

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

**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 Audit of the Financial Statements

Opinion

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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.


Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the South Bergen Municipal Joint Insurance Fund 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 financial statements. The 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 27, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 27, 2022



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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, 2021, 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 27, 2022.

Report on 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) as a basis for designing 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.

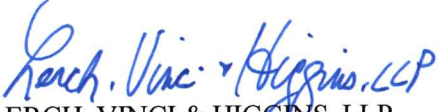
Report on Compliance and Other Matters

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 of audit entitled "Comments and 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 sui table 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 27, 2022

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, 2021. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Management’s Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified by the Governmental Accounting Standards Board. Certain comparative information between the current year (2021) and the prior two years (2020-2019) is required to be presented in the MD&A.

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, investing and noncapital financing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the 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, 2021, 2020 and 2019.

SUMMARY OF STATEMENT OF NET POSITION

				<u>2021 vs 2020</u>	
	<u>2021</u>	<u>2020</u>	<u>2019</u>	Increase/ (Decrease)	Percent Change
ASSETS					
Cash and Investments	\$ 18,533,218	\$ 18,845,589	\$ 17,799,710	\$ (312,371)	-1.7%
Assessments Receivable	4,215,761	4,676,067	4,388,248	(460,306)	-9.8%
Other Receivables and Assets	<u>624,253</u>	<u>254,006</u>	<u>128,170</u>	<u>370,247</u>	145.8%
Total	<u>23,373,232</u>	<u>23,775,662</u>	<u>22,316,128</u>	<u>(402,430)</u>	-1.7%
LIABILITIES					
Loss Reserves	15,121,074	15,622,410	14,201,856	(501,336)	-3.2%
Other Liabilities and Reserves	<u>3,312,113</u>	<u>1,687,227</u>	<u>1,601,997</u>	<u>1,624,886</u>	96.3%
Total	<u>18,433,187</u>	<u>17,309,637</u>	<u>15,803,853</u>	<u>1,123,550</u>	6.5%
NET POSITION	<u>\$ 4,940,045</u>	<u>\$ 6,466,025</u>	<u>\$ 6,512,275</u>	<u>\$ (1,525,980)</u>	-23.6%

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT DISCUSSION AND ANALYSIS

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

	<u>2021 vs 2020</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	Increase/ (Decrease)	Percent Change
OPERATING REVENUES					
Assessments	\$ 17,221,170	\$ 16,766,191	\$ 16,207,437	\$ 454,979	2.7%
OPERATING EXPENSES					
Claims	7,768,847	7,767,083	7,766,879	1,764	0.0%
Insurance Premiums	8,181,539	6,240,701	6,017,792	1,940,838	31.1%
General and Administrative	<u>2,765,213</u>	<u>2,721,426</u>	<u>2,644,381</u>	<u>43,787</u>	1.6%
Total Operating Expenses	<u>18,715,599</u>	<u>16,729,210</u>	<u>16,429,052</u>	<u>1,986,389</u>	11.9%
Operating Income (Loss)	(1,494,429)	36,981	(221,615)	(1,531,410)	4141.1%
Nonoperating Revenues and (Distributions)					
Interest Income	(31,551)	416,769	554,474	(448,320)	-107.6%
Equity Distribution	(263,054)	(714,568)	(736,314)	451,514	-63.2%
Dividend Income	<u>263,054</u>	<u>214,568</u>	<u>186,314</u>	<u>48,486</u>	22.6%
Increase/(Decrease) in Net Position	<u>\$ (1,525,980)</u>	<u>\$ (46,250)</u>	<u>\$ (217,141)</u>	<u>\$ (1,479,730)</u>	78.7%

In 2021, the SBMJIF's assets decreased \$402,430 or 1.7%. Cash and investments decreased \$312,371. Assessments receivable decreased at December 31, 2021 by \$460,306. The assessment receivable balance at December 31 represents the final installment of the 2021 assessments which are not due and payable until January 2022. Other receivables and assets increased \$370,247 due to excess recoveries related to Hurricane Ida. Liabilities increased \$1,123,550 due to an increase in other liabilities for amounts due to the Residual Claims Fund and the Municipal Excess Liability Fund. Overall, the Fund's unrestricted net position decreased \$1,525,980 to \$4,940,045 at December 31, 2021.

Operating revenues during 2021 increased \$454,979. For Fund Year 2021, assessments levied were approximately \$1,521,000 less than the cost of benefits paid, including the loss reserves and excess insurance premium, along with the various general and administrative expenses.

In 2020, the SBMJIF's assets increased \$1,459,534 or 6.5%. Cash and investments increased \$1,045,879. Assessments receivable increased at December 31, 2020 by \$287,819. The receivable balance at December 31 represents the final installment of the 2020 assessments which are not due and payable until January 2021. Liabilities increased \$1,505,784 due to an increase in the year end loss reserves and an increase in other liabilities for amounts due to the Residual Claims Fund and the Municipal Excess Liability Fund. Overall, the Fund's unrestricted net position decreased \$46,250 to \$6,466,025 at December 31, 2020.

Operating income during 2020 increased \$558 thousand. For Fund Year 2020, assessments levied were approximately \$11 thousand less than the cost of benefits paid, including the loss reserves and excess insurance premium, along with the various general and administrative expenses.

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 18,533,218	\$ 18,845,589
Receivables		
Assessments	4,215,761	4,676,067
Excess Insurance	592,154	207,432
Dividend	5,389	6,356
Other	25,000	40,218
Prepaid Items	<u>1,710</u>	<u>-</u>
Total Assets	<u>23,373,232</u>	<u>23,775,662</u>
LIABILITIES		
Liabilities		
Accounts Payable	3,049,059	1,343,805
Unearned Revenue	263,054	343,422
Loss Reserves		
Case Reserves	9,405,960	9,134,481
IBNR	<u>5,715,114</u>	<u>6,487,929</u>
Total Liabilities	<u>18,433,187</u>	<u>17,309,637</u>
NET POSITION		
Unrestricted	<u>4,940,045</u>	<u>6,466,025</u>
Total Net Position	<u>\$ 4,940,045</u>	<u>\$ 6,466,025</u>

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Assessments		
Regular	\$ 17,148,192	\$ 16,738,389
Supplemental	<u>72,978</u>	<u>27,802</u>
Total Operating Revenues	<u>17,221,170</u>	<u>16,766,191</u>
OPERATING EXPENSES		
Benefits Paid to/For Participants	8,270,183	6,346,529
Insurance Premiums	8,181,539	6,240,701
General and Administrative	2,765,213	2,721,426
Increase/(Decrease) in Loss Reserves		
Case Reserves	271,479	644,215
IBNR	<u>(772,815)</u>	<u>776,339</u>
Total Operating Expenses	<u>18,715,599</u>	<u>16,729,210</u>
Operating Income (Loss)	<u>(1,494,429)</u>	<u>36,981</u>
NONOPERATING REVENUES		
Dividend Income	263,054	214,568
Interest Income	<u>(31,551)</u>	<u>416,769</u>
Total Nonoperating Revenues	<u>231,503</u>	<u>631,337</u>
Change in Net Position	(1,262,926)	668,318
Net Position, January 1	<u>6,466,025</u>	<u>6,512,275</u>
Equity Distribution	<u>5,203,099</u>	<u>7,180,593</u>
	<u>(263,054)</u>	<u>(714,568)</u>
Net Position, December 31	<u>\$ 4,940,045</u>	<u>\$ 6,466,025</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members	\$ 17,681,476	\$ 16,498,343
Cash Paid for Claims, Premiums and Services	<u>(17,963,263)</u>	<u>(15,433,304)</u>
Net Cash Provided (Used) by Operating Activities	<u>(281,787)</u>	<u>1,065,039</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Purchase) Redemption of Investments	-	14,154,004
Investment Income Received	<u>232,470</u>	<u>695,408</u>
Net Cash Provided by Investing Activities	<u>232,470</u>	<u>14,849,412</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Equity Distribution	<u>(263,054)</u>	<u>(714,568)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(263,054)</u>	<u>(714,568)</u>
Net Change in Cash	(312,371)	15,199,883
Cash, January 1	<u>18,845,589</u>	<u>3,645,706</u>
Cash, December 31	<u>\$ 18,533,218</u>	<u>\$ 18,845,589</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (1,494,429)	\$ 36,981
Adjustments:		
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assessments Receivable	460,306	(287,819)
(Increase) Decrease in Excess Insurance Receivable	(384,722)	(207,432)
(Increase) Decrease in Other Receivables	15,218	17,525
(Increase) Decrease in Prepaid Items	(1,710)	
Increase (Decrease) in Unearned Revenue	(80,368)	(40,008)
Increase (Decrease) in Accounts Payable	1,705,254	125,238
Increase (Decrease) in Case Reserves	271,479	644,215
Increase (Decrease) in IBNR	<u>(772,815)</u>	<u>776,339</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (281,787)</u>	<u>\$ 1,065,039</u>

NOTES TO FINANCIAL STATEMENTS

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020**

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 (2017 and prior).

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, 2021 AND 2020**

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 Commissioners. The Executive Director bills the participating members in accordance with N.J.A.C. 11:15-2.15. Assessments are due January 31, April 30, July 31 and January 31 of the following year. 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, 2021 AND 2020**

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 2021 and 2020 were \$3,747,313 and \$3,537,568, respectively. Claims in the Loss Funds did exceed the self-insured levels for 2021 and did not exceed the self-insured levels for 2020. 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, 2021 and 2020, the book value of the Fund's deposits was \$18,533,218 and \$18,845,589 and bank balances of the Fund's cash and deposits amounted to \$18,865,592 and \$19,278,682.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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>2021</u>	<u>2020</u>
Insured	\$ 4,354,700	\$ 4,685,415
Uninsured and Collateralized	<u>14,510,892</u>	<u>14,593,267</u>
	<u>\$ 18,865,592</u>	<u>\$ 19,278,682</u>

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, 2021 and 2020, the Fund’s bank balances were exposed to custodial credit risk as follows:

	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Fund's name	<u>\$ 14,510,892</u>	<u>\$ 14,593,267</u>

Joint Cash Management and Investment Program

The Joint Cash Management and Investment program (the “JCMI”) was created by P.L. 2018 Chapter 40 of the New Jersey Statutes which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The law provides restrictions to these investments. The investment must be purchased at fair market value, guaranteed as interest and principal, and must have a credit rating of A3 or higher by Moody’s Investor Service, or an A- or higher by Standard and Poors Corporation. The maturity cannot be greater than 20 years. In addition, only 50% of the investment portfolio may be comprised of such long-term investments, without prior approval of the New Jersey Department of Community Affairs.

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 and 40A:10-40.1. 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, Joint Cash Management and Investment Programs and agreements or the repurchase of fully collateralized securities.

As of December 31, 2021 and 2020, the Fund had no investments outstanding.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State Law limits investments as noted above. The Fund does not have an investment policy that would further limit its investment choices.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3 DEFICIT NET POSITION

At December 31, 2021 and 2020, the following Fund Year's unrestricted net position accounts were in a deficit position:

	<u>2021</u>	<u>2020</u>
<u>Fund Year 2020</u>		
Property	\$ 311,351	
Worker's Compensation	1,703,769	
Environmental	2	
POL/EPL	2,904	
<u>Fund Year 2020</u>		
Worker's Compensation	318,172	\$ 404,600
POL/EPL	11,588	11,588
<u>Fund Year 2019</u>		
Property	103,231	154,508
Auto	662,061	466,252
Worker's Compensation	61,816	-
<u>Fund Year 2018</u>		
General Liability	170,347	240,868
Auto	443,104	487,713
Worker's Compensation	377,084	433,082
<u>Fund Year 2017</u>		
General Liability		242,990
Worker's Compensation		528,431

Additionally, the overall net position of Fund Years 2021 and 2018 were in deficit positions of \$1,531,071 and \$387,922, respectively as of December 31, 2021.

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, four (4) years from the close of the policy year. 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, 2021 AND 2020**

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, 2021 and 2020:

December 31, 2021	Closed Years	Fund Years			
	Contingency Fund	2018	2019	2020	2021
Unpaid Claims and Claims Adjustment Expenses January 1, 2021	\$ 2,031,974	\$ 3,482,117	\$ 3,983,571	\$ 6,124,748	-
Incurred Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the Current Year					\$ 10,336,495
Prior Years	<u>(1,522,263)</u>	<u>(172,564)</u>	<u>264,513</u>	<u>(1,137,334)</u>	<u>-</u>
	<u>(1,522,263)</u>	<u>(172,564)</u>	<u>264,513</u>	<u>(1,137,334)</u>	<u>10,336,495</u>
Payments					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year					(4,381,436)
Prior Year	<u>(509,711)</u>	<u>(1,032,478)</u>	<u>(971,028)</u>	<u>(1,375,530)</u>	<u>-</u>
	<u>(509,711)</u>	<u>(1,032,478)</u>	<u>(971,028)</u>	<u>(1,375,530)</u>	<u>(4,381,436)</u>
Total Unpaid Claims and Claim Adjustment Expenses December 31, 2021	<u>\$ -</u>	<u>\$ 2,277,075</u>	<u>\$ 3,277,056</u>	<u>\$ 3,611,884</u>	<u>\$ 5,955,059</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4 UNPAID CLAIMS LIABILITIES (Continued)

<u>December 31, 2020</u>	Closed Years	Fund Years			
	Contingency Fund	2017	2018	2019	2020
Unpaid Claims and Claims Adjustment Expenses January 1, 2020	\$ 1,621,107	\$ 2,761,994	\$ 3,973,303	\$ 5,845,452	
Incurred Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the Current Year					\$ 8,814,448
Prior Years	<u>(1,050,873)</u>	<u>10,032</u>	<u>366,623</u>	<u>(373,147)</u>	<u>-</u>
	<u>(1,050,873)</u>	<u>10,032</u>	<u>366,623</u>	<u>(373,147)</u>	<u>8,814,448</u>
Payments					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year					(2,689,700)
Prior Year	<u>(570,234)</u>	<u>(740,052)</u>	<u>(857,809)</u>	<u>(1,488,734)</u>	<u>-</u>
	<u>(570,234)</u>	<u>(740,052)</u>	<u>(857,809)</u>	<u>(1,488,734)</u>	<u>(2,689,700)</u>
Total Unpaid Claims and Claim Adjustment Expenses December 31, 2020	\$ <u>-</u>	\$ <u>2,031,974</u>	\$ <u>3,482,117</u>	\$ <u>3,983,571</u>	\$ <u>6,124,748</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

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-2018 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 2017. Selected financial information for the Residual Fund as of and for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 117,451,484	\$ 114,473,155
Net Position	106,689	12,640,742
Total Operating Revenues	24,287,518	27,538,725
Investment Income (Loss)	(296,141)	1,089,837
Total Operating Expenses	35,854,430	27,440,448
Change in Net Position	(12,534,053)	530,544
Distribution to Participating Members	671,000	657,570

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, 2021 AND 2020**

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 financial information for the Environmental Fund as of and for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 33,431,540	\$ 34,453,325
Net Position	20,662,595	22,177,982
Total Operating Revenues	4,318,095	4,313,003
Investment Income (Loss)	(78,793)	452,056
Total Operating Expenses	2,654,689	905,589
Change in Net Position	(1,515,387)	1,359,470
Distribution to Participating Members	3,100,000	2,500,000

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 financial information for the MEL Fund as of and for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 94,866,419	\$ 85,601,144
Net Position	15,157,816	16,251,657
Total Operating Revenues	67,077,150	51,144,687
Investment Income (Loss)	(168,038)	962,896
Total Operating Expenses	62,259,276	62,523,370
Change in Net Position	(1,093,841)	(10,020,979)

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 6 DETAILED NOTES ON ALL FUNDS

Receivables

Receivables as of December 31, 2021 and 2020 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, 2021</u>	Aggregate Excess Loss		Fund Years				<u>Total</u>
	<u>Contingency</u>	<u>Closed Year</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Receivables:							
Assessments	\$ 91,106			\$ 1,000	\$ 17,854	\$ 4,105,801	\$ 4,215,761
Excess Insurance					305,995	286,159	592,154
Dividend		\$ 5,389					5,389
Other	-	-	-	25,000	-	-	25,000
	<u>\$ 91,106</u>	<u>\$ 5,389</u>	<u>\$ -</u>	<u>\$ 26,000</u>	<u>\$ 323,849</u>	<u>\$ 4,391,960</u>	<u>\$ 4,838,304</u>

<u>December 31, 2020</u>	Aggregate Excess Loss		Fund Years				<u>Total</u>
	<u>Contingency</u>	<u>Closed Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Receivables:							
Assessments	\$ 74,913			\$ 1,000	\$ 11,629	\$ 4,588,525	\$ 4,676,067
Excess Insurance						207,432	207,432
Dividend		\$ 6,356					6,356
Other	-	15,218	-	-	25,000	-	40,218
	<u>\$ 74,913</u>	<u>\$ 21,574</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 36,629</u>	<u>\$ 4,795,957</u>	<u>\$ 4,930,073</u>

NOTE 7 OTHER

While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the MEL and its affiliated JIFs are in an exceptionally strong position because of decades of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation and has established a special COVID litigation reserve of \$5.5 million. Workers' compensation claims are also expected to increase because of recent changes in the New Jersey public employee pension plans that will reduce the plans' contribution in total disability claims. Fortunately, MEL members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation law suits and the reluctance of the NJ Court System to grant summary judgements when Title 59 immunities should apply. Management also expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance. To mitigate these increases, the MEL is planning a rate adjustment beginning in Fund Year 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fund Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Earned Required Contribution and Investment Revenue	\$ 14,287,889	\$ 14,517,159	\$ 14,645,783	\$ 14,845,967	\$ 14,958,585	\$ 15,277,344	\$ 15,715,145	\$ 16,186,140	\$ 16,549,124	\$ 16,838,964
Unallocated Expenses	6,103,983	5,976,367	6,144,037	6,498,574	6,569,947	6,875,567	7,037,892	7,501,179	7,748,741	8,033,540
Estimated Incurred Claims and Expenses, End of Policy Year	7,500,366	7,058,848	7,477,890	8,936,846	7,475,926	7,935,205	8,682,915	8,775,744	8,814,448	10,336,495
Paid (Cumulative) as of:										
End of Policy Year	2,423,214	2,482,121	3,147,175	3,569,132	2,958,652	3,108,616	3,415,282	2,930,292	2,689,700	4,381,436
One Year Later	3,930,373	3,584,082	4,308,410	4,704,725	3,955,476	4,663,764	4,897,813	4,419,026	4,065,230	
Two Years Later	4,090,278	4,586,805	5,047,733	5,583,656	4,779,585	5,757,433	5,755,622	5,390,054		
Three Years Later	4,645,617	5,444,141	5,790,047	6,910,956	5,960,736	6,497,485	6,788,100			
Four Years Later	4,645,617	5,444,141	5,790,047	6,910,956	5,960,736	6,497,485				
Five Years Later	4,645,617	5,444,141	5,790,047	6,910,956	5,960,736					
Six Years Later	4,645,617	5,444,141	5,790,047	6,910,956						
Seven Years Later	4,645,617	5,444,141	5,790,047							
Eight Years Later	4,645,617	5,444,141								
Nine Years Later	4,645,617									
Reestimated Incurred Claims and Expenses										
End of Policy Year	7,500,366	7,058,848	7,477,890	8,936,846	7,475,926	7,935,205	8,682,915	8,775,744	8,814,448	10,336,495
One Year Later	6,132,447	6,230,219	7,707,096	8,272,446	7,665,330	8,539,493	8,871,116	8,402,597	7,677,114	
Two Years Later	6,079,423	6,829,258	7,690,253	8,628,147	7,781,557	8,519,427	9,237,739	8,667,110		
Three Years Later	5,879,852	6,356,688	7,633,081	8,751,540	7,581,843	8,529,459	9,065,175			
Four Years Later	5,879,852	6,356,688	7,633,081	8,751,540	7,581,843	8,529,459				
Five Years Later	5,879,852	6,356,688	7,633,081	8,751,540	7,581,843					
Six Years Later	5,879,852	6,356,688	7,633,081	8,751,540						
Seven Years Later	5,879,852	6,356,688	7,633,081							
Eight Years Later	5,879,852	6,356,688								
Nine Years Later	5,879,852									
Increase (Decrease) in Estimated Incurred Claims and Expenses From End of Policy Year	(1,620,514)	(702,160)	155,191	(185,306)	105,917	594,254	382,260	(108,634)	(1,137,334)	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, 2021**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year				Total
			2018	2019	2020	2021	
ASSETS							
Cash	\$ 1,031,620	\$ 7,724,744	\$ 1,889,153	\$ 3,268,907	\$ 4,411,509	\$ 207,285	\$ 18,533,218
Receivables	91,106			1,000	17,854	4,105,801	4,215,761
Assessments					305,995	286,159	592,154
Excess Insurance		5,389					5,389
Dividend				25,000			25,000
Other						1,710	1,710
Prepaid Items							
Total Assets	<u>1,122,726</u>	<u>7,730,133</u>	<u>1,889,153</u>	<u>3,294,907</u>	<u>4,735,358</u>	<u>4,600,955</u>	<u>23,375,232</u>
LIABILITIES							
Accounts Payable	1,043,996	1,827,891				176,967	3,049,059
Unearned Revenue		263,054			205		263,054
Loss Reserves			1,805,002	2,484,541	2,272,549	2,843,868	9,405,960
Case Reserves			472,073	792,515	1,339,335	3,111,191	5,715,114
IBNR							
Total Liabilities	<u>1,043,996</u>	<u>2,090,945</u>	<u>2,277,075</u>	<u>3,277,056</u>	<u>3,612,089</u>	<u>6,132,026</u>	<u>18,433,187</u>
NET POSITION							
Unrestricted	<u>78,730</u>	<u>5,639,188</u>	<u>(387,922)</u>	<u>17,851</u>	<u>1,123,269</u>	<u>(1,531,071)</u>	<u>4,940,045</u>
Total Net Position	<u>\$ 78,730</u>	<u>\$ 5,639,188</u>	<u>\$ (387,922)</u>	<u>\$ 17,851</u>	<u>\$ 1,123,269</u>	<u>\$ (1,531,071)</u>	<u>\$ 4,940,045</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

		Fund Year				
Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	2018	2019	2020	2021	Total
OPERATING REVENUES						
Assessments						
Regular		-	\$ 1,000	\$ 9,691	\$ 16,786,426	\$ 17,148,192
Supplemental		-	-	-	62,287	72,978
Total Revenues		361,766	1,000	9,691	16,848,713	17,221,170
OPERATING EXPENSES						
Benefits Paid to/For Participants	\$	509,711	\$ 1,032,478	1,375,530	4,381,436	8,270,183
Insurance Premiums		1,825,445	(1,244)	45,015	5,312,098	8,181,539
General and Administrative					2,721,442	2,765,213
Increase/(Decrease) in Loss Reserves					2,843,868	271,479
Case Reserves		(1,702,885)	(65,271)	187,625	3,111,191	(772,815)
IBNR		(329,089)	(641,244)	(2,700,489)	-	-
Total Expenses		1,043,996	263,269	(1,092,319)	18,370,035	18,715,599
Operating Income (Loss)		(682,230)	(262,269)	1,102,010	(1,521,322)	(1,494,429)
NONOPERATING REVENUES						
Dividend Income	263,054					263,054
Investment Income	(723)	(2,247)	(4,009)	(5,463)	(9,749)	(31,551)
Total Nonoperating Revenues		(723)	(2,247)	(5,463)	(9,749)	231,503
Change in Net Position		(682,953)	(49,488)	1,096,547	(1,531,071)	(1,262,926)
Net Position, (Deficit) January 1, 2021		761,683	(558,239)	26,722	-	6,466,025
Equity Distribution		78,730	17,851	1,123,269	(1,531,071)	5,203,099
		-	-	-	-	(263,054)
Net Position, (Deficit) December 31, 2021		\$ 78,730	\$ 5,639,188	\$ 1,123,269	\$ (1,531,071)	\$ 4,940,045

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year				Total
			2018	2019	2020	2021	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from Members	\$ 345,573		\$ 1,000	\$ 11,629	\$ 4,580,362	\$ 12,742,912	\$ 17,681,476
Cash Paid for Claims, Premiums and Services	(196,955)	(1,590,797)	(1,032,478)	(994,767)	(1,622,388)	(12,525,878)	(17,963,263)
Net Cash Provided (Used) by Operating Activities	148,618	(1,590,797)	(1,031,478)	(983,138)	2,957,974	217,034	(281,787)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest/Dividend Received	(723)	254,661	(2,247)	(4,009)	(5,463)	(9,749)	232,470
Net Cash Provided (Used) by Investing Activities	(723)	254,661	(2,247)	(4,009)	(5,463)	(9,749)	232,470
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Equity Distribution	-	(263,054)	-	-	-	-	(263,054)
Net Cash (Used) by Noncapital Financing Activities	-	(263,054)	-	-	-	-	(263,054)
Net Change in Cash	147,895	(1,599,190)	(1,033,725)	(987,147)	2,952,511	207,285	(312,371)
Cash, January 1, 2021	883,725	9,323,934	2,922,878	4,256,054	1,458,998	-	18,845,589
Cash, December 31, 2021	<u>\$ 1,031,620</u>	<u>\$ 7,724,744</u>	<u>\$ 1,889,153</u>	<u>\$ 3,268,907</u>	<u>\$ 4,411,509</u>	<u>\$ 207,285</u>	<u>\$ 18,533,218</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ (682,230)	\$ (303,182)	\$ 172,564	\$ (262,269)	\$ 1,102,010	\$ (1,521,322)	\$ (1,494,429)
Adjustments:							
Changes in Operating Assets and Liabilities							
(Increase)/Decrease Assessments Receivable	(16,193)						
(Increase)/Decrease Excess Insurance Receivable			1,000	10,629	4,570,671	(4,105,801)	460,306
(Increase)/Decrease Other Receivables		15,218		(98,563)	(98,563)	(286,159)	(384,722)
(Increase)/Decrease in Prepaid Items						(1,710)	15,218
Increase/(Decrease) Unearned Revenue							(80,368)
Increase/(Decrease) Accounts Payable	847,041			(24,983)	(103,280)	176,967	1,705,254
Increase/(Decrease) Case Reserves			(991,858)	(65,271)	187,625	2,843,868	271,479
Increase/(Decrease) IBNR			(213,184)	(641,244)	(2,700,489)	3,111,191	(772,815)
Net Cash Provided (Used) by Operating Activities	<u>\$ 148,618</u>	<u>\$ (1,590,797)</u>	<u>\$ (1,031,478)</u>	<u>\$ (983,138)</u>	<u>\$ 2,957,974</u>	<u>\$ 217,034</u>	<u>\$ (281,787)</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
HISTORICAL OPERATING RESULTS
FROM INCEPTION THROUGH DECEMBER 31, 2021**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year			
			2018	2019	2020	2021
UNDERWRITING INCOME						
Assessments	\$ 1,284,490	\$ 277,511,104	\$ 15,491,843	\$ 16,038,866	\$ 16,516,866	\$ 16,848,713
Other Income	-	129,575	-	-	-	-
Total Income	1,284,490	277,640,679	15,491,843	16,038,866	16,516,866	16,848,713
INCURRED LIABILITIES						
Claims						
Paid		131,822,641	6,788,100	5,390,054	4,065,230	4,381,436
Case Reserves			1,805,002	2,484,541	2,272,549	2,843,868
IBNR Reserves	-	-	472,073	792,515	1,339,335	3,111,191
Limited Incurred Claims	-	131,822,641	9,065,175	8,667,110	7,677,114	10,336,495
Expenses						
Excess Insurance Premiums		74,338,423	3,164,776	3,467,035	3,537,568	3,747,313
Other Insurance Premiums	1,240,951	6,604,956	1,261,685	1,391,263	1,490,242	1,564,785
Administrative	-	50,092,178	2,611,431	2,642,881	2,720,931	2,721,442
Subtotal Expenses	1,240,951	131,035,557	7,037,892	7,501,179	7,748,741	8,033,540
Total Incurred Liabilities	1,240,951	262,858,198	16,103,067	16,168,289	15,425,855	18,370,035
UNDERWRITING SURPLUS (DEFICIT)	43,539	14,782,481	(611,224)	(129,423)	1,091,011	(1,521,322)
Investment/Dividend Income	35,191	15,760,838	223,302	147,274	32,258	(9,749)
GROSS STATUTORY SURPLUS (DEFICIT)	78,730	30,543,319	(387,922)	17,851	1,123,269	(1,531,071)
Return of Surplus	-	(24,904,131)	-	-	-	-
NET STATUTORY SURPLUS (DEFICIT)	\$ 78,730	\$ 5,639,188	\$ (387,922)	\$ 17,851	\$ 1,123,269	\$ (1,531,071)

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF BUDGETARY ASSESSMENTS
FUND YEAR 2021**

<u>Participating Municipality</u>	<u>Assessments</u>	<u>Collected</u>	Balance, December 31, <u>2021</u>
Bogota	\$ 620,730	\$ 465,355	\$ 155,375
Carlstadt	592,931	446,449	146,482
East Rutherford	746,992	561,244	185,748
Edgewater	708,746	531,582	177,164
Elmwood Park	845,058	631,795	213,263
Englewood Cliffs	599,854	448,392	151,462
Fairview	613,955	460,717	153,238
Fort Lee	1,925,512	1,441,818	483,694
Hackensack	1,014,730	763,549	251,181
Little Ferry	448,112	333,505	114,607
Lodi	1,010,326	750,915	259,411
Lyndhurst	1,130,354	843,741	286,613
Maywood	575,353	437,650	137,703
Moonachie	393,724	295,793	97,931
North Arlington	765,133	572,349	192,784
Palisades Park	716,485	537,613	178,872
Ridgefield Park	685,957	514,467	171,490
Rochelle Park	400,602	301,453	99,149
Rutherford	1,290,310	951,047	339,263
Saddle Brook	607,890	420,697	187,193
South Hackensack	347,869	262,901	84,968
Wallington	508,267	378,951	129,316
Wood Ridge	440,665	440,665	-
	<u>\$ 16,989,555</u>	<u>\$ 12,792,648</u>	<u>\$ 4,196,907</u>
 Total Assessments			
 Analysis of Assessments Levied			
Fund Year 2021	\$ 16,786,426		
Supplemental Assessments	62,287		
EJIF Dividend Applied	(220,924)		
Aggregate Excess Loss Contingency Fund	<u>361,766</u>		
	<u>\$ 16,989,555</u>		
 Analysis of Assessments Receivable			
Fund Year 2021			\$ 4,105,801
Aggregate Excess Loss Contingency Fund			<u>91,106</u>
			<u>\$ 4,196,907</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF BUDGETARY EXPENSES
FUND YEAR 2021**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/(Deficit)</u>
Self-Insured Claims				
Property	\$ 744,812	\$ 735,859	\$ 320,152	\$ (311,199)
General Liability	2,049,381	288,692	1,665,465	95,224
Auto	735,422	107,144	517,801	110,477
Worker's Compensation	5,000,000	3,249,741	3,451,641	(1,701,382)
Loss Fund Contingency	216,016			216,016
Aggregate Excess Loss Fund Contingency	361,766	1,043,996		(682,230)
Insurance Premiums				
Property	13,692	13,692		-
Environmental	312,096	312,098		(2)
MEL	3,335,412	3,421,523		(86,111)
Other Insurance Premiums				
Directors and Officers	13,675	13,675		-
Public Officials and Employment Practices Liability	1,477,247	1,477,247		-
Cyber Liability	86,112			86,112
Land Use Liability	73,863	73,863		-
Expenses				
Claims Adjustment	643,203	696,600		(53,397)
Loss Fund Management	80,715	80,715		-
Claims - Computer Cost	42,864	42,864		-
Safety				
Director	118,998	118,998		-
General	73,568	47,677		25,891
MEL Safety Institute	69,822	69,822		-
Safety Incentive Program	25,500			25,500
Administration	406,619	406,619		-
Professional Services				
Actuary	40,642	40,642		-
Attorney	47,424	47,424		-
Auditor	18,655	18,655		-
Internal Auditor	20,880	20,422		458
Treasurer	36,606	36,606		-
Underwriting Manager	18,651	18,651		-
Miscellaneous	132,517	61,426		71,091
Risk Management Consultants	1,014,321	1,014,321	-	-
	<u>\$ 17,210,479</u>	<u>\$ 13,458,972</u>	<u>\$ 5,955,059</u>	<u>\$ (2,203,552)</u>
Budget	\$ 17,210,479			
EJIF Dividend	(220,924)			
Assessments Levied	<u>\$ 16,989,555</u>			
Aggregate Excess Loss Contingency Fund		\$ 361,766		
Fund Year 2021		<u>16,848,713</u>		
		<u>\$ 17,210,479</u>		

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	<u>Unmodified</u>
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, 2021**

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, 2021, Fund Years 2021 and 2018 ended the year with deficits in net position of \$1,531,071 and \$387,922, respectively.

Recommendation – The operations of Fund Years 2021 and 2018 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 provide resources to eliminate the deficits.

* * * * *

ACKNOWLEDGEMENT

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

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 Municipal 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

2022 EXECUTIVE COMMITTEE

Chairman	Gregory Franz	Charles Cuccia	Joseph Crifasi
Secretary	Christopher Eilert	Dominick Azzolini	Al Restaino
		Robert Kakoleski	

EXECUTIVE COMMITTEE ALTERNATES

John Hansen	Steve Lo Iacono
Lisette Duffy	Marc Schrieks

State of New Jersey
County of Bergen

Gregory Franz, Chairman, Christopher Eilert, Secretary, of the South Bergen Municipal Joint Insurance Fund being duly sworn, each for himself deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 31st day of December 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 - 2021 As of : December 31, 2021 Prepared by: Lerch, Vinci & Higgins, LLP

Underwriting Income

Assessments		
Regular	\$ 342,658,267	
Retrospective	78,169	
Supplemental	955,446	
Other Income	<u>129,575</u>	
Total Income		\$ 343,821,457
Incurred Liabilities		
Claims		
Paid	153,039,615	
Case Reserves	9,405,960	
IBNR Reserves	<u>5,715,114</u>	
Subtotal		\$ 168,160,689
Excess Insurance		
Received		
Recoverable	<u>592,154</u>	
Subtotal		<u>592,154</u>
Limited Incurred Claims		167,568,535
Expenses		
Excess Insurance Premiums	88,255,115	
Other Insurance Premiums	13,553,882	
Administrative	<u>60,788,863</u>	
Subtotal		<u>162,597,860</u>
Total Incurred Liabilities		<u>330,166,395</u>
Underwriting Surplus		13,655,062
Investment Income		<u>16,189,114</u>
Gross Statutory Surplus		29,844,176
Return of Surplus		
Paid		(24,904,131)
Authorized and Unpaid		<u>-</u>
Subtotal Return of Surplus		<u>(24,904,131)</u>
Net Statutory Surplus		<u>\$ 4,940,045</u>

HISTORICAL BALANCE SHEET

Schedule B

Fund: SOUTH BERGEN JIF Fund Years: 1986 - 2021 As of: December 31, 2021 Prepared by Lerch, Vinci & Higgins, LLP

ASSETS

<u>Cash and Investments (1)</u>		\$	18,533,218	
<u>Receivables</u>				
Assessments	\$	4,215,761		
Accrued Interest and Dividends		5,389		
Excess Insurance		592,154		
Other		<u>25,000</u>		
Total Receivables			4,838,304	
Prepaid Items			<u>1,710</u>	
Total Assets				\$ 23,373,232

LIABILITIES

<u>Claims</u>				
Case Reserves		9,405,960		
IBNR Reserves (2)		<u>5,715,114</u>		
Subtotal Claims			15,121,074	
<u>Expenses (unpaid) (1)</u>				
Administrative		177,172		
Due to Residual Claims Fund		1,827,891		
Due to Municipal Excess Liability Fund		<u>1,043,996</u>		
			3,049,059	
<u>Other Liabilities</u>				
Unearned Revenue		<u>263,054</u>		
			<u>263,054</u>	
Total Liabilities				<u>18,433,187</u>
<u>Net Statutory Surplus (Deficit)</u>				<u>\$ 4,940,045</u>

Notes: (1) attached schedule itemizing these categories

(2) attached opinion from the actuary

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
ATTACHMENT TO SCHEDULE B
HISTORICAL BALANCE SHEET
DECEMBER 31, 2021

CASH AND INVESTMENTS

CASH AND CASH EQUIVALENTS

Claims Account	\$	(312,577)	
Operating Account		4,334,903	
Joint Cash Management and Investment Program		<u>14,510,892</u>	
			<u>\$ 18,533,218</u>

RECEIVABLES

Assessments	\$	4,215,761	
Excess Insurance		592,154	
Dividend		5,389	
Other		<u>25,000</u>	
			<u>\$ 4,838,304</u>

EXPENSES (UNPAID)

Administrative			
Treasurer	\$	9,152	
Auditor		18,655	
Risk Management Consultants		110,496	
Safety		32,377	
Service Agency- Claims Adjustment		3,583	
Miscellaneous		<u>2,909</u>	
			\$ 177,172
Due to Residual Claims Fund			1,827,891
Due to Municipal Excess Liability Fund			<u>1,043,996</u>
			<u>\$ 3,049,059</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2021 As of December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 16,786,426	
Supplemental	62,287	
Other Income	<u>-</u>	
Total Income		\$ 16,848,713
Incurred Liabilities		
Claims		
Paid	4,667,595	
Case Reserves	2,843,868	
IBNR Reserves	<u>3,111,191</u>	
Subtotal		\$ 10,622,654
Excess Insurance Received		
Received		
Recoverable	<u>286,159</u>	
Subtotal		<u>286,159</u>
Limited Incurred Claims		10,336,495
Expenses		
Excess Insurance Premiums	3,747,313	
Other Insurance Premiums	1,564,785	
Administrative	<u>2,721,442</u>	
Subtotal		<u>8,033,540</u>
Total Incurred Liabilities		<u>18,370,035</u>
Underwriting Surplus		(1,521,322)
Investment Income		<u>(9,749)</u>
Gross Statutory Surplus		(1,531,071)
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ (1,531,071)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2020 As of December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 16,482,806	
Supplemental	34,060	
Other Income	<u>-</u>	
Total Income		\$ 16,516,866
Incurred Liabilities		
Claims		
Paid	4,371,225	
Case Reserves	2,272,549	
IBNR Reserves	<u>1,339,335</u>	
Subtotal		\$ 7,983,109
Excess Insurance Received		
Received		
Recoverable	<u>305,995</u>	
Subtotal		<u>305,995</u>
Limited Incurred Claims		7,677,114
Expenses		
Excess Insurance Premiums	3,537,568	
Other Insurance Premiums	1,490,242	
Administrative	<u>2,720,931</u>	
Subtotal		<u>7,748,741</u>
Total Incurred Liabilities		<u>15,425,855</u>
Underwriting Surplus		1,091,011
Investment Income		<u>32,258</u>
Gross Statutory Surplus		1,123,269
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 1,123,269</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 16,002,983	
Supplemental	35,883	
Other Income	<u>-</u>	
Total Income		\$ 16,038,866
Incurred Liabilities		
Claims		
Paid	5,390,054	
Case Reserves	2,484,541	
IBNR Reserves	<u>792,515</u>	
Subtotal		\$ 8,667,110
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		8,667,110
Expenses		
Excess Insurance Premiums	3,467,035	
Other Insurance Premiums	1,391,263	
Administrative	<u>2,642,881</u>	
Subtotal		<u>7,501,179</u>
Total Incurred Liabilities		<u>16,168,289</u>
Underwriting Surplus		(129,423)
Investment Income		<u>147,274</u>
Gross Statutory Surplus		17,851
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 17,851</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 15,452,332	
Retrospective		
Supplemental	39,511	
Other Income	<u>-</u>	
Total Income		\$ 15,491,843
Incurred Liabilities		
Claims		
Paid	6,788,100	
Case Reserves	1,805,002	
IBNR Reserves	<u>472,073</u>	
Subtotal		\$ 9,065,175
Excess Insurance Received		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		9,065,175
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>16,103,067</u>
Underwriting Surplus (Deficit)		(611,224)
Investment Income		<u>223,302</u>
Gross Statutory Surplus (Deficit)		(387,922)
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus (Deficit)		<u>\$ (387,922)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: Closed Years As of December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 276,649,230	
Retrospective	78,169	
Supplemental	783,705	
Other Income	<u>129,575</u>	
Total Income		\$ 277,640,679
Incurred Liabilities		
Claims		
Paid	131,822,641	
Case Reserves	-	
IBNR Reserves	<u>-</u>	
Subtotal		\$ 131,822,641
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		131,822,641
Expenses		
Excess Insurance Premiums	74,338,423	
Other Insurance Premiums	6,604,956	
Administrative	<u>50,092,178</u>	
Subtotal		<u>131,035,557</u>
Total Incurred Liabilities		<u>262,858,198</u>
Underwriting Surplus		14,782,481
Investment Income		<u>15,760,838</u>
Gross Statutory Surplus		30,543,319
Return of Surplus		
Paid	(24,904,131)	
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>(24,904,131)</u>
Net Statutory Surplus		<u>\$ 5,639,188</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: Aggregate Excess Loss Contingency Fund As of December 31, 2021

Prepared By: Lerch, Vinci & Higgins, LLP

Assessments		
Regular	\$ 1,284,490	
Supplemental		
Other Income	<u>-</u>	
Total Income		\$ 1,284,490
Incurred Liabilities		
Claims		
Paid		
Case Reserves		
IBNR Reserves	<u>-</u>	
Subtotal		-
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		-
Expenses		
Excess Insurance Premiums		
Other Insurance Premiums	1,240,951	
Administrative	<u>-</u>	
Subtotal		<u>1,240,951</u>
Total Incurred Liabilities		<u>1,240,951</u>
Underwriting Surplus		43,539
Investment Income		<u>35,191</u>
Gross Statutory Surplus		78,730
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 78,730</u>

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Year: 2021 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP
 Coverages and Other Accounts

Schedule D

	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP.	LOSS CONTINGENCY	ENVIRON.	MEL	POL/EPL	GENERAL & ADMIN.	TOTALS
<u>Underwriting Income</u>										
Assessments										
Regular	\$ 758,504	\$ 2,000,481	\$ 735,422	\$ 5,000,000	\$ 216,016	\$ 312,096	\$ 3,421,524	\$ 1,564,785	\$ 2,777,598	\$ 16,786,426
Supplemental		48,900							13,387	62,287
Other Income	-	-	-	-	-	-	-	-	-	-
Total Income	758,504	2,049,381	735,422	5,000,000	216,016	312,096	3,421,524	1,564,785	2,790,985	16,848,713
<u>Incurred Liabilities</u>										
Claims	1,056,011	1,954,157	624,945	6,701,382	-	312,098	3,421,523	1,564,785	2,721,442	10,336,495
Expenses	13,692	-	-	-	-	-	-	-	-	8,033,540
Total Liabilities	1,069,703	1,954,157	624,945	6,701,382	-	312,098	3,421,523	1,564,785	2,721,442	18,370,035
Underwriting Surplus (Deficit)	(311,199)	95,224	110,477	(1,701,382)	216,016	(2)	1	-	69,543	(1,521,322)
<u>Adjustments</u>										
Investment Income	(152)	(3,024)	(990)	(2,387)	(380)	-	88	(2,904)	-	(9,749)
Transfers	-	-	-	-	-	-	-	-	-	-
Total Adjustments	(152)	(3,024)	(990)	(2,387)	(380)	-	88	(2,904)	-	(9,749)
Gross Statutory Surplus (Deficit)	(311,351)	92,200	109,487	(1,703,769)	215,636	(2)	89	(2,904)	69,543	(1,531,071)
Return of Surplus (paid and authorized)	-	-	-	-	-	-	-	-	-	-
Net Statutory Surplus (Deficit)	\$ (311,351)	\$ 92,200	\$ 109,487	\$ (1,703,769)	\$ 215,636	\$ (2)	\$ 89	\$ (2,904)	\$ 69,543	\$ (1,531,071)

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
Fund: SOUTH BERGEN JIF Fund Year: 2021 As of: December 31, 2020 Prepared By: Lerch, Vinci & Higgins, LLP
Coverages and Other Accounts

Schedule D

	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP.	LOSS CONTINGENCY	ENVIRON.	MEL	POL/EPL	GENERAL & ADMIN.	TOTALS
<u>Underwriting Income</u>										
Assessments Regular	\$ 757,583	\$ 1,982,505	\$ 616,257	\$ 5,077,000	\$ 308,074	\$ 315,324	\$ 3,223,911	\$ 1,474,992	\$ 2,727,160	\$ 16,482,806
Supplemental Other Income	-	27,112	-	-	-	-	-	-	6,948	34,060
Total Income	757,583	2,009,617	616,257	5,077,000	308,074	315,324	3,223,911	1,474,992	2,734,108	16,516,866
<u>Incurred Liabilities</u>										
Claims Expenses	340,490	1,449,953	474,029	5,412,642	-	315,324	3,208,661	1,490,242	2,720,931	7,677,114
Total Liabilities	354,073	1,449,953	474,029	5,412,642	-	315,324	3,208,661	1,490,242	2,720,931	15,425,855
Underwriting Surplus (Deficit)	403,510	559,664	142,228	(335,642)	308,074	-	15,250	(15,250)	13,177	1,091,011
<u>Adjustments</u>										
Investment Income Transfers	2,011	6,718	2,052	17,470	1,073	-	-	3,662	(728)	32,258
Total Adjustments	2,011	6,718	2,052	17,470	1,073	-	-	3,662	(728)	32,258
Gross Statutory Surplus (Deficit)	405,521	566,382	144,280	(318,172)	309,147	-	15,250	(11,588)	12,449	1,123,269
Return of Surplus (paid and authorized)	-	-	-	-	-	-	-	-	-	-
Net Statutory Surplus (Deficit)	\$ 405,521	\$ 566,382	\$ 144,280	\$ (318,172)	\$ 309,147	\$ -	\$ 15,250	\$ (11,588)	\$ 12,449	\$ 1,123,269

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP
Coverages and Other Accounts

Schedule D

	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP.	LOSS CONTINGENCY	ENVIRON.	MEL	POL/EPL	GENERAL & ADMIN.	TOTALS
<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		28,356							7,527	35,883
Other Income	-	-	-	-	-	-	-	-	-	-
Total Income	757,246	1,941,493	600,359	5,000,000	217,075	321,887	3,131,904	1,391,265	2,677,637	16,038,866
<u>Incurred Liabilities</u>										
Claims	848,962	1,403,362	1,275,572	5,139,214	-	321,885	3,131,904	1,391,263	2,642,881	8,667,110
Expenses	13,246	-	-	-	-	-	-	-	-	7,501,179
Total Liabilities	862,208	1,403,362	1,275,572	5,139,214	-	321,885	3,131,904	1,391,263	2,642,881	16,168,289
Underwriting Surplus (Deficit)	(104,962)	538,131	(675,213)	(139,214)	217,075	2	-	2	34,756	(129,423)
<u>Adjustments</u>										
Investment Income	1,731	40,634	13,152	77,398	5,551	796	-	5,202	2,810	147,274
Transfers	-	-	-	-	-	-	-	-	-	-
Total Adjustments	1,731	40,634	13,152	77,398	5,551	796	-	5,202	2,810	147,274
Gross Statutory Surplus (Deficit)	(103,231)	578,765	(662,061)	(61,816)	222,626	798	-	5,204	37,566	17,851
Return of Surplus (paid and authorized)	-	-	-	-	-	-	-	-	-	-
Net Statutory Surplus (Deficit)	\$ (103,231)	\$ 578,765	\$ (662,061)	\$ (61,816)	\$ 222,626	\$ 798	\$ -	\$ 5,204	\$ 37,566	\$ 17,851

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP
Coverages and Other Accounts

Schedule D

	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP.	LOSS CONTINGENCY	ENVIRON.	MEL	POL/EPL	GENERAL & ADMIN.	TOTALS
<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										
Total Income	752,549	1,710,678	591,659	5,132,112	216,578	324,935	2,826,602	1,261,289	2,675,441	15,491,843
<u>Incurred Liabilities</u>										
Claims	456,186	1,956,998	1,059,918	5,592,073						9,065,175
Expenses	13,239					324,935	2,826,602	1,261,685	2,611,431	7,037,892
Total Liabilities	469,425	1,956,998	1,059,918	5,592,073		324,935	2,826,602	1,261,685	2,611,431	16,103,067
Underwriting Surplus (Deficit)	283,124	(246,320)	(468,259)	(459,961)	216,578			(396)	64,010	(611,224)
<u>Adjustments</u>										
Investment Income	15,921	75,973	25,155	82,877	11,145		3,574	4,233	4,424	223,302
Transfers										
Total Adjustments	15,921	75,973	25,155	82,877	11,145		3,574	4,233	4,424	223,302
Gross Statutory Surplus (Deficit)	299,045	(170,347)	(443,104)	(377,084)	227,723		3,574	3,837	68,434	(387,922)
Return of Surplus (paid and authorized)										
Net Statutory Surplus (Deficit)	\$ 299,045	\$ (170,347)	\$ (443,104)	\$ (377,084)	\$ 227,723	\$ -	\$ 3,574	\$ 3,837	\$ 68,434	\$ (387,922)

FUND YEAR CLAIMS ANALYSIS
 Fund: SOUTH BERGEN JIF Fund Year: 2021 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

<u>Coverages</u>	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 1,022,018	\$ 288,692	\$ 107,144	\$ 3,249,741	\$ 4,667,595
Case Reserves	319,152	211,767	70,991	2,241,958	2,843,868
IBNR Reserves	<u>1,000</u>	<u>1,453,698</u>	<u>446,810</u>	<u>1,209,683</u>	<u>3,111,191</u>
Subtotal	<u>1,342,170</u>	<u>1,954,157</u>	<u>624,945</u>	<u>6,701,382</u>	<u>10,622,654</u>
Excess Insurance					
Received					-
Recoverable	<u>286,159</u>	-	-	-	<u>286,159</u>
Subtotal	<u>286,159</u>	-	-	-	<u>286,159</u>
Limited Incurred Claims	<u>\$ 1,056,011</u>	<u>\$ 1,954,157</u>	<u>\$ 624,945</u>	<u>\$ 6,701,382</u>	<u>\$ 10,336,495</u>

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

FUND YEAR CLAIMS ANALYSIS
 Fund: SOUTH BERGEN JIF Fund Year: 2020 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 315,334	\$ 297,208	\$ 85,866	\$ 3,672,817	\$ 4,371,225
Case Reserves	25,156	232,978	114,723	1,899,692	2,272,549
IBNR Reserves	-	919,767	273,440	146,128	1,339,335
Subtotal	<u>340,490</u>	<u>1,449,953</u>	<u>474,029</u>	<u>5,718,637</u>	<u>7,983,109</u>
Excess Insurance					
Received					-
Recoverable	-	-	-	305,995	305,995
Subtotal	-	-	-	305,995	305,995
Limited Incurred Claims	<u>\$ 340,490</u>	<u>\$ 1,449,953</u>	<u>\$ 474,029</u>	<u>\$ 5,412,642</u>	<u>\$ 7,677,114</u>

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

FUND YEAR CLAIMS ANALYSIS
 Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

<u>Coverages</u>	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 846,205	\$ 460,535	\$ 406,414	\$ 3,676,900	\$ 5,390,054
Case Reserves	2,757	532,013	512,457	1,437,314	2,484,541
IBNR Reserves	-	410,814	356,701	25,000	792,515
Subtotal	848,962	1,403,362	1,275,572	5,139,214	8,667,110
Excess Insurance					
Received					-
Recoverable					-
Subtotal					-
Limited Incurred Claims	848,962	1,403,362	1,275,572	5,139,214	8,667,110

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

FUND YEAR CLAIMS ANALYSIS

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2021 Prepared By: Lerch, Vinci & Higgins, LLP

Schedule E

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 455,450	\$ 776,595	\$ 706,817	\$ 4,849,238	\$ 6,788,100
Case Reserves	736	819,489	241,942	742,835	1,805,002
IBNR Reserves	-	360,914	111,159	-	472,073
Subtotal	<u>456,186</u>	<u>1,956,998</u>	<u>1,059,918</u>	<u>5,592,073</u>	<u>9,065,175</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal					-
Limited Incurred Claims	<u>\$ 456,186</u>	<u>\$ 1,956,998</u>	<u>\$ 1,059,918</u>	<u>\$ 5,592,073</u>	<u>\$ 9,065,175</u>

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

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2021 As of: December 31, 2021

Prepared by: Lerch, Vinci & Higgins, LLP

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Insurance Premiums</u>			
Property	\$ 13,692		\$ 13,692
Environmental	312,098		312,098
MEL	3,421,523		3,421,523
MEL Property	-	-	-
	<u>3,747,313</u>	<u>-</u>	<u>3,747,313</u>
<u>Other Insurance Premiums</u>			
Directors and Officers	13,675		13,675
Public Officials and Employment Practice	1,477,247		1,477,247
Land Use Liability	73,863		73,863
Cyber Liability	-	-	-
	<u>1,564,785</u>	<u>-</u>	<u>1,564,785</u>
Subtotal Insurance	<u>5,312,098</u>	<u>-</u>	<u>5,312,098</u>
<u>Administrative Expenses</u>			
Administrator	406,619		406,619
Safety	204,120	\$ 32,377	236,497
Legal	47,424		47,424
Treasurer	27,454	9,152	36,606
Other (itemized)			
Actuary	40,642		40,642
Auditor		18,655	18,655
Service Agent- Claims Adjustment	693,017	3,583	696,600
Claims - Loss Fund Management	80,715		80,715
Claims - Computer Cost	42,864		42,864
Risk Management Consultants	904,030	110,291	1,014,321
Internal Auditor	20,422		20,422
Underwriting Manager	18,651		18,651
Miscellaneous	58,517	2,909	61,426
Subtotal Administrative	<u>2,544,475</u>	<u>176,967</u>	<u>2,721,442</u>
Total Expenses	<u>\$ 7,856,573</u>	<u>\$ 176,967</u>	<u>\$ 8,033,540</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2020 As of: December 31, 2021

Prepared by: Lerch, Vinci & Higgins, LLP

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Insurance Premiums</u>			
Property	\$ 13,583		\$ 13,583
Environmental	315,324		315,324
MEL	2,282,246		2,282,246
MEL Property	926,415	-	926,415
	<u>3,537,568</u>	<u>-</u>	<u>3,537,568</u>
<u>Other Insurance Premiums</u>			
Directors and Officers	14,131		14,131
Public Officials and Employment Practice	1,367,455		1,367,455
Land Use Liability	67,612		67,612
Cyber Liability	41,044	-	41,044
	<u>1,490,242</u>	<u>-</u>	<u>1,490,242</u>
Subtotal Insurance	<u>5,027,810</u>	<u>-</u>	<u>5,027,810</u>
<u>Administrative Expenses</u>			
Administrator	396,959		396,959
Safety	247,891		247,891
Legal	46,494		46,494
Treasurer	35,888		35,888
Other (itemized)			
Actuary	39,845		39,845
Auditor	18,289		18,289
Service Agent- Claims Adjustment	705,591		705,591
Claims - Loss Fund Management	79,132		79,132
Claims - Computer Cost	45,024		45,024
Risk Management Consultants	992,832	\$ 205	993,037
Internal Auditor	20,021		20,021
Underwriting Manager	18,285		18,285
Miscellaneous	74,475	-	74,475
	<u>2,720,726</u>	<u>205</u>	<u>2,720,931</u>
Subtotal Administrative	<u>2,720,726</u>	<u>205</u>	<u>2,720,931</u>
Total Expenses	<u>\$ 7,748,536</u>	<u>\$ 205</u>	<u>\$ 7,748,741</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2021

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	239,363		239,363
Legal	45,582		45,582
Treasurer	35,184		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	965,211		965,211
Internal Auditor	19,629		19,629
Underwriting Manager	17,926		17,926
Miscellaneous	58,499	-	58,499
	<u>2,642,881</u>	<u>-</u>	<u>2,642,881</u>
Subtotal Administrative	<u>2,642,881</u>	<u>-</u>	<u>2,642,881</u>
Total Expenses	<u>\$ 7,501,179</u>	<u>\$ -</u>	<u>\$ 7,501,179</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2021

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 PROGRAM SUMMARY
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2021 As of: December 31, 2021 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	<u>CRIME</u>	<u>PROPERTY</u>	<u>LIABILITY</u>	<u>AUTO</u>
1. <u>Limits</u>	\$ 50,000	\$ 125,000,000 per occurrence	5,000,000 per occurrence	\$ 5,000,000 per occurrence
2. <u>Fund Retention</u>	\$ 50,000			
<u>Specific</u>	JIF does not provide for statutory positions	\$ 100,000	300,000	\$ 300,000
<u>Aggregate</u>				
3. <u>Excess Insurance (list all insurers and amount insured)</u>	Municipal Excess Liability Joint Insurance Fund provides \$950,000 in excess of Joint Insurance Fund self-insured retention of \$50,000	Zurich Insurance \$125,000,000 per occurrence-blanket limit, in excess of JIF/AEL \$500,000 self insured retention.	Municipal Excess Liability Joint Insurance Fund provides \$4,700,000 in excess of \$300,000 for liability	
	Statutory positions Covered By Endorsement, subject to application & approval process		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	
4. <u>Number of Participants</u>	23	23	23	23
5. <u>Incurred Liabilities</u>	\$ 1,056,011	\$ 1,056,011	1,954,157	\$ 624,945
6. <u>Exposure Units</u>	\$ 1,036,540,880 (Value)		325,525 (Population)	1,967 (# of Vehicles)
7. <u>Liabilities/Units</u>	\$ 0.001	\$ 0.001	6.00	\$ 317.71

FUND YEAR PROGRAM SUMMARY
Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2021 As of: December 31, 2021 Prepared by: Lerch, Vinci & Higgins, LLP

<u>WORKERS' COMPENSATION</u>	<u>PUBLIC OFFICIALS' EMPLOYMENT PRACTICES</u>	<u>CYBER</u>
\$ statutory per occurrence 300,000 \$ Municipal Excess Liability Joint Insurance Fund provides \$1,700,000 in excess of \$300,000 for workers' compensation safety National provides statutory limits excess of JIF/MEL retention \$2,000,000 for workers' compensation and \$5,000,000 for Employers Liability.	QBE Insurance \$2,000,000 None Members have various deductible or co-insurance based on program compliance Munich Re 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	XL Catlin \$3,000,000 Per Claim/ \$3,000,000 Aggregate/ \$6,000,000 JIF Aggregate Great American \$3,000,000 Follow Form Cowbell \$3,000,000 Follow Form \$6,000,000 Aggregate
\$	23	23
\$ 6,701,382 \$ 241,785,243 (Payroll amount) \$ 0.028		

Coverages

	THIRD PARTY			ENVIRONMENTAL PUBLIC OFFICIALS POLLUTION LIABILITY			DE MINIMIS ABANDONED WASTE SITES LIABILITY			TANK SYSTEMS		
	Per Claim	1,000,000 \$	50,000 \$	Per Claim	1,000,000 \$	Per Claim	Per Claim	1,000,000 \$	Per Claim	50,000 \$	Per Claim	Per Claim
1. Limits	\$	1,000,000	50,000	Per Claim	1,000,000	Per Claim	1,000,000	Per Claim	50,000	Per Claim	1,000,000	Per Claim
2. Annual Aggregate Limits	\$	1,000,000	100,000		1,000,000		\$500,000 - Aggregate Defense Cost Limit		\$100,000		\$100,000 - Aggregate Defense Cost Limit	
JIF Annual Aggregate	\$	3,255,250										
3. Excess Insurance (List all insurers and amount insured) Excess that attaches when EIJF claim payments exceed a \$3,000,000 attachment point.	Ascot Specialty Insurance Co.	\$9,000,000/\$9,000,000 Occurrence/Aggregate	\$	Ascot Specialty Insurance Co.	\$9,000,000/\$9,000,000 Occurrence/Aggregate	Ascot Specialty Insurance Co.	\$9,000,000/\$9,000,000 Occurrence/Aggregate	Ascot Specialty Insurance Co.	\$9,000,000/\$9,000,000 Occurrence/Aggregate	Ascot Specialty Insurance Co.	\$9,000,000/\$9,000,000 Occurrence/Aggregate	Ascot Specialty Insurance Co.
4. Number of Participants		23	23		23		23		23		23	23
5. Incurred Liabilities		N/A	N/A		N/A		N/A		N/A		N/A	N/A
6. Exposure Units (population or students)		N/A	N/A		N/A		N/A		N/A		N/A	N/A
7. Liabilities/Units		N/A	N/A		N/A		N/A		N/A		N/A	N/A

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.

FUND YEAR PROGRAM SUMMARY
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2020 As of December 31, 2021 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	PROPERTY	LIABILITY	AUTO	WORKERS' COMPENSATION	PUBLIC OFFICIALS' EMPLOYMENT PRACTICES	CYBER
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>	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None Members have various deductible or co-insurance based on program compliance	\$25,000 deductible per member \$3,000,000 each/\$6,000,000 policy aggregate
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.	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>Inurred Liabilities</u>	\$ 340,490	\$ 1,449,953	\$ 474,029	\$ 5,412,642		
6. <u>Exposure Units</u>	\$ 904,934,108 (Value)	325,525 (Population)	1,917 (# of Vehicles)	\$ 242,647,645 (Payroll amount)		
7. <u>Liabilities/Units</u>	\$ 0.000	\$ 4.45	\$ 247.28	\$ 0.022		

FUND YEAR PROGRAM SUMMARY
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2019 As of: December 31, 2021 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	PROPERTY	LIABILITY	AUTO	WORKERS' COMPENSATION	PUBLIC OFFICIALS' EMPLOYMENT PRACTICES	CYBER
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>	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None Members have various deductible or co-insurance based on program compliance	\$10,000 deductible per member \$3,000,000 each/\$6,000,000 policy aggregate
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.	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		
5. <u>Ineured Liabilities</u>	\$ 848,962	\$ 1,403,362	\$ 1,275,572	\$ 5,139,214		
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	\$ 4.31	\$ 662.29	\$ 0.022		

Coverages

	ENVIRONMENTAL			
	ON SITE CLEANUP	PUBLIC OFFICIALS DE MINIMIS ABANDONED	COSTS LIABILITY	TANK SYSTEMS
	THIRD PARTY	OLLUTION LIABILITY	WASTE SITES LIABILITY	
	Per Claim	Per Claim	Per Claim	Per Claim
1. <u>Limits</u>	\$ 1,000,000	\$ 50,000	\$ 1,000,000	\$ 50,000
				\$ 1,000,000
	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
				\$100,000 - Aggregate Defense Cost Limit
				\$1,000,000 - 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.	Ironshore Specialty Insurance Co.	Ironshore Specialty Insurance Co.	Ironshore Specialty Insurance Co.
	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000
4. <u>Number of Participants</u>	23	23	23	23
5. <u>Incurred Liabilities</u>	N/A	N/A	N/A	N/A
6. <u>Exposure Units (population or students)</u>	N/A	N/A	N/A	N/A
7. <u>Liabilities/Units</u>	N/A	N/A	N/A	N/A

FUND YEAR PROGRAM SUMMARY
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2018 As of: December 31, 2021 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>	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None	\$10,000 deductible per member
Specific					Members have various deductible or co-insurance based on program compliance	\$3,000,000 each/\$6,000,000 policy aggregate
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.				General Reinsurance offers optional excess limits	Beazley \$6,000,000 policy aggregate
			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 Re-American offers optional excess liability.			
4. <u>Number of Participants</u>	23	23	23	23		
5. <u>Incurred Liabilities</u>	\$ 456,186	\$ 1,956,998	\$ 1,059,918	\$ 5,592,073		
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	\$ 6.01	\$ 554.35	\$ 0.025		

Coverages

	ENVIRONMENTAL			
	THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS DE MINIMIS ABANDONED POLLUTION LIABILITY	TANK SYSTEMS
	Per Claim	Per Claim	Per Claim	Per Claim
1. <u>Limits</u>	\$ 1,000,000	\$ 50,000	\$ 1,000,000	\$ 50,000
				\$ 1,000,000
	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
				\$ 1,000,000 - Aggregate Defense Cost Limit
	\$ 3,255,250			\$ 500,000 - Aggregate Defense Cost Limit
3. <u>Excess Insurance (List all insurers and amount insured)</u>	Ironshore Specialty Insurance Co.	Ironshore Specialty Insurance Co.	Ironshore Specialty Insurance Co.	Ironshore Specialty Insurance Co.
	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000
4. <u>Number of Participants</u>	23	23	23	23
5. <u>Incurred Liabilities</u>	N/A	N/A	N/A	N/A
6. <u>Exposure Units (population or students)</u>	N/A	N/A	N/A	N/A
7. <u>Liabilities/Units</u>	N/A	N/A	N/A	N/A