

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the South Bergen Municipal Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the South Bergen Municipal Joint Insurance Fund's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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



## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the South Bergen Municipal Joint Insurance Fund as of December 31, 2020 and 2019, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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


### ***Other Information***


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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 2021 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



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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, 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 and have issued our report thereon dated May 13, 2021.

***Internal Control over Financial Reporting***

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

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



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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the South Bergen Municipal Joint Insurance Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

***Purpose of this Report***

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



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



Gary J. Vinci  
Registered Municipal Accountant  
RMA No. CR00411

Fair Lawn, New Jersey  
May 13, 2021

**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, 2020. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

#### Overview of Basic Financial Statements

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

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

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

*Statement of Cash Flows* – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, 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, 2020, 2019 and 2018.

#### SUMMARY OF STATEMENT OF NET POSITION

	<u>2020 vs 2019</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	Increase/ (Decrease)	Percent Change
<b>ASSETS</b>					
Cash and Investments	\$ 18,845,589	\$ 17,799,710	\$ 18,980,284	\$ 1,045,879	5.9%
Assessments Receivable	4,676,067	4,388,248	3,867,925	287,819	6.6%
Other Receivables and Assets	<u>254,006</u>	<u>128,170</u>	<u>99,505</u>	<u>125,836</u>	98.2%
Total	<u>23,775,662</u>	<u>22,316,128</u>	<u>22,947,714</u>	<u>1,459,534</u>	6.5%
<b>LIABILITIES</b>					
Loss Reserves	15,622,410	14,201,856	13,985,918	1,420,554	10.0%
Other Liabilities and Reserves	<u>1,687,227</u>	<u>1,601,997</u>	<u>2,232,380</u>	<u>85,230</u>	5.3%
Total	<u>17,309,637</u>	<u>15,803,853</u>	<u>16,218,298</u>	<u>1,505,784</u>	9.5%
<b>NET POSITION</b>	<u>\$ 6,466,025</u>	<u>\$ 6,512,275</u>	<u>\$ 6,729,416</u>	<u>\$ (46,250)</u>	-0.7%



**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND**

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

	<u>2020 vs 2019</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	Increase/ <u>(Decrease)</u>	Percent <u>Change</u>
<b>OPERATING REVENUES</b>					
Assessments	\$ 16,766,191	\$ 16,207,437	\$ 15,652,425	\$ 558,754	3.4%
<b>OPERATING EXPENSES</b>					
Claims and Claims Expense	7,767,083	7,766,879	8,388,423	204	0.0%
Insurance Premiums	6,240,701	6,017,792	5,430,184	222,909	3.7%
Administrative and Operating Expenses	<u>2,721,426</u>	<u>2,644,381</u>	<u>2,619,409</u>	<u>77,045</u>	2.9%
Total Operating Expenses	<u>16,729,210</u>	<u>16,429,052</u>	<u>16,438,016</u>	<u>300,158</u>	1.8%
<b>Operating Income (Loss)</b>	36,981	(221,615)	(785,591)	258,596	116.7%
<b>Nonoperating Revenues and (Distributions)</b>					
Interest Income	416,769	554,474	308,832	(137,705)	-24.8%
Equity Distribution	(714,568)	(736,314)	(782,436)	21,746	-3.0%
Dividend Income	<u>214,568</u>	<u>186,314</u>	<u>107,436</u>	<u>28,254</u>	15.2%
Increase/(Decrease) in Net Position	<u>\$ (46,250)</u>	<u>\$ (217,141)</u>	<u>\$ (1,151,759)</u>	<u>\$ 170,891</u>	78.7%

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.

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

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

## **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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 4,252,322	\$ 3,645,706
Investments	14,593,267	14,154,004
Receivables		
Assessments	4,676,067	4,388,248
Accrued Interest	-	68,748
Dividend	6,356	1,679
Other	<u>247,650</u>	<u>57,743</u>
Total Assets	<u>23,775,662</u>	<u>22,316,128</u>
<b>LIABILITIES</b>		
Liabilities		
Accounts Payable	1,343,805	1,218,567
Unearned Revenue	343,422	383,430
Loss Reserves		
Case Reserves	9,134,481	8,490,266
IBNR	<u>6,487,929</u>	<u>5,711,590</u>
Total Liabilities	<u>17,309,637</u>	<u>15,803,853</u>
<b>NET POSITION</b>		
Unrestricted	<u>6,466,025</u>	<u>6,512,275</u>
Total Net Position	<u>\$ 6,466,025</u>	<u>\$ 6,512,275</u>



**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Assessments		
Regular	\$ 16,738,389	\$ 16,165,531
Supplemental	<u>27,802</u>	<u>41,906</u>
Total Operating Revenues	<u>16,766,191</u>	<u>16,207,437</u>
<b>OPERATING EXPENSES</b>		
Benefits Paid to/For Participants	6,346,529	7,550,941
Insurance Premiums	6,240,701	6,017,792
General and Administrative	2,721,426	2,644,381
Increase/(Decrease) in Loss Reserves		
Case Reserves	644,215	(2,241,744)
IBNR	<u>776,339</u>	<u>2,457,682</u>
Total Operating Expenses	<u>16,729,210</u>	<u>16,429,052</u>
Operating Income (Loss)	<u>36,981</u>	<u>(221,615)</u>
<b>NONOPERATING REVENUES</b>		
Dividend Income	214,568	186,314
Interest Income	<u>416,769</u>	<u>554,474</u>
Total Nonoperating Revenues	<u>631,337</u>	<u>740,788</u>
Change in Net Position	668,318	519,173
Net Position, January 1	<u>6,512,275</u>	<u>6,729,416</u>
Equity Distribution	<u>7,180,593</u> <u>(714,568)</u>	<u>7,248,589</u> <u>(736,314)</u>
Net Position, December 31	<u>\$ 6,466,025</u>	<u>\$ 6,512,275</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Members	\$ 16,498,343	\$ 15,711,941
Cash Paid for Claims, Premiums and Services	<u>(15,433,304)</u>	<u>(16,868,497)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,065,039</u>	<u>(1,156,556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (Purchase) Redemption of Investments	(439,263)	(378,686)
Investment Income Received	<u>695,408</u>	<u>712,296</u>
Net Cash Provided by Investing Activities	<u>256,145</u>	<u>333,610</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Equity Distribution	<u>(714,568)</u>	<u>(736,314)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(714,568)</u>	<u>(736,314)</u>
Net Change in Cash	606,616	(1,559,260)
Cash, January 1	<u>3,645,706</u>	<u>5,204,966</u>
Cash, December 31	<u>\$ 4,252,322</u>	<u>\$ 3,645,706</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 36,981	\$ (221,615)
Adjustments:		
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assessments Receivable	(287,819)	(520,323)
(Increase) Decrease in Other Receivables	(189,907)	(173)
Increase (Decrease) in Unearned Revenue	(40,008)	(5,114)
Increase (Decrease) in Accounts Payable	125,238	(625,269)
Increase (Decrease) in Case Reserves	644,215	(2,241,744)
Increase (Decrease) in IBNR	<u>776,339</u>	<u>2,457,682</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,065,039</u>	<u>\$ (1,156,556)</u>

**NOTES TO FINANCIAL STATEMENTS**

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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 1<sup>st</sup> 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, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

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

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

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

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

Aggregate Excess Loss Contingency Fund – Utilized solely for the replenishment of a claim or loss retention account for losses in excess of budgeted losses for a Fund Year.

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

Closed Years Contingency Fund - Utilized to account for the activity arising from the consolidation of the Closed Fund Years (1985-2016).

**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, 2020 AND 2019**

**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 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, 2020 AND 2019**

**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 2020 and 2019 were \$3,537,568 and \$3,467,035, respectively. Claims in the Loss Funds did not exceed the self-insured levels for 2020 and 2019. 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, 2020 and 2019, the book value of the Fund's deposits was \$4,252,322 and \$3,645,706 and bank balances of the Fund's cash and deposits amounted to \$4,685,415 and \$3,972,771.

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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>2020</u>	<u>2019</u>
Insured	<u>\$ 4,685,415</u>	<u>\$ 3,972,771</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, 2020 and 2019, none of the Fund’s bank balances were exposed to custodial credit risk.

**Investments**

The Fund is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1 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, 2020 and 2019, the fair value of the Fund’s outstanding investments was:

	<u>2020</u>	<u>2019</u>
U.S. Government Securities		\$14,154,004
Joint Cash Management and Investment Program	<u>\$14,593,267</u>	<u>-</u>
	<u>\$14,593,267</u>	<u>\$14,154,004</u>

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

Credit Risk – State Law limits investments as noted above. The Fund does not have an investment policy that would further limit its investment choices.

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



**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 3 DEFICIT NET POSITION**

At December 31, 2020 and 2019, the following Fund Year's unrestricted net position accounts were in a deficit position:

	<u>2020</u>	<u>2019</u>
<u>Fund Year 2020</u>		
Worker's Compensation	\$ 404,600	
POL/EPL	11,588	
<u>Fund Year 2019</u>		
Property	154,508	353,601
Auto	466,252	-
Worker's Compensation	-	379,347
<u>Fund Year 2018</u>		
General Liability	240,868	
Auto	487,713	240,484
Worker's Compensation	433,082	959,867
<u>Fund Year 2017</u>		
General Liability	242,990	64,876
Worker's Compensation	528,431	812,169
<u>Fund Year 2016</u>		
Worker's Compensation		205,863
POL/EPL		12

Additionally, the overall net position of Fund Years 2018 and 2017 were in deficit positions of \$558,239 and \$127,682, respectively as of December 31, 2020.

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. For Fund Year 2020 that will be based on the valuation date of December 2024. 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, 2020 AND 2019**

**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, 2020 and 2019:

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

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 4 UNPAID CLAIMS LIABILITIES (Continued)**

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

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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-2017 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 2016. Selected financial information for the Residual Fund as of and for the years ended December 31, 2020 and 2019 is as follows:

	<u>2020</u> (Unaudited)	<u>2019</u>
Total Assets	\$113,821,785	\$102,873,503
Net Position	12,640,737	12,110,198
Total Operating Revenues	27,560,291	26,956,920
Investment Income	1,068,268	2,049,652
Total Operating Expenses	27,440,450	27,358,705
Change in Net Position	530,539	1,001,867
Distribution to Participating Members	657,570	646,000

**New Jersey Municipal Environmental Risk Management Fund**

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

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

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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, 2020 and 2019 is as follows:

	<u>2020</u> (Unaudited)	<u>2019</u>
Total Assets	\$34,453,325	\$33,215,865
Net Position	22,177,982	20,818,512
Total Operating Revenues	4,313,003	4,323,258
Investment Income	452,056	854,696
Total Operating Expenses	905,589	2,479,087
Change in Net Position	1,359,470	698,867
Distribution to Participating Members	2,500,000	2,000,000

**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, 2020 and 2019 is as follows:

	<u>2020</u> (Unaudited)	<u>2019</u>
Total Assets	\$85,601,144	\$80,294,462
Net Position	17,539,902	26,272,636
Total Operating Revenues	51,144,687	47,310,501
Investment Income	1,357,704	2,422,793
Total Operating Expenses	61,235,125	51,222,164
Change in Net Position	(8,732,734)	(1,488,870)

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 6 DETAILED NOTES ON ALL FUNDS**

**Receivables**

Receivables as of December 31, 2020 and 2019 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.

<b><u>December 31, 2020</u></b>	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
Dividend		\$ 6,356					6,356
Other	-	15,218	-	-	25,000	207,432	247,650
	<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>
<b><u>December 31, 2019</u></b>	Aggregate Excess Loss		Fund Years				<u>Total</u>
	<u>Contingency</u>	<u>Closed Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Receivables:							
Assessments	\$ 46,816				\$ 14,129	\$ 4,327,303	\$ 4,388,248
Accrued Interest	1,978	\$ 25,707	\$ 8,366	\$ 9,107	12,657	10,933	68,748
Dividend		1,679					1,679
Other	-	32,743	-	-	-	25,000	57,743
	<u>\$ 48,794</u>	<u>\$ 60,129</u>	<u>\$ 8,366</u>	<u>\$ 9,107</u>	<u>\$ 26,786</u>	<u>\$ 4,363,236</u>	<u>\$ 4,516,418</u>

**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 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 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Fund Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Earned Required Contribution and Investment Revenue	\$ 13,316,055	\$ 14,287,889	\$ 14,517,159	\$ 14,645,783	\$ 14,845,967	\$ 14,958,585	\$ 15,277,344	\$ 15,717,392	\$ 16,189,149	\$ 16,544,896
Unallocated Expenses	5,914,576	6,103,983	5,976,367	6,144,037	6,498,574	6,569,947	6,875,567	7,037,892	7,502,423	7,703,726
Estimated Incurred Claims and Expenses, End of Policy Year	7,220,792	7,500,366	7,058,848	7,477,890	8,936,846	7,475,926	7,935,205	8,682,915	8,775,744	8,814,448
Paid (Cumulative) as of:										
End of Policy Year	3,278,446	2,423,214	2,482,121	3,147,175	3,569,132	2,958,652	3,108,616	3,415,282	2,930,292	2,689,700
One Year Later	4,200,657	3,930,373	3,584,082	4,308,410	4,704,725	3,955,476	4,663,764	4,897,813	4,419,026	
Two Years Later	4,842,885	4,090,278	4,586,805	5,047,733	5,583,656	4,779,585	5,757,433	5,755,622		
Three Years Later	5,319,615	4,645,617	5,444,141	5,790,047	6,910,956	5,960,736	6,497,485			
Four Years Later	5,319,615	4,645,617	5,444,141	5,790,047	6,910,956	5,960,736				
Five Years Later	5,319,615	4,645,617	5,444,141	5,790,047	6,910,956					
Six Years Later	5,319,615	4,645,617	5,444,141	5,790,047						
Seven Years Later	5,319,615	4,645,617	5,444,141							
Eight Years Later	5,319,615	4,645,617								
Nine Years Later	5,319,615									
Reestimated Incurred Claims and Expenses	7,220,792	7,500,366	7,058,848	7,477,890	8,936,846	7,475,926	7,935,205	8,682,915	8,775,744	8,814,448
End of Policy Year	6,476,525	6,132,447	6,230,219	7,707,096	8,272,446	7,665,330	8,539,493	8,871,116	8,402,597	
One Year Later	6,117,151	6,079,423	6,829,258	7,690,253	8,628,147	7,781,557	8,519,427	9,237,739		
Two Years Later	6,337,296	5,879,852	6,356,688	7,633,081	8,751,540	7,581,843	8,529,459			
Three Years Later	6,337,296	5,879,852	6,356,688	7,633,081	8,751,540	7,581,843				
Four Years Later	6,337,296	5,879,852	6,356,688	7,633,081	8,751,540					
Five Years Later	6,337,296	5,879,852	6,356,688	7,633,081						
Six Years Later	6,337,296	5,879,852	6,356,688							
Seven Years Later	6,337,296	5,879,852								
Eight Years Later	6,337,296									
Nine Years Later	6,337,296									
Increase (Decrease) in Estimated Incurred Claims and Expenses From End of Policy Year	(883,496)	(1,620,514)	(702,160)	155,191	(185,306)	105,917	594,254	554,824	(373,147)	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, 2020**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year				Total
			2017	2018	2019	2020	
<b>ASSETS</b>							
Cash	\$ 199,404	\$ 1,674,171	\$ 429,684	\$ 659,518	\$ 960,337	\$ 329,208	\$ 4,252,322
Investments	684,321	5,745,471	1,474,608	2,263,360	3,295,717	1,129,790	14,593,267
Receivables	74,913			1,000	11,629	4,588,525	4,676,067
Assessments		6,356				207,432	6,356
Dividend		15,218			25,000		247,650
Other							
Total Assets	958,638	7,441,216	1,904,292	2,923,878	4,292,683	6,254,955	23,775,662
<b>LIABILITIES</b>							
Accounts Payable	196,955	1,018,382			24,983	103,485	1,343,805
Unearned Revenue		343,422					343,422
Loss Reserves			1,702,885	2,796,860	2,549,812	2,084,924	9,134,481
Case Reserves			329,089	685,257	1,433,759	4,039,824	6,487,929
IBNR							
Total Liabilities	196,955	1,361,804	2,031,974	3,482,117	4,008,554	6,228,233	17,309,637
<b>NET POSITION</b>							
Unrestricted	761,683	6,079,412	(127,682)	(558,239)	284,129	26,722	6,466,025
Total Net Position	\$ 761,683	\$ 6,079,412	\$ (127,682)	\$ (558,239)	\$ 284,129	\$ 26,722	\$ 6,466,025

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year			Total
			2017	2018	2019	
<b>OPERATING REVENUES</b>						
Assessments						
Regular	\$ 255,583	-	-	\$ 3,433	\$ 16,482,806	\$ 16,738,389
Supplemental	-	-	-	-	24,369	27,802
<b>Total Revenues</b>	<u>255,583</u>	<u>-</u>	<u>-</u>	<u>3,433</u>	<u>16,507,175</u>	<u>16,766,191</u>
<b>OPERATING EXPENSES</b>						
Benefits Paid to/For Participants	\$ 570,234	\$ 740,052	\$ 857,809	1,488,734	2,689,700	6,346,529
Insurance Premiums	196,955	1,015,936		45,510	5,027,810	6,240,701
General and Administrative					2,675,916	2,721,426
Increase/(Decrease) in Loss Reserves					2,084,924	644,215
Case Reserves		(1,337,563)	(153,884)	427,964	4,039,824	776,339
IBNR		(283,544)	(337,302)	(2,289,845)		
<b>Total Expenses</b>	<u>196,955</u>	<u>(34,937)</u>	<u>10,032</u>	<u>(327,637)</u>	<u>16,518,174</u>	<u>16,729,210</u>
Operating Income (Loss)	<u>58,628</u>	<u>34,937</u>	<u>(10,032)</u>	<u>331,070</u>	<u>(10,999)</u>	<u>36,981</u>
<b>NONOPERATING REVENUES</b>						
Dividend Income	13,661	214,568		87,074	37,721	214,568
Investment Income		169,573	42,797	65,943		416,769
<b>Total Nonoperating Revenues</b>	<u>13,661</u>	<u>384,141</u>	<u>42,797</u>	<u>87,074</u>	<u>37,721</u>	<u>631,337</u>
Change in Net Position	72,289	419,078	32,765	418,144	26,722	668,318
Net Position, (Deficit) January 1, 2020	689,394	6,374,902	(160,447)	(134,015)	-	6,512,275
Equity Distribution	761,683	6,793,980	(127,682)	284,129	26,722	7,180,593
		(714,568)				(714,568)
<b>Net Position, (Deficit) December 31, 2020</b>	<u>\$ 761,683</u>	<u>\$ 6,079,412</u>	<u>\$ (127,682)</u>	<u>\$ 284,129</u>	<u>\$ 26,722</u>	<u>\$ 6,466,025</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fund Year				
Aggregate Excess Loss Contingency Fund	2017	2018	2019	2020	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Members	\$ 19,971	\$ 13,129	\$ 4,319,107	\$ 11,918,650	\$ 16,498,343
Cash Paid for Claims, Premiums and Services	(1,769,736)	(857,809)	(1,568,334)	(10,497,373)	(15,433,304)
Net Cash Provided (Used) by Operating Activities	<u>227,486</u>	<u>(740,052)</u>	<u>2,750,773</u>	<u>1,421,277</u>	<u>1,065,039</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net (Purchase) Redemption of Investments	1,785,249	670,031	(2,176,678)	(1,129,790)	(439,263)
Interest/Dividend Received	413,537	78,600	98,007	37,721	695,408
Net Cash Provided (Used) by Investing Activities	<u>2,198,786</u>	<u>748,631</u>	<u>(2,078,671)</u>	<u>(1,092,069)</u>	<u>256,145</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Equity Distribution	(714,568)	-	-	-	(714,568)
Net Cash (Used) by Noncapital Financing Activities	<u>(714,568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(714,568)</u>
Net Change in Cash	68,197	(96,049)	672,102	329,208	606,616
Cash, January 1, 2020	131,207	1,939,718	288,235	-	3,645,706
Cash, December 31, 2020	<u>\$ 199,404</u>	<u>\$ 429,684</u>	<u>\$ 960,337</u>	<u>\$ 329,208</u>	<u>\$ 4,252,322</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 58,628	\$ (10,032)	\$ 331,070	\$ (10,999)	\$ 36,981
Adjustments:					
Changes in Operating Assets and Liabilities					
(Increase)/Decrease Assessments Receivable		13,129	4,315,674	(4,588,525)	(287,819)
(Increase)/Decrease Other Receivables	(28,097)			(207,432)	(189,907)
Increase/(Decrease) Unearned Revenue			(34,090)	103,485	(40,008)
Increase/(Decrease) Accounts Payable	196,955	(153,884)	427,964	2,084,924	125,238
Increase/(Decrease) Case Reserves		(377,226)	(2,289,845)	4,039,824	644,215
Increase/(Decrease) IBNR		(352,794)	(337,302)	-	776,339
Net Cash Provided (Used) by Operating Activities	<u>\$ 227,486</u>	<u>\$ (740,052)</u>	<u>\$ 2,750,773</u>	<u>\$ 1,421,277</u>	<u>\$ 1,065,039</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
HISTORICAL OPERATING RESULTS  
FROM INCEPTION THROUGH DECEMBER 31, 2020**

	Aggregate Excess Loss Contingency Fund	Closed Years Contingency Fund	Fund Year			
			2017	2018	2019	2020
<b>UNDERWRITING INCOME</b>						
Assessments	\$ 922,724	\$ 262,425,350	\$ 15,085,754	\$ 15,491,843	\$ 16,037,866	\$ 16,507,175
Other Income	-	129,575	-	-	-	-
Total Income	<u>922,724</u>	<u>262,554,925</u>	<u>15,085,754</u>	<u>15,491,843</u>	<u>16,037,866</u>	<u>16,507,175</u>
<b>INCURRED LIABILITIES</b>						
Claims						
Paid		124,815,445	6,497,485	5,755,622	4,419,026	2,689,700
Case Reserves		-	1,702,885	2,796,860	2,549,812	2,084,924
IBNR Reserves	-	-	329,089	685,257	1,433,759	4,039,824
Limited Incurred Claims	-	124,815,445	8,529,459	9,237,739	8,402,597	8,814,448
Expenses						
Excess Insurance Premiums		69,365,163	3,147,815	3,164,776	3,467,035	3,537,568
Other Insurance Premiums	196,955	5,414,664	1,190,292	1,261,685	1,391,263	1,490,242
Administrative	-	47,554,718	2,537,460	2,611,431	2,644,125	2,675,916
Subtotal Expenses	<u>196,955</u>	<u>122,334,545</u>	<u>6,875,567</u>	<u>7,037,892</u>	<u>7,502,423</u>	<u>7,703,726</u>
Total Incurred Liabilities	<u>196,955</u>	<u>247,149,990</u>	<u>15,405,026</u>	<u>16,275,631</u>	<u>15,905,020</u>	<u>16,518,174</u>
<b>UNDERWRITING SURPLUS (DEFICIT)</b>	725,769	15,404,935	(319,272)	(783,788)	132,846	(10,999)
Investment/Dividend Income	<u>35,914</u>	<u>15,315,554</u>	<u>191,590</u>	<u>225,549</u>	<u>151,283</u>	<u>37,721</u>
<b>GROSS STATUTORY SURPLUS (DEFICIT)</b>	761,683	30,720,489	(127,682)	(558,239)	284,129	26,722
Return of Surplus	-	(24,641,077)	-	-	-	-
<b>NET STATUTORY SURPLUS (DEFICIT)</b>	<u>\$ 761,683</u>	<u>\$ 6,079,412</u>	<u>\$ (127,682)</u>	<u>\$ (558,239)</u>	<u>\$ 284,129</u>	<u>\$ 26,722</u>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF BUDGETARY ASSESSMENTS  
FUND YEAR 2020**

<u>Participating Municipality</u>	<u>Assessments</u>	<u>Collected</u>	Balance, December 31, <u>2020</u>
Bogota	\$ 607,631	\$ 455,224	\$ 152,407
Carlstadt	584,341	438,255	146,086
East Rutherford	728,591	546,444	182,147
Edgewater	692,139	519,355	172,784
Elmwood Park	826,889	616,854	210,035
Englewood Cliffs	553,253	418,918	134,335
Fairview	605,916	454,937	150,979
Fort Lee	1,918,738	1,436,805	481,933
Hackensack	1,000,363	751,523	248,840
Little Ferry	435,134	327,602	107,532
Lodi	986,333	494,416	491,917
Lyndhurst	1,112,802	558,858	553,944
Maywood	545,510	409,634	135,876
Moonachie	387,592	291,194	96,398
North Arlington	753,520	564,140	189,380
Palisades Park	693,676	520,757	172,919
Ridgefield Park	677,929	507,982	169,947
Rochelle Park	386,223	289,668	96,555
Rutherford	1,253,943	939,329	314,614
Saddle Brook	554,583	417,437	137,146
South Hackensack	341,408	256,806	84,602
Wallington	494,390	368,543	125,847
Wood Ridge	433,861	326,646	107,215
<b>Total Assessments</b>	<b><u>\$ 16,574,765</u></b>	<b><u>\$ 11,911,327</u></b>	<b><u>\$ 4,663,438</u></b>
<b>Analysis of Assessments Levied</b>			
Fund Year 2020	\$ 16,482,806		
Supplemental Assessments	24,369		
EJIF Dividend Applied	(187,993)		
Aggregate Excess Loss Contingency Fund	<u>255,583</u>		
	<b><u>\$ 16,574,765</u></b>		
<b>Analysis of Assessments Receivable</b>			
Fund Year 2020			\$ 4,588,525
Aggregate Excess Loss Contingency Fund			<u>74,913</u>
			<b><u>\$ 4,663,438</u></b>

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF BUDGETARY EXPENSES  
FUND YEAR 2020**

<u>Account Description</u>	<u>Budget</u>	<u>Expenses</u>	<u>Loss Reserves</u>	<u>Variance Excess/(Deficit)</u>
Self-Insured Claims				
Property	\$ 744,000	\$ 352,581	\$ 363,190	\$ 28,229
General Liability	2,001,856	166,569	1,815,936	19,351
Auto	616,257	71,355	544,901	1
Worker's Compensation	5,077,000	2,099,195	3,400,721	(422,916)
Loss Fund Contingency	308,074			308,074
Aggregate Excess Loss Fund Contingency	255,583	27,971		227,612
Insurance Premiums				
Property	13,583	13,583		-
Environmental	315,324	315,324		-
MEL	3,223,911	3,208,661		15,250
Other Insurance Premiums				
Directors and Officers	14,131	14,131		-
Public Officials and Employment Practices Liability	1,352,205	1,367,455		(15,250)
Cyber Liability	41,044	41,044		-
Land Use Liability	67,612	67,612		-
Expenses				
Claims Adjustment	630,591	705,591		(75,000)
Loss Fund Management	79,132	79,132		-
Claims - Computer Cost	42,864	45,024		(2,160)
Safety				
Director	116,665	116,665		-
General	69,345	15,300		54,045
MEL Safety Institute	69,272	69,272		-
Safety Incentive Program	25,500	-		25,500
Administration	398,646	398,646		-
Professional Services				
Actuary	39,845	39,845		-
Attorney	46,494	46,494		-
Auditor	18,289	18,289		-
Internal Auditor	20,471	20,021		450
Treasurer	35,888	35,888		-
Underwriting Manager	18,285	18,285		-
Miscellaneous	128,057	74,427		53,630
Risk Management Consultants	992,834	993,037	-	(203)
	<u>\$ 16,762,758</u>	<u>\$ 10,421,397</u>	<u>\$ 6,124,748</u>	<u>\$ 216,613</u>
Budget	\$ 16,762,758			
EJIF Dividend	<u>(187,993)</u>			
Assessments Levied	<u>\$ 16,574,765</u>			
Aggregate Excess Loss Contingency Fund		\$ 27,971		
Fund Year 2020		<u>10,393,426</u>		
		<u>\$ 10,421,397</u>		

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

*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, 2020**

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, 2020, Fund Years 2018 and 2017 ended the year with deficits in net position of \$127,682 and \$558,239, respectively.

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

**Management Response**

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

**2021 EXECUTIVE COMMITTEE**

Chairman	John Hansen	Charles Cuccia	Joseph Crifasi
Secretary	Gregory Franz	Dominick Azzolini	Al Restaino
		Chris Eilert	

**EXECUTIVE COMMITTEE ALTERNATES**

Vice Chairman	Francis Bianchi	Steve Lo Iacono
	Paula Cozzarelli	Robert Kakoleski

State of New Jersey  
County of Bergen

John Hansen, Chairman, Gregory Franz, 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 - 2020 As of : December 31, 2020 Prepared by: Lerch, Vinci &amp; Higgins, LLP

## Underwriting Income

Assessments			
Regular	\$	325,510,075	
Retrospective		78,169	
Supplemental		882,468	
Other Income		<u>129,575</u>	
Total Income			\$ 326,600,287
Incurred Liabilities			
Claims			
Paid		144,177,278	
Case Reserves		9,134,481	
IBNR Reserves		<u>6,487,929</u>	
Subtotal			\$ 159,799,688
Excess Insurance			
Received			
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Limited Incurred Claims			159,799,688
Expenses			
Excess Insurance Premiums		82,682,357	
Other Insurance Premiums		10,945,101	
Administrative		<u>58,023,650</u>	
Subtotal			<u>151,651,108</u>
Total Incurred Liabilities			<u>311,450,796</u>
Underwriting Surplus			15,149,491
Investment Income			<u>15,957,611</u>
Gross Statutory Surplus			31,107,102
Return of Surplus			
Paid		(24,641,077)	
Authorized and Unpaid		<u>-</u>	
Subtotal Return of Surplus			<u>(24,641,077)</u>
Net Statutory Surplus			<u>\$ 6,466,025</u>

HISTORICAL BALANCE SHEET

Schedule B

Fund: SOUTH BERGEN JIF Fund Years: 1986 - 2020 As of: December 31, 2020 Prepared by Lerch, Vinci & Higgins, LLP

ASSETS

<u>Cash and Investments (1)</u>		\$	18,845,589	
<u>Receivables</u>				
Assessments	\$	4,676,067		
Accrued Interest and Dividends		6,356		
Other		<u>247,650</u>		
Total Receivables			<u>4,930,073</u>	
Total Assets				\$ 23,775,662

LIABILITIES

<u>Claims</u>				
Case Reserves		9,134,481		
IBNR Reserves (2)		<u>6,487,929</u>		
Subtotal Claims			15,622,410	
<u>Expenses (unpaid) (1)</u>				
Administrative		128,468		
Due to Residual Claims Fund		1,018,382		
Due to Municipal Excess Liability Fund		<u>196,955</u>		
			1,343,805	
<u>Other Liabilities</u>				
Unearned Revenue		<u>343,422</u>		
			<u>343,422</u>	
<u>Total Liabilities</u>				<u>17,309,637</u>
<u>Net Statutory Surplus (Deficit)</u>				<u>\$ 6,466,025</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, 2020

CASH AND INVESTMENTS

CASH

Claims' Account	\$	(331,064)	
Operating Account		<u>4,583,386</u>	
			\$ 4,252,322

INVESTMENTS

U.S. Treasury Obligations		<u>14,593,267</u>	
			<u>\$ 18,845,589</u>

RECEIVABLES

Assessments	\$	4,676,067	
Dividend		6,356	
Other		<u>247,650</u>	
			<u>\$ 4,930,073</u>

EXPENSES (UNPAID)

Administrative			
Treasurer	\$	8,972	
Auditor		18,289	
Risk Management Consultants		88,063	
Miscellaneous		<u>13,144</u>	
			\$ 128,468
Due to Residual Claims Fund			1,018,382
Due to Municipal Excess Liability Fund			<u>196,955</u>
			<u>\$ 1,343,805</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

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

Underwriting Income		
Assessments		
Regular	\$ 16,482,806	
Retrospective		
Supplemental	24,369	
Other Income	<u>-</u>	
Total Income		\$ 16,507,175
Incurred Liabilities		
Claims		
Paid	2,689,700	
Case Reserves	2,084,924	
IBNR Reserves	<u>4,039,824</u>	
Subtotal		\$ 8,814,448
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		8,814,448
Expenses		
Excess Insurance Premiums	3,537,568	
Other Insurance Premiums	1,490,242	
Administrative	<u>2,675,916</u>	
Subtotal		<u>7,703,726</u>
Total Incurred Liabilities		<u>16,518,174</u>
Underwriting Surplus		(10,999)
Investment Income		<u>37,721</u>
Gross Statutory Surplus		26,722
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 26,722</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of December 31, 2020 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 16,002,983	
Supplemental	34,883	
Other Income	<u>-</u>	
Total Income		\$ 16,037,866
Incurred Liabilities		
Claims		
Paid	4,419,026	
Case Reserves	2,549,812	
IBNR Reserves	<u>1,433,759</u>	
Subtotal		\$ 8,402,597
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		8,402,597
Expenses		
Excess Insurance Premiums	3,467,035	
Other Insurance Premiums	1,391,263	
Administrative	<u>2,644,125</u>	
Subtotal		<u>7,502,423</u>
Total Incurred Liabilities		<u>15,905,020</u>
Underwriting Surplus		132,846
Investment Income		<u>151,283</u>
Gross Statutory Surplus		284,129
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 284,129</u>



FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of December 31, 2020 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	5,755,622	
Case Reserves	2,796,860	
IBNR Reserves	<u>685,257</u>	
Subtotal		\$ 9,237,739
Excess Insurance Received		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		9,237,739
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>16,275,631</u>
Underwriting Surplus (Deficit)		(783,788)
Investment Income		<u>225,549</u>
Gross Statutory Surplus (Deficit)		(558,239)
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus (Deficit)		<u>\$ (558,239)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: 2017 As of December 31, 2020 Prepared By: Lerch, Vinci & Higgins, LLP

Underwriting Income		
Assessments		
Regular	\$ 15,072,026	
Retrospective		
Supplemental	13,728	
Other Income	<u>-</u>	
Total Income		\$ 15,085,754
Incurred Liabilities		
Claims		
Paid	6,497,485	
Case Reserves	1,702,885	
IBNR Reserves	<u>329,089</u>	
Subtotal		\$ 8,529,459
Excess Insurance Received		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		8,529,459
Expenses		
Excess Insurance Premiums	3,147,815	
Other Insurance Premiums	1,190,292	
Administrative	<u>2,537,460</u>	
Subtotal		<u>6,875,567</u>
Total Incurred Liabilities		<u>15,405,026</u>
Underwriting Surplus (Deficit)		(319,272)
Investment Income		<u>191,590</u>
Gross Statutory Surplus (Deficit)		(127,682)
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus (Deficit)		<u>\$ (127,682)</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

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

Underwriting Income		
Assessments		
Regular	\$ 261,577,204	
Retrospective	78,169	
Supplemental	769,977	
Other Income	<u>129,575</u>	
Total Income		\$ 262,554,925
Incurred Liabilities		
Claims		
Paid	124,815,445	
Case Reserves	-	
IBNR Reserves	<u>-</u>	
Subtotal		\$ 124,815,445
Excess Insurance Received		
Received		
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Limited Incurred Claims		124,815,445
Expenses		
Excess Insurance Premiums	69,365,163	
Other Insurance Premiums	5,414,664	
Administrative	<u>47,554,718</u>	
Subtotal		<u>122,334,545</u>
Total Incurred Liabilities		<u>247,149,990</u>
Underwriting Surplus		15,404,935
Investment Income		<u>15,315,554</u>
Gross Statutory Surplus		30,720,489
Return of Surplus		
Paid	(24,641,077)	
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>(24,641,077)</u>
Net Statutory Surplus		<u>\$ 6,079,412</u>

FUND YEAR OPERATING RESULTS ANALYSIS

Schedule C

Fund: SOUTH BERGEN JIF Fund Year: Aggregate Excess Loss Contingency Fund As of December 31, 2020

Prepared By: Lerch, Vinci & Higgins, LLP

Assessments		
Regular		
Supplemental	\$ 922,724	
Other Income	<u>-</u>	
Total Income		\$ 922,724
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	196,955	
Administrative	<u>-</u>	
Subtotal		<u>196,955</u>
Total Incurred Liabilities		<u>196,955</u>
Underwriting Surplus		725,769
Investment Income		<u>35,914</u>
Gross Statutory Surplus		761,683
Return of Surplus		
Paid		
Authorized and Unpaid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 761,683</u>

	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		19,351							5,018	24,369
Other Income										
Total Income	757,583	2,001,856	616,257	5,077,000	308,074	315,324	3,223,911	1,474,992	2,732,178	16,507,175
<u>Incurred Liabilities</u>										
Claims	715,771	1,982,505	616,256	5,499,916		315,324	3,208,661	1,490,242	2,675,916	8,814,448
Expenses	13,583									7,703,726
Total Liabilities	729,354	1,982,505	616,256	5,499,916		315,324	3,208,661	1,490,242	2,675,916	16,518,174
Underwriting Surplus (Deficit)	28,229	19,351	1	(422,916)	308,074		15,250	(15,250)	56,262	(10,999)
<u>Adjustments</u>										
Investment Income	2,502	8,636	2,651	18,316	1,427			3,662	527	37,721
Transfers										
Total Adjustments	2,502	8,636	2,651	18,316	1,427			3,662	527	37,721
Gross Statutory Surplus (Deficit)	30,731	27,987	2,652	(404,600)	309,501		15,250	(11,588)	56,789	26,722
Return of Surplus (paid and authorized)										
Net Statutory Surplus (Deficit)	\$ 30,731	\$ 27,987	\$ 2,652	\$ (404,600)	\$ 309,501	\$ -	\$ 15,250	\$ (11,588)	\$ 56,789	\$ 26,722

	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP.	LOSS CONTINGENCY	ENVIRON.	MEL	POL/EPL	GENERAL & ADMIN.	TOTALS
<u>Underwriting Income</u>										
Assessments	\$ 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
Regular		27,549							7,334	34,883
Supplemental										
Other Income										
Total Income	757,246	1,940,686	600,359	5,000,000	217,075	321,887	3,131,904	1,391,265	2,677,444	16,037,866
<u>Incurred Liabilities</u>										
Claims	900,239	1,502,740	1,079,978	4,919,640		321,885	3,131,904	1,391,263	2,644,125	8,402,597
Expenses	13,246									7,502,423
Total Liabilities	913,485	1,502,740	1,079,978	4,919,640		321,885	3,131,904	1,391,263	2,644,125	15,905,020
Underwriting Surplus (Deficit)	(156,239)	437,946	(479,619)	80,360	217,075	2		2	33,319	132,846
<u>Adjustments</u>										
Investment Income	1,731	42,659	13,367	78,823	5,850	797		5,209	2,847	151,283
Transfers										
Total Adjustments	1,731	42,659	13,367	78,823	5,850	797		5,209	2,847	151,283
Gross Statutory Surplus (Deficit)	(154,508)	480,605	(466,252)	159,183	222,925	799		5,211	36,166	284,129
Return of Surplus (paid and authorized)										
Net Statutory Surplus (Deficit)	\$ (154,508)	\$ 480,605	\$ (466,252)	\$ 159,183	\$ 222,925	\$ 799	\$ -	\$ 5,211	\$ 36,166	\$ 284,129

	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	\$ 2,826,602	\$ 1,261,289	\$ 2,667,528	\$ 15,452,332
Supplemental		31,598						7,913	39,511
Other Income									
Total Income	<u>752,549</u>	<u>1,710,678</u>	<u>591,659</u>	<u>5,132,112</u>	<u>216,578</u>	<u>2,826,602</u>	<u>1,261,289</u>	<u>2,675,441</u>	<u>15,491,843</u>
<u>Inurred Liabilities</u>									
Claims	456,186	2,028,859	1,104,108	5,648,586		2,826,602	1,261,685	2,611,431	9,237,739
Expenses	13,239								7,037,892
Total Liabilities	<u>469,425</u>	<u>2,028,859</u>	<u>1,104,108</u>	<u>5,648,586</u>	<u>-</u>	<u>2,826,602</u>	<u>1,261,685</u>	<u>2,611,431</u>	<u>16,275,631</u>
<u>Underwriting Surplus (Deficit)</u>	<u>283,124</u>	<u>(318,181)</u>	<u>(512,449)</u>	<u>(516,474)</u>	<u>216,578</u>	<u>-</u>	<u>(396)</u>	<u>64,010</u>	<u>(783,788)</u>
<u>Adjustments</u>									
Investment Income	16,324	77,313	24,736	83,392	11,452	3,578	4,238	4,516	225,549
Transfers									
Total Adjustments	<u>16,324</u>	<u>77,313</u>	<u>24,736</u>	<u>83,392</u>	<u>11,452</u>	<u>3,578</u>	<u>4,238</u>	<u>4,516</u>	<u>225,549</u>
<u>Gross Statutory Surplus (Deficit)</u>	<u>299,448</u>	<u>(240,868)</u>	<u>(487,713)</u>	<u>(433,082)</u>	<u>228,030</u>	<u>3,578</u>	<u>3,842</u>	<u>68,526</u>	<u>(558,239)</u>
Return of Surplus (paid and authorized)									
Net Statutory Surplus (Deficit)	<u>\$ 299,448</u>	<u>\$ (240,868)</u>	<u>\$ (487,713)</u>	<u>\$ (433,082)</u>	<u>\$ 228,030</u>	<u>\$ 3,578</u>	<u>\$ 3,842</u>	<u>\$ 68,526</u>	<u>\$ (558,239)</u>

	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP.	LOSS CONTINGENCY	ENVIRON.	MEL	POL/EPL	GENERAL & ADMIN.	TOTALS
<u>Underwriting Income</u>										
Assessments	\$ 772,162	\$ 1,495,980	\$ 573,567	\$ 5,000,000	\$ 196,109	\$ 340,852	\$ 2,793,737	\$ 1,190,309	\$ 2,709,310	\$ 15,072,026
Regular		11,026							2,702	13,728
Supplemental										
Other Income										
Total Income	<u>772,162</u>	<u>1,507,006</u>	<u>573,567</u>	<u>5,000,000</u>	<u>196,109</u>	<u>340,852</u>	<u>2,793,737</u>	<u>1,190,309</u>	<u>2,712,012</u>	<u>15,085,754</u>
<u>Incurred Liabilities</u>										
Claims	604,598	1,815,623	517,476	5,591,762		340,852	2,793,737	1,190,292	2,537,460	8,529,459
Expenses	13,226									6,875,567
Total Liabilities	<u>617,824</u>	<u>1,815,623</u>	<u>517,476</u>	<u>5,591,762</u>	<u>-</u>	<u>340,852</u>	<u>2,793,737</u>	<u>1,190,292</u>	<u>2,537,460</u>	<u>15,405,026</u>
<u>Underwriting Surplus (Deficit)</u>	<u>154,338</u>	<u>(308,617)</u>	<u>56,091</u>	<u>(591,762)</u>	<u>196,109</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>174,552</u>	<u>(319,272)</u>
<u>Adjustments</u>										
Investment Income	9,406	65,627	26,465	63,331	11,919	506	64	304	13,968	191,590
Transfers										
Total Adjustments	<u>9,406</u>	<u>65,627</u>	<u>26,465</u>	<u>63,331</u>	<u>11,919</u>	<u>506</u>	<u>64</u>	<u>304</u>	<u>13,968</u>	<u>191,590</u>
<u>Gross Statutory Surplus (Deficit)</u>	<u>163,744</u>	<u>(242,990)</u>	<u>82,556</u>	<u>(528,431)</u>	<u>208,028</u>	<u>506</u>	<u>64</u>	<u>321</u>	<u>188,520</u>	<u>(127,682)</u>
Return of Surplus (paid and authorized)										
<u>Net Statutory Surplus (Deficit)</u>	<u>\$ 163,744</u>	<u>\$ (242,990)</u>	<u>\$ 82,556</u>	<u>\$ (528,431)</u>	<u>\$ 208,028</u>	<u>\$ 506</u>	<u>\$ 64</u>	<u>\$ 321</u>	<u>\$ 188,520</u>	<u>\$ (127,682)</u>



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

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims	\$ 352,581	\$ 166,569	\$ 71,355	\$ 2,099,195	\$ 2,689,700
Case Reserves	362,190	149,159	48,551	1,525,024	2,084,924
IBNR Reserves	<u>1,000</u>	<u>1,666,777</u>	<u>496,350</u>	<u>1,875,697</u>	<u>4,039,824</u>
Subtotal	<u>715,771</u>	<u>1,982,505</u>	<u>616,256</u>	<u>5,499,916</u>	<u>8,814,448</u>
Excess Insurance					
Received	-	-	-	-	-
Recoverable	-	-	-	-	-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 715,771</u>	<u>\$ 1,982,505</u>	<u>\$ 616,256</u>	<u>\$ 5,499,916</u>	<u>\$ 8,814,448</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, 2020 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	\$ 845,117	\$ 259,621	\$ 255,252	\$ 3,059,036	\$ 4,419,026
Case Reserves	55,122	264,975	514,742	1,714,973	2,549,812
IBNR Reserves	-	978,144	309,984	145,631	1,433,759
Subtotal	<u>900,239</u>	<u>1,502,740</u>	<u>1,079,978</u>	<u>4,919,640</u>	<u>8,402,597</u>
Excess Insurance					
Received	-	-	-	-	-
Recoverable	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	\$ <u>900,239</u>	\$ <u>1,502,740</u>	\$ <u>1,079,978</u>	\$ <u>4,919,640</u>	\$ <u>8,402,597</u>

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, 2020 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	\$ 455,450	\$ 530,771	\$ 294,510	\$ 4,474,891	\$ 5,755,622
Case Reserves	736	975,239	647,190	1,173,695	2,796,860
IBNR Reserves	-	522,849	162,408	-	685,257
Subtotal	<u>456,186</u>	<u>2,028,859</u>	<u>1,104,108</u>	<u>5,648,586</u>	<u>9,237,739</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal					-
Limited Incurred Claims	<u>\$ 456,186</u>	<u>\$ 2,028,859</u>	<u>\$ 1,104,108</u>	<u>\$ 5,648,586</u>	<u>\$ 9,237,739</u>

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

FUND YEAR CLAIMS ANALYSIS  
Fund: SOUTH BERGEN JIF Fund Year: 2017 As of: December 31, 2020 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	\$ 602,918	\$ 833,898	\$ 237,915	\$ 4,822,754	\$ 6,497,485
Case Reserves	1,680	708,543	223,654	769,008	1,702,885
IBNR Reserves	-	<u>273,182</u>	55,907	-	<u>329,089</u>
Subtotal	<u>604,598</u>	<u>1,815,623</u>	<u>517,476</u>	<u>5,591,762</u>	<u>8,529,459</u>
Excess Insurance					
Received					-
Recoverable					-
Subtotal					-
Limited Incurred Claims	<u>\$ 604,598</u>	<u>\$ 1,815,623</u>	<u>\$ 517,476</u>	<u>\$ 5,591,762</u>	<u>\$ 8,529,459</u>

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

FUND YEAR EXPENSE ANALYSIS

Schedule F

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

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	<u>923,242</u>	<u>\$ 3,173</u>	<u>926,415</u>
	<u>3,534,395</u>	<u>3,173</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	<u>41,044</u>	<u>-</u>	<u>41,044</u>
	<u>1,490,242</u>	<u>-</u>	<u>1,490,242</u>
Subtotal Insurance	<u>5,024,637</u>	<u>3,173</u>	<u>5,027,810</u>
<u>Administrative Expenses</u>			
Administrator	398,646		398,646
Safety	201,237		201,237
Legal	46,494		46,494
Treasurer	26,916	8,972	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	929,957	63,080	993,037
Internal Auditor	20,021		20,021
Underwriting Manager	18,285		18,285
Miscellaneous	<u>64,456</u>	<u>9,971</u>	<u>74,427</u>
Subtotal Administrative	<u>2,575,604</u>	<u>100,312</u>	<u>2,675,916</u>
Total Expenses	<u>\$ 7,600,241</u>	<u>\$ 103,485</u>	<u>\$ 7,703,726</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2019 As of: December 31, 2020

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	240,607		240,607
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	940,228	\$ 24,983	965,211
Internal Auditor	19,629		19,629
Underwriting Manager	17,926		17,926
Miscellaneous	58,499	-	58,499
	<u>2,619,142</u>	<u>24,983</u>	<u>2,644,125</u>
Subtotal Administrative	<u>2,619,142</u>	<u>24,983</u>	<u>2,644,125</u>
Total Expenses	<u>\$ 7,477,440</u>	<u>\$ 24,983</u>	<u>\$ 7,502,423</u>

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2018 As of: December 31, 2020

Prepared by: Lerch, Vinci & Higgins, LLP

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

FUND YEAR EXPENSE ANALYSIS

Schedule F

Fund: SOUTH BERGEN JIF Fund Year: 2017 As of: December 31, 2020

Prepared by: Lerch, Vinci & Higgins, LLP

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



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

Coverages	PROPERTY	LIABILITY	AUTO	WORKERS' COMPENSATION	PUBLIC OFFICIALS' EMPLOYMENT PRACTICES		CYBER
					QBE Insurance	XL Castlin	
1. Limits	\$ 125,000,000 per occurrence	\$ 5,000,000 per occurrence	\$ 5,000,000 per occurrence	statutory per occurrence	\$2,000,000	\$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage	
2. Fund Retention	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None	\$25,000 deductible per member	
Aggregate					Members have various deductible or co-insurance based on program compliance	\$3,000,000 each/\$6,000,000 policy aggregate	
3. Excess Insurance (list all insurers and amount insured)	Zurich Insurance \$125,000,000 per occurrence-blanket limit, in excess of JIF/AMEL \$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/AMEL 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/AMEL 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. Number of Participants	23	23	23	23			
5. Incurred Liabilities	\$ 715,771	\$ 1,982,505	\$ 616,256	\$ 5,495,916			
6. Exposure Units	\$ 904,934,108 (Value)	325,525 (Population)	1,917 (# of Vehicles)	\$ 242,647,645 (Payroll amount)			
7. Liabilities/Units	\$ 0.001	\$ 6.09	\$ 321.47	\$ 0.023			

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

Coverages

		ENVIRONMENTAL	
THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS & MINIMIS ABANDONED OLLUTION LIABILITY	TANK SYSTEMS

1. Limits  
 \$ 1,000,000 \$ 50,000 \$ 1,000,000 \$ 50,000 \$ 1,000,000  
 Per Claim Per Claim Per Claim Per Claim Per Claim

De Minimus Abandoned Waste Sites Liability coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except De Minimus Abandoned Waste Sites Liability which has an aggregate Legal Defense cost limit of \$500,000. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy.

2. Annual Aggregate Limits  
 \$ 1,000,000 \$ 100,000 \$ 1,000,000 \$ 50,000 \$ 1,000,000  
 \$500,000 - Aggregate Defense Cost Limit \$100,000 - Aggregate Defense Cost Limit

Jif Annual Aggregate \$ 3,255,250

3. Excess Insurance (list all insurers and amount insured)  
 Ascot Specialty Insurance Co. \$ 9,000,000 \$ 9,000,000 \$ 9,000,000 \$ 9,000,000 \$ 9,000,000  
 Ascot Specialty Insurance Co. Ascot Specialty Insurance Co. Ascot Specialty Insurance Co. Ascot Specialty Insurance Co. Ascot Specialty Insurance Co.

4. Number of Participants 23 23 23 23 23

5. Incurred Liabilities 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

7. Liabilities/Units N/A N/A N/A N/A N/A

FUND YEAR PROGRAM SUMMARY  
Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2019 As of: December 31, 2020 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

	PROPERTY	LIABILITY	AUTO	WORKERS' COMPENSATION	PUBLIC OFFICIALS' EMPLOYMENT PRACTICES	CYBER
1. Limits	\$ 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. Fund Retention	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	None	\$10,000 deductible per member
Aggregate					Members have various deductible or co-insurance based on program compliance	\$3,000,000 each/\$6,000,000 policy aggregate
3. Excess Insurance (list all insurers and amount insured)	Zurich Insurance \$125,000,000 per occurrence-blanket limit, in excess of JIF/MEL \$500,000 self insured retention.				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
	Municipal Excess Liability Joint Insurance Fund provides \$1,700,000 in excess of \$300,000 for both liability and workers' compensation					
	Underwriters at Lloyd's of London (Brit) provides \$3,000,000 in excess of JIF/MEL retention of \$2,000,000 on a pro-rata basis with the MEL (80% Brit/20% MEL) for liability. Safety National provides statutory limits excess of JIF/MEL retention \$2,000,000 for Worker's Compensation and \$5,000,000 for Employers Liability					
	Munich Re provides optional limits excess of \$5,000,000 up to \$15,000,000 excess of \$5,000,000					
	Chubb provides a shared aggregate limit of \$10,000,000 excess of \$20,000,000					
4. Number of Participants	23	23	23	23		23
5. Incurred Liabilities	\$ 900,239	\$ 1,502,740	\$ 1,079,978	\$ 4,919,640		
6. Exposure Units	\$ 848,930,409 (Value)	325,525 (Population)	1,926 (# of Vehicles)	\$ 228,787,567 (Payroll amount)		
7. Liabilities/Units	\$ 0.001	\$ 4.62	\$ 560.74	\$ 0.022		

FUND YEAR PROGRAM SUMMARY  
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2019 As of: December 31, 2020 Prepared by: Lerch, Vinci & Higgins, LLP

Coverages

		ENVIRONMENTAL			
		ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS DE OLLUTION LIABILITY	DE MINIMIS ABANDONED WASTE SITES LIABILITY	TANK SYSTEMS
	THIRD PARTY	Per Claim	Per Claim	Per Claim	Per Claim

1. Limits  
 \$ 1,000,000 \$ 50,000 \$ 1,000,000 \$ 50,000 \$ 1,000,000  
 Per Claim Per Claim Per Claim Per Claim Per Claim

De Minimis 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 Minimis 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. Annual Aggregate Limits  
 \$ 1,000,000 \$ 100,000 \$ 1,000,000 \$ 50,000 \$ 1,000,000  
 \$500,000 - Aggregate Defense Cost Limit \$100,000 - Aggregate Defense Cost Limit

Jif Annual Aggregate 3,255,250

3. Excess Insurance (list all insurers and amount insured)  
 Ironshore Specialty Insurance Co. 9,000,000 \$ 9,000,000 \$ 9,000,000 \$ 9,000,000 \$ 9,000,000  
 Ironshore Specialty Insurance Co. Ironshore Specialty Insurance Co. Ironshore Specialty Insurance Co. Ironshore Specialty Insurance Co. Ironshore Specialty Insurance Co.

4. Number of Participants 23 23 23 23 23

5. Incurred Liabilities 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

7. Liabilities/Units N/A N/A N/A N/A N/A

FUND YEAR PROGRAM SUMMARY  
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2018 As of: December 31, 2020 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 \$1,450,000 in excess of \$300,000 for both liability and automotive, and \$1,700,000 in excess of \$300,000 for Worker's Compensation. General Reinsurance Company provides \$3,250,000 in excess of \$1,750,000 for both liability and automotive; Safety National provides Statutory in excess of \$2,000,000 for Worker's Compensation and \$6,700,000 for Employer's Liability. Munich ReAmerican offers optional excess liability.			General Reinsurance offers optional excess limits	Beazley \$6,000,000 policy aggregate
4. <u>Number of Participants</u>	23	23	23	23		23
5. <u>Incurred Liabilities</u>	\$ 456,186	\$ 2,028,859	\$ 1,104,108	\$ 5,648,586		
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	\$ 6.23	\$ 577.46	\$ 0.025		

Coverages

		ENVIRONMENTAL			
		ON SITE CLEANUP	PUBLIC OFFICIALS DE MINIMIS ABANDONED		
THIRD PARTY		COSTS LIABILITY	OLLUTION LIABILITY	WASTE SITES LIABILITY	TANK SYSTEMS

1. <u>Limits</u>	\$	1,000,000 \$	50,000 \$	1,000,000 \$	50,000 \$	1,000,000 \$
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Per Claim Per Claim Per Claim Per Claim Per Claim

De Minimus Abandoned Waste Sites Liability coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except De Minimus Abandoned Waste Sites Liability which has an aggregate Legal Defense cost limit of \$500,000. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy. Members are subject to \$2,500 deductible per claim under the EIL policy and subject to a \$5,000 deductible each incident under the Tank policy.

2. <u>Annual Aggregate Limits</u>	\$	1,000,000 \$	100,000 \$	1,000,000 \$	50,000 \$	1,000,000 \$
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\$500,000 - Aggregate Defense Cost Limit \$100,000 - Aggregate Defense Cost Limit

3. <u>Excess Insurance (list all insurers and amount insured)</u>	\$	3,255,250				
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4. <u>Number of Participants</u>		23	23	23	23	23
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5. <u>Incurred Liabilities</u>		N/A	N/A	N/A	N/A	N/A
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6. <u>Exposure Units (population or students)</u>		N/A	N/A	N/A	N/A	N/A
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7. <u>Liabilities/Units</u>		N/A	N/A	N/A	N/A	N/A
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FUND YEAR PROGRAM SUMMARY  
 Fund: SOUTH BERGEN MUNICIPAL JIF Fund Year: 2017 As of: December 31, 2020 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	\$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 \$250,000 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		23
5. <u>Incurred Liabilities</u>	\$ 604,598	\$ 1,815,623	\$ 517,476	\$ 5,591,762		
6. <u>Exposure Units</u>	\$ 776,699,930 (Value)	325,525 (Population)	1,946 (# of Vehicles)	\$ 222,355,920 (Payroll amount)		
7. <u>Liabilities/Units</u>	\$ 0.001	\$ 5.58	\$ 265.92	\$ 0.025		

Coverages

	ENVIRONMENTAL					
	THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	POLLUTION LIABILITY	PUBLIC OFFICIALS WASTE SITES LIABILITY	DE MINIMIS ABANDONED WASTE SITES LIABILITY	TANK SYSTEMS
1. Limits	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim	\$ 50,000 Per Claim	\$ 1,000,000 Per Claim	\$ 1,000,000 Per Claim
2. Annual Aggregate Limits	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 50,000	\$ 1,000,000	\$ 1,000,000
Jif Annual Aggregate	\$ 3,255,250					
3. Excess Insurance (List all insurers and amount insured)	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000	Liberty International \$ 9,000,000
4. Number of Participants	23	23	23	23	23	23
5. Incurred Liabilities	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
7. Liabilities/Units	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. 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.

\$ 1,000,000 - Aggregate Defense Cost Limit  
 \$ 500,000 - Aggregate Defense Cost Limit  
 \$ 100,000 - Aggregate Defense Cost Limit