

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the
Board of Commissioners
South Bergen Municipal Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054

Report on the Financial Statements

We have audited the accompanying financial statements of the South Bergen Municipal Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the South Bergen Municipal Joint Insurance Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the South Bergen Municipal Joint Insurance Fund as of December 31, 2019 and 2018, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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


Other Information


Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the South Bergen Municipal Joint Insurance Fund's basic financial statements as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 8, 2020 on our consideration of the South Bergen Municipal Joint Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the South Bergen Municipal Joint Insurance Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the South Bergen Municipal Joint Insurance Fund's internal control over financial reporting and compliance.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
May 8, 2020



LERCH, VINCI & HIGGINS, LLP

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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

INDEPENDENT AUDITOR’S REPORT

Honorable Chairman and Members of the
Board of Commissioners
South Bergen Municipal Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the South Bergen Municipal Joint Insurance Fund, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the South Bergen Municipal Joint Insurance Fund’s basic financial statements, as listed in the table of contents and have issued our report thereon dated May 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Bergen Municipal Joint Insurance Fund’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 South Bergen Municipal Joint Insurance Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of the South Bergen Municipal Joint Insurance Fund’s internal control.

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

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

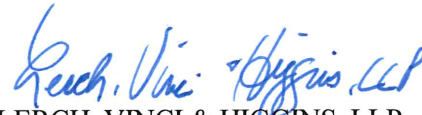
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Bergen Municipal Joint Insurance Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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.

However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we have reported to management of the South Bergen Municipal Joint Insurance Fund in the section of this report entitled Comments/Recommendations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the South Bergen Municipal Joint Insurance Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the South Bergen Municipal Joint Insurance Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary J. Vinci
Registered Municipal Accountant
RMA No. CR00411

Fair Lawn, New Jersey
May 8, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the annual financial report of the South Bergen Municipal Joint Insurance Fund (the “SBMJIF” or the “Fund”) presents a discussion and analysis of the financial performance of the Fund for the year ended December 31, 2019. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

The Fund’s basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property, liability, automobile and worker’s compensation insurance coverage to 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 Revenues, Expenses, and Changes in Net Position – This statement reflects the Fund’s operating revenues and expenses, as well as nonoperating 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 calendar 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, 2018 and 2017.

SUMMARY OF STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2019 vs 2018</u>	
				<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
ASSETS					
Cash and Investments	\$ 17,799,710	\$ 18,980,284	\$ 17,925,655	\$ (1,180,574)	-6.2%
Assessments Receivable	4,388,248	3,867,925	3,581,657	520,323	13.5%
Other Receivables and Assets	128,170	99,505	150,815	28,665	28.8%
Total	<u>22,316,128</u>	<u>22,947,714</u>	<u>21,658,127</u>	<u>(631,586)</u>	<u>-2.8%</u>
LIABILITIES					
Loss Reserves	14,201,856	13,985,918	13,423,968	215,938	1.5%
Other Liabilities and Reserves	1,601,997	2,232,380	352,984	(630,383)	-28.2%
Total	<u>15,803,853</u>	<u>16,218,298</u>	<u>13,776,952</u>	<u>(414,445)</u>	<u>-2.6%</u>
NET POSITION	<u>\$ 6,512,275</u>	<u>\$ 6,729,416</u>	<u>\$ 7,881,175</u>	<u>\$ (217,141)</u>	<u>-3.2%</u>

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2019 vs 2018</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
OPERATING REVENUES					
Assessments	\$ 16,207,437	\$ 15,652,425	\$ 15,244,068	\$ 555,012	3.5%
OPERATING EXPENSES					
Claims and Claims Expense	7,766,879	8,388,423	7,635,187	(621,544)	-7.4%
Insurance Premiums	6,017,792	5,430,184	5,261,331	587,608	10.8%
Administrative and Operating Expenses	<u>2,644,381</u>	<u>2,619,409</u>	<u>2,522,469</u>	<u>24,972</u>	1.0%
Total Operating Expenses	<u>16,429,052</u>	<u>16,438,016</u>	<u>15,418,987</u>	<u>(8,964)</u>	-0.1%
Operating Income (Loss)	(221,615)	(785,591)	(174,919)	563,976	71.8%
Nonoperating Revenues and (Distributions)					
Interest Income	554,474	308,832	143,814	245,642	79.5%
Equity Distribution	(736,314)	(782,436)	(534,524)	46,122	-5.9%
Dividend Income	<u>186,314</u>	<u>107,436</u>	<u>84,524</u>	<u>78,878</u>	73.4%
Increase/(Decrease) in Net Position	<u>\$ (217,141)</u>	<u>\$ (1,151,759)</u>	<u>\$ (481,105)</u>	<u>\$ 934,618</u>	18.9%

In 2019, the SBMJIF's assets decreased \$631,586 or 2.8%. Cash and investments decreased \$1,180,574. Assessments receivable increased at December 31, 2019 by \$520,323. The receivable balance at December 31 represents the final installment of the 2019 assessments which are not due and payable until January 2020. Liabilities decreased \$414,445 due to an increase in the year end loss reserves and a decrease in other liabilities for amounts due to the residual claims fund. Overall, the Fund's unrestricted net position decreased \$217,141 to \$6,512,275 at December 31, 2019.

Operating income during 2019 increased \$564 thousand. For Fund Year 2019, the cost of benefits paid, including the loss reserves and excess insurance premium, along with the various general and administrative expenses was approximately \$222 thousand more than the assessments levied.

In 2018, the SBMJIF's assets increased \$1,289,587 or 6%. Cash and investments increased \$1,054,629. Assessments receivable increased at December 31, 2018 by \$286,268. The receivable balance at December 31 represents the final installment of the 2018 assessments which are not due and payable until January 2019. Liabilities increased \$2,441,346 due to an increase in the year end loss reserves and other liabilities for amounts due to the residual claims fund of \$1,003,723. Overall, the Fund's unrestricted net position decreased \$1,151,759 to \$6,729,416 at December 31, 2018.

Operating income during 2018 increased \$408,357. For Fund Year 2018, the cost of benefits paid, including the loss reserves and excess insurance premium, along with the various general and administrative expenses was approximately \$786,000 more than the assessments levied.

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT DISCUSSION AND ANALYSIS

The future financial position of the SBMJIF will be impacted by medical costs trends that impact upon workers compensation costs. The SBMJIF plans to continue to manage its assets in such a way that it maintains liquidity and safety, while increasing earnings when opportunities arise.

Requests for Information

This financial report is designed to provide a general overview of the SBMJIF finances for all those who are interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to PERMA Risk Management Services, 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054.

FINANCIAL STATEMENTS

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 3,645,706	\$ 5,204,966
Investments	14,154,004	13,775,318
Receivables		
Assessments	4,388,248	3,867,925
Accrued Interest	68,748	41,935
Dividend	1,679	
Other	<u>57,743</u>	<u>57,570</u>
 Total Assets	 <u>22,316,128</u>	 <u>22,947,714</u>
 LIABILITIES		
Liabilities		
Accounts Payable	1,218,567	1,843,836
Unearned Revenue	383,430	388,544
Loss Reserves		
Case Reserves	8,490,266	10,732,010
IBNR	<u>5,711,590</u>	<u>3,253,908</u>
 Total Liabilities	 <u>15,803,853</u>	 <u>16,218,298</u>
 NET POSITION		
Unrestricted	<u>6,512,275</u>	<u>6,729,416</u>
 Total Net Position	 <u>\$ 6,512,275</u>	 <u>\$ 6,729,416</u>

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Assessments		
Regular	\$ 16,165,531	\$ 15,610,642
Supplemental	<u>41,906</u>	<u>41,783</u>
Total Operating Revenues	<u>16,207,437</u>	<u>15,652,425</u>
OPERATING EXPENSES		
Benefits Paid to/For Participants	7,550,941	7,826,473
Insurance Premiums	6,017,792	5,430,184
General and Administrative	2,644,381	2,619,409
Increase/(Decrease) in Loss Reserves		
Case Reserves	(2,241,744)	524,476
IBNR	<u>2,457,682</u>	<u>37,474</u>
Total Operating Expenses	<u>16,429,052</u>	<u>16,438,016</u>
Operating Income (Loss)	<u>(221,615)</u>	<u>(785,591)</u>
NONOPERATING REVENUES		
Dividend Income	186,314	107,436
Interest Income	<u>554,474</u>	<u>308,832</u>
Total Nonoperating Revenues	<u>740,788</u>	<u>416,268</u>
Change in Net Position	519,173	(369,323)
Net Position, January 1	<u>6,729,416</u>	<u>7,881,175</u>
Equity Distribution	7,248,589	7,511,852
	<u>(736,314)</u>	<u>(782,436)</u>
Net Position, December 31	<u>\$ 6,512,275</u>	<u>\$ 6,729,416</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members	\$ 15,711,941	\$ 15,366,157
Cash Paid for Claims, Premiums and Services	<u>(16,868,497)</u>	<u>(13,948,033)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,156,556)</u>	<u>1,418,124</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Purchase) Redemption of Investments	(378,686)	(164,286)
Investment Income Received	<u>712,296</u>	<u>418,941</u>
Net Cash Provided by Investing Activities	<u>333,610</u>	<u>254,655</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Equity Distribution	<u>(736,314)</u>	<u>(782,436)</u>
Net Cash (Used) by Non-Capital Financing Activities	<u>(736,314)</u>	<u>(782,436)</u>
Net Change in Cash	(1,559,260)	890,343
Cash, January 1	<u>5,204,966</u>	<u>4,314,623</u>
Cash, December 31	<u>\$ 3,645,706</u>	<u>\$ 5,204,966</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (221,615)	\$ (785,591)
Adjustments:		
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assessments Receivable	(520,323)	(286,268)
(Increase) Decrease in Other Receivables	(173)	48,637
Increase (Decrease) in Unearned Revenue	(5,114)	67,848
Increase (Decrease) in Accounts Payable	(625,269)	1,811,548
Increase (Decrease) in Case Reserves	(2,241,744)	524,476
Increase (Decrease) in IBNR	<u>2,457,682</u>	<u>37,474</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,156,556)</u>	<u>\$ 1,418,124</u>

NOTES TO FINANCIAL STATEMENTS

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The South Bergen Municipal Joint Insurance Fund (the "SBMJIF" or the Fund") was established on January 1, 1986, 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 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, environmental protection, public officials and employment practices liability, volunteer directors and officers liability and cyber liability.

Each entity assigns a commissioner to the Fund. The Board of Commissioners (the "Board") annually elect an executive committee to govern the Fund. The committee consists of seven (7) commissioners and four (4) alternates. The Board also elects the chairperson and secretary who serve co-terminously with their underlying local office until January 1st of the following year.

The Board 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. Basis of Presentation – Financial Statements

The accounts of the Fund are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounting records that comprise its assets, liabilities, net position, revenues and expenses. The Fund's resources are allocated and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various activities are grouped by Fund Year into one generic fund.

The Fund reports the following major proprietary fund:

Enterprise Fund - The Enterprise Fund is used to account for the Fund's operations which are financed and operated in a manner similar to private enterprises, where the intent of the Fund is that the costs (insurance claims, administrative expenses) of providing goods or services to its users on a continuing basis be financed or recovered primarily through user charges (i.e., insurance assessments).

The Proprietary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

C. Measurement Focus and Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby income is recorded as earned and expenses recorded as incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are assessments to government entities. Operating expenses for enterprise funds include the cost of services (i.e., adjudication and processing of insurance claims) and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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 NJSA 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.

Automobile 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 NJSA 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.

Reinsurance Fund - Provides excess insurance coverage for property, liability, automobile and workers' compensation over and above the Fund's self-insured retention. Coverage in this Fund is provided by the Municipal Excess Liability Insurance Fund (MEL).

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.

Public Officials Liability (POL)/Employment Practices Liability (EPL) - Insures against damages arising out of claims for a wrongful act, error, omission or breach of duty by a lawfully appointed or elected official or an employee or authorized volunteer of the insured while acting within the scope of their official duties. Also insures against damages arising out of employment claims.

Loss Contingency Fund - Utilized as a contingency for the Loss Funds of that Fund Year.

Aggregate Excess Loss Contingency Fund - Utilized solely for the replenishment of a claim or loss retention account for losses in excess of budgeted losses for a 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 Closed Fund Years (1985-2015).

Cash Deposits 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 et seq.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Assessments

Assessments are computed annually by the Executive Director and approved by the Board of Commission. The Executive Director bills the participating members 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.

Assessments Receivable

All receivables are reported at their gross value and when appropriated, are reduced by the estimated portion that is expected to be uncollectable.

Expenses

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

Accounts Payable

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

Income Taxes

In the opinion of management, the Fund is not subject to federal or state income taxes.

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. All budget amendments must be approved by the Board of Commissioners. Budget amendments during the year were insignificant. Formal budgetary integration into the accounting system is employed as a management control device during the year. Unexpended appropriations lapse at year end.

Loss Reserves

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, (Case Reserves) 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, 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 coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Reinsurance/Excess Insurance

The Fund uses reinsurance agreements to reduce its exposure to significant losses on insurance claims. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers.

Reinsurance premiums for the Fund Year's 2019 and 2018 were \$4,858,298 and \$4,426,461, respectively. Claims in the Loss Funds did not exceed the self-insured levels for 2019 and 2018. The Department of Banking and Insurance Annual Report, Schedule G, details the respective limits, fund retention and excess insurance by Fund Year by coverage.

Unearned Revenue

Balance of the equity distributions which were not disbursed to the participating municipalities but utilized to offset future assessments.

Use of Estimates

The preparation of financial statements requires management of this 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 DEPOSITS AND INVESTMENTS

The Fund considers cash in banks and certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

Cash Deposits

The Fund's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Fund is required to deposit funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits, 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2019 and 2018, the book value of the Fund's deposits was \$3,645,706 and \$5,204,966 and bank balances of the Fund's cash and deposits amounted to \$3,972,771 and \$5,542,202.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 2 CASH DEPOSITS AND INVESTMENTS (Continued)

Cash Deposits (Continued)

The Fund’s deposits which are displayed on the statement of net position as “cash” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2019</u>	<u>2018</u>
Insured	\$ 3,972,771	\$ 5,542,202

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Fund’s deposits may not be returned to it. The Fund does have a formal policy for custodial credit risk. As of December 31, 2019 and 2018, none of the Fund’s bank balances were exposed to custodial credit risk.

Investments

The Fund is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of December 31, 2019 and 2018, the fair value of the Fund’s outstanding investments was:

	<u>2019</u>	<u>2018</u>
U.S. Government Securities	<u>\$14,154,004</u>	<u>\$13,775,318</u>

Interest Rate Risk – The Fund does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State Law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Fund does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investment was based on quoted market prices.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 3 DEFICIT NET POSITION

At December 31, 2019 and 2018, the following Fund Year’s unrestricted net position accounts were in a deficit position:

	<u>2019</u>	<u>2018</u>
<u>Fund Year 2019</u>		
Property	\$ 353,601	
Worker's Compensation	379,347	
<u>Fund Year 2018</u>		
General Liability		\$ 10,488
Auto	240,484	61,834
Worker's Compensation	959,867	461,038
<u>Fund Year 2017</u>		
General Liability	64,876	220,756
Worker's Compensation	812,169	711,964
<u>Fund Year 2016</u>		
Worker's Compensation	205,863	642,777
POL/EPL Fund	12	12
<u>Fund Year 2015</u>		
Auto		298,884
Worker's Compensation		1,138,354

Additionally, the overall net position of Fund Years 2019, 2018 and 2017 were in deficit positions of \$134,015, \$257,559 and \$160,447, respectively.

Currently the Fund’s management has no plans to levy additional assessments to the participating municipalities to eliminate the above deficits.

The Board adopted a program to accomplish a greater emphasis on individual member loss experience in allocating the costs of claims. This program is known as “Retrospective Premiums”. This assessment allocation allows for members to pay a “minimum assessment”. If a member’s losses exceed the amount budgeted for their claims, the member will be assessed the cost of those claims until reaching its “maximum assessment”. It also allows members to reduce their insurance costs by controlling their losses.

The Fund calculates the additional assessment annually. This annual calculation includes case reserves and can vary from year to year. The Fund will not bill the member until the final computation of the retrospective premium. This amount will be determined when that Fund Year is transferred to the Municipal Excess Liability Residual Claims Fund.

Currently, Fund Years are transferred to the Residual Claims Fund 4 years from the close of the policy year. For Fund Year 2019 that will be based on the valuation date of December 2023. Once billed, the member has twelve months to pay the retrospective premium.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 4 UNPAID CLAIMS LIABILITIES

The Fund has established a liability for both reported and unreported insured events. This includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities by Fund Year for the years ended December 31, 2019 and 2018:

<u>December 31, 2019</u>	Closed Years	Fund Years			
	Contingency	2016	2017	2018	2019
Unpaid Claims and Claims Adjustment Expenses January 1, 2019	\$ 1,840,584	\$ 3,001,972	\$ 3,875,729	\$ 5,267,633	
Incurred Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the					
Current Year					\$ 8,775,744
Prior Years	<u>(977,286)</u>	<u>(199,714)</u>	<u>(20,066)</u>	<u>188,201</u>	<u>-</u>
	<u>(977,286)</u>	<u>(199,714)</u>	<u>(20,066)</u>	<u>188,201</u>	<u>8,775,744</u>
Payments					
Claims and Claim Adjustment Expenses					
Attributable to Insured Events of the					
Current Year					(2,930,292)
Prior Year	<u>(863,298)</u>	<u>(1,181,151)</u>	<u>(1,093,669)</u>	<u>(1,482,531)</u>	<u>-</u>
	<u>(863,298)</u>	<u>(1,181,151)</u>	<u>(1,093,669)</u>	<u>(1,482,531)</u>	<u>(2,930,292)</u>
Total Unpaid Claims and Claim Adjustment Expenses December 31, 2019	<u>\$ -</u>	<u>\$ 1,621,107</u>	<u>\$ 2,761,994</u>	<u>\$ 3,973,303</u>	<u>\$ 5,845,452</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 4 UNPAID CLAIMS LIABILITIES (Continued)

<u>December 31, 2018</u>	Closed Years	Fund Years			
	Contingency Fund	2015	2016	2017	2018
Unpaid Claims and Claims Adjustment Expenses January 1, 2018	\$ 1,843,034	\$ 3,044,491	\$ 3,709,854	\$ 4,826,589	
Incurred Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the Current Year					\$ 8,682,915
Prior Years	<u>(1,138,400)</u>	<u>123,393</u>	<u>116,227</u>	<u>604,288</u>	<u>-</u>
	<u>(1,138,400)</u>	<u>123,393</u>	<u>116,227</u>	<u>604,288</u>	<u>8,682,915</u>
Payments					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year					(3,415,282)
Prior Year	<u>(704,634)</u>	<u>(1,327,300)</u>	<u>(824,109)</u>	<u>(1,555,148)</u>	<u>-</u>
	<u>(704,634)</u>	<u>(1,327,300)</u>	<u>(824,109)</u>	<u>(1,555,148)</u>	<u>(3,415,282)</u>
Total Unpaid Claims and Claim Adjustment Expenses December 31, 2018	<u>\$ -</u>	<u>\$ 1,840,584</u>	<u>\$ 3,001,972</u>	<u>\$ 3,875,729</u>	<u>\$ 5,267,633</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 5 MEMBERSHIP IN JOINT INSURANCE FUNDS

Municipal Excess Liability Residual Claims Fund

The Fund is 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.

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 Banking and 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.

The Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the years 1987 through 2015. Selected financial information for the Residual Fund as of and for the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u> (Unaudited)	<u>2018</u>
Total Assets	\$102,863,955	\$98,479,254
Net Position	12,110,198	11,108,330
Total Operating Revenues	26,956,921	21,848,628
Investment Income	2,049,652	1,217,289
Total Operating Expenses	27,358,705	23,282,972
Change in Net Position	1,001,868	(850,055)
Distribution to Participating Members	646,000	633,000

New Jersey Municipal Environmental Risk Management Fund

The Fund is 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 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 Environmental Fund are elected. As a member of the Environmental Fund, the Fund may be subject 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 Liability.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 5 MEMBERSHIP IN JOINT INSURANCE FUNDS (Continued)

New Jersey Municipal Environmental Risk Management Fund (Continued)

The Environmental Fund can declare and distribute dividends to members upon the approval of the State of New Jersey Department of Banking and 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.

Selected audited financial information for the Environmental Fund as of and for the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Total Assets	\$33,215,865	\$32,110,186
Net Position	20,818,512	20,119,645
Total Operating Revenues	4,323,258	4,185,900
Investment Income	854,696	491,107
Total Operating Expenses	2,479,087	3,112,899
Change in Net Position	698,867	314,108
Distribution to Participating Members	2,000,000	1,250,000

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 Workers' 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 Banking and Insurance. The distributions are divided among the members in the same ratio as their individual assessments relates to the total assessments of the participating joint insurance funds for that Fund Year.

Selected audited financial information for the MEL Fund as of and for the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Total Assets	\$80,294,462	\$76,511,940
Net Position	26,272,636	27,761,506
Total Operating Revenues	47,310,501	44,109,647
Investment Income	2,422,793	103,538
Total Operating Expenses	51,222,164	47,240,374
Change in Net Position	-1,488,870	(3,027,189)

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 6 DETAILED NOTES ON ALL FUNDS

Receivables

Receivables as of December 31, 2019 and 2018 for the fund’s individual fund years in the aggregate are as follows. In the opinion of management, the year end receivables are collectible, thus, an allowance for uncollectible accounts is not warranted.

<u>December 31, 2019</u>	Aggregate Excess Loss		Fund Years				<u>Total</u>
	<u>Contingency</u>	<u>Closed Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Receivables:							
Assessments	\$ 46,816				\$ 14,129	\$ 4,327,303	\$ 4,388,248
Accrued Interest	1,978	\$ 25,707	\$ 8,366	\$ 9,107	12,657	10,933	68,748
Other	-	34,422	-	-	-	25,000	59,422
	<u>\$ 48,794</u>	<u>\$ 60,129</u>	<u>\$ 8,366</u>	<u>\$ 9,107</u>	<u>\$ 26,786</u>	<u>\$ 4,363,236</u>	<u>\$ 4,516,418</u>
<u>December 31, 2018</u>	Aggregate Excess Loss		Fund Years				<u>Total</u>
<u>Contingency</u>	<u>Closed Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
Receivables:							
Assessments	\$ 41,477		\$ 5,000	\$ 7,000	\$ 12,728	\$ 3,801,720	\$ 3,867,925
Accrued Interest	881	\$ 16,342	3,612	7,141	7,175	6,784	41,935
Other	-	32,570	25,000	-	-	-	57,570
	<u>\$ 42,358</u>	<u>\$ 48,912</u>	<u>\$ 33,612</u>	<u>\$ 14,141</u>	<u>\$ 19,903</u>	<u>\$ 3,808,504</u>	<u>\$ 3,967,430</u>

NOTE 7 SUBSEQUENT EVENTS

Management continues to evaluate the impact of the COVID 19 pandemic on the organization. While the financial impact of Workers’ 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 other 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.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
LAST TEN YEARS CLAIMS DEVELOPMENT INFORMATION**

	Fund Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Earned Required Contribution and Investment Revenue	\$ 13,010,689	\$ 13,316,055	\$ 14,287,889	\$ 14,517,159	\$ 14,645,783	\$ 14,845,967	\$ 14,958,585	\$ 15,234,547	\$ 15,651,449	\$ 16,098,642
Unallocated Expenses	5,897,469	5,914,576	6,103,983	5,976,367	6,144,037	6,498,574	6,569,947	6,875,567	7,037,892	7,456,913
Estimated Incurred Claims and Expenses, End of Policy Year	7,070,634	7,220,792	7,500,366	7,058,848	7,477,890	8,936,846	7,475,926	7,935,205	8,682,915	8,775,744
Paid (Cumulative) as of:										
End of Policy Year	2,716,550	3,278,446	2,423,214	2,482,121	3,147,175	3,569,132	2,958,652	3,108,616	3,415,282	2,930,292
One Year Later	3,638,083	4,200,657	3,930,373	3,584,082	4,308,410	4,704,725	3,955,476	4,663,764	4,897,813	
Two Years Later	4,377,773	4,842,885	4,090,278	4,586,805	5,047,733	5,583,656	4,779,585	5,757,433		
Three Years Later	5,189,338	5,319,615	4,645,617	5,444,141	5,790,047	6,910,956	5,960,736			
Four Years Later	5,189,338	5,319,615	4,645,617	5,444,141	5,790,047	6,910,956				
Five Years Later	5,189,338	5,319,615	4,645,617	5,444,141	5,790,047					
Six Years Later	5,189,338	5,319,615	4,645,617	5,444,141						
Seven Years Later	5,189,338	5,319,615	4,645,617							
Eight Years Later	5,189,338	5,319,615								
Nine Years Later	5,189,338									
Reestimated Incurred Claims and Expenses										
End of Policy Year	7,070,634	7,220,792	7,500,366	7,058,848	7,477,890	8,936,846	7,475,926	7,935,205	8,682,915	8,775,744
One Year Later	6,101,512	6,476,525	6,132,447	6,230,219	7,707,096	8,272,446	7,665,330	8,539,493	8,871,116	
Two Years Later	6,678,584	6,117,151	6,079,423	6,829,258	7,690,253	8,628,147	7,781,557	8,519,427		
Three Years Later	6,320,462	6,337,296	5,879,852	6,356,688	7,633,081	8,751,540	7,581,843			
Four Years Later	6,320,462	6,337,296	5,879,852	6,356,688	7,633,081	8,751,540				
Five Years Later	6,320,462	6,337,296	5,879,852	6,356,688	7,633,081					
Six Years Later	6,320,462	6,337,296	5,879,852	6,356,688						
Seven Years Later	6,320,462	6,337,296	5,879,852							
Eight Years Later	6,320,462	6,337,296								
Nine Years Later	6,320,462									
Increase (Decrease) in Estimated Incurred Claims and Expenses From End of Policy Year	(750,172)	(883,496)	(1,620,514)	(702,160)	155,191	(185,306)	105,917	584,222	188,201	N/A

Note: In the fifth year of the above Fund Years, the Board has created a Closed Years Contingency Fund, which consolidates the prior year open Fund Years. As a result, the above individual Fund Years have not been updated to report the respective transactions for years five to ten.

SUPPLEMENTARY SCHEDULES

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMBINING STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year				Total
			2016	2017	2018	2019	
ASSETS							
Cash	\$ 131,207	\$ 1,444,153	\$ 495,565	\$ 530,979	\$ 755,567	\$ 288,235	\$ 3,645,706
Investments	509,393	5,606,749	1,923,971	2,061,461	2,933,391	1,119,039	14,154,004
Receivables							
Assessments	46,816				14,129	4,327,303	4,388,248
Accrued Interest	1,978	25,707	8,366	9,107	12,657	10,933	68,748
Dividend Receivable		1,679					1,679
Other	-	32,743	-	-	-	25,000	57,743
Total Assets	<u>689,394</u>	<u>7,111,031</u>	<u>2,427,902</u>	<u>2,601,547</u>	<u>3,715,744</u>	<u>5,770,510</u>	<u>22,316,128</u>
LIABILITIES							
Accounts Payable		1,159,494				59,073	1,218,567
Unearned Revenue		383,430					383,430
Loss Reserves							
Case Reserves			1,337,563	2,080,111	2,950,744	2,121,848	8,490,266
IBNR	-	-	283,544	681,883	1,022,559	3,723,604	5,711,590
Total Liabilities	<u>-</u>	<u>1,542,924</u>	<u>1,621,107</u>	<u>2,761,994</u>	<u>3,973,303</u>	<u>5,904,525</u>	<u>15,803,853</u>
NET POSITION							
Unrestricted	<u>689,394</u>	<u>5,568,107</u>	<u>806,795</u>	<u>(160,447)</u>	<u>(257,559)</u>	<u>(134,015)</u>	<u>6,512,275</u>
Total Net Position	<u>\$ 689,394</u>	<u>\$ 5,568,107</u>	<u>\$ 806,795</u>	<u>\$ (160,447)</u>	<u>\$ (257,559)</u>	<u>\$ (134,015)</u>	<u>\$ 6,512,275</u>

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year				Total
			2016	2017	2018	2019	
OPERATING REVENUES							
Assessments							
Regular	\$ 162,548					\$ 16,002,983	\$ 16,165,531
Supplemental	-	-	-	-	\$ 10,456	31,450	41,906
Total Revenues	162,548	-	-	-	10,456	16,034,433	16,207,437
OPERATING EXPENSES							
Benefits Paid to/For Participants		\$ 863,298	\$ 1,181,151	\$ 1,093,669	1,482,531	2,930,292	7,550,941
Insurance Premiums		1,159,494				4,858,298	6,017,792
General and Administrative					45,766	2,598,615	2,644,381
Increase/(Decrease) in Loss Reserves							
Case Reserves		(1,612,523)	(1,399,347)	(806,590)	(545,132)	2,121,848	(2,241,744)
IBNR	-	(228,061)	18,482	(307,145)	(749,198)	3,723,604	2,457,682
Total Expenses	-	182,208	(199,714)	(20,066)	233,967	16,232,657	16,429,052
Operating Income (Loss)	162,548	(182,208)	199,714	20,066	(223,511)	(198,224)	(221,615)
NONOPERATING REVENUES							
Dividend Income		186,314					186,314
Investment Income	14,368	217,327	74,371	79,366	104,833	64,209	554,474
Total Nonoperating Revenues	14,368	403,641	74,371	79,366	104,833	64,209	740,788
Change in Net Position	176,916	221,433	274,085	99,432	(118,678)	(134,015)	519,173
Net Position, January 1, 2019	512,478	6,082,988	532,710	(259,879)	(138,881)	-	6,729,416
	689,394	6,304,421	806,795	(160,447)	(257,559)	(134,015)	7,248,589
Equity Distribution	-	(736,314)	-	-	-	-	(736,314)
Net Position, December 31, 2019	\$ 689,394	\$ 5,568,107	\$ 806,795	\$ (160,447)	\$ (257,559)	\$ (134,015)	\$ 6,512,275

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year				Total
			2016	2017	2018	2019	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from Members	\$ 157,209	\$ 29,827	\$ 7,000	\$ 12,728	\$ 3,798,047	\$ 11,707,130	\$ 15,711,941
Cash Paid for Claims, Premiums and Services	-	(1,872,135)	(1,181,151)	(1,093,669)	(2,368,410)	(10,353,132)	(16,868,497)
Net Cash Provided (Used) by Operating Activities	157,209	(1,842,308)	(1,174,151)	(1,080,941)	1,429,637	1,353,998	(1,156,556)
CASH FLOWS FROM INVESTING ACTIVITIES							
Net (Purchase) Redemption of Investments	(168,194)	1,094,513	631,131	548,369	(1,365,466)	(1,119,039)	(378,686)
Interest/Dividend Received	13,271	396,209	73,146	77,434	98,960	53,276	712,296
Net Cash Provided (Used) by Investing Activities	(154,923)	1,490,722	704,277	625,803	(1,266,506)	(1,065,763)	333,610
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Equity Distribution	-	(736,314)	-	-	-	-	(736,314)
Net Cash (Used) by Noncapital Financing Activities	-	(736,314)	-	-	-	-	(736,314)
Net Change in Cash	2,286	(1,087,900)	(469,874)	(455,138)	163,131	288,235	(1,559,260)
Cash, January 1, 2019	128,921	2,532,053	965,439	986,117	592,436	-	5,204,966
Cash, December 31, 2019	\$ 131,207	\$ 1,444,153	\$ 495,565	\$ 530,979	\$ 755,567	\$ 288,235	\$ 3,645,706
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ 162,548	\$ (182,208)	\$ 199,714	\$ 20,066	\$ (223,511)	\$ (198,224)	\$ (221,615)
Adjustments:							
Changes in Operating Assets and Liabilities							
(Increase)/Decrease Assessments Receivable	(5,339)	5,000	7,000	12,728	3,787,591	(4,327,303)	(520,323)
(Increase)/Decrease Other Receivables	-	24,827	-	-	-	(25,000)	(173)
Increase/(Decrease) Unearned Revenue	-	(5,114)	-	-	-	-	(5,114)
Increase/(Decrease) Accounts Payable	-	155,771	-	-	(840,113)	59,073	(625,269)
Increase/(Decrease) Case Reserves	-	(1,612,523)	(1,399,347)	(806,590)	(545,132)	2,121,848	(2,241,744)
Increase/(Decrease) IBNR	-	(228,061)	18,482	(307,145)	(749,198)	3,723,604	2,457,682
Net Cash Provided (Used) by Operating Activities	\$ 157,209	\$ (1,842,308)	\$ (1,174,151)	\$ (1,080,941)	\$ 1,429,637	\$ 1,353,998	\$ (1,156,556)

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
HISTORICAL OPERATING RESULTS
FROM INCEPTION THROUGH DECEMBER 31, 2019**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year			
			2016	2017	2018	2019
UNDERWRITING INCOME						
Assessments	\$ 667,141	\$ 247,627,892	\$ 14,797,458	\$ 15,085,754	\$ 15,491,843	\$ 16,034,433
Other Income (Except Investments)	-	129,575	-	-	-	-
Total Income	667,141	247,757,467	14,797,458	15,085,754	15,491,843	16,034,433
INCURRED LIABILITIES						
Claims						
Paid (Net of Refunds)		118,284,475	5,960,736	5,757,433	4,897,813	2,930,292
Case Reserves		-	1,337,563	2,080,111	2,950,744	2,121,848
IBNR Reserves	-	-	283,544	681,883	1,022,559	3,723,604
Limited Incurred Claims	-	118,284,475	7,581,843	8,519,427	8,871,116	8,775,744
Expenses						
Excess Insurance Premiums		65,554,649	3,024,150	3,147,815	3,164,776	3,467,035
Other Insurance Premiums		4,089,981	1,095,111	1,190,292	1,261,685	1,391,263
Administrative	-	45,104,032	2,450,686	2,537,460	2,611,431	2,598,615
Subtotal Expenses	-	114,748,662	6,569,947	6,875,567	7,037,892	7,456,913
Total Incurred Liabilities	-	233,033,137	14,151,790	15,394,994	15,909,008	16,232,657
UNDERWRITING SURPLUS (DEFICIT)	667,141	14,724,330	645,668	(309,240)	(417,165)	(198,224)
Investment/Dividend Income	22,253	14,770,286	161,127	148,793	159,606	64,209
GROSS STATUTORY SURPLUS (DEFICIT)	689,394	29,494,616	806,795	(160,447)	(257,559)	(134,015)
Return of Surplus	-	(23,926,509)	-	-	-	-
NET STATUTORY SURPLUS (DEFICIT)	\$ 689,394	\$ 5,568,107	\$ 806,795	\$ (160,447)	\$ (257,559)	\$ (134,015)

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF BUDGETARY ASSESSMENTS
FUND YEAR 2019**

<u>Participating Municipality</u>	<u>Assessments</u>	<u>Collected</u>	Balance, December 31, 2019
Bogota	\$ 613,403	\$ 460,446	\$ 152,957
Carlstadt	577,490	433,680	143,810
East Rutherford	710,484	534,176	176,308
Edgewater	675,270	507,765	167,505
Elmwood Park	791,962	590,202	201,760
Englewood Cliffs	471,896	353,778	118,118
Fairview	592,489	444,367	148,122
Fort Lee	1,924,456	1,438,096	486,360
Hackensack	1,009,702	738,774	270,928
Little Ferry	416,503	313,878	102,625
Lodi	967,421	722,753	244,668
Lyndhurst	1,090,254	816,942	273,312
Maywood	483,515	364,136	119,379
Moonachie	366,888	276,104	90,784
North Arlington	732,596	549,489	183,107
Palisades Park	656,892	492,857	164,035
Ridgefield Park	660,661	165,415	495,246
Rochelle Park	370,020	278,453	91,567
Rutherford	1,223,454	916,228	307,226
Saddle Brook	529,051	395,850	133,201
South Hackensack	336,064	252,798	83,266
Wallington	465,128	350,096	115,032
Wood Ridge	422,963	318,160	104,803
	<u>\$ 16,088,562</u>	<u>\$ 11,714,443</u>	<u>\$ 4,374,119</u>
 Analysis of Assessments Levied			
Fund Year 2019	\$ 16,002,983		
Supplemental Assessments	31,450		
EJIF Dividend Applied	(108,419)		
Aggregate Excess Loss Contingency Fund	<u>162,548</u>		
	<u>\$ 16,088,562</u>		
 Analysis of Assessments Receivable			
Fund Year 2019			\$ 4,327,303
Aggregate Excess Loss Contingency Fund			<u>46,816</u>
			<u>\$ 4,374,119</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF BUDGETARY EXPENSES
FUND YEAR 2019**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/(Deficit)</u>
Self-Insured Claims				
Property	\$ 744,000	\$ 716,941	\$ 382,391	\$ (355,332)
General Liability	1,938,025	171,702	1,550,122	216,201
Auto	600,359	76,713	463,611	60,035
Worker's Compensation	5,000,000	1,964,936	3,449,328	(414,264)
Loss Fund Contingency	217,074			217,074
Aggregate Excess Loss Fund Contingency	162,548			162,548
Insurance Premiums				
Property	13,246	13,246		-
Environmental	213,468	321,885		(108,417)
MEL	3,131,904	3,131,904		-
Other Insurance Premiums				
Directors and Officers	14,131	14,131		-
Public Officials and Employment Practices Liability	1,278,054	1,278,052		2
Cyber Liability	35,174	35,174		-
Land Use Liability	63,906	63,906		-
Expenses				
Claims Adjustment	618,226	693,220		(74,994)
Loss Fund Management	77,580	77,580		-
Claims - Computer Cost	42,864	42,864		-
Safety				
Director	114,377	114,377		-
General	69,345	15,495		53,850
MEL Safety Institute	61,981	61,981		-
Safety Incentive Program	25,500	3,244		22,256
Administration	390,829	390,829		-
Professional Services				
Actuary	39,064	39,064		-
Attorney	45,582	45,582		-
Auditor	17,930	17,930		-
Internal Auditor	20,070	19,629		441
Treasurer	35,184	35,184		-
Underwriting Manager	17,926	17,926		-
Miscellaneous	135,004	58,499		76,505
Risk Management Consultants	965,211	965,211	-	-
	<u>\$ 16,088,562</u>	<u>\$ 10,387,205</u>	<u>\$ 5,845,452</u>	<u>\$ (144,095)</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified	_____ yes <u> X </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes <u> X </u> none reported
Noncompliance material to the financial statements noted?	_____ yes <u> X </u> no

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Paragraph 5.18-5.20 of *Government Auditing Standards*.

There are none.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior-year findings related to the financial statements that are required to be reported in accordance with Paragraph 6.12 of *Governmental Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMMENTS/RECOMMENDATIONS**

Current Year

Comment – Our audit revealed that as of December 31, 2019, Fund Years 2019, 2018 and 2017 ended the year with deficits in net position of \$134,015, \$257,559 and \$160,447, respectively.

Recommendation – The operations of Fund Years 2019, 2018 and 2017 be continually monitored to ensure that sufficient funds will be available to eliminate the operating deficits.


Management Response

Management is monitoring claims development carefully. If a deficit continues, management will determine the appropriate course of action in order to fund and eliminate deficits.

* * * * *

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the Fund and we greatly appreciate the courtesies extended to us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

DEPARTMENT OF BANKING AND INSURANCE - STATE FINANCIAL REPORT

ANNUAL FINANCIAL STATEMENT

New Jersey Department of Banking and Insurance Joint Insurance Fund Code: **JIF2**

Joint Insurance Fund Name: South Bergen Joint Insurance Fund

Street Address: 9 Campus Drive, Suite 216
Parsippany, New Jersey 07054

Primary location of books and records: Same as above

Statement Contact Person: Pauline Kontomanolis

Phone Number: (201) 881-7632

2020 EXECUTIVE COMMITTEE

Chairman	John Hansen	Charles Cuccia	Joseph Crifasi
Vice Chairman	Francis Bianchi	Dominick Azzolini	Al Restaino
Secretary	Gregory Franz		

EXECUTIVE COMMITTEE ALTERNATES

Christopher Eilert	Steve Lo Iacono
Paula Cozzarelli	Robert Kakoleski

State of New Jersey
County of Bergen

John Hansen, Chairman, Gregory Franz, Secretary, of the South Bergen 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 last, 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 interim statement, together with related exhibits, schedules and explanations therein contained, annexed affairs to the said joint insurance fund as of the 31st day of December last, and of its income and deductions therefrom for the year ended on the date, according to the best of their information, knowledge and belief respectively.

Chairman

Secretary

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

HISTORICAL OPERATING RESULTS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Years: 1986 - 2019 As of : December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Underwriting Income

Assessments		
Regular	\$ 308,771,686	
Retrospective	78,169	
Supplemental	854,666	
Other Income (except investments)	<u>129,575</u>	
Total Income		\$ 309,834,096
Incurred Liabilities		
Claims		
Paid	137,830,749	
Case Reserves	8,490,266	
IBNR Reserves	<u>5,711,590</u>	
Subtotal		\$ 152,032,605
Excess Insurance		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		152,032,605
Expenses		
Excess Insurance Premiums	78,358,425	
Other Insurance Premiums	9,028,332	
Administrative	<u>55,302,224</u>	
Subtotal		<u>142,688,981</u>
Total Incurred Liabilities		<u>294,721,586</u>
Underwriting Surplus		15,112,510
Investment Income		<u>15,326,274</u>
Gross Statutory Surplus		30,438,784
Return of Surplus		
Paid		(23,926,509)
Authorized and Unpaid		<u>-</u>
Subtotal Return of Surplus		<u>(23,926,509)</u>
Net Statutory Surplus		<u>\$ 6,512,275</u>

HISTORICAL BALANCE SHEET

Schedule B

Fund: SOUTH BERGEN JIF Fund Years: 1986 - 2019 As of: December 31, 2019 Prepared by Lerch, Vinci & Higgins, LLP

ASSETS

Cash and Investments (1) \$ 17,799,710

Receivables

Assessments \$ 4,388,248

Accrued Interest and Dividends 70,427

Other 57,743

Total Receivables 4,516,418

Total Assets \$ 22,316,128

LIABILITIES

Claims

Case Reserves 8,490,266

IBNR Reserves (2) 5,711,590

Subtotal Claims 14,201,856

Expenses (unpaid) (1)

Administrative 59,073

Due to Residual Claims Fund 1,159,494

1,218,567

Other Liabilities

Unearned Revenue 383,430

383,430

Total Liabilities 15,803,853

Net Statutory Surplus (Deficit) \$ 6,512,275

Notes: (1) attached schedule itemizing these categories

(2) attached opinion from the actuary

SOUTH BERGEN JOINT INSURANCE FUND
ATTACHMENT TO SCHEDULE B
HISTORICAL BALANCE SHEET
DECEMBER 31, 2019

CASH AND INVESTMENTS

CASH

Claims Account	\$	(188,532)	
Operating Account		3,815,217	
U.S. Government Money Market Funds		<u>19,021</u>	
			\$ 3,645,706

INVESTMENTS

U.S. Treasury Obligations		<u>14,154,004</u>	
			<u>\$ 17,799,710</u>

RECEIVABLES

Assessments	\$	4,388,248	
Accrued Interest		68,748	
Dividend		1,679	
Other		<u>57,743</u>	
			<u>\$ 4,516,418</u>

EXPENSES (UNPAID)

<u>Administrative</u>			
Treasurer	\$	8,796	
Auditor		17,930	
Safety		3,244	
Risk Management Consultants		24,983	
Miscellaneous		<u>4,120</u>	
			<u>\$ 59,073</u>

Due to Residual Claims Fund		<u>\$ 1,159,494</u>	
			<u>\$ 1,218,567</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 16,002,983	
Supplemental	31,450	
Other Income (except investments)	<u>-</u>	
Total Income		\$ 16,034,433
Incurred Liabilities		
Claims		
Paid	2,930,292	
Case Reserves	2,121,848	
IBNR Reserves	<u>3,723,604</u>	
Subtotal		\$ 8,775,744
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		8,775,744
Expenses		
Excess Insurance Premiums	3,467,035	
Other Insurance Premiums	1,391,263	
Administrative	<u>2,598,615</u>	
Subtotal		<u>7,456,913</u>
Total Incurred Liabilities		<u>16,232,657</u>
Underwriting Surplus (Deficit)		(198,224)
Investment Income (Earned)		<u>64,209</u>
Gross Statutory Surplus (Deficit)		(134,015)
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus (Deficit)		<u>\$ (134,015)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 15,452,332	
Retrospective		
Supplemental	39,511	
Other Income (except investments)	<u>-</u>	
Total Income		\$ 15,491,843
Incurred Liabilities		
Claims		
Paid	4,897,813	
Case Reserves	2,950,744	
IBNR Reserves	<u>1,022,559</u>	
Subtotal		\$ 8,871,116
Excess Insurance Received		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		8,871,116
Expenses		
Excess Insurance Premiums	3,164,776	
Other Insurance Premiums	1,261,685	
Administrative	<u>2,611,431</u>	
Subtotal		<u>7,037,892</u>
Total Incurred Liabilities		<u>15,909,008</u>
Underwriting Surplus (Deficit)		(417,165)
Investment Income (Earned)		<u>159,606</u>
Gross Statutory Surplus (Deficit)		(257,559)
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus (Deficit)		<u>\$ (257,559)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2017 As of December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 15,072,026	
Retrospective		
Supplemental	13,728	
Other Income (except investments)	<u>-</u>	
 Total Income		\$ 15,085,754
 Incurred Liabilities		
Claims		
Paid	5,757,433	
Case Reserves	2,080,111	
IBNR Reserves	<u>681,883</u>	
 Subtotal		\$ 8,519,427
 Excess Insurance Received		
Received	-	
Recoverable	<u>-</u>	
 Subtotal		<u>-</u>
 Limited Incurred Claims		8,519,427
 Expenses		
Excess Insurance Premiums	3,147,815	
Other Insurance Premiums	1,190,292	
Administrative	<u>2,537,460</u>	
 Subtotal		<u>6,875,567</u>
 Total Incurred Liabilities		<u>15,394,994</u>
 Underwriting Surplus (Deficit)		(309,240)
 Investment Income (Earned)		<u>148,793</u>
 Gross Statutory Surplus (Deficit)		(160,447)
 Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
 Subtotal Return of Surplus		<u>-</u>
 Net Statutory Surplus (Deficit)		<u>\$ (160,447)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2016 As of December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 14,760,527	
Retrospective		
Supplemental	36,931	
Other Income (except investments)	<u>-</u>	
 Total Income		\$ 14,797,458
 Incurred Liabilities		
Claims		
Paid	5,960,656	
Case Reserves	1,337,643	
IBNR Reserves	<u>283,544</u>	
 Subtotal		\$ 7,581,843
 Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
 Subtotal		<u>-</u>
 Limited Incurred Claims		7,581,843
 Expenses		
Excess Insurance Premiums	3,024,150	
Other Insurance Premiums	1,095,111	
Administrative	<u>2,450,686</u>	
 Subtotal		<u>6,569,947</u>
 Total Incurred Liabilities		<u>14,151,790</u>
 Underwriting Surplus		645,668
 Investment Income (Earned)		<u>161,127</u>
 Gross Statutory Surplus		806,795
 Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
 Subtotal Return of Surplus		<u>-</u>
 Net Statutory Surplus		<u>\$ 806,795</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: Closed Years As of December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 246,816,677	
Retrospective	78,169	
Supplemental	733,046	
Other Income (except investments)	<u>129,575</u>	
 Total Income		\$ 247,757,467
 Incurred Liabilities		
Claims		
Paid	118,284,475	
Case Reserves	-	
IBNR Reserves	<u>-</u>	
 Subtotal		\$ 118,284,475
 Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
 Subtotal		<u>-</u>
 Limited Incurred Claims		118,284,475
 Expenses		
Excess Insurance Premiums	65,554,649	
Other Insurance Premiums	4,089,981	
Administrative	<u>45,104,032</u>	
 Subtotal		<u>114,748,662</u>
 Total Incurred Liabilities		<u>233,033,137</u>
 Underwriting Surplus		14,724,330
 Investment Income (Earned)		<u>14,770,286</u>
 Gross Statutory Surplus		29,494,616
 Return of Surplus		
Paid	(23,926,509)	
Authorized and Unpaid	<u>-</u>	
 Subtotal Return of Surplus		<u>(23,926,509)</u>
 Net Statutory Surplus		<u>\$ 5,568,107</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: Aggregate Excess Loss Contingency Fund As of December 31, 2019

Prepared By: Lerch, Vinci & Higgins, LLP

Assessments		
Regular		
Supplemental	\$ 667,141	
Other Income (except investments)	<u>-</u>	
Total Income		\$ 667,141
Incurred Liabilities		
Claims		
Paid		
Case Reserves		
IBNR Reserves	<u>-</u>	
Subtotal		-
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		-
Limited Incurred Claims		-
Expenses		
Excess Insurance Premiums		
Other Insurance Premiums		
Administrative	<u>-</u>	
Subtotal		-
Total Incurred Liabilities		<u>-</u>
Underwriting Surplus		667,141
Investment Income (Earned)		<u>22,253</u>
Gross Statutory Surplus		689,394
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 689,394</u>

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP
 Coverages and Other Accounts

Schedule D

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMP.</u>	<u>LOSS CONTINGENCY</u>	<u>ENVIRON.</u>	<u>MEL</u>	<u>POL/EPL</u>	<u>GENERAL & ADMIN.</u>	<u>TOTALS</u>
<u>Underwriting Income</u>										
Assessments										
Regular	\$ 757,246	\$ 1,913,137	\$ 600,359	\$ 5,000,000	\$ 217,075	\$ 321,887	\$ 3,131,904	\$ 1,391,265	\$ 2,670,110	\$ 16,002,983
Supplemental		24,888							6,562	31,450
Other Income (except investments)	-	-	-	-	-	-	-	-	-	-
Total Income	<u>757,246</u>	<u>1,938,025</u>	<u>600,359</u>	<u>5,000,000</u>	<u>217,075</u>	<u>321,887</u>	<u>3,131,904</u>	<u>1,391,265</u>	<u>2,676,672</u>	<u>16,034,433</u>
<u>Incurred Liabilities</u>										
Claims	1,099,332	1,721,824	540,324	5,414,264						8,775,744
Expenses	<u>13,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,885</u>	<u>3,131,904</u>	<u>1,391,263</u>	<u>2,598,615</u>	<u>7,456,913</u>
Total Liabilities	<u>1,112,578</u>	<u>1,721,824</u>	<u>540,324</u>	<u>5,414,264</u>	<u>-</u>	<u>321,885</u>	<u>3,131,904</u>	<u>1,391,263</u>	<u>2,598,615</u>	<u>16,232,657</u>
<u>Underwriting Surplus (Deficit)</u>	<u>(355,332)</u>	<u>216,201</u>	<u>60,035</u>	<u>(414,264)</u>	<u>217,075</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>78,057</u>	<u>(198,224)</u>
<u>Adjustments</u>										
Investment Income	1,731	14,368	5,168	34,917	2,197			5,193	635	64,209
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Adjustments	<u>1,731</u>	<u>14,368</u>	<u>5,168</u>	<u>34,917</u>	<u>2,197</u>	<u>-</u>	<u>-</u>	<u>5,193</u>	<u>635</u>	<u>64,209</u>
<u>Gross Statutory Surplus (Deficit)</u>	<u>(353,601)</u>	<u>230,569</u>	<u>65,203</u>	<u>(379,347)</u>	<u>219,272</u>	<u>2</u>	<u>-</u>	<u>5,195</u>	<u>78,692</u>	<u>(134,015)</u>
Return of Surplus (paid and authorized)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Statutory Surplus (Deficit)</u>	<u>\$ (353,601)</u>	<u>\$ 230,569</u>	<u>\$ 65,203</u>	<u>\$ (379,347)</u>	<u>\$ 219,272</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 5,195</u>	<u>\$ 78,692</u>	<u>\$ (134,015)</u>

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP
 Coverages and Other Accounts

Schedule D

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMP.</u>	<u>LOSS CONTINGENCY</u>	<u>ENVIRON.</u>	<u>MEL</u>	<u>POL/EPL</u>	<u>GENERAL & ADMIN.</u>	<u>TOTALS</u>
<u>Underwriting Income</u>										
Assessments										
Regular	\$ 752,549	\$ 1,679,080	\$ 591,659	\$ 5,132,112	\$ 216,578	\$ 324,935	\$ 2,826,602	\$ 1,261,289	\$ 2,667,528	\$ 15,452,332
Supplemental		31,598							7,913	39,511
Other Income (except investments)	-	-	-	-	-	-	-	-	-	-
Total Income	<u>752,549</u>	<u>1,710,678</u>	<u>591,659</u>	<u>5,132,112</u>	<u>216,578</u>	<u>324,935</u>	<u>2,826,602</u>	<u>1,261,289</u>	<u>2,675,441</u>	<u>15,491,843</u>
<u>Incurred Liabilities</u>										
Claims	448,887	1,417,630	848,560	6,156,039						8,871,116
Expenses	<u>13,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,935</u>	<u>2,826,602</u>	<u>1,261,685</u>	<u>2,611,431</u>	<u>7,037,892</u>
Total Liabilities	<u>462,126</u>	<u>1,417,630</u>	<u>848,560</u>	<u>6,156,039</u>	<u>-</u>	<u>324,935</u>	<u>2,826,602</u>	<u>1,261,685</u>	<u>2,611,431</u>	<u>15,909,008</u>
Underwriting Surplus (Deficit)	<u>290,423</u>	<u>293,048</u>	<u>(256,901)</u>	<u>(1,023,927)</u>	<u>216,578</u>	<u>-</u>	<u>-</u>	<u>(396)</u>	<u>64,010</u>	<u>(417,165)</u>
<u>Adjustments</u>										
Investment Income	9,808	51,047	16,417	64,060	7,299		3,514	4,168	3,293	159,606
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Adjustments	<u>9,808</u>	<u>51,047</u>	<u>16,417</u>	<u>64,060</u>	<u>7,299</u>	<u>-</u>	<u>3,514</u>	<u>4,168</u>	<u>3,293</u>	<u>159,606</u>
Gross Statutory Surplus (Deficit)	300,231	344,095	(240,484)	(959,867)	223,877	-	3,514	3,772	67,303	(257,559)
Return of Surplus (paid and authorized)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Statutory Surplus (Deficit)	<u>\$ 300,231</u>	<u>\$ 344,095</u>	<u>\$ (240,484)</u>	<u>\$ (959,867)</u>	<u>\$ 223,877</u>	<u>\$ -</u>	<u>\$ 3,514</u>	<u>\$ 3,772</u>	<u>\$ 67,303</u>	<u>\$ (257,559)</u>

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Year: 2017 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Schedule D

Coverages and Other Accounts

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMP.</u>	<u>LOSS CONTINGENCY</u>	<u>ENVIRON.</u>	<u>MEL</u>	<u>POL/EPL</u>	<u>GENERAL & ADMIN.</u>	<u>TOTALS</u>
<u>Underwriting Income</u>										
Assessments										
Regular	\$ 772,162	\$ 1,495,980	\$ 573,567	\$ 5,000,000	\$ 196,109	\$ 340,852	\$ 2,793,737	\$ 1,190,309	\$ 2,709,310	\$ 15,072,026
Supplemental		11,026							2,702	13,728
Other Income (except investments)	-	-	-	-	-	-	-	-	-	-
Total Income	<u>772,162</u>	<u>1,507,006</u>	<u>573,567</u>	<u>5,000,000</u>	<u>196,109</u>	<u>340,852</u>	<u>2,793,737</u>	<u>1,190,309</u>	<u>2,712,012</u>	<u>15,085,754</u>
<u>Incurred Liabilities</u>										
Claims	607,098	1,620,253	424,319	5,867,757						8,519,427
Expenses	13,226	-	-	-	-	340,852	2,793,737	1,190,292	2,537,460	6,875,567
Total Liabilities	<u>620,324</u>	<u>1,620,253</u>	<u>424,319</u>	<u>5,867,757</u>	<u>-</u>	<u>340,852</u>	<u>2,793,737</u>	<u>1,190,292</u>	<u>2,537,460</u>	<u>15,394,994</u>
<u>Underwriting Surplus (Deficit)</u>	<u>151,838</u>	<u>(113,247)</u>	<u>149,248</u>	<u>(867,757)</u>	<u>196,109</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>174,552</u>	<u>(309,240)</u>
<u>Adjustments</u>										
Investment Income	6,434	48,371	18,876	55,588	8,131	496	63	299	10,535	148,793
Transfers	-	-	-	-	-	-	-	-	-	-
Total Adjustments	<u>6,434</u>	<u>48,371</u>	<u>18,876</u>	<u>55,588</u>	<u>8,131</u>	<u>496</u>	<u>63</u>	<u>299</u>	<u>10,535</u>	<u>148,793</u>
<u>Gross Statutory Surplus (Deficit)</u>	<u>158,272</u>	<u>(64,876)</u>	<u>168,124</u>	<u>(812,169)</u>	<u>204,240</u>	<u>496</u>	<u>63</u>	<u>316</u>	<u>185,087</u>	<u>(160,447)</u>
Return of Surplus (paid and authorized)	-	-	-	-	-	-	-	-	-	-
Net Statutory Surplus (Deficit)	<u>\$ 158,272</u>	<u>\$ (64,876)</u>	<u>\$ 168,124</u>	<u>\$ (812,169)</u>	<u>\$ 204,240</u>	<u>\$ 496</u>	<u>\$ 63</u>	<u>\$ 316</u>	<u>\$ 185,087</u>	<u>\$ (160,447)</u>

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Year: 2016 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Schedule D

Coverages and Other Accounts

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMP.</u>	<u>LOSS CONTINGENCY</u>	<u>ENVIRON.</u>	<u>MEL</u>	<u>POL/EPL</u>	<u>GENERAL & ADMIN.</u>	<u>TOTALS</u>
<u>Underwriting Income</u>										
Assessments										
Regular	\$ 715,742	\$ 1,655,696	\$ 735,443	\$ 4,505,000	\$ 400,507	\$ 337,651	\$ 2,673,469	\$ 1,095,099	\$ 2,641,920	\$ 14,760,527
Supplemental		29,219							7,712	36,931
Other Income (except investments)	-	-	-	-	-	-	-	-	-	-
Total Income	<u>715,742</u>	<u>1,684,915</u>	<u>735,443</u>	<u>4,505,000</u>	<u>400,507</u>	<u>337,651</u>	<u>2,673,469</u>	<u>1,095,099</u>	<u>2,649,632</u>	<u>14,797,458</u>
<u>Incurred Liabilities</u>										
Claims	443,137	1,674,353	712,361	4,751,992						7,581,843
Expenses	<u>13,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,651</u>	<u>2,673,469</u>	<u>1,095,111</u>	<u>2,450,686</u>	<u>6,569,947</u>
Total Liabilities	<u>456,167</u>	<u>1,674,353</u>	<u>712,361</u>	<u>4,751,992</u>	<u>-</u>	<u>337,651</u>	<u>2,673,469</u>	<u>1,095,111</u>	<u>2,450,686</u>	<u>14,151,790</u>
<u>Underwriting Surplus (Deficit)</u>	<u>259,575</u>	<u>10,562</u>	<u>23,082</u>	<u>(246,992)</u>	<u>400,507</u>	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>198,946</u>	<u>645,668</u>
<u>Adjustments</u>										
Investment Income	11,344	49,077	23,244	41,129	18,134				18,199	161,127
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Adjustments	<u>11,344</u>	<u>49,077</u>	<u>23,244</u>	<u>41,129</u>	<u>18,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,199</u>	<u>161,127</u>
<u>Gross Statutory Surplus (Deficit)</u>	<u>270,919</u>	<u>59,639</u>	<u>46,326</u>	<u>(205,863)</u>	<u>418,641</u>	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>217,145</u>	<u>806,795</u>
Return of Surplus (paid and authorized)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Statutory Surplus (Deficit)	<u>\$ 270,919</u>	<u>\$ 59,639</u>	<u>\$ 46,326</u>	<u>\$ (205,863)</u>	<u>\$ 418,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ 217,145</u>	<u>\$ 806,795</u>

FUND YEAR CLAIMS ANALYSIS

Schedule E

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 716,941	\$ 171,702	\$ 76,713	\$ 1,964,936	\$ 2,930,292
Case Reserves	347,628	143,879	69,187	1,561,154	2,121,848
IBNR Reserves	<u>34,763</u>	<u>1,406,243</u>	<u>394,424</u>	<u>1,888,174</u>	<u>3,723,604</u>
Subtotal	<u>1,099,332</u>	<u>1,721,824</u>	<u>540,324</u>	<u>5,414,264</u>	<u>8,775,744</u>
Excess Insurance					
Received					-
Recoverable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 1,099,332</u>	<u>\$ 1,721,824</u>	<u>\$ 540,324</u>	<u>\$ 5,414,264</u>	<u>\$ 8,775,744</u>

A listing of claims over \$25,000 is available upon request.

FUND YEAR CLAIMS ANALYSIS

Schedule E

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 415,955	\$ 291,247	\$ 135,239	\$ 4,055,372	\$ 4,897,813
Case Reserves	16,466	568,971	433,691	1,931,616	2,950,744
IBNR Reserves	<u>16,466</u>	<u>557,412</u>	<u>279,630</u>	<u>169,051</u>	<u>1,022,559</u>
Subtotal	<u>448,887</u>	<u>1,417,630</u>	<u>848,560</u>	<u>6,156,039</u>	<u>8,871,116</u>
Excess Insurance					
Received					-
Recoverable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 448,887</u>	<u>\$ 1,417,630</u>	<u>\$ 848,560</u>	<u>\$ 6,156,039</u>	<u>\$ 8,871,116</u>

A listing of claims over \$25,000 is available upon request.

FUND YEAR CLAIMS ANALYSIS

Schedule E

Fund: SOUTH BERGEN JIF Fund Year: 2017 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 605,418	\$ 567,438	\$ 167,094	\$ 4,417,483	\$ 5,757,433
Case Reserves	1,680	505,474	203,130	1,369,827	2,080,111
IBNR Reserves	<u>-</u>	<u>547,341</u>	<u>54,095</u>	<u>80,447</u>	<u>681,883</u>
Subtotal	<u>607,098</u>	<u>1,620,253</u>	<u>424,319</u>	<u>5,867,757</u>	<u>8,519,427</u>
Excess Insurance					
Received					-
Recoverable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 607,098</u>	<u>\$ 1,620,253</u>	<u>\$ 424,319</u>	<u>\$ 5,867,757</u>	<u>\$ 8,519,427</u>

A listing of claims over \$25,000 is available upon request.

FUND YEAR CLAIMS ANALYSIS

Schedule E

Fund: SOUTH BERGEN JIF Fund Year: 2016 As of: December 31, 2019 Prepared By: Lerch, Vinci & Higgins, LLP

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 443,137	\$ 1,027,931	\$ 385,812	\$ 4,103,856	\$ 5,960,736
Case Reserves	-	422,106	278,596	636,861	1,337,563
IBNR Reserves	-	224,316	47,953	11,275	283,544
Subtotal	<u>443,137</u>	<u>1,674,353</u>	<u>712,361</u>	<u>4,751,992</u>	<u>7,581,843</u>
Excess Insurance					
Received					-
Recoverable	-	-	-	-	-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 443,137</u>	<u>\$ 1,674,353</u>	<u>\$ 712,361</u>	<u>\$ 4,751,992</u>	<u>\$ 7,581,843</u>

A listing of claims over \$25,000 is available upon request.

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2019

Prepared by: Lerch, Vinci & Higgins, LLP

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Insurance Premiums</u>			
Property	\$ 13,246		\$ 13,246
Environmental	321,885		321,885
MEL	2,287,762		2,287,762
MEL Property	844,142	-	844,142
	<u>3,467,035</u>	<u>-</u>	<u>3,467,035</u>
<u>Other Insurance Premiums</u>			
Directors and Officers	14,131		14,131
Public Officials and Employment Practice	1,278,052		1,278,052
Cyber Liability	35,174		35,174
Land Use Liability	63,906	-	63,906
	<u>1,391,263</u>	<u>-</u>	<u>1,391,263</u>
Subtotal Insurance	<u>4,858,298</u>	<u>-</u>	<u>4,858,298</u>
<u>Administrative Expenses</u>			
Administrator	390,829		390,829
Safety	191,853	\$ 3,244	195,097
Legal	45,582		45,582
Treasurer	26,388	8,796	35,184
Other (itemized)			
Actuary	39,064		39,064
Auditor		17,930	17,930
Service Agent- Claims Adjustment	693,220		693,220
Claims - Loss Fund Management	77,580		77,580
Claims - Computer Cost	42,864		42,864
Risk Management Consultants	940,228	24,983	965,211
Internal Auditor	19,629		19,629
Underwriting Manager	17,926		17,926
Miscellaneous	54,379	4,120	58,499
Subtotal Administrative	<u>2,539,542</u>	<u>59,073</u>	<u>2,598,615</u>
Total Expenses	<u>\$ 7,397,840</u>	<u>\$ 59,073</u>	<u>\$ 7,456,913</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2019

Prepared by: Lerch, Vinci & Higgins, LLP

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Insurance Premiums</u>			
Property	\$ 13,239		\$ 13,239
Environmental	324,935		324,935
MEL	2,047,001		2,047,001
MEL Property	779,601	-	779,601
	<u>3,164,776</u>	<u>-</u>	<u>3,164,776</u>
<u>Other Insurance Premiums</u>			
Directors and Officers	14,167		14,167
Public Officials and Employment Practice	1,215,410		1,215,410
Cyber Liability	32,108	-	32,108
	<u>1,261,685</u>	<u>-</u>	<u>1,261,685</u>
Subtotal Insurance	<u>4,426,461</u>	<u>-</u>	<u>4,426,461</u>
<u>Administrative Expenses</u>			
Executive Director	383,165		383,165
Safety	238,756		238,756
Legal	44,688		44,688
Treasurer	34,494		34,494
Other (itemized)			
Actuary	38,298		38,298
Auditor	17,670		17,670
Service Agent- Claims Adjustment	681,104		681,104
Claims - Loss Fund Management	76,058		76,058
Claims - Computer Cost	42,864		42,864
Risk Management Consultants	931,684		931,684
Internal Auditor	19,244		19,244
Underwriting Manager	17,575		17,575
Property Appraiser	12,600	-	12,600
Miscellaneous	73,231	-	73,231
	<u>2,611,431</u>	<u>-</u>	<u>2,611,431</u>
Subtotal Administrative	<u>2,611,431</u>	<u>-</u>	<u>2,611,431</u>
Total Expenses	<u>\$ 7,037,892</u>	<u>\$ -</u>	<u>\$ 7,037,892</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2017 As of: December 31, 2019

Prepared by: Lerch, Vinci & Higgins, LLP

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Insurance Premiums</u>			
Property	\$ 13,226		\$ 13,226
Environmental	340,852		340,852
MEL	2,038,663		2,038,663
MEL Property	<u>755,074</u>	<u>-</u>	<u>755,074</u>
	<u>3,147,815</u>	<u>-</u>	<u>3,147,815</u>
<u>Other Insurance Premiums</u>			
Directors and Officers	13,975		13,975
Public Officials and Employment Practice	1,146,612		1,146,612
Cyber Liability	<u>29,705</u>	<u>-</u>	<u>29,705</u>
	<u>1,190,292</u>	<u>-</u>	<u>1,190,292</u>
Subtotal Insurance	<u>4,338,107</u>	<u>-</u>	<u>4,338,107</u>
<u>Administrative Expenses</u>			
Administrator	375,652		375,652
Safety	220,238		220,238
Legal	43,812		43,812
Treasurer	33,818		33,818
Other (itemized)			
Actuary	38,298		38,298
Auditor	17,233		17,233
Service Agent- Claims Adjustment	655,200		655,200
Claims - Loss Fund Management	74,567		74,567
Claims - Computer Cost	42,864		42,864
Risk Management Consultants	911,077		911,077
Internal Auditor	18,867		18,867
Underwriting Manager	17,230		17,230
Property Appraiser	13,800		13,800
Miscellaneous	<u>74,804</u>	<u>-</u>	<u>74,804</u>
Subtotal Administrative	<u>2,537,460</u>	<u>-</u>	<u>2,537,460</u>
Total Expenses	<u>\$ 6,875,567</u>	<u>\$ -</u>	<u>\$ 6,875,567</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2016 As of: December 31, 2019

Prepared by: Lerch, Vinci & Higgins, LLP

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Insurance Premiums</u>			
Property	\$ 13,030		\$ 13,030
Environmental	337,651		337,651
MEL	1,988,084		1,988,084
MEL Property	685,385	-	685,385
	<u>3,024,150</u>	<u>-</u>	<u>3,024,150</u>
<u>Other Insurance Premiums</u>			
Directors and Officers	14,431		14,431
Public Officials and Employment Practice	1,062,478		1,062,478
Cyber Liability	18,202	-	18,202
	<u>1,095,111</u>	<u>-</u>	<u>1,095,111</u>
Subtotal Insurance	<u>4,119,261</u>	<u>-</u>	<u>4,119,261</u>
<u>Administrative Expenses</u>			
Administrator	368,287		368,287
Safety	200,887		200,887
Legal	42,953		42,953
Treasurer	33,155		33,155
Other (itemized)			
Actuary	37,547		37,547
Auditor	16,886		16,886
Service Agent- Claims Adjustment	650,929		650,929
Claims - Loss Fund Management	49,712		49,712
Claims - Computer Cost	42,864		42,864
Risk Management Consultants	893,570		893,570
Internal Auditor	18,497		18,497
Underwriting Manager	16,892		16,892
Property Appraiser	14,040		14,040
Miscellaneous	64,467	-	64,467
	<u>2,450,686</u>	<u>-</u>	<u>2,450,686</u>
Subtotal Administrative	<u>2,450,686</u>	<u>-</u>	<u>2,450,686</u>
Total Expenses	<u>\$ 6,569,947</u>	<u>\$ -</u>	<u>\$ 6,569,947</u>

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2019 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	<u>PROPERTY</u>	<u>LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMPENSATION</u>	<u>PUBLIC OFFICIALS' EMPLOYMENT PRACTICES</u>	<u>CYBER</u>
1. <u>Limits</u>	\$ 125,000,000 per occurrence	\$ 5,000,000 per occurrence	\$ 5,000,000 per occurrence	statutory per occurrence	QBE Insurance \$2,000,000	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage
2. <u>Fund Retention</u>						\$10,000 deductible per member
<u>Specific</u>	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None	
<u>Aggregate</u>					Members have various deductible or co-insurance based on program compliance	\$3,000,000 each/\$6,000,000 policy aggregate
3. <u>Excess Insurance (list all insurers and amount insured)</u>	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 shared aggregate limit of \$10,000,000 excess of \$20,000,000	Underwriters at Lloyd's of London (Brit) provides optional excess liability reinsurance to the Municipal Excess Liability Joint Insurance Member optional limits in layers starting at \$1,000,000 in excess of \$2,000,000 through \$8,000,000	Beazley \$6,000,000 policy aggregate
4. <u>Number of Participants</u>	23	23	23	23		23
5. <u>Incurred Liabilities</u>	\$ 1,099,332	\$ 1,721,824	\$ 540,324	\$ 5,414,264		
6. <u>Exposure Units</u>	\$ 848,930,409 (Value)	325,525 (Population)	1,926 (# of Vehicles)	\$ 228,787,567 (Payroll amount)		
7. <u>Liabilities/Units</u>	\$ 0.001	\$ 5.29	\$ 280.54	\$ 0.024		

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2019 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	ENVIRONMENTAL				
	THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS POLLUTION LIABILITY	DE MINIMIS ABANDONED WASTE SITES LIABILITY	TANK SYSTEMS
1. <u>Limits</u>	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim
	De Minimus Abandoned Waste Sites Liability coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except De Minimus Abandoned Waste Sites Liability which has an aggregate Legal Defense cost limit of \$500,000. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy.				
2. <u>Annual Aggregate Limits</u>	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 50,000 \$500,000 - Aggregate Defense Cost Limit	\$ 1,000,000 \$100,000 - Aggregate Defense Cost Limit
Jif Annual Aggregate	\$ 3,255,250				
3. <u>Excess Insurance (list all insurers and amount insured)</u>	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000
4. <u>Number of Participants</u>	23	23	23	23	23
5. <u>Incurred Liabilities</u>	N/A	N/A	N/A	N/A	N/A
6. <u>Exposure Units (population or students)</u>	N/A	N/A	N/A	N/A	N/A
7. <u>Liabilities/Units</u>	N/A	N/A	N/A	N/A	N/A

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2018 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	<u>PROPERTY</u>	<u>LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMPENSATION</u>	<u>PUBLIC OFFICIALS' EMPLOYMENT PRACTICES</u>	<u>CYBER</u>
1. <u>Limits</u>	\$ 125,000,000 per occurrence	\$ 5,000,000 per occurrence	\$ 5,000,000 per occurrence	statutory per occurrence	QBE Insurance \$2,000,000	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage
2. <u>Fund Retention</u>						\$10,000 deductible per member
Specific	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None	\$3,000,000 each/\$6,000,000 policy aggregate
Aggregate					Members have various deductible or co-insurance based on program compliance	
3. <u>Excess Insurance (list all insurers and amount insured)</u>	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 \$1,450,000 in excess of \$300,000 for both liability and automotive, and \$1,700,000 in excess of \$300,000 for Worker's Compensation. General Reinsurance Company provides \$3,250,000 in excess of \$1,750,000 for both liability and automotive; Safety National provides Statutory in excess of \$2,000,000 for Worker's Compensation and \$6,700,000 for Employer's Liability. Munich ReAmerican offers optional excess liability.		General Reinsurance offers optional excess limits	Beazley \$6,000,000 policy aggregate
4. <u>Number of Participants</u>	23	23	23	23		23
5. <u>Incurred Liabilities</u>	\$ 448,887	\$ 1,417,630	\$ 848,560	\$ 6,156,039		
6. <u>Exposure Units</u>	\$ 78,701,756 (Value)	325,525 (Population)	1,912 (# of Vehicles)	\$ 224,220,347 (Payroll amount)		
7. <u>Liabilities/Units</u>	\$ 0.006	\$ 4.35	\$ 443.81	\$ 0.027		

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2018 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	ENVIRONMENTAL				
	THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS POLLUTION LIABILITY	DE MINIMIS ABANDONED WASTE SITES LIABILITY	TANK SYSTEMS
1. <u>Limits</u>	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim
	De Minimus Abandoned Waste Sites Liability coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except De Minimus Abandoned Waste Sites Liability which has an aggregate Legal Defense cost limit of \$500,000. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy. Members are subject to \$2,500 deductible per claim under the EIL policy and subject to a \$5,000 deductible each incident under the Tank policy.				
2. <u>Annual Aggregate Limits</u>	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 50,000 \$500,000 - Aggregate Defense Cost Limit	\$ 1,000,000 \$100,000 - Aggregate Defense Cost Limit
Jif Annual Aggregate	\$ 3,255,250				
3. <u>Excess Insurance (list all insurers and amount insured)</u>	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000	Ironshore Specialty Insurance Co. \$ 9,000,000
4. <u>Number of Participants</u>	23	23	23	23	23
5. <u>Incurred Liabilities</u>	N/A	N/A	N/A	N/A	N/A
6. <u>Exposure Units (population or students)</u>	N/A	N/A	N/A	N/A	N/A
7. <u>Liabilities/Units</u>	N/A	N/A	N/A	N/A	N/A

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2017 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	<u>PROPERTY</u>	<u>LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMPENSATION</u>	<u>PUBLIC OFFICIALS' EMPLOYMENT PRACTICES</u>	<u>CYBER</u>
1. <u>Limits</u>	\$ 125,000,000 per occurrence	\$ 5,000,000 per occurrence	\$ 5,000,000 per occurrence	statutory per occurrence	QBE Insurance \$2,000,000	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage
2. <u>Fund Retention</u>						\$10,000 deductible per member
Specific	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None	\$3,000,000 each/\$6,000,000 policy aggregate
Aggregate					Members have various deductible or co-insurance based on program compliance	
3. <u>Excess Insurance (list all insurers and amount insured)</u>	Zurich Insurance \$125,000,000 per occurrence-blanket limit, in excess of JIF/MEL \$250,000 self insured retention.		Municipal Excess Liability Joint Insurance Fund provides \$1,450,000 in excess of \$300,000 for both liability and automotive, and \$1,700,000 in excess of \$300,000 for Worker's Compensation. General Reinsurance Company provides \$3,250,000 in excess of \$1,750,000 for both liability and automotive; Safety National provides Statutory in excess of \$2,000,000 for Worker's Compensation and \$6,700,000 for Employer's Liability. Munich ReAmerican offers optional excess liability.		General Reinsurance offers optional excess limits	Beazley \$6,000,000 policy aggregate
4. <u>Number of Participants</u>	23	23	23	23	23	
5. <u>Incurred Liabilities</u>	\$ 607,098	\$ 1,620,253	\$ 424,319	\$ 5,867,757		
6. <u>Exposure Units</u>	\$ 776,699,930 (Value)	325,525 (Population)	1,946 (# of Vehicles)	\$ 222,355,920 (Payroll amount)		
7. <u>Liabilities/Units</u>	\$ 0.001	\$ 4.98	\$ 218.05	\$ 0.026		

Coverages

	ENVIRONMENTAL				
	THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS POLLUTION LIABILITY	DE MINIMIS ABANDONED WASTE SITES LIABILITY	TANK SYSTEMS
1. <u>Limits</u>	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim
<p>De Minimus Abandoned Waste Sites Liability coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except De Minimus Abandoned Waste Sites Liability which has an aggregate Legal Defense cost limit of \$500,000. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy. Members are subject to \$2,500 deductible per claim under the EIL policy and subject to a \$5,000 deductible each incident under the Tank policy.</p>					
2. <u>Annual Aggregate Limits</u>	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 50,000 \$500,000 - Aggregate Defense Cost Limit	\$ 1,000,000 \$100,000 - Aggregate Defense Cost Limit
Jif Annual Aggregate	\$ 3,255,250				
3. <u>Excess Insurance (list all insurers and amount insured)</u>	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000
4. <u>Number of Participants</u>	23	23	23	23	23
5. <u>Incurred Liabilities</u>	N/A	N/A	N/A	N/A	N/A
6. <u>Exposure Units (population or students)</u>	N/A	N/A	N/A	N/A	N/A
7. <u>Liabilities/Units</u>	N/A	N/A	N/A	N/A	N/A

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2016 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Schedule G

Coverages

	<u>PROPERTY</u>	<u>LIABILITY</u>	<u>AUTO</u>	<u>WORKERS' COMPENSATION</u>	<u>PUBLIC OFFICIALS' EMPLOYMENT PRACTICES</u>	<u>CYBER</u>
1. <u>Limits</u>	\$ 125,000,000 per occurrence	\$ 5,000,000 per occurrence	\$ 5,000,000 per occurrence	statutory per occurrence	QBE Insurance \$2,000,000	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage
2. <u>Fund Retention</u>						\$10,000 deductible per member
Specific	\$ 50,000	\$ 300,000	\$ 300,000	\$ 300,000	None	\$3,000,000 each/\$6,000,000 policy aggregate
Aggregate					Members have various deductible or co-insurance based on program compliance	
3. <u>Excess Insurance (list all insurers and amount insured)</u>	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 \$1,450,000 in excess of \$300,000 for both liability and automotive, and \$1,700,000 in excess of \$300,000 for Worker's Compensation. General Reinsurance Company provides \$3,250,000 in excess of \$1,750,000 for both liability and automotive; Safety National provides Statutory in excess of \$2,000,000 for Worker's Compensation and \$6,700,000 for Employer's Liability. Munich ReAmerican offers optional excess liability.		General Reinsurance offers optional excess limits	None
4. <u>Number of Participants</u>	23	23	23	23	23	
5. <u>Incurred Liabilities</u>	\$ 443,137	\$ 1,674,353	\$ 712,361	\$ 4,751,992		
6. <u>Exposure Units</u>	\$ 719,118,118 (Value)	325,525 (Population)	1,871 (# of Vehicles)	\$ 214,363,017 (Payroll amount)		
7. <u>Liabilities/Units</u>	\$ 0.001	\$ 5.14	\$ 380.74	\$ 0.022		

FUND YEAR PROGRAM SUMMARY

Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2016 As of: December 31, 2019 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	ENVIRONMENTAL				
	SITE SPECIFIC	NON-SITE SPECIFIC	SUPERFUND BUY-OUT	LEGAL SERVICES	TANK SYSTEMS
1. <u>Limits</u>	\$ 50,000 Per Occurrence	\$ 1,000,000 Per Occurrence	Pro Rated as Budgeted annual Aggregate Amount	\$ 500,000 Per Occurrence	\$ 1,000,000 Per Occurrence
	Site Specific coverage has a \$50,000 sublimit with a \$1,000 deductible for emergency remediation and \$100,000 annual aggregate per local unit. Superfund Buyout coverage is an aggregate amount that included legal defense, which is subject to \$50,000 per local unit limit. Storage Tank coverage requiring scheduling of tanks onto policy. All members are specified in the annual budget.				
2. Annual Aggregate Limits Jif Annual Aggregate	\$ 100,000 \$ 3,255,250	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 1,000,000
3. <u>Excess Insurance (list all insurers and amount insured)</u>	Liberty International \$ 8,000,000	Liberty International \$ 8,000,000	Liberty International \$ 8,000,000	Liberty International \$ 8,000,000	Liberty International \$ 8,000,000
4. <u>Number of Participants</u>	23	23	23	23	23
5. <u>Incurred Liabilities</u>	N/A	N/A	N/A	N/A	N/A
6. <u>Exposure Units (population or students)</u>	N/A	N/A	N/A	N/A	N/A
7. <u>Liabilities/Units</u>	N/A	N/A	N/A	N/A	N/A