



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

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

New Jersey Department of Insurance Joint Insurance Fund Code: JIF 15

Joint Insurance Fund Name: Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund

Street Address: _____ Mail Address: 6000 Sagemore Drive

_____ Suite 6203
_____ Marlton, NJ 08053

Primary location of books and records: 6000 Sagemore Drive - Suite 6203, Marlton, NJ 08053

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

EXECUTIVE COMMITTEE

Chairperson Karen Sweeney _____ Colette Bachich _____
Secretary Robert Diaz _____ Jeff Celebre _____
Marjorie Sperry _____ Ken Brown _____
Douglas Holgate Sr. _____

EXECUTIVE COMMITTEE ALTERNATES

Kevin Clour _____ Will Pine _____
Daniel Neu _____ Sue Miller _____
Carolyn King-Sammons _____
Colleen Emmons _____

State of New Jersey
County of _____

Karen Sweeney (Chairperson), Robert Diaz (Secretary), of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund being duly sworn, each for themselves deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 31st day of December, 2023 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2023 and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairperson

Secretary

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

Subscribed and sworn to before me the _____ day of _____, 2024

INDEPENDENT AUDITOR'S REPORT

Executive Committee
Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Cont'd)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Executive Committee
Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund

Required Supplementary Information (Cont'd)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 24, 2024

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

INDEPENDENT AUDITOR'S REPORT

Executive Committee
Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 24, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Executive Committee
Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 24, 2024

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2023, 2022, and 2021. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

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

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

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

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

Financial Highlights

The following tables summarize the net position and results of operations for the Fund as of and for the years ended December 31, 2023, 2022, and 2021.

Net Position Summary	12/31/2023	12/31/2022	12/31/2021	2022 to 2023 Change	
				Amount	Percentage
Assets					
Cash and Cash Equivalents	\$ 4,388,877	\$ 5,332,572	\$ 4,015,115	\$ (943,695)	-17.7%
Investments	26,639,733	24,224,942	28,650,463	2,414,791	10.0%
Other Assets	1,867,137	1,278,286	1,616,737	588,851	46.1%
Total Assets	32,895,747	30,835,800	34,282,315	2,059,947	6.7%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	12,463,618	13,018,623	13,691,876	(555,005)	-4.3%
Other Liabilities	5,401,256	5,079,075	3,866,038	322,181	6.3%
Total Liabilities	17,864,874	18,097,698	17,557,914	(232,824)	-1.3%
Net Position - Unrestricted	\$ 15,030,873	\$ 12,738,102	\$ 16,724,401	\$ 2,292,771	18.0%

Revenues, Expenses, and Changes in Net Position Summary	12/31/2023	12/31/2022	12/31/2021	2022 to 2023 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$ 18,157,171	\$ 16,517,765	\$ 17,337,986	\$ 1,639,406	9.9%
Operating Expenses:					
Provision For Claims and Claims					
Adjustment Expenses	6,804,624	5,772,981	7,363,664	1,031,643	17.9%
Premium For Excess Insurance	6,070,523	5,516,757	5,317,712	553,766	10.0%
Residual Claims Fund					
Supplemental Assessment	60,467	535,303	41,192	(474,836)	-88.7%
MEL Claims Fund					
Supplemental Assessment	-	891,500	838,317	(891,500)	-100.0%
Professional & Contractual Services	3,259,468	3,335,771	2,975,198	(76,303)	-2.3%
Total Operating Expenses	16,195,082	16,052,312	16,536,083	142,770	0.9%
Operating Income	1,962,089	465,453	801,903	1,496,636	321.5%
Investment Income (Loss)	1,450,225	(1,841,555)	(57,313)	3,291,780	178.8%
Change in Investment in Joint Venture	581,420	(331,242)	(271,971)	912,662	275.5%
Return of Surplus	(1,700,963)	(2,278,955)	(2,092,009)	(577,992)	-25.4%
Change In Net Position	\$ 2,292,771	\$ (3,986,299)	\$ (1,619,390)	\$ 5,123,086	128.52%

Financial Highlights Continued

Cash and Cash Equivalents decreased over the prior year by \$943,695 while investments increased by \$2,414,791 and Other Assets increased by \$588,851 resulting in a net increase in assets of \$2,059,947 (6.7%) which is driven by an increase in investments. The Fund Treasurer invested in five (5) US Treasury Notes in 2023. Other Assets include Investments in Joint Ventures (the JIF's ownership of the MEL, Cyber, E-JIF, and RCF), accrued interest receivable, subrogation receivable, dividends receivable from the E-JIF, subrogation receivable, JIF Retrospective potential liability due under the TRICO Retrospective Program, and prepaid expenses. As the JIF typically holds all investments to maturity, the unrealized loss will not be recognized as a realized loss. The JIF participates in the JCMI (Joint Cash Management Investment Committee) investment portfolio, which is managed by an Asset Manager. In some circumstances, based upon the size of the portfolio and changes in investment rates, investments may be sold prior to the maturity date and reinvested for a higher yield, which may result in a realized loss. The realized loss will be offset by realized gains when the said investments reach their maturity date. Claims liabilities decreased by 4.3% in case reserves with an increase of 6.3% in Other Liabilities resulting in an overall 1.3% decrease (\$232,824) in Total Liabilities & Reserves. The increase in Other Liabilities is being driven by the increase in RCF Premium (\$739,949) tempered by a decrease in Authorized Return of Surplus (\$400,931). RCF Premium (\$1,590,641) for the transfer of the 2019 Fund Year was \$739,949 higher than the 2018 Fund Year. The JIF takes a prudent approach to toward surplus distribution taking into consideration the overall surplus position in recognition of trends potentially affecting the Fund's overall financial strength balanced with the needs of members' local budgets. For example, the changes in State Regulations and Statutes and the impact on the Fund Actuary's IBNR calculations coupled with additional assessments from both the MEL (\$891,500) and RCF (\$595,770). The 12/31/22 additional assessments valuation for both the MEL (\$650,916) and RCF (\$158,632) will be re-evaluated annually and paid out over ten (10) years with the first installment date to be determined. The JIF continues to accrue for the full 12/31/22 Supplemental Assessments. The 12/31/23 RCF Supplemental Assessment (\$1,200,000 Total - \$60,467 TRICO JIF) will be invoiced and due in 2024. As a result, the overall net position of the Fund increased by \$2,292,771. It is notable to highlight the JIF released \$1,600,000 and the E-JIF released \$100,963 in Surplus in the Fall of 2023.

Regular Contributions increased by approximately \$1,639,406 over 2022 with one member (Harrison Township) qualifying for the Fund Retrospective Program. The Retrospective Program identifies those members that are the driving force behind the Loss Funding increases year to year and removes the risk they place on the Fund by placing these Members in a min/max Loss Funding Contract. The loss funding allocations by line of coverage are recommended by the Fund Actuary. The increase to Regular Contributions is being driven by an overall Budget increase of 11.49% (\$1,849,591) with a Loss Fund increase of \$1,140,370 (16.14%) prior to the removal of two members (Alloway Township and Woodstown Borough) and the addition of one member (National Park Borough). In preparation of the 2022 Budget, the Actuary provided the Finance Committee with the option to fund additional perils including Fire Fighters' Cancer Presumption, WC Pension Offset, Sexual Abuse and Molestation, and Title 59 Erosion. Ultimately, the Finance Committee decided to fund 25% of the optional additional perils for 2022. When developing the 2023 Budget, the funding of these additional perils is no longer optional and were included in the Actuary's base figures. As customary, the Actuary provided three confidence levels of loss funding: low (40% confidence level), central (55% confidence level), and high (70% confidence level). The Finance Committee opted to fund the central loss funding recommendation as they have done historically.

An overall 0.9% increase in Operating Expenses over the prior year was driven by a 17.9% (\$1,031,643) increase in Provisions for Claims and Claims Adjusted Expenses, a 10.0% increase (\$553,766) in Premium for Excess Insurance, a 88.7% (\$474,836) decrease in RCF Supplemental Assessment, a 100% decrease in MEL Supplemental Assessment, and a 2.3% decrease in Professional & Contractual Services driven by the timing of actual payments made. As of 12/31/22 the MEL had a deficit position of approximately \$14,700,000 (inclusive of \$4,171,940 unrealized investment income loss) while the RCF had a deficit position of approximately \$21,300,000 (inclusive of \$7,208,708 unrealized investment income loss), prior to the Supplemental Assessments as a result of changes in State laws and regulations pertaining to SAM, Fire Fighters' Cancer Presumption, WC Pension offset, COVID, and Title 59 Erosion. The Fund Actuary recognizes the impact of the MEL's liability to the RCF Supplemental Assessment and does not recognize the impact of unrealized investment income loss in the overall Surplus positions. Because of the changes made to the calculations necessary for the MEL and RCF Supplemental Assessments, the MEL Supplemental Assessment (\$16,000,001) and RCF Supplemental Assessment (\$14,056,726) remain as a potential liability at 12/31/23. These Supplemental Assessments will be evaluated annually and will be invoiced when the claims paid reflect these liabilities. Due to RCF deterioration of \$1,156,002, the RCF issued an additional Supplemental Assessment of \$1,200,000 of which the TRICO JIF owes \$60,467 for the 12/31/23 valuation to be invoiced and paid in 2024.

Financial Highlights Continued

In 2023, Professional & Contractual Services, which includes, but is not limited to the fees to pay Fund Professionals (Actuary, TPA, Administrator, etc.), Member Benefits (Training, Reimbursement Programs, Conference Attendance Fees, etc.), and other Operating Expenses (Printing, Legal Notices, Record Retention Services, etc.) decreased from the prior year by 2.3% (\$76,303) as a result of timing for payments made and accruals. Increases in professional fees averaged 2.00%. Safety Director increased \$7,950 (3.50%), Right to Know increased \$2,031 (3.50%), Payroll Auditor increased \$4,570 (27.65%), Technology Risk Services Director increased \$25,281 (28.00%), and Performance Bond increased \$500 (20.00%). Professional & Contractual Services and Member Benefit costs represented just 16% of the total Fund's budget.

The 2023 MEL Budget projected a 16.3% budget increase (\$8,096,295) over 2022 inclusive of exposure growth, which is driven by the hardening of the worldwide excess insurance market. The JIF budgeted an increase of \$416,310 (12.72%) prior to the removal of two members (Alloway Township and Woodstown Borough) and the addition of one member (National Park Borough). The worldwide insurance market has been challenging due to ongoing natural disasters (i.e., hurricanes & wildfires), the lingering effects from the COVID-19 pandemic, the impact of law enforcement related claims, and the impact of social inflation. The financial strength of the MEL provides an opportunity for it to protect its members against the ravages of the hardening market.

For Fund Year 2023, the JIF EPL/POL/Land Use insurer QBE originally issued a 2% statewide premium increase; however, was later amended to be an overall increase of 5% due to the overall MEL performance and rates at time of renewal. This increase varies JIF by JIF based upon a revised formula for the pricing of all members based upon their individual exposures and loss performance. This revised formula was necessary when it was determined that good performing members in poor performing JIFs were paying more premium than necessary while poor performing members in good performing JIFs were not paying enough premium to cover their exposures. 2023 is year 4 of a 5-year phase in process. Some members will continue to recognize small swings in their premium until the new process is fully implemented.

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

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

Effective January 1, 2006, the JIF became a member of the Environmental Risk Management Joint Insurance Fund (E-JIF). The E-JIF provides its members with a defined Environmental Liability coverage package along with strong risk management programs and other member services including educational and training seminars. The E-JIF increased \$721 (0.19%) over 2022 as a result of the Budget increase of 0.5% coupled with phasing in the 2020 census results. It is notable to highlight the E-JIF released \$2,500,000 in Surplus in the Fall of 2023. The TRICO JIF's share is \$100,963.

In 2022, the Fund authorized a surplus release of \$1,600,000 to its members, which was a 27.27% (\$600,000) decrease over what was released in 2022. It should be noted that the Fund had a surplus of approximately \$13.4 million at December 31, 2023 and continues to take a prudent approach toward surplus distribution in recognition of trends potentially affecting the Fund's overall financial strength balanced with the needs of members' local budgets.

Economic Conditions

Continuing a trend from the last several years, factors outside the control of the Fund continue to influence its financial condition. As noted above, the MEL has experienced an unprecedented impact on their financials resulting in the member JIFs having to absorb some \$16 million in claims costs via Supplemental Assessment to place the MEL in a surplus position. Increasing Workers' Compensation claim costs resulting from new claims, claim "reopeners", and the costs of COVID "long haulers" claims continue to influence the Fund. In addition, the Fund must still budget for increasing health care costs and indemnity costs both of which have been impacted by unprecedented inflationary pressures the last few years. In addition, municipalities continue to have a great deal of difficulty in hiring new/replacement personnel. While certainly a concern across all employers, it appears to be greatly amplified in the public sector as employees are retiring as soon as they are eligible to collect a guaranteed pension. As a result, public employers are asking existing employees to take on additional responsibilities for which they might not be qualified and/or reducing their hiring standards that could lead to additional claims in the future. All of these issues are against a backdrop of an ever-increasing petitioner friendly court vicinage, an ever-expanding definition of compensability, increasing TTD rates, and a continued increase in the number of claim petitions.

The issues described above have been exasperated by recent legislative and regulatory changes. In regards to COVID, the State enacted legislation in 2020 creating a presumption that made all COVID claims from first responders and essential employees eligible for workers compensation benefits. This made it very difficult for the Fund to deny any COVID related claims. The JIF & MEL continue to manage ongoing costs associated with COVID "long haulers". In addition, in 2020, the New Jersey Legislature amended various statutes thereby opening the Fund to potential liability for claims of sexual abuse and molestation that could have occurred many years ago or well into the future. Thankfully, the Fund has not seen as many claims as was originally anticipated; however, those that have been received have been very expensive to investigate, manage, and settle. In addition, the Actuary must consider the potential for additional claims from future events due to these legislative changes.

A third legislative change came from an amendment to the New Jersey Workers Compensation Law that makes certain types of cancers developed by fire fighters compensable. Again, the cancer might have manifested years ago; however, if the fire fighter meets the parameters in the law, the costs associated with their cancer will be compensable under the New Jersey Workers Compensation Law. While the number of these claims so far has been minimal, it is likely that the number of claims will increase as word of this legislative change spreads in a post pandemic setting.

An additional factor outside of the Fund's control affecting its financial position is the worldwide insurance market, which has been very challenging over the last several years. With an increasing number of natural disasters, the impact of global warming, and the increasing costs of building materials and labor, the excess property insurance market has experienced increasing rates, stricter coverage terms, reduced limits, and a demand for more detailed exposure data. In fact, in 2023, the United States experienced 28 separate billion-dollar property loss events.

The excess liability market has experienced a similar trend due to increasing law enforcement liability claims, the impact of "social inflation", and the general eroding of New Jersey Title 59 immunities due to judicial decisions and legislative changes. In addition, the workers compensation market is becoming more challenging because of the financial impact of the COVID 19 pandemic, the expanding definition of compensability, and the changes to State statutes and regulations noted above. Finally, the cyber insurance market has become very difficult due to the increasing number of high-profile attacks against large corporations and public infrastructure projects as well as the recognition that these attacks are becoming much more sophisticated and difficult to defend. As a result, the local JIFs and the MEL created a specialty JIF to provide specific coverage and risk management tools to its members effective January 1, 2023.

Finally, as noted above, the JIF has recognized an unprecedented unrealized loss in its investment portfolio due to the Federal Reserve Board's aggressive increase in short term interest rates to try to combat inflation. While the establishment of, and participation in, the Joint Cash Management & Investment Committee has created greater liquidity in the municipal debt marketplace, thereby driving down the costs of borrowing for municipalities throughout the State, it has had an unintended negative impact on those JIFs participating in the Program. As investments in lower return instruments continue to mature, and the available funds are reinvested in higher interest rate vehicles, the unrealized losses will be reduced over time.

Contacting the Fund's Management

This financial report is designed to provide the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund office located at 6000 Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9100.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,388,877	\$ 5,332,572
Investments	26,639,733	24,224,942
Investment in Joint Ventures	1,601,618	1,020,198
Accrued Interest Receivable	34,538	-
Subrogation Receivable	1,500	1,500
Claim Allocation Receivable	10,273	11,587
Dividend Receivable	100,963	-
JIF Retro Program	105,481	50,972
Prepaid Expenses	12,764	194,029
	<u>32,895,747</u>	<u>30,835,800</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Expenses	425,475	562,054
Contributions Payable	143	140
Due To Residual Claims Fund	1,590,641	850,692
Residual Claims Fund Supplemental Assessment	595,770	535,303
MEL Claims Fund Supplemental Assessment	891,500	891,500
Aggregate Excess Loss Fund Contingency	705,605	646,333
Authorized Return of Surplus	1,192,122	1,593,053
	<u>5,401,256</u>	<u>5,079,075</u>
Reserves:		
Claims:		
Case Reserves	5,663,637	8,169,317
IBNR Reserves	6,997,069	5,042,400
Excess Insurance Recoverable	(197,088)	(193,094)
	<u>12,463,618</u>	<u>13,018,623</u>
Net Reserves	<u>12,463,618</u>	<u>13,018,623</u>
Total Liabilities and Reserves	<u>17,864,874</u>	<u>18,097,698</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 15,030,873</u>	<u>\$ 12,738,102</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenue:		
Regular Contributions	\$ 17,899,119	\$ 16,137,413
MEL Surplus Transfer	103,294	300,000
Environmental Fund Dividends	100,963	78,955
JIF Retro Program Income	54,509	-
Other Income (Refund)	(714)	1,397
	<hr/>	<hr/>
Total Operating Revenue	18,157,171	16,517,765
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	6,804,624	5,772,981
Premium for Excess Insurance	6,070,523	5,516,757
Residual Claims Fund Supplemental Assessment	60,467	535,303
MEL Claims Fund Supplemental Assessment	-	891,500
Administrative Expenses:		
Actuary -The Actuarial Advantage	24,120	36,626
Administration - Risk Program Administrators	790,256	769,269
Administrative Consultant - PERMA, Inc.	47,662	47,990
Attorney - DeWeese Law Firm, P.C.	119,273	116,174
Auditor - Bowman & Company LLP	24,758	24,217
Claims Administration	438,088	529,835
Contingency - Various	8,200	8,001
Other Expenses - Various	42,369	68,336
Payroll Auditor - Bowman & Company LLP	20,541	16,526
Property Appraiser - AssetWorks, LLC	34,002	42,065
Risk Management Consultants - Various	799,408	732,372
Safety Director - J.A. Montgomery Risk Control Services	228,728	225,485
Safety Programs / EPL Cyber - Various	508,341	507,425
Technology Risk Services Director - Secure Data Consulting	57,299	90,288
Treasurer - Thomas Tontarski	14,945	14,652
Underwriting Manager - Conner Strong & Buckelew	12,155	12,239
Wellness Program - Various	89,323	94,271
	<hr/>	<hr/>
Total Operating Expenses	16,195,082	16,052,312
	<hr/>	<hr/>
Operating Income	1,962,089	465,453
Non-Operating Revenue (Expenses):		
Investment Income (Loss)	1,450,225	(1,841,555)
Change in Investment in Joint Ventures	581,420	(331,242)
	<hr/>	<hr/>
Total Non-Operating Revenue (Expenses)	2,031,645	(2,172,797)
	<hr/>	<hr/>
Change in Net Position	3,993,734	(1,707,344)
Net Position, Beginning	12,738,102	16,724,401
	<hr/>	<hr/>
Net Position Before Distributions to Members	16,731,836	15,017,057
Distributions to Members	1,700,963	2,278,955
	<hr/>	<hr/>
Net Position, Ending	\$ 15,030,873	\$ 12,738,102
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 18,002,416	\$ 16,437,553
Receipts from Environmental Fund	-	78,955
Receipts (Refunds) from Other Income	(714)	1,397
Receipts from Retro Program	-	18,571
Payments for Claim Payments	(6,619,680)	(5,952,874)
Payments for Insurance Premiums	(6,069,209)	(6,234,845)
Payments to Professionals and Suppliers	<u>(3,214,782)</u>	<u>(3,506,809)</u>
Net Cash Provided by Operating Activities	<u>2,098,031</u>	<u>841,948</u>
Cash Flows From Investing Activities:		
Redemption of Investments	-	6,220,000
Purchase of Investments	(1,755,885)	(4,001,397)
Investment Income	<u>756,781</u>	<u>384,380</u>
Net Cash Flows Provided by (Used In) Investing Activities	<u>(999,104)</u>	<u>2,602,983</u>
Cash Flows Used in Noncapital Financing Activities:		
Distributions to Members	<u>(2,042,622)</u>	<u>(2,127,474)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(943,695)	1,317,457
Cash and Cash Equivalents - Beginning	<u>5,332,572</u>	<u>4,015,115</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,388,877</u>	<u>\$ 5,332,572</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 1,962,089	\$ 465,453
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Dividend Receivable	(100,963)	-
Claim Allocation Receivable	1,314	161,421
JIF Retro Program	(54,509)	18,571
Prepaid Expenses	181,265	(191,800)
Accrued Expenses	(136,579)	20,762
Contributions Payable	3	140
MEL Claims Fund Supplemental Assessment	-	53,183
Due to Residual Claims Fund	739,949	493,360
Residual Claims Fund Supplemental Assessment	60,467	494,111
Claims Reserves	<u>(555,005)</u>	<u>(673,253)</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 2,098,031</u>	<u>\$ 841,948</u>
Supplemental Disclosure - Noncash Activity:		
Change in Unrealized Gains (Losses) on Investments included in		
Investment Income	<u>\$ 935,917</u>	<u>\$ (2,215,045)</u>
Change in Investment in Joint Ventures	<u>\$ 581,420</u>	<u>\$ (331,242)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

On January 1, 1991, the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (the "Fund") was formed in accordance with P.L. 1983, C.372, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A and N.J.S.A. 11:15-3 of the New Jersey Statutes. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

The Executive Committee of the Fund may approve subsequent membership by a majority vote or may terminate any member by a majority vote, after proper notice has been given. New memberships are effective upon approval by the Commissioners of Banking and Insurance and the Department of Community Affairs. Early terminations require prior approval by the Commissioner of Insurance. The members of the Fund must also be members of the Municipal Excess Liability Joint Insurance Fund ("MEL").

During the year ended December 31, 2023, members of the Fund included: Carney's Point Township, Clayton Borough, Deptford Township, East Greenwich Township, Elk Township, Elsinboro Township, Fairfield Township, Franklin Township, Glassboro Borough, Greenwich Township, Harrison Township, Hopewell Township, Logan Township, Lower Alloways Creek Township, Mannington Township, Mantua Township, Monroe Township, national Park Borough, Oldmans Township, Paulsboro Borough, Pennsville Township, Penns Grove Borough, Pilesgrove Township, Pitman Borough, Quinton Township, Shiloh Borough, South Harrison Township, Swedesboro Borough, Upper Pittsgrove Township, Vineland City, Washington Township, Wenonah Borough, West Deptford Township, Westville Borough, Woodbury City, Woodbury Heights Borough, and Woolwich Township.

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund offers the following coverage to its members:

Workers' Compensation including Employers' Liability ("WC")*
General Liability other than motor vehicles ("GL")*
Property damage other than motor vehicles ("PR")*
Automobile Liability and damage ("AL")*
Public Employees Blanket Bond

*The City of Vineland self- insures the first \$200,000 of all WC, GL and AL claims. The Fund insures the next \$100,000 of all WC, GL and AL claims. The City of Vineland insures the first \$250,000 of all PR claims. The Fund shares no risk with the City of Vineland for any PR claims.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Fund in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statements No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

The basic, but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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

These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Fund has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

Investment Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on the fair value of investments are allocated every month based upon each line of coverage's share of opening cash and investment balances.

Annual Contributions

Annual contributions are based on loss funds as determined by the Fund's actuary and are received in two installments. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Executive Committee.

Supplemental Contributions

The Executive Committee shall by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Retrospective Assessment Program

Beginning in Fund Year 2011, the Finance Committee opted to introduce a Retrospective Assessment Program that identifies those members that are the driving force behind the Loss Funding increases year to year and remove the risk they place on the Fund by capping these members in a min/max contract.

Each year the Fund performs an analysis of each member's performance over the prior three and six year periods to determine those members that are having the greatest negative impact on the Fund's surplus position. The actuary re-prices the premiums for these members as if they were stand-alone members in the Fund. The Fund can then reduce the amount of the Loss Funding Budget by the difference between the member's loss funding assessment and the Actuary's loss funding assessment or a percentage amount as determined by the Finance Committee. Each remaining member of the Fund is then slotted into their appropriate assessment increase/decrease category based upon their performance.

Those members in the Retrospective Assessment Program are then given an increase equal to the increase in the loss funding budget had they remained in the original loss funding formula.

The Program is designed to enable members with losses in excess of budget to spread potentially large increases in loss funding over a number of years easing a potential burden on their local budget and providing them time to address claims and loss issues. The program provides a financial incentive to improve performance. Members of the Fund who have succeeded in maintaining losses at or below budget levels benefit in that they are no longer supplementing poor performing members.

Unpaid Claims Liabilities

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

- A. **Reported Claims Case Reserves**
Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.
- B. **Claims Incurred But Not Reported ("IBNR") Reserve**
In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage Inc.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2023. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities (Cont'd)

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage

Coverage in excess of the Fund's self-insured retention limits is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund as described in Note 6.

Fund Transfers

All fund transfers are recognized at the time actual transfers take place. Inter-year fund transfers may be conducted by the fund at any time. Inter-year fund transfers require prior approval of the Department of Banking and Insurance and may be conducted only where each member participates in each and every loss retention fund account during that fund year.

The Commissioner of the Department of Banking and Insurance shall waive the full participation requirement provided the Fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.

The Fund may seek approval from the Commissioner to make inter-year fund transfers at any time from a claims or loss retention trust account from any year, which has been completed for at least twenty-four months. The inter-year fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

The membership for each year involving inter-year transfers must be identical between years. The Commissioner of the Department of Banking and Insurance shall waive the identical membership requirement provided the fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization of the Executive Committee. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by the Fund's actuary may be declared to be refundable by the Fund no less than twenty-four months after the end of the year.

The initial and any subsequent refund for any year from a Claim or Loss Retention Account is subject to the limitation that after the refund, the remaining net current surplus must exceed thirty-five percent of unpaid claims for that year. In later years, the Fund can seek annual approval for payment of refunds from a Claim or Loss Retention Account remaining from any year, which has been completed for at least thirty-six months or longer and may include such refund payments with initial refund payments from the preceding year. A full and final refund is not allowed until all case reserves and IBNR reserves are closed.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Commissioners/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Net Position

In accordance with the provisions of the GASB 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities and positive changes in the Fund's investment in joint ventures.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance, and administrative expenses. Non-operating expenses include negative changes in the Fund's investment in joint ventures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Custodial Credit Risk (Cont'd)

Of the Fund's bank balance of \$3,465,146 as of December 31, 2023, \$283,550 was insured while \$3,176,596 was collateralized under GUDPA.

Of the Fund's bank balance of \$5,789,475 as of December 31, 2022, \$500,000 was insured while \$5,289,475 was collateralized under GUDPA.

Cash and Cash Equivalents includes investments in U.S. Treasury Bills with maturities of 3 months or less. U.S. Treasury Bills are not FDIC insured or collateralized by GUPDA but are backed by the U.S. government. The value of U.S. Treasury Bills was \$1,299,498 as of December 31, 2023.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in United States Treasury Notes and the Joint Cash Management and Investment Program of \$26,639,733 and \$24,224,942 as of December 31, 2023 and 2022, respectively, were held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Fund may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Fund has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Fund does not place a limit on the amount that may be invested in any one issuer. All of the Fund's investments are in debt obligations and joint investment pools.

Joint Cash Management and Investment Program

During the year, the Fund participated in the Joint Management and Investment Program (the "JCMI"). The JCMI was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes, which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The JCMI is designed to insure the quality of investments in order to minimize risk to the JCMI's participants. The program is administered by the Municipal Excess Liability Joint Insurance Fund (the "MEL").

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

As of December 31, 2023 and 2022, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy Level*</u>	<u>Market Value</u>	
					<u>2023</u>	<u>2022</u>
US TREASURY NOTES	3.000%	07/31/24	AAA	Level 1	\$ 247,050	\$ -
US TREASURY NOTES	4.500%	11/30/24	AAA	Level 1	249,083	-
US TREASURY NOTES	4.125%	01/31/25	AAA	Level 1	248,436	-
US TREASURY NOTES	3.875%	03/31/25	AAA	Level 1	247,803	-
US TREASURY NOTES	4.750%	07/31/25	AAA	Level 1	251,133	-
JOINT CASH MANAGEMENT INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	25,396,228	24,224,942
					<u>\$ 26,639,733</u>	<u>\$ 24,224,942</u>

Fair Value Measurements of Investments

* The Fund categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Investment Income (Loss)

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

	<u>2023</u>	<u>2022</u>
Investment Income	\$ 815,421	\$ 390,918
Less: Investment Expenses	<u>44,961</u>	<u>32,277</u>
Net Investment Earnings	770,460	358,641
Other Adjustments:		
AELCF Interest	(15,030)	(6,838)
Realized Gain (Loss)	(241,122)	21,687
Unrealized Gain (Loss)	<u>935,917</u>	<u>(2,215,045)</u>
Total Investment Gain (Loss)	<u>\$ 1,450,225</u>	<u>\$ (1,841,555)</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses. The following represents changes in those aggregate undiscounted reported and unreported liabilities for the years ended December 31, 2023 and 2022 and for all open Fund years net of excess insurance recoveries:

	<u>2023</u>	<u>2022</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 13,869,315</u>	<u>\$ 14,005,120</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	8,103,555	7,113,593
Changes in provision for insured events of prior fund years	<u>(1,298,931)</u>	<u>(1,340,612)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>6,804,624</u>	<u>5,772,981</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	2,352,533	1,793,587
Attributable to insured events of prior fund years	<u>4,267,147</u>	<u>4,115,199</u>
Total payments all fund years	<u>6,619,680</u>	<u>5,908,786</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 14,054,259</u>	<u>\$ 13,869,315</u>
Analysis Of Balance:		
Due to Residual Claims Fund	\$ 1,590,641	\$ 850,692
Net Reserves	<u>12,463,618</u>	<u>13,018,623</u>
	<u>\$ 14,054,259</u>	<u>\$ 13,869,315</u>

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

Municipal Excess Liability Residual Claims Fund

The Fund is currently a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members. The transfer of loss reserves to the Residual Fund results in the closing of fund years and the unencumbering of the retained net position to the closed fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected.

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

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

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Municipal Excess Liability Joint Insurance Fund

The Fund is currently a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the MEL are elected.

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

The MEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

New Jersey Cyber Risk Management Fund

The Fund is currently a member of the New Jersey Cyber Risk Management Fund (the "Cyber Fund"). The MEL is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing cyber insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Cyber Fund are elected.

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

The Cyber Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

New Jersey Municipal Environmental Risk Management Fund

Effective January 1, 2005, the Fund became a member of the New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"). The Environmental Fund provides its members with various environmental related coverage.

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 their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Environmental Fund are elected.

As a member of the Environmental Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Environmental Fund were to be exhausted, members would become responsible for their respective shares of the Environmental Fund's liabilities.

The Environmental Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Equity Interest

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

	<u>2023</u>	<u>2022</u>
Residual Fund	\$ (29,809)	\$ (158,285)
MEL	146,832	(155,393)
Environmental Fund	1,356,031	1,333,876
Cyber Fund	128,564	-
	<u>\$ 1,601,618</u>	<u>\$ 1,020,198</u>

Selected Financial Information

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

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>	<u>Cyber Fund</u>
Total Assets	<u>\$ 128,884,717</u>	<u>\$ 115,148,943</u>	<u>\$ 31,706,748</u>	<u>\$ 3,232,144</u>
Total Liabilities	<u>\$ 133,653,232</u>	<u>\$ 102,767,420</u>	<u>\$ 19,325,225</u>	<u>\$ 1,312,993</u>
Net Position	<u>\$ (4,768,515)</u>	<u>\$ 12,381,523</u>	<u>\$ 12,381,523</u>	<u>\$ 1,919,151</u>
Total Revenue	<u>\$ 37,647,508</u>	<u>\$ 69,709,751</u>	<u>\$ 5,985,813</u>	<u>\$ 6,419,422</u>
Total Expenses	<u>\$ 34,507,315</u>	<u>\$ 66,164,257</u>	<u>\$ 4,442,507</u>	<u>\$ 4,500,271</u>
Change in Net Position	<u>\$ 2,440,193</u>	<u>\$ 3,545,494</u>	<u>\$ (956,694)</u>	<u>\$ 1,919,151</u>
Distributions to Members	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

Selected summarized financial information for the Residual Fund, the MEL, and the Environmental Fund as of December 31, 2022 is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>
Total Assets	<u>\$ 130,005,896</u>	<u>\$ 105,175,044</u>	<u>\$ 30,786,111</u>
Total Liabilities	<u>\$ 137,214,600</u>	<u>\$ 96,334,014</u>	<u>\$ 14,110,115</u>
Net Position	<u>\$ (7,208,704)</u>	<u>\$ 8,841,030</u>	<u>\$ 16,675,996</u>
Total Revenue	<u>\$ 39,009,899</u>	<u>\$ 73,348,661</u>	<u>\$ 2,651,138</u>
Total Expenses	<u>\$ 45,640,292</u>	<u>\$ 79,665,447</u>	<u>\$ 3,337,737</u>
Change in Net Position	<u>\$ (7,315,393)</u>	<u>\$ (6,316,786)</u>	<u>\$ (3,986,599)</u>
Distributions to Members	<u>\$ 685,000</u>	<u>\$ -</u>	<u>\$ 3,300,000</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Selected Financial Information (Cont'd)

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund, the New Jersey Cyber Risk Management Fund, and the New Jersey Municipal Environmental Risk Management Fund are available at the office of the Fund's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

Note 7: SURPLUS DISTRIBUTION

During 2023, the Executive Committee approved a surplus distribution for \$1,700,963, representing \$1,600,000 paid from the closed fund year's account and a pass through of \$100,963 in E-JIF dividends to the aggregate excess loss contingency fund.

During 2022, the Executive Committee approved a surplus distribution for \$2,278,955, representing \$2,200,000 paid from the closed fund year's account and a pass through of \$78,955 in E-JIF dividends to the aggregate excess loss contingency fund.

Note 8: AGGREGATE EXCESS LOSS CONTINGENCY FUND

As permitted by the Fund's By-Laws, Fund members have the option to take their portion of the surplus distribution as a deposit in the Fund's Aggregate Excess Loss Contingency Fund ("AELCF"). The Fund members earn monthly interest on a rate based on the percentage of the total AELCF balance to the average cash and investments balance.

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

	Beginning Balance	Contributions / (Withdraws)	Accrued Interest	Ending Balance
Alloway Township	\$ 4,894	\$ 8,470	\$ 133	\$ 13,497
Carneys Point Township	11,285	2,658	306	14,249
Clayton Borough	10,483	(7,955)	44	2,572
Deptford Township	39,297	9,258	1,064	49,619
East Greenwich Township	7,972	29,923	216	38,111
Elk Township	5,159	(3,894)	22	1,287
Elsinboro Township	81	-	2	83
Fairfield Township	9,227	2,173	250	11,650
Franklin Township	22,708	(17,134)	96	5,670
Glassboro Borough	27,998	(21,127)	119	6,990
Greenwich Township	7,171	1,688	194	9,053
Harrison Township	12,904	3,041	349	16,294
Logan Township	8,856	2,088	240	11,184
Lower Alloways Creek	838	176	23	1,037
Mannington Township	17,493	(531)	3	16,965
Mantua Township	20,876	4,918	565	26,359
Monroe Township	42,531	10,022	1,152	53,705
Oldmans Township	2,640	622	71	3,333
Paulsboro Borough	9,044	(6,825)	38	2,257
Penns Grove Borough	7,175	1,690	194	9,059

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: AGGREGATE EXCESS LOSS CONTINGENCY FUND (CONT'D)

	Beginning Balance	Contributions / (Withdraws)	Accrued Interest	Ending Balance
Pennsville Township	\$ 19,375	\$ 4,565	\$ 525	\$ 24,465
Pilesgrove	21,016	1,357	156	22,529
Pitman Borough	13,699	(10,336)	58	3,421
Pittsgrove	73,558	11,649	3,191	88,398
Quinton Township	5,525	964	153	6,642
Shiloh Borough	782	185	21	988
South Harrison Township	3,549	836	96	4,481
Stowe Creek	21,243	300	234	21,777
Swedesboro Borough	3,015	711	82	3,808
Upper Pittsgrove Township	5,093	1,200	138	6,431
Washington Twp	149,789	16,300	4,091	170,180
Wenonah Borough	3,402	802	92	4,296
Westville Borough	6,606	1,557	179	8,342
Woodbury City	36,781	(16,414)	545	20,912
Woodbury Heights Borough	4,390	1,035	119	5,544
Woodstown Borough	5,425	9,222	147	14,794
Woolwich Township	4,453	1,049	121	5,623
	<u>\$ 646,333</u>	<u>\$ 44,243</u>	<u>\$ 15,029</u>	<u>\$ 705,605</u>

As of December 31, 2022, the Aggregate Excess Loss Contingency Fund was allocated as follows:

	Beginning Balance	Contributions / (Withdraws)	Accrued Interest	Ending Balance
Alloway Township	\$ 3,285	\$ 1,566	\$ 43	\$ 4,894
Carneys Point Township	9,099	2,067	119	11,285
Clayton Borough	8,452	1,921	110	10,483
Deptford Township	31,684	7,199	414	39,297
East Greenwich Township	6,428	1,460	84	7,972
Elk Township	4,160	945	54	5,159
Elsinboro Township	-	81	-	81
Fairfield Township	7,440	1,690	97	9,227
Franklin Township	18,310	4,159	239	22,708
Glassboro Borough	22,575	5,128	295	27,998
Greenwich Township	5,782	1,313	76	7,171
Harrison Township	10,404	2,364	136	12,904
Logan Township	7,141	1,622	93	8,856
Lower Alloways Creek	335	497	6	838
Mannington Township	17,068	419	6	17,493
Mantua Township	16,832	3,824	220	20,876
Monroe Township	34,292	7,791	448	42,531
Oldmans Township	2,129	483	28	2,640
Paulsboro Borough	7,292	1,657	95	9,044
Penns Grove Borough	5,785	1,314	76	7,175
Pennsville Township	15,622	3,549	204	19,375
Pilesgrove	19,900	1,055	61	21,016

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: AGGREGATE EXCESS LOSS CONTINGENCY FUND (CONT'D)

	<u>Beginning Balance</u>	<u>Contributions / (Withdraws)</u>	<u>Accrued Interest</u>	<u>Ending Balance</u>
Quinton Township	\$ 4,393	\$ 1,066	\$ 66	\$ 5,525
Shiloh Borough	631	143	8	782
South Harrison Township	2,862	650	37	3,549
Stowe Creek	20,700	453	90	21,243
Swedesboro Borough	2,431	552	32	3,015
Upper Pittsgrove Township	4,106	933	54	5,093
Washington Twp	135,406	12,672	1,711	149,789
Wenonah Borough	2,741	625	36	3,402
Westville Borough	5,326	1,210	70	6,606
Woodbury City	33,585	2,773	423	36,781
Woodbury Heights Borough	3,540	804	46	4,390
Woodstown Borough	3,711	1,666	48	5,425
Woolwich Township	3,590	816	47	4,453
	<u>\$ 577,549</u>	<u>\$ 61,947</u>	<u>\$ 6,837</u>	<u>\$ 646,333</u>

Note 9: RELATED PARTY TRANSACTIONS

As disclosed in Note 6, the Fund is a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"), the New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"), the New Jersey Cyber Risk Management Fund (the "Cyber Fund"), and Municipal Excess Liability Joint Insurance Fund (the "MEL") and has an ownership interest in those funds.

Municipal Excess Liability Joint Insurance Fund

Excess insurance premiums paid to the MEL were \$3,650,698 and \$3,273,642 for the years ended December 31, 2023 and 2022, respectively. As disclosed in Note 11, the Fund was also assessed a supplemental assessments during 2023 and 2022. As disclosed in note 4, the Fund participated in the Joint Cash Management and Investment Program during 2023 and 2022. As disclosed in Note 10, the Fund also assessed an additional \$103,294 and \$300,000 for the years ended December 31, 2023 and 2022, respectively for additional excess loss funding that was transferred to the MEL Unencumbered Surplus Account.

New Jersey Municipal Environmental Risk Management Fund

Excess insurance premiums paid to the Environmental Fund were \$384,928 and \$387,983 for the years ended December 31, 2023 and 2022, respectively.

Municipal Excess Liability Residual Claims Fund

During 2023 and 2022, the Fund was assessed \$1,590,641 and \$849,604, respectively, for the transfer of fund year 2019 and 2018 liabilities to the Residual Fund. As disclosed in Note 11, the Fund was also assessed a supplemental assessment during 2023 and 2022.

New Jersey Cyber Risk Management Fund

Excess insurance premiums paid to the Cyber Fund were \$422,584 for the year ended December 31, 2023.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 10: MEL UNENCUMBERED SURPLUS ACCOUNT

During the 2022 Fund Budget planning process, the Fund was notified by the NJ MEL that the JIF Retrospective Program and its obligations on the Fund has ended for all years inclusive of 2021. The MEL Unencumbered Surplus Account was created to hold any remaining balances once annual MEL premiums are paid and any existing balances in the MEL Retrospective Program was transferred to the MEL Unencumbered Surplus Account and the MEL Retrospective Contingency Account was closed.

For the years ending December 31, 2023 and 2022, the Fund budgeted an additional \$103,294 and \$300,001 more than the Fund's obligation for excess workers' compensation and liability loss funding and excess property premium which was transferred to the MEL Unencumbered Surplus Account. These funds will be available to pay obligations pursuant to the MEL Surplus Floor Program.

As of December 31, 2023, the following was transferred into the MEL Unencumbered Surplus Account:

Fund Year	Transfer
2016	\$ 504,156
2017	502,075
2018	329,417
2019	403,178
2020	319,208
2021	121,737
2022	300,001
2023	103,294
	<u>\$ 2,583,066</u>

Note 11: SUPPLEMENTAL ASSESSMENTS

The Board of Fund Commissioners of the Municipal Excess Liability Residual Claims Fund (the Residual Fund") and Municipal Excess Liability Joint Insurance Fund (the "MEL") passed resolutions to amend their plans of risk management. After the end of the year before the Residual Fund and MEL have finalized their year-end accounting, their Commissioners shall levy an additional supplementary assessment so that their statutory surplus for all fund years combined is no less than 12.5 percent of unpaid claims including IBNR. A supplementary assessment payable over 10 years becomes automatic if the statutory surplus falls below a trigger number thus guaranteeing that the MEL and Residual Fund will have the resources to pay claims.

For the years ended December 31, 2023, supplemental assessments paid and due to the Residual Fund and MEL as follows:

December 31,	MEL		Residual Fund	
	Paid	Unpaid	Paid	Unpaid
2019	\$ -	\$ -	\$ 160,856	\$ -
2020	186,780	-	177,912	-
2021	(5,668)	-	41,192	-
2022	-	891,500	-	535,303
2023	-	-	-	60,467
MEL Premium Deferral	843,985	-	-	-
	<u>\$ 1,025,097</u>	<u>\$ 891,500</u>	<u>\$ 379,960</u>	<u>\$ 595,770</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 11: SUPPLEMENTAL ASSESSMENTS (CONT'D)

For the years ended December 31, 2022, supplemental assessments paid and due to the Residual Fund and MEL as follows:

December 31,	MEL		Residual Fund	
	Paid	Unpaid	Paid	Unpaid
2019	\$ -	\$ -	\$ 160,856	\$ -
2020	186,780	-	177,912	-
2021	(5,668)	-	41,192	-
2022	-	891,500	-	535,303
MEL Premium Deferral	843,985	-	-	-
	<u>\$ 1,025,097</u>	<u>\$ 891,500</u>	<u>\$ 379,960</u>	<u>\$ 535,303</u>

Note 12: SUBSEQUENT EVENTS

COVID-19 Pandemic - While there are many issues that are increasing claims costs for New Jersey public entities, management is confident that the Fund is in an exceptionally strong position because of years of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Fund.

Claims Activity - Workers' compensation claims are also expected to increase because of changes in the public employee pension plans that will reduce the plans' contribution to total disability claims while shifting the burden to the Fund. In addition, the Fund continues to see the financial impact of claim "reopeners", an expanding definition of compensability, increasing TTD rates impacted by inflation, and an increasing number of claim petitions. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims continue to increase because of legislative changes and judicial decisions that are deteriorating Title 59 immunities and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

Investments - The Fund's investment performance continues to be affected by the economy. Factors such as financial conditions, COVID policies, natural gas problems, the war in Ukraine, and inflation are expected to weigh on growth. Management continues to monitor the impact of these economic factors on the Fund's financial performance and is adjusting its investment philosophy in recognition of these factors.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claim and claim adjustment expenses - Beginning	\$ 520,933	\$ 4,377,512	\$ 1,118,423	\$ 7,852,447	\$ 13,869,315
Incurring claims and claims adjustment expenses:					
Provision for insured events of current fund year	1,167,455	1,388,000	420,000	5,128,100	8,103,555
Changes in provision for insured events of prior fund years	(379,200)	(352,170)	(276,723)	(290,838)	(1,298,931)
Total incurred claims and claims adjustment expenses all fund years	788,255	1,035,830	143,277	4,837,262	6,804,624
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	811,854	20,293	43,439	1,476,947	2,352,533
Attributable to insured events of prior fund years	85,442	1,490,019	245,888	2,445,798	4,267,147
Total payments all fund years	897,296	1,510,312	289,327	3,922,745	6,619,680
Total unpaid claim and claim adjustment expenses - Ending	\$ 411,892	\$ 3,903,030	\$ 972,373	\$ 8,766,964	\$ 14,054,259
Analysis Of Balance:					
Due to Residual Claims Fund				\$ 1,590,641	
Net Reserves					12,463,618
				\$ 14,054,259	

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
TEN -YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 14,299,279	\$ 14,142,463	\$ 14,181,975	\$ 13,992,988	\$ 14,943,017	\$ 14,980,698	\$ 14,918,541	\$ 15,224,958	\$ 16,193,686	\$ 18,163,066
Ceded	4,293,056	4,362,461	4,848,036	5,029,121	4,707,348	4,985,975	5,133,737	5,317,711	5,516,757	6,070,523
	10,006,223	9,780,002	9,333,939	8,963,867	10,235,669	9,994,723	9,784,804	9,907,247	10,676,929	12,092,543
Unallocated Expenses	2,292,959	2,401,076	2,465,946	2,472,980	2,790,653	2,867,515	2,968,696	2,987,669	3,421,611	3,405,459
Estimated Claims and Expenses, End of Policy Year:										
Incurred	6,185,001	6,364,997	6,166,999	5,902,745	5,772,802	6,777,752	7,074,081	7,352,455	7,113,593	8,103,555
Ceded							140,722			
Net Incurred	6,185,001	6,364,997	6,166,999	5,902,745	5,772,802	6,777,752	6,933,359	7,352,455	7,113,593	8,103,555
Paid (Cumulative) as of:										
End of Policy Year	1,805,954	1,905,969	1,721,942	2,029,192	1,810,102	2,567,895	2,021,457	2,197,565	1,793,587	2,352,533
One Year Later	2,782,773	3,214,983	2,636,370	3,596,729	3,175,557	3,944,742	3,619,924	3,728,078	2,937,813	
Two Years Later	3,302,066	3,499,382	3,296,261	4,316,109	4,285,846	4,468,660	4,985,660	4,395,152		
Three Years Later	3,857,161	4,122,816	3,710,849	5,138,564	4,860,893	5,073,105	5,344,327			
Four Years Later (Closed to the RCF) (A)	4,634,836	4,406,860	3,856,563	5,327,731	5,205,422	6,321,119				
Reestimated Ceded Claims and Expenses	275,265	533,884	331,546	313,244	849,604	1,590,641	197,088	-	-	-
Reestimated Incurred Claims and Expenses:										
End of Policy Year	6,185,001	6,364,997	6,166,999	5,902,745	5,772,802	6,777,752	6,933,359	7,352,455	7,113,593	8,103,555
One Year Later	4,908,001	5,505,928	5,183,091	6,088,655	5,548,721	7,842,145	7,434,388	6,826,567	6,288,912	
Two Years Later	4,551,268	4,787,501	4,800,756	6,161,862	6,353,321	7,756,820	6,668,663	6,986,312		
Three Years Later	4,703,256	5,487,570	4,298,365	5,832,423	6,294,505	7,989,477	6,113,891			
Four Years Later (Closed to the RCF) (A)	4,634,836	4,940,744	4,188,108	5,327,731	6,055,026	7,911,779				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (1,550,165)	\$ (1,424,253)	\$ (1,978,891)	\$ (575,014)	\$ 282,224	\$ 1,134,027	\$ (819,468)	\$ (366,143)	\$ (824,681)	\$ -

(A) After four years, the Fund cedes remaining incurred claims to the Residual Claims Fund (RCF).

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2023

ASSETS

Cash and Cash Equivalents	\$ 4,388,877	
Investments	<u>26,639,733</u>	
Total Cash and Investments		\$ 31,028,610
Receivables:		
Interest	34,538	
Subrogation Receivable	1,500	
Claim Allocation Receivable	10,273	
Dividend Receivable	100,963	
JIF Retro Program	<u>105,481</u>	
Total Receivables		252,755
Prepaid Expenses		<u>12,764</u>
Total Assets		\$ 31,294,129
<u>LIABILITIES</u>		
Claims:		
Case Reserves	5,663,637	
IBNR Reserve	6,997,069	
Less: Excess Insurance Recoverable	<u>(197,088)</u>	
Total Claims		12,463,618
Accrued Expenses:		
Operating	<u>425,475</u>	
Total Accrued Expenses		425,475
Other Liabilities:		
Contributions Payable	143	
Due to Residual Claims Fund	1,590,641	
Residual Claims Fund Supplemental Assessment	595,770	
MEL Claims Fund Supplemental Assessment	891,500	
Aggregate Excess Loss Fund Contingency	669,265	
Aggregate Excess Loss Fund Contingency		
Accrued Interest	36,340	
Authorized Return of Surplus	<u>1,192,122</u>	
Total Other Liabilities		<u>4,975,781</u>
Total Liabilities		<u>17,864,874</u>
Net Statutory Surplus		<u>\$ 13,429,255</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 1991 (DATE OF INCEPTION) TO DECEMBER 31, 2023

Underwriting Income:		
Regular Contributions	\$ 304,708,507	
MEL Surplus Transfer	2,583,066	
Supplemental Contributions	400,000	
Environmental Dividends	534,178	
Residual Claims Fund Dividends	147,817	
Municipal Excess Liability Fund Dividends	654,904	
JIF Retro Program	148,007	
Other Income	<u>93,286</u>	
Total Underwriting Income		\$ 309,269,765
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	102,372,011	
Case Reserves	5,663,637	
IBNR Reserves	6,997,069	
Residual Claims Fund Premiums	<u>17,230,959</u>	
Subtotal		\$ 132,263,676
Less Excess Insurance:		
Received	211,230	
Receivable	-	
Recoverable	<u>197,088</u>	
Subtotal		<u>408,318</u>
Total Limited Incurred Claims		131,855,358
Expenses:		
Excess Insurance Premiums	87,970,119	
Operating	<u>56,864,800</u>	
Total Expenses		<u>144,834,919</u>
Total Incurred Liabilities		<u>276,690,277</u>
Underwriting Surplus		32,579,488
Investment Income		
Cumulative Investment Income		11,588,579
Unrealized Losses - Current Year		<u>(1,514,202)</u>
Total Investment Income		<u>10,074,377</u>
Supplemental Assessment:		
Paid:		
Residual Claims Fund	379,960	
MEL Claims Fund	<u>1,025,097</u>	
Total Paid Supplemental Assessment		<u>1,405,057</u>
Unpaid		
Residual Claims Fund	595,769	
MEL Claims Fund	<u>891,500</u>	
Total Unpaid Supplemental Assessment		<u>1,487,269</u>
Total Supplemental Assessment		<u>2,892,326</u>
Gross Statutory Surplus		39,761,539
Return of Surplus:		
Paid		24,434,557
Aggregate Excess Loss Fund Contingency		669,265
Aggregate Excess Loss Fund Contingency		
Accrued Interest		36,340
Authorized and Unpaid		<u>1,192,122</u>
Total Return of Surplus		<u>26,332,284</u>
Net Statutory Surplus		<u>\$ 13,429,255</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION

Note 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS

The information in the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (the "Fund")'s basic financial statements, Exhibits A-1 through A-3, differs from the accompanying Supplementary Information required by the Division of Banking and Insurance as of and for the year ended December 31, 2023. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures as follows:

Total Assets - Comparative Statements of Net Position	\$ 32,895,747
Less Investment in Joint Ventures	<u>1,601,618</u>
Total Assets - Statutory Basis	<u>\$ 31,294,129</u>
Net Position - Comparative Statements of Net Position	\$ 15,030,873
Less Investment in Joint Ventures	<u>1,601,618</u>
Net Statutory Surplus	<u>\$ 13,429,255</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	\$ 17,899,119		
Total Underwriting Income			\$ 17,899,119
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	2,352,533		
Case Reserves	1,408,148		
IBNR Reserves	<u>4,342,874</u>		
Subtotal		\$ 8,103,555	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		8,103,555	
Expenses:			
Excess Insurance Premiums	6,070,523		
Operating	<u>3,405,459</u>		
Total Expenses		<u>9,475,982</u>	
Total Incurred Liabilities			<u>17,579,537</u>
Underwriting Surplus			319,582
Investment Income			<u>263,947</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(103,294)
Excess Insurance Premiums			<u>103,294</u>
Gross Statutory Surplus			583,529
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ 583,529</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	\$	16,137,413	
JIF Retro Program		54,509	
Other Income		<u>897</u>	
Total Underwriting Income	\$		16,192,819
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		2,937,813	
Case Reserves		1,498,216	
IBNR Reserves		<u>1,852,883</u>	
Subtotal	\$		6,288,912
Less Excess Insurance:			
Received		-	
Receivable		-	
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			6,288,912
Expenses:			
Excess Insurance Premiums		5,516,757	
Operating		<u>3,421,611</u>	
Total Expenses			<u>8,938,368</u>
Total Incurred Liabilities			<u>15,227,280</u>
Underwriting Surplus			965,539
Investment Income			<u>867</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(300,001)
Excess Insurance Premiums			<u>300,001</u>
Gross Statutory Surplus			966,406
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus	\$		<u><u>966,406</u></u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	\$	15,284,190	
JIF Retro Program		<u>50,972</u>	
Total Underwriting Income			\$ 15,335,162
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	4,395,152		
Case Reserves	2,058,174		
IBNR Reserves		<u>532,986</u>	
Subtotal			\$ 6,986,312
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			6,986,312
Expenses:			
Excess Insurance Premiums	5,317,711		
Operating		<u>2,987,669</u>	
Total Expenses			<u>8,305,380</u>
Total Incurred Liabilities			<u>15,291,692</u>
Underwriting Surplus			43,470
Investment Loss			<u>(110,205)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(121,737)
Excess Insurance Premiums			<u>121,737</u>
Gross Statutory Deficit			(66,735)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u>\$ (66,735)</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	\$	14,946,067	
JIF Retro Program		<u>18,571</u>	
Total Underwriting Income			\$ 14,964,638
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	5,344,327		
Case Reserves	698,326		
IBNR Reserves		<u>268,326</u>	
Subtotal			\$ 6,310,979
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable		<u>197,088</u>	
Subtotal			<u>197,088</u>
Total Limited Incurred Claims			6,113,891
Expenses:			
Excess Insurance Premiums	5,133,737		
Operating		<u>2,968,696</u>	
Total Expenses			<u>8,102,433</u>
Total Incurred Liabilities			<u>14,216,324</u>
Underwriting Surplus			748,314
Investment Loss			<u>(46,098)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(319,208)
Excess Insurance Premiums			<u>319,208</u>
Gross Statutory Surplus			702,216
Return of Surplus:			
Paid			
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ 702,216</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

Underwriting Income:		
Regular Contributions	\$ 14,657,849	
Other Income	<u>747</u>	
Total Underwriting Income		\$ 14,658,596
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	6,321,119	
Case Reserves	19	
Residual Claims Fund Premiums	<u>1,590,641</u>	
Subtotal		\$ 7,911,779
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		7,911,779
Expenses:		
Excess Insurance Premiums	4,985,975	
Operating	<u>2,867,515</u>	
Total Expenses		<u>7,853,490</u>
Total Incurred Liabilities		<u>15,765,269</u>
Underwriting Deficit		(1,106,673)
Investment Income		117,452
Supplemental Assessment:		
Unpaid		
Residual Claims Fund	<u>113,997</u>	
Total Supplemental Assessment		<u>113,997</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:		
Regular Contributions		(403,178)
Excess Insurance Premiums		403,178
Deficit Transfer to Closed Fund Year		<u>1,103,218</u>
Gross Statutory Deficit		-
Return of Surplus:		
Paid		
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Deficit		<u>\$ -</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF MEL UNENCUMBERED SURPLUS ACCOUNT
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

Underwriting Income		
MEL Surplus Transfer	<u>\$ 2,583,066</u>	
Total Underwriting Income		\$ 2,583,066
Expenses:		
Supplemental Assessment:		
Paid	1,025,097	
Unpaid	<u>891,500</u>	
Total Supplemental Assessment		<u>\$ 1,916,597</u>
Total Expenses		<u>1,916,597</u>
Underwriting Surplus		666,469
Investment Income		<u>37,462</u>
Intrafund Transfers		
Regular Contributions		2,583,066
Excess Insurance Premiums		<u>(2,583,066)</u>
Gross Statutory Surplus		<u>703,931</u>
Net Statutory Surplus		<u><u>\$ 703,931</u></u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF RCF SUPPLEMENTAL ASSESSMENT ACCOUNT - FUTURE FUND YEARS
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

Expenses:

Supplemental Assessment:			
Unpaid	\$	428,242	
		<u> </u>	
Total Supplemental Assessment			\$ 428,242
			<u> </u>
Total Expenses			\$ 428,242
			<u> </u>
Underwriting Deficit			(428,242)
			<u> </u>
Net Statutory Deficit			\$ (428,242)
			<u> </u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF CLOSED FUND YEARS
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 1991 (DATE OF INCEPTION) TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	\$ 225,783,870		
Supplemental Contributions	400,000		
Residual Claims Fund Dividends	147,817		
Municipal Excess Liability Fund Dividends	654,904		
Environmental Dividends	534,178		
JIF Retro Program	23,955		
Other Income	<u>91,642</u>		
Total Underwriting Income			\$ 227,636,366
Incurred Liabilities:			
Paid (Net of Recoveries)	81,021,067		
Case Reserves	754		
Residual Claims Fund Premiums	<u>15,640,318</u>		
Subtotal		\$ 96,662,139	
Less Excess Insurance:			
Received	211,230		
Receivable	-		
Recoverable	<u>-</u>		
		<u>211,230</u>	
Total Limited Incurred Claims		96,450,909	
Expenses:			
Excess Insurance Premiums	60,945,416		
Operating	<u>41,213,850</u>		
Total Expenses		<u>102,159,266</u>	
Total Incurred Liabilities			<u>198,610,175</u>
Underwriting Surplus			29,026,191
Investment Income			9,810,951
Supplemental Assessments			
Paid			
Residual Claims Fund	<u>379,960</u>		
Total Paid Supplemental Assessment		379,960	
Unpaid			
Residual Claims Fund	<u>53,530</u>		
Total Unpaid Supplemental Assessment		<u>53,530</u>	
Total Supplemental Assessment			<u>433,490</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(1,335,648)
Excess Insurance Premiums			1,335,648
Deficit Transfer From 2019 Fund Year			<u>(1,103,218)</u>
Gross Statutory Surplus			37,300,434
Return of Surplus:			
Paid		24,434,557	
Aggregate Excess Loss Fund Contingency		669,265	
Aggregate Excess Loss Fund Contingency			
Accrued Interest		36,340	
Authorized and Unpaid		<u>1,192,122</u>	
Total Return of Surplus			<u>26,332,284</u>
Net Statutory Surplus			<u>\$ 10,968,150</u>

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

	<u>Coverage's and Other Accounts</u>										Public Officials & Employment Practices	Expense & Contingency	Total
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Enviromental</u>	<u>Loss Contingency</u>	<u>Cyber</u>	<u>MEL</u>				
Underwriting Income:													
Regular Contributions	\$ 866,137	\$ 1,199,101	\$ 360,552	\$ 4,522,565	\$ 1,226,179	\$ 384,925	\$ 15,479	\$ 422,917	\$ 3,650,698	\$ 1,612,313	\$ 3,638,253	\$ 17,899,119	
Total Underwriting Income	866,137	1,199,101	360,552	4,522,565	1,226,179	384,925	15,479	422,917	3,650,698	1,612,313	3,638,253	17,899,119	
Incurred Liabilities:													
Claims	1,167,455	1,388,000	420,000	5,128,100								8,103,555	
Expenses						384,928		422,584	3,650,698	1,612,313	3,405,459	9,475,982	
Total Liabilities	1,167,455	1,388,000	420,000	5,128,100	-	384,928	-	422,584	3,650,698	1,612,313	3,405,459	17,579,537	
Underwriting Surplus (Deficit)	(301,318)	(188,899)	(59,448)	(605,535)	1,226,179	(3)	15,479	333		-	232,794	319,582	
Adjustments:													
Investment Income	7,535	35,760	10,286	97,577	37,132		471				75,186	263,947	
Intrafund Transfers to MEL Unencumbered Surplus Account:													
Regular Contributions									(103,294)			(103,294)	
Excess Insurance Premiums									103,294			103,294	
Total Adjustments	7,535	35,760	10,286	97,577	37,132	-	471	-	-	-	75,186	263,947	
Gross Statutory Surplus (Deficit)	(293,783)	(153,139)	(49,162)	(507,958)	1,263,311	(3)	15,950	333	-	-	307,980	583,529	
Return of Surplus												-	
Net Statutory Surplus (Deficit)	\$ (293,783)	\$ (153,139)	\$ (49,162)	\$ (507,958)	\$ 1,263,311	\$ (3)	\$ 15,950	\$ 333	\$ -	\$ -	\$ 307,980	\$ 583,529	

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Coverage's and Other Accounts</u>							<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Enviromental</u>	<u>MEL</u>			
Underwriting Income:										
Regular Contributions	\$ 805,632	\$ 1,111,595	\$ 339,696	\$ 3,747,630	\$ 1,059,628	\$ 387,984	\$ 3,273,643	\$ 1,855,132	\$ 3,556,473	\$ 16,137,413
JIF Retro Program					54,509					54,509
Other Income									897	897
Total Underwriting Income	805,632	1,111,595	339,696	3,747,630	1,114,137	387,984	3,273,643	1,855,132	3,557,370	16,192,819
Incurred Liabilities:										
Claims	970,957	1,105,579	223,649	3,988,727						6,288,912
Expenses						387,983	3,273,642	1,855,132	3,421,611	8,938,368
Total Liabilities	970,957	1,105,579	223,649	3,988,727	-	387,983	3,273,642	1,855,132	3,421,611	15,227,280
Underwriting Surplus (Deficit)	(165,325)	6,016	116,047	(241,097)	1,114,137	1	1	-	135,759	965,539
Adjustments:										
Investment Income (Loss)	(9,339)	17,529	5,483	2,635	10,634				(26,075)	867
Intrafund Transfers	300,000				(300,000)					-
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(300,001)			(300,001)
Excess Insurance Premiums							300,001			300,001
Total Adjustments	290,661	17,529	5,483	2,635	(289,366)	-	-	-	(26,075)	867
Gross Statutory Surplus (Deficit)	125,336	23,545	121,530	(238,462)	824,771	1	1	-	109,684	966,406
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 125,336	\$ 23,545	\$ 121,530	\$ (238,462)	\$ 824,771	\$ 1	\$ 1	\$ -	\$ 109,684	\$ 966,406

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Coverage's and Other Accounts</u>									
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Enviromental</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 741,042	\$ 1,033,258	\$ 303,573	\$ 3,602,408	\$ 1,002,402	\$ 384,067	\$ 3,142,673	\$ 1,794,575	\$ 3,280,192	\$ 15,284,190
JIF Retro Progam					50,972					50,972
Total Underwriting Income	741,042	1,033,258	303,573	3,602,408	1,053,374	384,067	3,142,673	1,794,575	3,280,192	15,335,162
Incurred Liabilities:										
Claims	666,659	1,199,592	102,897	5,017,164						6,986,312
Expenses						384,067	3,143,667	1,789,977	2,987,669	8,305,380
Total Liabilities	666,659	1,199,592	102,897	5,017,164	-	384,067	3,143,667	1,789,977	2,987,669	15,291,692
Underwriting Surplus (Deficit)	74,383	(166,334)	200,676	(1,414,756)	1,053,374	-	(994)	4,598	292,523	43,470
Adjustments:										
Investment Loss	(690)	(15,923)	(3,248)	(70,698)	(9,536)				(10,110)	(110,205)
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(121,737)			(121,737)
Excess Insurance Premiums							121,737			121,737
Total Adjustments	(690)	(15,923)	(3,248)	(70,698)	(9,536)	-	-	-	(10,110)	(110,205)
Gross Statutory Surplus (Deficit)	73,693	(182,257)	197,428	(1,485,454)	1,043,838	-	(994)	4,598	282,413	(66,735)
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 73,693	\$ (182,257)	\$ 197,428	\$ (1,485,454)	\$ 1,043,838	\$ -	\$ (994)	\$ 4,598	\$ 282,413	\$ (66,735)

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Coverage's and Other Accounts</u>										<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Loss Contingency</u>	<u>Environmental</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	
Underwriting Income:											
Regular Contributions	\$ 697,632	\$ 1,008,615	\$ 321,106	\$ 3,455,901	\$ 967,632	\$ 142,751	\$ 388,040	\$ 3,215,476	\$ 1,530,006	\$ 3,218,908	\$ 14,946,067
JIF Retro Program					18,571						18,571
Total Underwriting Income	697,632	1,008,615	321,106	3,455,901	986,203	142,751	388,040	3,215,476	1,530,006	3,218,908	14,964,638
Incurred Liabilities:											
Claims	662,078	539,938	668,521	4,243,354							6,113,891
Expenses							388,040	3,215,476	1,530,221	2,968,696	8,102,433
Total Liabilities	662,078	539,938	668,521	4,243,354	-	-	388,040	3,215,476	1,530,221	2,968,696	14,216,324
Underwriting Surplus (Deficit)	35,554	468,677	(347,415)	(787,453)	986,203	142,751	-	-	(215)	250,212	748,314
Adjustments:											
Investment Income (Loss)	7,058	(7,870)	(2,109)	1,090	(25,865)	(259)	(1,170)		1,170	(18,143)	(46,098)
Intrafund Transfers	150,000		420,000	300,000	(870,000)						-
Intrafund Transfers to MEL Unencumbered Surplus Account:											
Regular Contributions								(319,208)			(319,208)
Excess Insurance Premiums								319,208			319,208
Total Adjustments	157,058	(7,870)	417,891	301,090	(895,865)	(259)	(1,170)	-	1,170	(18,143)	(46,098)
Gross Statutory Surplus (Deficit)	192,612	460,807	70,476	(486,363)	90,338	142,492	(1,170)	-	955	232,069	702,216
Return of Surplus											-
Net Statutory Surplus (Deficit)	\$ 192,612	\$ 460,807	\$ 70,476	\$ (486,363)	\$ 90,338	\$ 142,492	\$ (1,170)	\$ -	\$ 955	\$ 232,069	\$ 702,216

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

Coverage's and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Deductible	Loss Contingency	Environmental	MEL	RCF	Public Officials & Employment Practices	Expense & Contingency	Total
Underwriting Income:												
Regular Contributions	\$ 674,041	\$ 1,026,237	\$ 348,053	\$ 3,467,887	\$ 976,322	\$ 100,000	\$ 391,592	\$ 3,162,962		\$ 1,431,419	\$ 3,079,336	\$ 14,657,849
Other Income											747	747
Total Underwriting Income	674,041	1,026,237	348,053	3,467,887	976,322	100,000	391,592	3,162,962	-	1,431,419	3,080,083	14,658,596
Incurred Liabilities:												
Claims	1,255,337	1,564,414	600,232	4,491,796								7,911,779
Expenses							391,594	3,162,962		1,431,419	2,867,515	7,853,490
Total Liabilities	1,255,337	1,564,414	600,232	4,491,796	-	-	391,594	3,162,962	-	1,431,419	2,867,515	15,765,269
Underwriting Surplus (Deficit)	(581,296)	(538,177)	(252,179)	(1,023,909)	976,322	100,000	(2)	-	-	-	212,568	(1,106,673)
Adjustments:												
Investment Income (Loss)	135	(826)	(1,213)	40,778	26,695	(740)					52,623	117,452
Intrafund Transfers	750,000				(750,000)							-
RCF Supplemental Assessment									\$ (113,997)			(113,997)
Intrafund Transfers to MEL Unencumbered												
Surplus Account:												
Regular Contributions							(403,178)					(403,178)
Excess Insurance Premiums							403,178					403,178
Surplus Transfer to												
Closed Fund Year	(168,839)	539,003	253,392	983,131	(253,017)	(99,260)	2		113,997		(265,191)	1,103,218
Total Adjustments	581,296	538,177	252,179	1,023,909	(976,322)	(100,000)	2				(212,568)	1,106,673
Gross Statutory Surplus (Deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Surplus												-
Net Statutory Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 811,854	\$ 20,293	\$ 43,439	\$ 1,476,947	\$ 2,352,533
Case Reserves	354,601	220,118	99,632	733,797	1,408,148
IBNR Reserves	1,000	1,147,589	276,929	2,917,356	4,342,874
Subtotal	<u>1,167,455</u>	<u>1,388,000</u>	<u>420,000</u>	<u>5,128,100</u>	<u>8,103,555</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 1,167,455</u>	<u>\$ 1,388,000</u>	<u>\$ 420,000</u>	<u>\$ 5,128,100</u>	<u>\$ 8,103,555</u>
Number of Claims	<u>149</u>	<u>145</u>	<u>76</u>	<u>186</u>	<u>556</u>
Cost per Claim	<u>\$ 7,835</u>	<u>\$ 9,572</u>	<u>\$ 5,526</u>	<u>\$ 27,570</u>	<u>\$ 14,575</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 921,200	\$ 92,940	\$ 23,581	\$ 1,900,092	\$ 2,937,813
Case Reserves	49,757	121,970	-	1,326,489	1,498,216
IBNR Reserves	-	890,669	200,068	762,146	1,852,883
Subtotal	<u>970,957</u>	<u>1,105,579</u>	<u>223,649</u>	<u>3,988,727</u>	<u>6,288,912</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 970,957</u>	<u>\$ 1,105,579</u>	<u>\$ 223,649</u>	<u>\$ 3,988,727</u>	<u>\$ 6,288,912</u>
Number of Claims	<u>147</u>	<u>183</u>	<u>51</u>	<u>223</u>	<u>604</u>
Cost per Claim	<u>\$ 6,605</u>	<u>\$ 6,041</u>	<u>\$ 4,385</u>	<u>\$ 17,887</u>	<u>\$ 10,412</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 660,951	\$ 285,791	\$ 57,655	\$ 3,390,755	\$ 4,395,152
Case Reserves	5,708	533,800	3,000	1,515,666	2,058,174
IBNR Reserves	-	380,001	42,242	110,743	532,986
Subtotal	<u>666,659</u>	<u>1,199,592</u>	<u>102,897</u>	<u>5,017,164</u>	<u>6,986,312</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 666,659</u>	<u>\$ 1,199,592</u>	<u>\$ 102,897</u>	<u>\$ 5,017,164</u>	<u>\$ 6,986,312</u>
Number of Claims	<u>126</u>	<u>235</u>	<u>74</u>	<u>326</u>	<u>761</u>
Cost per Claim	<u>\$ 5,291</u>	<u>\$ 5,105</u>	<u>\$ 1,391</u>	<u>\$ 15,390</u>	<u>\$ 9,180</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 662,044	\$ 258,532	\$ 594,624	\$ 3,829,127	\$ 5,344,327
Case Reserves	34	127,035	36,758	534,499	698,326
IBNR Reserves	-	154,371	37,139	76,816	268,326
Subtotal	<u>662,078</u>	<u>539,938</u>	<u>668,521</u>	<u>4,440,442</u>	<u>6,310,979</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable				197,088	197,088
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,088</u>	<u>197,088</u>
Limited Incurred Claims	<u>\$ 662,078</u>	<u>\$ 539,938</u>	<u>\$ 668,521</u>	<u>\$ 4,243,354</u>	<u>\$ 6,113,891</u>
Number of Claims	<u>162</u>	<u>189</u>	<u>71</u>	<u>336</u>	<u>758</u>
Cost per Claim	<u>\$ 4,087</u>	<u>\$ 2,857</u>	<u>\$ 9,416</u>	<u>\$ 12,629</u>	<u>\$ 8,066</u>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Cyber	\$ 432,584	\$ (10,000)	\$ 422,584
Environmental	384,928		384,928
MEL	3,519,904		3,519,904
MEL Unencumbered Surplus Account	103,294		103,294
POL/EPL	1,612,313		1,612,313
Elected Official Credits	27,500		27,500
	<hr/>		
Subtotal Excess Insurance	6,080,523	(10,000)	6,070,523
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Operating Expenses:			
Actuary	26,100		26,100
Administration	790,256		790,256
Administrative Consultant	47,662		47,662
Annual Planning Retreat	7,052		7,052
Attorney	119,273		119,273
Auditor		25,387	25,387
Claims Administration	552,605		552,605
Contingency	2,700	5,500	8,200
EPL/Cyber:			
Cyber On-Line Employee Training	138,496		138,496
EPL/Cyber Incentive Program	38,883	21,014	59,897
Fidelity Bond - Professionals	2,238		2,238
JIF Website	5,461		5,461
Legal Notices	2,354		2,354
Meeting Expense	799	1,971	2,770
Office Supplies	579		579
Other Expenses	124		124
Payroll Auditor	20,542		20,542
Performance Bond	691		691
Postage/Copies/Fax	2,134	200	2,334
PRIMA/AGRIP Conference	6,850		6,850
Printing	3,007	1,486	4,493
Property Appraiser	34,002		34,002
Record Retention Service	1,240		1,240
Recording Secretary	5,261		5,261
Risk Management Consultants	799,408		799,408
Safety Director	228,728		228,728
Safety Programs:			
Optional Safety Budget	48,224	34,217	82,441
Safety Incentive Program	7,816	157,759	165,575
Training			
Police-Online Training	24,960		24,960
Right To Know		57,619	57,619
Training	9,139		9,139
Technology Risk Services Director	57,299		57,299
Treasurer	14,945		14,945
Underwriting Manager	12,155		12,155
Wellness Program	77,852	11,471	89,323
	<hr/>		
Subtotal Operating Expenses	3,088,835	316,624	3,405,459
<hr/>			
Total Expenses	\$ 9,169,358	\$ 306,624	\$ 9,475,982
<hr/>			

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 387,983		\$ 387,983
MEL	2,939,892		2,939,892
MEL Unencumbered Surplus Account	300,000		300,000
POL/EPL	1,855,132		1,855,132
Elected Official Credits	33,750		33,750
	<hr/>		
Subtotal Excess Insurance	5,516,757	-	5,516,757
	<hr/>		
Operating Expenses:			
Actuary	34,646		34,646
Administration	769,269		769,269
Administrative Consultant	47,990		47,990
Annual Planning Retreat	5,943		5,943
Attorney	116,174		116,174
Auditor	24,217		24,217
Claims Administration	517,810	\$ 108,851	626,661
Claims Auditor	7,680		7,680
Contingency	2,500		2,500
EPL/Cyber:			
Cyber On-Line Employee Training	143,850		143,850
EPL/Cyber Incentive Program	65,688		65,688
Fidelity Bond - Professionals	2,238		2,238
JIF Website	5,461		5,461
Legal Notices	2,098		2,098
Meeting Expense	3,579		3,579
Office Supplies	1,029		1,029
Other Expenses	124		124
Payroll Auditor	16,527		16,527
Performance Bond	793		793
Postage/Copies/Fax	2,492		2,492
PRIMA/AGRIP Conference	6,692		6,692
Printing	8,966		8,966
Property Appraiser	42,065		42,065
Record Retention Service	1,217		1,217
Recording Secretary	5,261		5,261
Risk Management Consultants	732,372		732,372
Safety Director	225,485		225,485
Safety Programs:			
Optional Safety Budget	87,217		87,217
Safety Incentive Program	136,920		136,920
Training			
Police-Online Training	26,000		26,000
Right To Know	57,057		57,057
Training	1,950		1,950
Technology Risk Services Director	90,288		90,288
Treasurer	14,652		14,652
Underwriting Manager	12,239		12,239
Wellness Program	94,271		94,271
	<hr/>		
Subtotal Operating Expenses	3,312,760	108,851	3,421,611
	<hr/>		
Total Expenses	\$ 8,829,517	\$ 108,851	\$ 8,938,368
	<hr/>		

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 384,067		\$ 384,067
MEL	2,980,185		2,980,185
MEL Unencumbered Surplus Account	121,737		121,737
POL/EPL	1,789,977		1,789,977
Elected Official Credits	41,745		41,745
Subtotal Excess Insurance	5,317,711	-	5,317,711
Operating Expenses:			
Actuary	33,967		33,967
Administration	754,185		754,185
Administrative Consultant	46,367		46,367
Annual Planning Retreat	4,527		4,527
Attorney	113,896		113,896
Auditor	23,742		23,742
Claims Administration	506,303		506,303
Claims Auditor	7,680		7,680
Contingency	1,398		1,398
EPL/Cyber:			
Cyber On-Line Employee Training	3,238		3,238
EPL/Cyber Incentive Program	68,720		68,720
Fidelity Bond - Professionals	2,238		2,238
JIF Website	5,297		5,297
Legal Notices	2,051		2,051
Meeting Expense	369		369
Office Supplies	496		496
Other Expenses	130		130
Payroll Auditor	16,202		16,202
Performance Bond	349		349
Postage/Copies/Fax	1,655		1,655
PRIMA/AGRIP Conference	3,747		3,747
Printing	8,845		8,845
Property Appraiser	35,304		35,304
Record Retention Service	1,313		1,313
Recording Secretary	5,158		5,158
Risk Management Consultants	627,315		627,315
Safety Director	221,064		221,064
Safety Programs:			
Optional Safety Budget	86,805		86,805
Safety Incentive Program	129,404		129,404
Training			
Police-Online Training	4,334		4,334
Right To Know	50,141		50,141
Training	10,099		10,099
Technology Risk Services Director	90,288		90,288
Treasurer	14,365		14,365
Underwriting Manager	11,999		11,999
Wellness Program	94,678		94,678
Subtotal Operating Expenses	2,987,669	-	2,987,669
Total Expenses	\$ 8,305,380	-	\$ 8,305,380

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 388,040		\$ 388,040
MEL	2,861,060		2,861,060
MEL Unencumbered Surplus Account	319,208		319,208
POL/EPL	1,530,221		1,530,221
Elected Official Credits	35,208		35,208
	<hr/>		
Subtotal Excess Insurance	5,133,737	-	5,133,737
<hr/>			
Operating Expenses:			
Actuary	33,188		33,188
Administration	739,397		739,397
Administrative Consultant	46,367		46,367
Annual Planning Retreat	1,511		1,511
Attorney	111,663		111,663
Auditor	23,276		23,276
Claims Administration	502,744		502,744
Claims Auditor	7,680		7,680
Contingency	11,810		11,810
EPL/Cyber:			
Cyber On-Line Employee Training	7,439		7,439
EPL/Cyber Incentive Program	70,126		70,126
Technology Risk Mangement Service	12,037		12,037
Fidelity Bond - Professionals	2,219		2,219
JIF Website	5,017		5,017
Legal Notices	3,212		3,212
Meeting Expense	80		80
Office Supplies	2,344		2,344
Other Expenses	1,138		1,138
Payroll Auditor	15,474		15,474
Performance Bond	343		343
Postage/Copies/Fax	2,237		2,237
PRIMA/AGRIP Conference	893		893
Printing	8,223		8,223
Property Appraiser	26,032		26,032
Record Retention Service	1,313		1,313
Recording Secretary	5,158		5,158
Risk Management Consultants	613,539		613,539
Safety Director	221,061		221,061
Safety Programs:			
Optional Safety Budget	88,545		88,545
Safety Incentive Program	138,235		138,235
Training			
Police-Online Training	20,000		20,000
Right To Know	43,883		43,883
Training	6,204		6,204
Technology Risk Services Director	75,240		75,240
Treasurer	14,083		14,083
Underwriting Manager	11,999		11,999
Wellness Program	94,986		94,986
	<hr/>		
Subtotal Operating Expenses	2,968,696	-	2,968,696
<hr/>			
Total Expenses	\$ 8,102,433	-	\$ 8,102,433
<hr/>			

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	37	37	37	37
Incurred Liabilities:				
Claims (Schedule D)	\$ 1,167,455	\$ 1,388,000	\$ 420,000	\$ 5,128,100
Operating Expenses (1)	424,502	587,692	176,710	2,216,555
	<u>\$ 1,591,957</u>	<u>\$ 1,975,692</u>	<u>\$ 596,710</u>	<u>\$ 7,344,655</u>
Exposure Units	\$ 826,336,114 (Property Value)	338,258 (Population)	1,942 (Vehicles)	\$ 151,486,347 (Payroll)
Liabilities per Exposure Unit	\$1.93 (Per \$1,000 Value)	\$5.84 (Per Capita)	\$307.27 (Per Vehicle)	\$48.48 (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	38	38	38	38
Incurred Liabilities:				
Claims (Schedule D)	\$ 970,957	\$ 1,105,579	\$ 223,649	\$ 3,988,727
Operating Expenses (1)	459,078	633,427	193,571	2,135,535
	<u>\$ 1,430,035</u>	<u>\$ 1,739,006</u>	<u>\$ 417,220</u>	<u>\$ 6,124,262</u>
Exposure Units	\$ 816,360,667	345,230	2,026	\$ 149,256,810
	(Property Value)	(Population)	(Vehicles)	(Payroll)
Liabilities per Exposure Unit	\$1.75	\$5.04	\$205.93	\$41.03
	(Per \$1,000 Value)	(Per Capita)	(Per Vehicle)	(Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	38	38	38	38
Incurred Liabilities:				
Claims (Schedule D)	\$ 666,659	\$ 1,199,592	\$ 102,897	\$ 5,017,164
Operating Expenses (1)	389,767	543,465	159,671	1,894,766
	<u>\$ 1,056,426</u>	<u>\$ 1,743,057</u>	<u>\$ 262,568</u>	<u>\$ 6,911,930</u>
Exposure Units	\$ 805,373,699 (Property Value)	345,230 (Population)	2,086 (Vehicles)	\$ 148,662,937 (Payroll)
Liabilities per Exposure Unit	\$1.31 (Per \$1,000 Value)	\$5.05 (Per Capita)	\$125.87 (Per Vehicle)	\$46.49 (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	38	38	38	38
Incurred Liabilities:				
Claims (Schedule D)	\$ 662,078	\$ 539,938	\$ 668,521	\$ 4,243,354
Operating Expenses (1)	377,706	546,076	173,850	1,871,064
	<u>\$ 1,039,784</u>	<u>\$ 1,086,014</u>	<u>\$ 842,371</u>	<u>\$ 6,114,418</u>
Exposure Units	\$ 795,252,074 (Property Value)	345,230 (Population)	2,125 (Vehicles)	\$ 144,084,391 (Payroll)
Liabilities per Exposure Unit	\$1.31 (Per \$1,000 Value)	\$3.15 (Per Capita)	\$396.41 (Per Vehicle)	\$42.44 (Per \$1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage.

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2023

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
Citizens Bank:	
Administrative Expense Acct	\$ 4,446
Claims Account	101,054
Operating Account	2,945,329
M&T Bank:	
Commercial Checking	38,550
Wilmington Trust	
Treasury Bills (Maturities of 3-months or less)	1,299,498
	<hr/>
Total Cash and Cash Equivalents	4,388,877
	<hr/>
<u>Investments</u>	
BNY Mellon	
Joint Cash Management and Investment Program (JCMI)	25,396,228
Wilmington Trust - Investment Account	1,243,505
	<hr/>
Total Investments	26,639,733
	<hr/>
Total Cash, Cash Equivalents, and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	\$ 31,028,610
	<hr/> <hr/>
Total Cash, Cash Equivalents, and Investments by Fund Year:	
2023	\$ 6,630,435
2022	4,366,888
2021	2,469,297
2020	1,470,180
MEL Unencumbered Surplus Account	1,593,919
Closed Years	14,497,891
	<hr/>
	\$ 31,028,610
	<hr/> <hr/>

GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2023

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>	
Administrative Expenses:			
Auditor - Bowman & Company LLP	2023	\$ 25,387	
Contingency - Various	2023	5,500	
EPL/Cyber Incentive Program - Various	2023	21,014	
Meeting Expense - Various	2023	1,971	
Optional Safety Budget - Various	2023	34,217	
Printing - Various	2023	1,486	
Postage/Copies/Fax - Various	2023	200	
Right to Know - Various	2023	57,619	
Safety Incentive Program - Various	2023	157,759	
Wellness Program - Various	2023	<u>11,471</u>	
Total 2023 Fund Year			\$ 316,624
Administrative Expenses:			
Claims Administration- Qual-Lynx	2022	<u>108,851</u>	
Total 2022 Fund Year			<u>108,851</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis			<u><u>\$ 425,475</u></u>

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Dennis J. Skalkowski
Certified Public Accountant

