980

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2018

DECEMBER 31, 2019

<u>1 Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 14,841,765	
Miscellaneous Income	-	
Total Income		14,841,765
<u>2 Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	2,976,924	
Case Reserve (1)	2,546,300	
IBNR Reserve (1)	1,125,183	
Subtotal		6,648,407
Limited Incurred Claims (claims-excess)		6,648,407
<u>Expenses:</u>		
Excess Insurance Premiums	15,054	
MEL	3,004,705	
Environmental	373,828	
POL/EPL	1,234,636	
Administrative	2,638,492	
Subtotal Expenses		7,266,715
Total Incurred Liabilities (limited claims and expenses)		13,915,122
<u>3 Underwriting Surplus/(Deficit) = 1-2</u>		926,643
<u>4 Investment Income (Earned)</u>		255,982
<u>5 Gross Statutory Surplus/(Deficit) = 3+4</u>		1,182,625

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

FUND YEAR - 2018

DECEMBER 31, 2019

6 Return of Surplus:

Paid
Authorized and Unpaid
Subtotal Return of Surplus

-
-

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

1,182,625

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 1,182,625
=====

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2017

DECEMBER 31, 2019

<u>1 Underwriting Income:</u>		
Regular Contributions (Earned)	\$ 14,638,377	
Miscellaneous Income	-	
Total Income		14,638,377
<u>2 Incurred Liabilities:</u>		
Claims:		
Paid	3,446,352	
Case Reserve (1)	2,214,824	
IBNR Reserve (1)	702,951	
Subtotal		6,364,127
Limited Incurred Claims (claims-excess)		6,364,127
<u>Expenses:</u>		
Excess Insurance Premiums	15,331	
MEL	3,130,993	
Environmental	392,140	
POL/EPL	1,177,561	
Administrative	2,291,337	
Subtotal Expenses		7,007,362
Total Incurred Liabilities (limited claims and expenses)		13,371,489
<u>3 Underwriting Surplus/(Deficit) = 1-2</u>		1,266,888
<u>4 Investment Income (Earned)</u>		234,267
<u>5 Gross Statutory Surplus/(Deficit) = 3+4</u>		1,501,155

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

FUND YEAR - 2017

DECEMBER 31, 2019

6 Return of Surplus:

Paid
Authorized and Unpaid
Subtotal Return of Surplus

-
-

-

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

1,501,155

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 1,501,155

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2016

DECEMBER 31, 2019

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

FUND YEAR - 2016

DECEMBER 31, 2019

6 Return of Surplus:

Paid
Authorized and Unpaid
Subtotal Return of Surplus

-
-

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

2,976,189

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 2,976,189

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

FUND YEAR - 2015

DECEMBER 31, 2019

1 Underwriting Income:			
Regular Contributions (Earned)	\$ 13,634,597		
Miscellaneous Income	-		
Total Income			13,634,597
2 Incurred Liabilities:			
Claims:			
Paid	6,507,712		
Case Reserve (1)	1,007,661		
IBNR Reserve (1)	114,776		
Subtotal		7,630,149	
Limited Incurred Claims (claims-excess)		7,630,149	
Expenses:			
Excess Insurance Premiums	13,822		
MEL	3,023,127		
Environmental	348,572		
POL/EPL	922,927		
Administrative	2,024,878		
Subtotal Expenses		6,333,326	
Total Incurred Liabilities (limited claims and expenses)			13,963,475
3 Underwriting Surplus/(Deficit) = 1-2			(328,878)
4 Investment Income (Earned)			127,122
5 Gross Statutory Surplus/(Deficit) = 3+4			(201,756)

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

FUND YEAR - 2015

DECEMBER 31, 2019

6 Return of Surplus:

Paid
Authorized and Unpaid
Subtotal Return of Surplus

-
-

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

(201,756)

8 Transferred to Close Years Fund

(201,756)

9 Fund Operating Position

\$ _____

-

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 1 of 2

CLOSED YEARS FUND

DECEMBER 31, 2019

1 Underwriting Income:			
Regular Contributions (Earned)	\$ 236,163,245		
Additional Contributions	2,781,914		
Dividend Income	1,344,631		
Miscellaneous Income	461,628		
Total Income			240,751,418
2 Incurred Liabilities:			
Claims:			
Paid	101,118,457	127,959,611	
Case Reserve (1)	23,951,588	127,959,611	
IBNR Reserve (1)	2,889,566		
Subtotal			
Limited Incurred Claims (claims-excess)			
Expenses:			
Intrafunds Payable	247,668		
Interfunds Paid	184,073		
Excess Insurance Premiums	3,016,937		
MEL Premiums	45,200,213		
Environmental Premiums	5,644,378		
POL/EPL	3,969,158		
Administrative	39,877,984		
Subtotal Expenses		98,140,411	
Total Incurred Liabilities (limited claims and expenses)			226,100,022
3 Underwriting Surplus/(Deficit) = 1-2			14,651,396
4 Investment Income (Earned)			16,630,170
5 Gross Statutory Surplus/(Deficit) = 3+4			31,281,566

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C
Sheet 2 of 2

CLOSED YEARS FUND

DECEMBER 31, 2019

6 Return of Surplus:

Paid
Authorized and Unpaid
Subtotal Return of Surplus

28,373,945
358,756

28,732,701

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

2,548,865

8 Future Investment Income on Claims Reserve (2)

9 Fund Operating Position

\$ 2,548,865

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

AGGREGATE EXCESS LOSS FUND CONTINGENCY

DECEMBER 31, 2019

1 Underwriting Income:		
Regular Contributions (Earned)	\$ 724,557	724,557
Total Income		
2 Incurred Liabilities:		
Claims:		
Paid	-	
Case Reserve (1)	-	
IBNR Reserve (1)	-	
Subtotal		-
Limited Incurred Claims (claims-excess)		-
Expenses:		
Miscellaneous Expenses	-	
Subtotal Expenses		-
Total Incurred Liabilities (limited claims and expenses)		-
3 Underwriting Surplus/(Deficit) = 1-2		724,557
4 Investment Income (Earned)		26,424
5 Gross Statutory Surplus/(Deficit) = 3+4		750,981
6 Return of Surplus:		
Paid		-
Authorized and Unpaid		-
Subtotal Return of Surplus		-
7 Net Statutory Surplus/(Deficit) = 5-6		750,981
8 Future Investment Income on Claims Reserve (2)		
9 Fund Operating Position		\$ 750,981

(1) Refer to Notes to Financial Statements

(2) Source: Fund Actuary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDFUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS2019 ASSESSMENT YEARDECEMBER 31, 2019

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Earned)	\$ 795,489	1,399,578	332,937	4,643,700	157,516	3,299,796	385,429	1,396,186	3,080,409	15,491,040
Miscellaneous Income							-			-
Total Income	795,489	1,399,578	332,937	4,643,700	157,516	3,299,796	385,429	1,396,186	3,080,409	15,491,040
2 Incurred Liabilities										
Claims (Limited Incurred)	1,027,887	1,550,076	316,200	4,698,085		3,293,204	385,430	1,396,833	2,719,382	7,592,248
Expenses	15,452									7,810,301
Total Liabilities	1,043,339	1,550,076	316,200	4,698,085	-	3,293,204	385,430	1,396,833	2,719,382	15,402,549
3 Underwriting Surplus/(Deficit)	(247,850)	(150,498)	16,737	(54,385)	157,516	6,592	(1)	(647)	361,027	88,491
4 Adjustments										
Investment Income										
Transfers (Permanent)	7,840	20,834	5,123	66,962	-	36,417	207		24,106	161,489
Total Adjustments	7,840	20,834	5,123	66,962	-	36,417	207	-	24,106	161,489
5 Gross Statutory Surplus	(240,010)	(129,664)	21,860	12,577	157,516	43,009	206	(647)	385,133	249,980
6 Return of Surplus										
							-	-		-
7 Net Statutory Surplus	(240,010)	(129,664)	21,860	12,577	157,516	43,009	206	(647)	385,133	249,980
8 Temporary Transfers										
9 Temporary Surplus Balance	(240,010)	(129,664)	21,860	12,577	157,516	43,009	206	(647)	385,133	249,980
10 Future Investment Income										
11 Future Operating Position	\$ (240,010)	(129,664)	21,860	12,577	157,516	43,009	206	(647)	385,133	249,980

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDFUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS2018 ASSESSMENT YEARDECEMBER 31, 2019

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POI/ EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Earned)	\$ 778,249	1,382,110	346,640	4,618,973	136,214	3,011,161	373,828	1,233,980	2,960,610	14,841,765
Miscellaneous Income							-			-
Total Income	<u>778,249</u>	<u>1,382,110</u>	<u>346,640</u>	<u>4,618,973</u>	<u>136,214</u>	<u>3,011,161</u>	<u>373,828</u>	<u>1,233,980</u>	<u>2,960,610</u>	<u>14,841,765</u>
2 Incurred Liabilities										
Claims (Limited Incurred)	859,395	1,011,938	693,496	4,083,578		3,004,705	373,828	1,234,636	2,638,492	6,648,407
Expenses	15,054									7,266,715
Total Liabilities	<u>874,449</u>	<u>1,011,938</u>	<u>693,496</u>	<u>4,083,578</u>	<u>-</u>	<u>3,004,705</u>	<u>373,828</u>	<u>1,234,636</u>	<u>2,638,492</u>	<u>13,915,122</u>
3 Underwriting Surplus/(Deficit)	<u>(96,200)</u>	<u>370,172</u>	<u>(346,856)</u>	<u>535,395</u>	<u>136,214</u>	<u>6,456</u>	<u>-</u>	<u>(656)</u>	<u>322,118</u>	<u>926,643</u>
4 Adjustments										
Investment Income	6,234	49,585	11,658	133,025	1,635	45,725	374		7,746	255,982
Transfers (Permanent)										
Total Adjustments	<u>6,234</u>	<u>49,585</u>	<u>11,658</u>	<u>133,025</u>	<u>1,635</u>	<u>45,725</u>	<u>374</u>	<u>-</u>	<u>7,746</u>	<u>255,982</u>
5 Gross Statutory Surplus	<u>(89,966)</u>	<u>419,757</u>	<u>(335,198)</u>	<u>668,420</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>1,182,625</u>
6 Return of Surplus										
										-
7 Net Statutory Surplus	<u>(89,966)</u>	<u>419,757</u>	<u>(335,198)</u>	<u>668,420</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>1,182,625</u>
8 Temporary Transfers										
9 Temporary Surplus Balance	<u>(89,966)</u>	<u>419,757</u>	<u>(335,198)</u>	<u>668,420</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>1,182,625</u>
10 Future Investment Income										
11 Future Operating Position	<u>\$ (89,966)</u>	<u>419,757</u>	<u>(335,198)</u>	<u>668,420</u>	<u>137,849</u>	<u>52,181</u>	<u>374</u>	<u>(656)</u>	<u>329,864</u>	<u>1,182,625</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDFUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS2017 ASSESSMENT YEARDECEMBER 31, 2019

	Property	General Liability	Automotive Liability	Worker's Compensation	Loss Fund Contingency	MEL	Environmental Fund	POL/ EPL	General and Administrative	Total
1 Underwriting Income										
Regular Contributions (Earned)	\$ 778,765	1,463,272	349,140	4,555,667	136,388	3,137,455	392,140	1,177,602	2,647,948	14,638,377
Miscellaneous Income										
Total Income	<u>778,765</u>	<u>1,463,272</u>	<u>349,140</u>	<u>4,555,667</u>	<u>136,388</u>	<u>3,137,455</u>	<u>392,140</u>	<u>1,177,602</u>	<u>2,647,948</u>	<u>14,638,377</u>
2 Incurred Liabilities										
Claims (Limited Incurred)	481,992	1,744,296	102,981	4,034,858						6,364,127
Expenses	15,331									7,007,362
Total Liabilities	<u>497,323</u>	<u>1,744,296</u>	<u>102,981</u>	<u>4,034,858</u>	<u>-</u>	<u>3,130,993</u>	<u>392,140</u>	<u>1,177,561</u>	<u>2,291,337</u>	<u>13,371,489</u>
3 Underwriting Surplus/(Deficit)	<u>281,442</u>	<u>(281,024)</u>	<u>246,159</u>	<u>520,809</u>	<u>136,388</u>	<u>6,462</u>	<u>-</u>	<u>41</u>	<u>356,611</u>	<u>1,266,888</u>
4 Adjustments										
Investment Income	12,560	55,395	13,929	120,266	5,363	11,285	287	2	15,180	234,267
Transfers (Permanent)										
Total Adjustments	<u>12,560</u>	<u>55,395</u>	<u>13,929</u>	<u>120,266</u>	<u>5,363</u>	<u>11,285</u>	<u>287</u>	<u>2</u>	<u>15,180</u>	<u>234,267</u>
5 Gross Statutory Surplus	<u>294,002</u>	<u>(225,629)</u>	<u>260,088</u>	<u>641,075</u>	<u>141,751</u>	<u>17,747</u>	<u>287</u>	<u>43</u>	<u>371,791</u>	<u>1,501,155</u>
6 Return of Surplus										
7 Net Statutory Surplus	<u>294,002</u>	<u>(225,629)</u>	<u>260,088</u>	<u>641,075</u>	<u>141,751</u>	<u>17,747</u>	<u>287</u>	<u>43</u>	<u>371,791</u>	<u>1,501,155</u>
8 Temporary Transfers										
9 Temporary Surplus Balance	<u>294,002</u>	<u>(225,629)</u>	<u>260,088</u>	<u>641,075</u>	<u>141,751</u>	<u>17,747</u>	<u>287</u>	<u>43</u>	<u>371,791</u>	<u>1,501,155</u>
10 Future Investment Income										
11 Future Operating Position	<u>\$ 294,002</u>	<u>(225,629)</u>	<u>260,088</u>	<u>641,075</u>	<u>141,751</u>	<u>17,747</u>	<u>287</u>	<u>43</u>	<u>371,791</u>	<u>1,501,155</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS****2016 ASSESSMENT YEAR****DECEMBER 31, 2019**

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

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND**Schedule E****2019 FUND YEAR CLAIMS ANALYSIS****DECEMBER 31, 2019**

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 613,813	122,721	16,989	1,164,078	1,917,601
Case Reserve	413,074	689,492	96,023	2,183,443	3,382,032
IBNR Reserve	1,000	737,863	203,188	1,350,564	2,292,615
Limited Incurred Claims	<u>\$ 1,027,887</u>	<u>1,550,076</u>	<u>316,200</u>	<u>4,698,085</u>	<u>7,592,248</u>
Number of Claims	241	171	59	347	818
Cost/Claim	<u>\$ 4,265</u>	<u>9,065</u>	<u>5,359</u>	<u>13,539</u>	<u>9,281</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule E

2018 FUND YEAR CLAIMS ANALYSIS

DECEMBER 31, 2019

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 830,723	134,369	64,106	1,947,726	2,976,924
Case Reserve	28,672	446,003	407,330	1,664,295	2,546,300
IBNR Reserve	-	431,566	222,060	471,557	1,125,183
Limited Incurred Claims	<u>\$ 859,395</u>	<u>1,011,938</u>	<u>693,496</u>	<u>4,083,578</u>	<u>6,648,407</u>
Number of Claims	270	235	82	291	878
Cost/Claim	<u>\$ 3,183</u>	<u>4,306</u>	<u>8,457</u>	<u>14,033</u>	<u>7,572</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule E

2017 FUND YEAR CLAIMS ANALYSIS

DECEMBER 31, 2019

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 476,086	493,862	35,518	2,440,886	3,446,352
Case Reserve	5,906	911,298	34,786	1,262,834	2,214,824
IBNR Reserve	-	339,136	32,677	331,138	702,951
Limited Incurred Claims	\$ 481,992	1,744,296	102,981	4,034,858	6,364,127
Number of Claims	216	203	64	359	842
Cost/Claim	\$ 2,231	8,593	1,609	11,239	7,558

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Schedule E

2016 FUND YEAR CLAIMS ANALYSIS

DECEMBER 31, 2019

	<u>Property</u>	<u>General Liability</u>	<u>Automotive Liability</u>	<u>Worker's Compensation</u>	<u>Totals</u>
Paid Claims	\$ 473,333	429,000	54,265	2,744,939	3,701,537
Case Reserve	2,325	483,732	-	529,455	1,015,512
IBNR Reserve	-	58,326	-	143,420	201,746
Limited Incurred Claims	<u>\$ 475,658</u>	<u>971,058</u>	<u>54,265</u>	<u>3,417,814</u>	<u>4,918,795</u>
Number of Claims	163	214	120	353	850
Cost/Claim	<u>\$ 2,918</u>	<u>4,538</u>	<u>452</u>	<u>9,682</u>	<u>5,787</u>

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

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance	\$ 15,452	-	15,452
Environmental Fund Expenses	385,430	-	385,430
MEL Expenses	3,293,204	-	3,293,204
POL/EPL Expenses	1,396,833	-	1,396,833
Administrative Expenses			
Administrator	381,834		381,834
Loss Fund Management	33,738		33,738
Claims Adjuster	633,270		633,270
Safety	233,079	4,548	237,627
Managed Care	202,873		202,873
Legal	123,769	12,859	136,628
Treasurer	20,300		20,300
Actuary	43,631		43,631
Payroll Auditor	7,500		7,500
Auditor	-	16,127	16,127
Underwriting Managers	12,009		12,009
Risk Manager	871,529	83,749	955,278
Miscellaneous	35,069	3,498	38,567
Sub-Total Administrative	<u>2,598,601</u>	<u>120,781</u>	<u>2,719,382</u>
Total Expenses	<u>\$ 7,689,520</u>	<u>120,781</u>	<u>7,810,301</u>

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2018 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2019

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

JOINT INSURANCE FUND**FUND YEAR EXPENSE ANALYSIS****2017 ASSESSMENT YEAR****Schedule F****AS OF DECEMBER 31, 2019**

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

MONMOUTH COUNTY MUNICIPALJOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSIS2016 ASSESSMENT YEAR

Schedule F

AS OF DECEMBER 31, 2019

	<u>Total</u>
Excess Insurance	\$ 14,772
Environmental Fund Expenses	388,457
MEL Expenses	3,113,087
POL/EPL Expenses	1,081,494
Administrative Expenses	
Administrator	349,752
Claims Adjuster	580,059
Safety	245,099
Managed Care	189,543
Legal	115,175
Treasurer	19,129
Actuary	41,114
Auditor	15,197
Underwriting Managers	11,317
Risk Manager	644,274
Miscellaneous	40,289
Sub-Total Administrative	2,250,948
Total Expenses	\$ 6,848,758

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

FUND YEAR PROGRAM SUMMARY

2019 ASSESSMENT YEAR

PERIOD ENDED DECEMBER 31, 2019

Schedule G

	Coverages			Worker's Compensation	Environmental	Public Officials/ Employment Practices	Cyber	Totals
	Property	General Liability	Auto Liability					
Limits	\$ 125,000,000	\$ 5,000,000 Per Occurrence	\$ 5,000,000 Per Occurrence	Statutory	\$1,000,000 Third Party \$50,000 On-site Cleanup Cost Liability \$1,000,000 Public Officials Pollution Liability \$ 50,000 De Minimis Abandoned Waste Site Liability \$1,000,000 Underground Storage	QBE Insurance \$2,000,000	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage	
Fund Retention: Specific	\$ 100,000	Combined Single Limit	Combined Single Limit	\$ 300,000		None Members have various deductible or co-insurance based on program compliance	\$10,000 deductible per member \$3,000,000 each/\$6,000,000 policy aggregate	
Excess Insurance	Zurich Insurance \$125,000,000 per occurrence-blanket limit in excess of JIF/MEL \$500,000, self-insured retention	Municipal Excess Liability Joint Insurance Fund provides \$1,700,000 in excess of \$300,000 for both liability and workers' compensation. Underwriters at Lloyd's of London (Brit) provides \$3,000,000 in excess of JIF/MEL retention of \$2,000,000 on a pro-rata basis with the MEL (80% Brit/20% MEL) for liability. Safety National provides statutory limits excess of JIF/MEL retention \$2,000,000 for Worker's Compensation and \$5,000,000 for Employers Liability. Munich Re provides optional limits excess of \$5,000,000 up to \$15,000,000 excess of \$5,000,000. Chubb provides a per member option for a shared aggregate limit of \$10,000,000 excess of \$20,000,000 (if member purchases)			\$9,000,000 Transshore Specialty Insurance Co.	Underwriters at Lloyd's of London (Brit) provides optional excess liability reinsurance to the Municipal Excess Liability Joint Insurance on a pro-rata basis 80% Brit/20% MEL. Member optional limits in layers \$2,000,000 through \$8,000,000	Beazley \$6,000,000 policy aggregate	
Number of Participants	41	41	41	41	41	41	41	
Incurred Liabilities	\$ -	\$ -	\$ -	\$ -				\$ -
Exposure Units	\$ 1,014,133,254 Property Values	389,786 Population	2,621 Vehicles	\$ 239,150,720 Payroll	389,786 Population	Full time Employees - 2,454 Population - 389,786		\$ -
Liabilities/Unit	\$ -	\$ -	\$ -	\$ -				\$ -

ANALYSIS OF CASH AND INVESTMENTS

Table 1

FUND YEARS 2019, 2018, 2017, 2016, AGGREGATE EXCESS LOSS AND CLOSED YEARS FUNDDECEMBER 31, 2019

<u>Institution</u>	<u>Amount</u>
State of N.J. - Cash Management Fund	
Dean Witter Trust Co.	\$ 1,476,926
Investor's Bank - Operating Account	3,271,199
Investor's Bank - Administrative Account	44,727
Wilmington Trust - Investment	<u>19,287,630</u>
	<u>\$ 24,080,482</u>

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUNDADMINISTRATIVE EXPENSES PAYABLE2019 ASSESSMENT YEARAT DECEMBER 31, 2019

Table 2

LIABILITIES (ACCRUED)

Safety	\$ 4,548
Legal	12,859
Auditors	16,127
Risk Management Consultants	83,749
Miscellaneous	<u>3,498</u>
	<u>\$ 120,781</u>

PART III – REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING

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

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

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

We have audited the financial statements of the Monmouth County Municipal Joint Insurance Fund (the "Fund"), as of and for the year ended December 31, 2019, and have issued our report thereon dated May 8, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented or detected and corrected on a timely basis.

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

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

Respectfully submitted,

Robert A. Hulsart

ROBERT A. HULSART & COMPANY
Certified Public Accountants

May 8, 2020

PART IV – COMMENTS AND RECOMMENDATIONS

COMMENTS/RECOMMENDATIONS

There are none.

APPRECIATION

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