



**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

BURLINGTON COUNTY  
MUNICIPAL JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

New Jersey Department of Insurance Joint Insurance Fund Code: JIF 3

Joint Insurance Fund Name: Burlington County 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 John Gural Paula Kosko  
Secretary Rich Wolbert Grace Archer  
James Ingling Daniel Hornickel  
Jerry Mascia \_\_\_\_\_

EXECUTIVE COMMITTEE ALTERNATES

Erin Provenzano Maria Carrington  
Mike Mansdoerfer Sue Onorato  
Mary Picariello Kathy Burger  
Steve Fazekas \_\_\_\_\_

State of New Jersey  
County of Burlington

John Gural (Chairperson) Rich Wolbert (Secretary), of the Burlington  
County Municipal Joint Insurance Fund being duly sworn, each for themself

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, 2022 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, 2022, 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  X  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 \_\_\_\_\_, 2023

## **INDEPENDENT AUDITOR'S REPORT**

Executive Committee  
Burlington County 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 Burlington County Municipal Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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 opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

***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.

***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 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 20, 2023, 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 20, 2023

**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  
Burlington County 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 Burlington County Municipal Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2022, 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 20, 2023.

**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  
Burlington County 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 20, 2023



# **BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**

## **Management's Discussion and Analysis - Unaudited**

This section of the annual financial report of the Burlington County Municipal Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2022, 2021, and 2020. 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 financing 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, 2022, 2021, and 2020.

Net Position Summary	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>2021 to 2022 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,248,397	\$ 1,641,774	\$13,853,657	\$ (393,377)	-24.0%
Investments	13,865,525	15,447,702	4,458,880	(1,582,177)	-10.2%
Other Assets	763,790	1,214,087	1,312,312	(450,297)	-37.1%
<b>Total Assets</b>	<b>15,877,712</b>	<b>18,303,563</b>	<b>19,624,849</b>	<b>(2,425,851)</b>	<b>-13.3%</b>
<b>Liabilities And Reserves &amp; Net Position</b>					
<b>Liabilities And Reserves</b>					
Loss Reserves	6,332,628	6,513,578	6,073,535	(180,950)	-2.8%
Other Liabilities	3,200,877	2,252,796	2,663,447	948,081	42.1%
<b>Total Liabilities</b>	<b>9,533,505</b>	<b>8,766,374</b>	<b>8,736,982</b>	<b>767,131</b>	<b>8.8%</b>
<b>Net Position - Unrestricted</b>	<b>\$ 6,344,207</b>	<b>\$ 9,537,189</b>	<b>\$10,887,867</b>	<b>\$(3,192,982)</b>	<b>-33.5%</b>

Revenues, Expenses, and Changes in Net Position Summary	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>2021 to 2022 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
<b>Operating Revenue</b>					
Regular Contributions & Other Income	\$ 9,227,486	\$ 8,880,891	\$ 8,062,210	\$ 346,595	3.9%
<b>Operating Expenses:</b>					
Provision For Claims and Claims					
Adjustment Expenses	3,295,353	3,842,155	3,833,465	(546,802)	-14.2%
Premium For Excess Insurance	3,664,276	3,109,011	3,148,451	555,265	17.9%
<b>Residual Claims Fund</b>					
Supplemental Assessment	158,632	10,667	230,550	147,965	1387.1%
<b>(Over)/Under Funding MEL</b>					
Retro Liability	-	-	(141,480)	-	0.0%
<b>MEL Claims Fund</b>					
Supplemental Assessment	650,916	547,660	-	103,256	18.9%
Professional & Contractual Services	1,804,718	1,570,088	1,346,879	234,630	14.9%
<b>Total Operating Expenses</b>	<b>9,573,895</b>	<b>9,079,581</b>	<b>8,417,865</b>	<b>494,314</b>	<b>5.4%</b>
<b>Operating Loss</b>	<b>(346,409)</b>	<b>(198,690)</b>	<b>(355,655)</b>	<b>(147,719)</b>	<b>-74.3%</b>
Investment Income (Loss)	(1,063,227)	(30,118)	262,380	(1,033,109)	-3430.2%
Change In Investment In Joint Venture	(532,384)	(14,603)	(70,868)	(517,781)	-3545.7%
Distributions To Members	(1,250,962)	(1,107,267)	(894,031)	(143,695)	-13.0%
<b>Change In Net Positon</b>	<b>\$( 3,192,982)</b>	<b>\$(1,350,678)</b>	<b>\$(1,058,174)</b>	<b>\$(1,842,304)</b>	<b>-136.4%</b>

## Financial Highlights Continued

Cash and Cash Equivalents decreased over the prior year by \$393,377 while investments decreased by \$1,582,177 and Other Assets decreased \$450,297 resulting in a net decrease in assets of approximately \$2,425,851 (13.3%) which is driven by unrealized loss in investments. Other Assets include Investments in Joint Ventures (the JIF's ownership of the MEL, EJIF, and RCF), accrued investment income, subrogation receivable, JIF Retrospective potential liability due under the BURLCO 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. Based upon the size of the portfolio and changes in investment rates, investments may be sold prior to maturity and reinvested for a higher yield. Claims liabilities decreased 2.8% in case reserves with an increase of 42.1% in Other Liabilities resulting in an overall 8.8% increase (\$767,134) in Total Liabilities & Reserves. The increase in Other Liabilities is a result of changes in State Regulations and Statutes and the impact on the Fund Actuary's IBNR calculations coupled with additional assessments from both the MEL (\$650,916) and RCF (\$158,632). The additional assessments for both the MEL and RCF will be re-evaluated at the 12/31/23 valuation and each year subsequently and paid out over ten (10) years. As a result, the overall net position of the Fund decreased by \$3,192,982. It is notable to highlight the JIF released \$1,200,000 in Surplus in the Fall of 2022.

Regular Contributions increased by approximately \$346,595 over 2021 with two members (Delanco Township and Westampton 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. Their participation in the Program saved the remaining members of the Fund approximately \$35,000. The loss funding allocations by line of coverage are recommended by the Fund Actuary.

An overall 5.4% increase in Operating Expenses over the prior year was driven by a 17.9% increase (\$552,265) in Premium for Excess Insurance, a 303.8% increase in RCF Supplemental Assessment, a 39.1% increase in MEL Supplemental Assessment, and a 14.9% increase in Professional & Contractual Services driven by the timing of actual payments made. As a result of recent changes in State laws and regulations pertaining to SAM, Fire Fighters' Cancer Presumption, WC Pension offset, COVID, and Title 59 Erosion; 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) as of 12/31/22, prior to the Supplemental Assessments. The MEL recognized that the prior practice of calculating a Surplus Trigger Assessment based upon a set ratio of surplus to reserves and IBNR would have resulted in significant additional assessments that would result in some MEL affiliated JIFs having overall deficit positions. As an alternative, an evaluation by the MEL and RCF Actuary was completed to determine the appropriate MEL and RCF Surplus positions at 12/31/22, and the resulting supplemental assessment to the MEL and MEL affiliated JIFs. 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 was \$16,000,001 and the RCF Supplemental Assessment was \$14,056,726. Due to the changes in legislation and regulations as noted earlier, the TPA has re-evaluated the Case Reserves resulting in significant increases for both the MEL and the RCF. Similarly, the Fund Actuary recognizes this in the IBNR calculations as well. The MEL Case Reserves and IBNR increased approximately \$116,000,000 and the RCF Case Reserves and IBNR increased approximately \$20,000,000 since 12/31/21. As the deterioration is being driven by significant Case Reserves and IBNR, the MEL and RCF are delaying invoicing of the Supplemental Assessment until 2024 utilizing the 12/31/23 valuations. Again, the overall Supplemental Assessments will be invoiced over ten (10) years beginning with the 12/31/23 valuation and revalued each year thereafter.

In 2022, 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.) increased from the prior year by 14.9% (\$234,630) as a result of timing for payments made and accruals. Increases in professional fees averaged 2.00%. Police Risk Services increased \$12,500 (131.58%), Right

## Financial Highlights Continued

to Know increased \$5,645 (14.86%), Cyber Risk Services increased \$94,572 (1742.30%), with a reduction to Technology Risk Management Services of \$8,784 (100%) and Contingency \$10,000 (40%). Professional & Contractual Services and Member Benefit costs represented just 17% of the total Fund's budget.

The 2022 MEL Budget increased 9.9% (\$4,708,510) over 2021 prior to exposure growth, which was driven by the hardening of the worldwide excess insurance market. The MEL elected to fund their Loss Funding Budget at the "low" confidence level compared to the standard "central" confidence level provided by the Fund Actuary. The JIF budgeted an increase of \$222,077 (11.06%) which is a result of exposure growth and the overall MEL rate increases. Removal of the Retrospective Program did not affect the BURLCO JIF as the JIF has been a good performer in the MEL layer and was contractually bound to a maximum obligation of 100% of Workers' Comp and General Liability loss funding. Over the last 18 months, the worldwide insurance market has been hardening due to ongoing natural disasters (i.e., hurricanes & wildfires), the uncertainty arising from the COVID 19 pandemic, the impact of law enforcement related claims, and the impact of social inflation. In response to the hardening market, the MEL is reviewing its current SIR's and considering other funding mechanisms that would allow the MEL to share risk with its reinsurers. 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 2022, the JIF EPL/POL insurer AIG issued a 5% statewide premium increase. 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. 2022 was year 4 of a 5-year phase-in process. Some members will see significant swings in their premium until the new process is fully implemented. As the BURLCO JIF had historically been a good performer in this line of coverage, the premium did not cover the exposures. As a result, the EPL/POL increase was 8.0% prior to the application of member deductibles, buy downs, and land use premium.

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

Cyber Liability Coverage consists of loss funds within the MEL layer, primary coverage with XL Insurance, and excess coverage with Beazley. MEL loss funds increased 70%, primary coverage increased 100%, and excess liability coverage increased 100%.

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 rate for 2022 increased \$2,515 (1.02%) over 2021. It is notable to highlight the EJIF released \$3,100,000 in Surplus in the Fall of 2022. The BURLCO JIF's share is \$57,267.

In 2022, the Fund authorized a surplus release of \$1,200,000 to its members, which was a 14.29% (\$150,000) increase over what was released in 2021. It should be noted that the Fund had a surplus of approximately \$5.7 million at December 31, 2022 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 year, several 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. The costs associated with ongoing COVID related costs whether they result from new claims, reopeners, and/or long haulers, the costs of COVID related claims are continuing to influence the Fund. Beyond the impact of COVID claims, the Fund must still budget in anticipation of increasing health care costs and indemnity costs both of which are being impacted by unprecedented inflationary pressures. 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 earlier 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 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, and a continued increase in the number of claim “re-openers” being filed by previously injured employees.

The issues described above have been exasperated by acts of the New Jersey Legislature. Concerning 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” While not a current source of new claims, 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. Specifically, the statute opened a two-year window where victims of sexual abuse and molestation could bring a claim against a responsible party for incidents that were previously banned due to an existing two-year statute of limitations and removes the statute of limitations for these types of claims going forward. 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 that has become very difficult over the two years. With an increasing number of natural disasters, the impact of global warming, and the increasing costs of building materials, the excess property insurance market has experienced increasing rates, stricter coverage terms, reduced limits, and a demand for more detailed exposure data. 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 changes to State statute. 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.

## **Economic Conditions Continued**

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.

## **Contacting the Fund's Management**

This financial report is designed to provide the Burlington County Municipal Joint Insurance Fund members and the Department of Banking and Insurance, 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 Burlington County Municipal Joint Insurance Fund office located at 6000 Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9100.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,248,397	\$ 1,641,774
Investments	13,865,525	15,447,702
Investment in Joint Ventures	636,786	1,169,170
Accrued Interest Receivable	-	6,271
Subrogation Receivable	819	822
JIF Retro Program	-	35,839
Prepaid Expenses	126,185	1,985
	<u>15,877,712</u>	<u>18,303,563</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Expenses	213,941	180,709
Due to Residual Claims Fund	678,827	213,926
Due to TRICO JIF	11,271	-
Residual Claims Fund Supplemental Assessment	158,632	10,667
MEL Claims Fund Supplemental Assessment	650,916	547,660
Aggregate Excess Loss Fund Contingency	342,421	311,459
Authorized Return of Surplus	1,144,869	988,375
	<u>3,200,877</u>	<u>2,252,796</u>
Reserves:		
Claims:		
Case Reserves	3,852,080	3,881,122
IBNR Reserves	2,670,166	2,798,006
Excess Insurance Recoverable	(189,618)	(165,550)
	<u>6,332,628</u>	<u>6,513,578</u>
Total Liabilities and Reserves	<u>9,533,505</u>	<u>8,766,374</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 6,344,207</u>	<u>\$ 9,537,189</u>

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Regular Contributions	\$ 8,927,191	\$ 8,191,484
MEL Surplus Transfer	249,333	604,254
MEL, EJIF, and RCF Dividends	50,962	57,265
JIF Retro Program Income	-	27,888
	<hr/>	<hr/>
Total Operating Revenues	<u>9,227,486</u>	<u>8,880,891</u>
Operating Expenses (Recoveries):		
Provision for Claims and Claims Adjustment Expenses	3,295,353	3,842,155
Premium for Excess Insurance	3,664,276	3,109,011
Residual Claims Fund Supplemental Assessment	158,632	10,667
MEL Claims Fund Supplemental Assessment	650,916	547,660
Other Operating Expenses:		
Actuary - The Actuarial Advantage	26,627	26,105
Administration - Risk Program Administrators	382,557	375,056
Administrative Consultant - PERMA, Inc.	29,648	29,067
Attorney - DeWeese Law Firm, P.C.	76,918	75,540
Auditor - Bowman & Company LLP	20,025	18,919
Claims Audit - North Shore Risk Consulting	19,200	(10,745)
Claims Administration - Qual-Lynx	221,790	215,881
Contingency - Various	3,505	5,500
Other Expenses - Various	36,819	70,363
Payroll Auditor - Bowman & Company LLP	12,119	11,881
Property Appraiser - AssetWorks, LLC	19,482	26,404
Risk Management Consultants - Various	365,397	307,602
Safety Director - J.A. Montgomery Risk Control Services	140,583	137,826
Safety Programs/EPL Cyber - Various	313,282	144,170
Technology Risk Services Director - Secure Data Consulting	66,528	66,528
Treasurer - Thomas Tontarski	11,846	11,614
Underwriting Manager - Conner Strong & Buckelew	8,527	8,360
Wellness Program - Various	49,865	50,017
	<hr/>	<hr/>
Total Operating Expenses	<u>9,573,895</u>	<u>9,079,581</u>
Operating Loss	(346,409)	(198,690)
Non-Operating Expenses:		
Investment Loss	(1,063,227)	(30,118)
Change in Investment in Joint Ventures	(532,384)	(14,603)
	<hr/>	<hr/>
Change in Net Position	(1,942,020)	(243,411)
Net Position, Beginning	<u>9,537,189</u>	<u>10,887,867</u>
Net Position Before Distributions to Members	7,595,169	10,644,456
Distributions to Members	<u>1,250,962</u>	<u>1,107,267</u>
Net Position, Ending	<u>\$ 6,344,207</u>	<u>\$ 9,537,189</u>

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



BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 9,176,524	\$ 8,795,738
Receipts from MEL, EJIF, and RCF Dividends	50,962	57,265
Receipts from Retro Program	35,839	-
Payments for Claim Payments	(3,000,131)	(3,801,971)
Payments for Insurance Premiums	(4,222,600)	(3,789,335)
Payments to Professionals and Suppliers	<u>(1,895,686)</u>	<u>(1,586,845)</u>
Net Cash Flows Provided by (Used In) Operating Activities	<u>144,908</u>	<u>(325,148)</u>
Cash Flows From Investing Activities:		
Redemption of Investment Securities	999,000	3,418,000
Purchase of Investment Securities	(673,950)	(14,605,547)
Investment Income	<u>200,171</u>	<u>178,829</u>
Net Cash Flows Provided by (Used In) Investing Activities	<u>525,221</u>	<u>(11,008,718)</u>
Cash Flows Used in Noncapital Financing Activities:		
Distribution to Members	<u>(1,063,506)</u>	<u>(878,017)</u>
Net Decrease in Cash and Cash Equivalents	(393,377)	(12,211,883)
Cash and Cash Equivalents - Beginning	<u>1,641,774</u>	<u>13,853,657</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,248,397</u>	<u>\$ 1,641,774</u>
Reconciliation of Operating Loss to		
Cash Flows From Operating Activities:		
Operating Loss	\$ (346,409)	\$ (198,690)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Excess Insurance Receivable	-	102,507
Subrogation Receivable	3	(822)
JIF Retro Program	35,839	(27,888)
Prepaid Expenses	(124,200)	(397)
Accrued Expenses	33,232	(16,360)
MEL Retrospective Potential Obligation	-	(448,952)
MEL Claims Fund Supplemental Assessment	103,256	545,865
Due to Residual Claims Fund	464,901	(502,366)
Due to TRICO JIF	11,271	-
Residual Claims Fund Supplemental Assessment	147,965	(218,088)
Claims Reserves	<u>(180,950)</u>	<u>440,043</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>\$ 144,908</u>	<u>\$ (325,148)</u>
Supplemental Disclosure - Noncash Activity:		
Change in Unrealized Loss on Investments included in		
Investment Income	<u>\$ (1,252,683)</u>	<u>\$ (211,891)</u>
Change in Investment in Joint Ventures	<u>\$ (532,384)</u>	<u>\$ (14,603)</u>

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

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND**

On January 1, 1991, the Burlington County 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 two-thirds 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, 2022, members of the Fund included: Bass River Township, Beverly City, Bordentown City, Bordentown Township, Chesterfield Township, Delanco Township, Delran Township, Edgewater Park Township, Fieldsboro Borough, Florence Township, Hainesport Township, Lumberton Township, Mansfield Township, Medford Township, Mount Laurel Township, New Hanover Township, North Hanover Township, Palmyra Borough, Pemberton Borough, Pemberton Township, Riverside Township, Shamong Township, Southampton Township, Springfield Township, Tabernacle Township, Westampton Township, Woodland Township and Wrightstown Borough.

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's to its members:

- Workers' Compensation including Employers' Liability.
- General Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Automobile Liability and damage.
- Public Employees Blanket Bond.

**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 GASB Statements No. 14, *The Financial Reporting Entity*, as amended.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Component Unit (Cont'd)**

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.

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 Governmental Accounting Standards Board (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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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. 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 Governmental Unit Deposit Protection Act. 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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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.

**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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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, 2022 and 2021. 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.

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 limit 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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Fund Transfers (Cont'd)**

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.

**BURLINGTON COUNTY 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 Governmental Accounting Standards Board Statement 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.



**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO 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.

Of the Fund's bank balance of \$1,471,828 as of December 31, 2022, \$302,365 was insured while \$1,169,463 was collateralized under GUDPA.

Of the Fund's bank balance of \$739,868 as of December 31, 2021, \$250,435 was insured while \$489,433 was collateralized under GUDPA.

**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 \$13,865,525 and \$15,447,702 as of December 31, 2022 and 2021, 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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4: INVESTMENTS (CONT'D)**

**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”).

As of December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
US TREASURY NOTES	1.500%	01/31/22	AAA	Level 1	\$ -	\$ 1,000,099
JOINT CASH MANAGEMENT INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	13,865,525	14,447,603
					<u>\$ 13,865,525</u>	<u>\$ 15,447,702</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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4: INVESTMENTS (CONT'D)**

**Investment Loss**

The following schedule summarizes the net investment loss for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investment Income	\$ 204,613	\$ 182,438
Less: Investment Expenses	<u>18,474</u>	<u>13,831</u>
Net Investment Earnings	186,139	168,607
Other Adjustments:		
Realized Gain	3,317	13,166
Unrealized Loss	<u>(1,252,683)</u>	<u>(211,891)</u>
Total Investment Loss	<u>\$ (1,063,227)</u>	<u>\$ (30,118)</u>

**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, 2022 and 2021 and for all open Fund years net of excess insurance recoveries:

	<u>2022</u>	<u>2021</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 6,727,504</u>	<u>\$ 6,789,827</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	3,615,543	4,204,846
Changes in provision for insured events of prior fund years	<u>(320,190)</u>	<u>(362,691)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>3,295,353</u>	<u>3,842,155</u>

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES (CONT'D)**

	<u>2022</u>	<u>2021</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	\$ 1,380,778	\$ 1,380,778
Attributable to insured events of prior fund years	<u>1,630,624</u>	<u>2,523,700</u>
 Total payments all fund years	 <u>3,011,402</u>	 <u>3,904,478</u>
 Total unpaid claim and claim adjustment expenses all fund years - Ending	 <u>\$ 7,011,455</u>	 <u>\$ 6,727,504</u>
 Analysis Of Balance:		
Due to Residual Claims Fund	\$ 678,827	\$ 213,926
Net Reserves	<u>6,332,628</u>	<u>6,513,578</u>
	 <u>\$ 7,011,455</u>	 <u>\$ 6,727,504</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 net position related to those 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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Municipal Excess Liability Joint Insurance Fund**

Effective July 1, 1998, the Fund became 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 severally 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 Municipal Environmental Risk Management Fund**

Effective January 1, 2006, 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.

**Equity Interest**

As of December 31, 2022 and 2021, the Fund's share of net position in the Residual Fund, the MEL, and the Environmental Fund is as follows:

	<u>2022</u>	<u>2021</u>
Residual Fund	\$ (203,920)	\$ 223,901
MEL	(2,317)	34,480
Enviromental Fund	843,023	910,789
	<u>\$ 636,786</u>	<u>\$ 1,169,170</u>

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Selected Financial Information**

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

	<u>Residual</u> <u>Fund</u>	<u>MEL</u>	<u>Environmental</u> <u>Fund</u>
Total Assets	\$ 130,005,896	\$ 105,175,044	\$ 30,786,111
Total Liabilities	\$ 137,214,600	\$ 96,334,014	\$ 14,110,115
Net Position	\$ (7,208,704)	\$ 8,841,030	\$ 16,675,996
Total Revenue	\$ 39,009,899	\$ 73,348,661	\$ 2,651,138
Total Expenses	\$ 46,325,292	\$ 79,665,447	\$ 3,337,737
Change in Net Position	\$ (7,315,393)	\$ (6,316,786)	\$ (3,986,599)
Distributions to Members	\$ 685,000	\$ -	\$ 3,300,000

Selected summarized financial information for the Residual Fund, the MEL, and the Environmental Fund as of December 31, 2021 is as follows:

	<u>Residual</u> <u>Fund</u>	<u>MEL</u>	<u>Environmental</u> <u>Fund</u>
Total Assets	\$ 117,451,484	\$ 94,866,419	\$ 33,431,539
Total Liabilities	\$ 117,344,795	\$ 79,708,603	\$ 12,768,944
Net Position	\$ 106,689	\$ 15,157,816	\$ 20,662,595
Total Revenue	\$ 23,320,377	\$ 61,165,435	\$ 4,239,301
Total Expenses	\$ 35,854,430	\$ 62,259,276	\$ 2,654,689
Change in Net Position	\$ (12,534,053)	\$ (1,093,841)	\$ (1,515,388)
Distributions to Members	\$ 671,000	\$ -	\$ 3,100,000

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance 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

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 7: SURPLUS DISTRIBUTION**

During 2022, the Executive Committee approved a surplus distribution for \$1,250,962, representing \$1,200,000 paid from the closed fund years account and a pass through of \$50,962 in E-JIF dividends to the aggregate excess loss contingency fund.

During 2021, the Executive Committee approved a surplus distribution for \$1,107,267, representing \$1,050,000 paid from the closed fund years account and a pass through of \$57,267 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, 2022, the Aggregate Excess Loss Contingency Fund was allocated as follows:

	<u>Beginning Balance</u>	<u>Contributions / (Withdraws)</u>	<u>Accrued Interest</u>	<u>Ending Balance</u>
Bass River Township	\$ 1,611	\$ 406	\$ 7	\$ 2,017
Beverly City	2,833	716	12	3,548
Bordentown City	42,497	1,067	7	43,563
Bordentown Township	58,711	2,254	9	60,964
Chesterfield Township	5,006	703	11	5,708
Delanco Township	3,448	870	14	4,318
Delran Township	32,869	(15,821)	56	17,049
Edgewater Park Township	8,374	2,115	34	10,490
Florence Township	11,448	2,891	47	14,340
Hainesport Township	4,393	1,110	18	5,504
Lumberton Township	11,142	2,813	45	13,955
Mansfield Township	5,423	1,370	22	6,793
Medford Township	23,707	5,986	97	29,693
Mount Laurel Township	42,847	10,818	175	53,665
North Hanover Township	1,329	1,976	8	3,305
Pemberton Borough	-	90	-	90
Riverside Township	8,428	2,128	34	10,556
Shamong Township	6,883	1,738	28	8,621
Southampton Township	11,069	2,794	45	13,863
Springfield Township	3,437	868	14	4,305
Tabernacle Township	7,639	1,929	31	9,569
Westampton Township	18,227	1,940	31	20,166
Wrightstown Borough	138	201	1	340
	<u>\$ 311,459</u>	<u>\$ 30,962</u>	<u>\$ 746</u>	<u>\$ 342,421</u>

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

As of December 31, 2021, the Aggregate Excess Loss Contingency Fund was allocated as follows:

	<u>Beginning Balance</u>	<u>Contributions / (Withdraws)</u>	<u>Accrued Interest</u>	<u>Ending Balance</u>
Bass River Township	\$ 1,130	\$ 477	\$ 4	\$ 1,611
Beverly City	1,986	840	7	2,833
Bordentown City	70,860	(29,021)	658	42,497
Bordentown Township	63,749	(5,642)	604	58,711
Chesterfield Township	3,065	1,924	17	5,006
Delanco Township	2,417	1,023	8	3,448
Delran Township	42,751	(10,091)	209	32,869
Edgewater Park Township	5,871	2,484	20	8,374
Florence Township	8,025	3,396	27	11,448
Hainesport Township	3,080	1,303	10	4,393
Lumberton Township	7,811	3,305	26	11,142
Mansfield Township	3,802	1,609	13	5,423
Medford Township	16,619	7,032	55	23,707
Mount Laurel Township	30,038	12,709	100	42,847
North Hanover Township	-	1,329	-	1,329
Riverside Township	5,908	2,500	20	8,428
Shamong Township	4,825	2,042	16	6,883
Southampton Township	7,760	3,283	26	11,069
Springfield Township	2,409	1,020	8	3,437
Tabernacle Township	5,356	2,266	18	7,639
Westampton Township	15,825	2,280	122	18,227
Wrightstown Borough	-	138	-	138
	<u>\$ 303,286</u>	<u>\$ 6,206</u>	<u>\$ 1,967</u>	<u>\$ 311,459</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"), Municipal Excess Liability Joint Insurance Fund (the "MEL") and New Jersey Municipal Environmental Risk Management Fund and has an ownership interest in those funds.

Excess insurance premiums paid to the MEL were \$2,279,461 and \$2,026,738 for the years ended December 31, 2022 and 2021, respectively. As disclosed in Note 11, the Fund was also assessed a supplemental assessments during 2022 and 2021 and a premium deferral during 2021. As disclosed in note 4, the Fund participated in the Joint Cash Management and Investment Program during 2022 and 2021.

Excess insurance premiums paid to the Environmental Fund were \$248,977 and \$246,465 for the years ended December 31, 2022 and 2021, respectively.



**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 9: RELATED PARTY TRANSACTIONS (CONT'D)**

During 2022 and 2021, the Fund was assessed \$678,827 and \$213,927, respectively, for the transfer of fund year 2018 and 2017 liabilities to the Residual Fund. As disclosed in Note 11, the Fund was also assessed supplemental assessments during 2022 and 2021.

**Note 10: MEL UNENCUMBERED SURPLUS ACCOUNT**

During the 2022 Fund Budget planning process, the Fund was notified by the Municipal Excess Liability Joint Insurance Fund (the "MEL") that the JIF Retrospective Program and its obligations on the Fund has ended for all years inclusive of 2022. 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.

Pursuant to the terms of the MEL Retrospective Program, the Fund paid the MEL JIF \$1,871,434 (inclusive of Elected Officials credits) in the Fund year 2021 which represents 85% of the Funds obligation to the MEL JIF for excess workers' compensation and liability loss funding and excess premiums. In developing the Fund year 2022 budget, the Fund budgeted an additional \$100,126 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, 2022, the following was transferred into the MEL Unencumbered Surplus Account:

Fund Year	Transfer
Closed	\$ 149,207
2016	90,709
2017	91,135
2018	188,080
2019	241,351
2020	235,556
2021	155,304
2022	100,126
	\$ 1,251,468

**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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 11: SUPPLEMENTAL ASSESSMENTS (CONT'D)**

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

December 31,	MEL		Residual Fund	
	<u>Paid</u>	<u>Unpaid</u>	<u>Paid</u>	<u>Unpaid</u>
2019	\$ -	\$ -	\$ 87,719	\$ -
2020	106,510	-	124,040	-
2021	1,795	-	10,667	-
2022	-	650,916	-	158,632
MEL Premium Deferral	545,865	-	-	-
	<u>\$ 654,170</u>	<u>\$ 650,916</u>	<u>\$ 222,426</u>	<u>\$ 158,632</u>

For the year ended December 31, 2021, supplemental assessments paid and due to the Residual Fund and MEL were as follows:

December 31,	MEL		Residual Fund	
	<u>Paid</u>	<u>Unpaid</u>	<u>Paid</u>	<u>Unpaid</u>
2019	\$ -	\$ -	\$ 87,719	\$ -
2020	106,510	-	124,040	-
2021	-	1,795	-	10,667
MEL Premium Deferral	-	545,865	-	-
	<u>\$ 106,510</u>	<u>\$ 547,660</u>	<u>\$ 211,759</u>	<u>\$ 10,667</u>

**MEL Premium Deferral**

From 2016 to 2021, the MEL deferred 15% of the loss fund via their retrospective program to their member JIFs with the understanding that it could call in this deferral if needed. During 2021, the MEL called in the Fund's Premium Deferral in the amount of \$545,865.

**Note 12: SUBSEQUENT EVENTS**

**COVID-19 Pandemic** - While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Fund 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 in total disability claims. 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 changes in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgements when Title 59 immunities should apply.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 12: SUBSEQUENT EVENTS (CONT'D)**

*Reinsurance* – Effective January 1, 2023, the Fund joined the New Jersey Cyber Risk Management Fund (the “Cyber JIF”).

The Municipal Excess Liability Joint Insurance Fund (the “MEL”) expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance. To mitigate these increases, the MEL is planning a rate adjustment in 2023 for its affiliated Joint Insurance Funds.

*Investments* – Global financial performance for 2023 continues to be affected by the economy. Factors such as financial conditions, COVID policy, natural gas problems, 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.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<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	\$ 401,586	\$ 1,959,424	\$ 317,373	\$ 4,049,121	\$ 6,727,504
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	646,467	617,968	135,672	2,215,436	3,615,543
Changes in provision for insured events of prior fund years	(202,539)	127,736	74,501	(319,888)	(320,190)
Total incurred claims and claims adjustment expenses all fund years	443,928	745,704	210,173	1,895,548	3,295,353
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	387,643	15,203	14,781	963,151	1,380,778
Attributable to insured events of prior fund years	121,244	606,986	82,520	819,874	1,630,624
Total payments all fund years	508,887	622,189	97,301	1,783,025	3,011,402
Total unpaid claim and claim adjustment expenses - Ending	\$ 336,627	\$ 2,082,939	\$ 430,245	\$ 4,161,644	\$ 7,011,455
Analysis Of Balance:					
Due to Residual Claims Fund				\$ 678,827	
Net Reserves				<u>6,332,628</u>	
				<u>\$ 7,011,455</u>	

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF DECEMBER 31, 2022

	<u>2013</u>	<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>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 7,813,167	\$ 7,899,005	\$ 7,922,220	\$ 7,955,322	\$ 7,863,599	\$ 7,622,856	\$ 7,610,181	\$ 7,934,823	\$ 8,089,515	\$ 8,813,952
Ceded	2,102,663	2,194,686	2,339,694	2,367,012	2,490,955	2,568,089	2,740,332	2,956,415	3,109,011	3,515,068
	<u>5,710,504</u>	<u>5,704,319</u>	<u>5,582,526</u>	<u>5,588,310</u>	<u>5,372,644</u>	<u>5,054,767</u>	<u>4,869,849</u>	<u>4,978,408</u>	<u>4,980,504</u>	<u>5,298,884</u>
Unallocated Expenses	1,196,791	1,229,034	1,303,669	1,327,397	1,297,343	1,410,686	1,465,697	1,535,249	1,590,567	1,791,891
Estimated Claims and Expenses, End of Policy Year:										
Incurred	3,235,000	3,409,081	3,821,000	3,388,503	2,707,217	4,096,085	3,271,112	3,172,032	4,204,846	3,615,543
Ceded		29,080						247,254		
Net Incurred	<u>3,235,000</u>	<u>3,380,001</u>	<u>3,821,000</u>	<u>3,388,503</u>	<u>2,707,217</u>	<u>4,096,085</u>	<u>3,271,112</u>	<u>2,924,778</u>	<u>4,204,846</u>	<u>3,615,543</u>
Paid (Cumulative) as of:										
End of Policy Year	827,899	918,051	1,155,381	984,012	635,315	1,486,055	1,050,602	901,284	1,380,778	971,561
One Year Later	1,458,871	1,414,181	1,742,504	1,388,618	1,096,581	2,310,750	1,724,312	1,570,749	2,028,951	
Two Years Later	1,718,562	1,625,578	2,172,321	1,759,504	1,407,103	3,116,640	2,187,628	1,978,203		
Three Years Later	2,202,460	2,408,988	2,611,649	1,923,264	1,584,776	3,392,517	2,603,719			
Four Years Later (A)	2,258,043	2,865,300	2,677,204	2,059,305	1,881,316	3,749,238				
Reestimated Ceded Claims and Expenses	413,789	563,541	475,021	716,292	213,927	678,827		189,618		
Reestimated Incurred Claims and Expenses:										
End of Policy Year	3,235,000	3,380,001	3,821,000	3,388,503	2,707,217	4,096,085	3,271,112	2,924,778	4,204,846	3,615,543
One Year Later	2,894,045	3,001,899	3,324,964	2,531,060	2,058,047	3,945,576	3,570,050	2,644,206	3,829,363	
Two Years Later	2,912,044	2,361,875	3,281,557	2,332,365	2,192,491	4,564,935	3,803,531	2,864,843		
Three Years Later	2,645,911	2,973,744	3,318,942	2,830,793	2,238,277	4,392,667	3,605,313			
Four Years Later (A)	2,671,832	3,253,085	3,152,225	2,775,597	2,095,243	4,428,065				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	<u>\$ (563,168)</u>	<u>\$ (126,916)</u>	<u>\$ (668,775)</u>	<u>\$ (612,906)</u>	<u>\$ (611,974)</u>	<u>\$ 331,980</u>	<u>\$ 334,201</u>	<u>\$ (59,935)</u>	<u>\$ (375,483)</u>	<u>\$ -</u>

(A) At the end of the Fourth Year the Fund Cedes remaining actuarially calculated liabilities to the Residual Claims Fund (R.C.F.)

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**SUPPLEMENTARY INFORMATION**

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
HISTORICAL BALANCE SHEET--STATUTORY BASIS  
AS OF DECEMBER 31, 2022

ASSETS

Cash and Cash Equivalents	\$ 1,248,397	
Investments	<u>13,865,525</u>	
Total Cash and Investments		\$ 15,113,922
Receivables:		
Subrogation Receivable	<u>819</u>	
Total Receivables		819
Prepaid Expenses		<u>126,185</u>
Total Assets		\$ 15,240,926
 <u>LIABILITIES</u>		
Claims:		
Case Reserves	3,852,080	
IBNR Reserve	2,670,166	
Less: Excess Insurance Recoverable	<u>(189,618)</u>	
Total Claims		6,332,628
Accrued Expenses:		
Operating	<u>213,941</u>	
Total Unpaid Expenses		213,941
Other Liabilities:		
Due to TRICO JIF	11,271	
Due to Residual Claims Fund	678,827	
Residual Claims Fund Supplemental Assessment	158,632	
MEL Claims Fund Supplemental Assessment	650,916	
Aggregate Excess Loss Fund Contingency	329,105	
Aggregate Excess Loss Fund Contingency		
Accrued Interest	13,316	
Authorized Return of Surplus	<u>1,144,869</u>	
Total Other Liabilities		<u>2,986,936</u>
Total Liabilities		<u>9,533,505</u>
Net Statutory Surplus		<u>\$ 5,707,421</u>



BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 1991 (DATE OF INCEPTION) TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$ 145,370,048		
MEL Surplus Transfer	1,251,468		
MEL, EJIF and RCF Dividends	746,716		
JIF Retro Program	113,637		
Other Income	<u>53,737</u>		
Total Underwriting Income			\$ 147,535,606
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	48,082,821		
Case Reserves	3,852,080		
IBNR Reserves	2,670,166		
Residual Claims Fund Premiums	<u>7,729,596</u>		
Subtotal		\$ 62,334,663	
Less Excess Insurance:			
Received	252,211		
Receivable	-		
Recoverable	<u>189,618</u>		
Subtotal		<u>441,829</u>	
Total Limited Incurred Claims		61,892,834	
Expenses:			
Excess Insurance Premiums	43,731,422		
Operating	<u>25,360,310</u>		
Total Expenses		<u>69,091,732</u>	
Total Incurred Liabilities			<u>130,984,566</u>
Underwriting Surplus			16,551,040
Investment Income			
Cumulative Investment Income			4,927,552
Unrealized Losses - Current Year			<u>(1,252,683)</u>
Total Investment Income			<u>3,674,869</u>
Supplemental Assessment:			
Paid:			
Residual Claims Fund	222,426		
MEL Claims Fund	<u>654,170</u>		
Total Paid Supplemental Assessment		<u>876,596</u>	
Unpaid			
Residual Claims Fund	158,632		
MEL Claims Fund	<u>650,916</u>		
Total Unpaid Supplemental Assessment		<u>809,548</u>	
Total Supplemental Assessment			<u>1,686,144</u>
Gross Statutory Surplus			18,539,765
Return of Surplus:			
Paid		11,348,054	
Aggregate Excess Loss Fund Contingency		329,105	
Aggregate Excess Loss Fund Contingency			
Accrued Interest		13,316	
Authorized and Unpaid		<u>1,141,869</u>	
Total Return of Surplus			<u>12,832,344</u>
Net Statutory Surplus			<u>\$ 5,707,421</u>

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO SUPPLEMENTARY INFORMATION**

**Note 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS**

The information in the Burlington County 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, 2022. The Supplementary Information does not reflect the Fund’s Investments in Joint Ventures as follows:

Total Assets - Comparative Statements of Net Position	\$ 15,877,712
Less Investment in Joint Ventures	<u>636,786</u>
Total Assets - Statutory Basis	<u><u>\$ 15,240,926</u></u>
Net Position - Comparative Statements of Net Position	\$ 6,344,207
Less Investment in Joint Ventures	<u>636,786</u>
Net Statutory Surplus	<u><u>\$ 5,707,421</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2022 OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	<u>\$ 8,927,195</u>		
Total Underwriting Income			\$ 8,927,195
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	971,561		
Case Reserves	1,101,158		
IBNR Reserves	<u>1,542,824</u>		
Subtotal		\$ 3,615,543	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		3,615,543	
Expenses:			
Excess Insurance Premiums	3,515,068		
Operating	<u>1,791,891</u>		
Total Expenses		<u>5,306,959</u>	
Total Incurred Liabilities			<u>8,922,502</u>
Underwriting Surplus			4,693
Investment Loss			<u>(113,243)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(100,126)
Excess Insurance Premiums			<u>100,126</u>
Gross Statutory Deficit			(108,550)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u>\$ (108,550)</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2021 OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$ 8,191,484		
JIF Retro Program	<u>15,255</u>		
Total Underwriting Income			\$ 8,206,739
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	2,028,951		
Case Reserves	1,151,226		
IBNR Reserves	<u>649,186</u>		
Subtotal		\$ 3,829,363	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		3,829,363	
Expenses:			
Excess Insurance Premiums	3,109,011		
Operating	<u>1,590,567</u>		
Total Expenses		<u>4,699,578</u>	
Total Incurred Liabilities			<u>8,528,941</u>
Underwriting Deficit			(322,202)
Investment Loss			<u>(117,224)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(155,304)
Excess Insurance Premiums			<u>155,304</u>
Gross Statutory Deficit			(439,426)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u>\$ (439,426)</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2020 OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$	8,010,228	
JIF Retro Program		<u>20,584</u>	
Total Underwriting Income	\$		8,030,812
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		1,978,203	
Case Reserves		816,903	
IBNR Reserves		<u>259,355</u>	
Subtotal			\$ 3,054,461
Less Excess Insurance:			
Received		-	
Receivable		-	
Recoverable		<u>189,618</u>	
Subtotal			<u>189,618</u>
Total Limited Incurred Claims			2,864,843
Expenses:			
Excess Insurance Premiums		2,956,415	
Operating		<u>1,535,249</u>	
Total Expenses			<u>4,491,664</u>
Total Incurred Liabilities			<u>7,356,507</u>
Underwriting Surplus			674,305
Investment Loss			<u>(95,989)</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(235,556)
Excess Insurance Premiums			<u>235,556</u>
Gross Statutory Surplus			578,316
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus	\$		<u><u>578,316</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2019 OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	\$	7,589,345	
Other Income		<u>600</u>	
Total Underwriting Income	\$		7,589,945
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		2,603,719	
Case Reserves		782,793	
IBNR Reserves		<u>218,801</u>	
Subtotal	\$		3,605,313
Less Excess Insurance:			
Received		-	
Receivable		-	
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			3,605,313
Expenses:			
Excess Insurance Premiums		2,740,332	
Operating		<u>1,465,697</u>	
Total Expenses			<u>4,206,029</u>
Total Incurred Liabilities			<u>7,811,342</u>
Underwriting Deficit			(221,397)
Investment Income			<u>20,236</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(241,351)
Excess Insurance Premiums			<u>241,351</u>
Gross Statutory Deficit			(201,161)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit	\$		<u><u>(201,161)</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2018 OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

Underwriting Income:			
Regular Contributions	<u>\$ 7,494,652</u>		
Total Underwriting Income			\$ 7,494,652
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	3,749,237		
Residual Claims Fund Premium	<u>678,827</u>		
Subtotal		\$ 4,428,064	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		4,428,064	
Expenses:			
Excess Insurance Premiums	2,568,089		
Operating	<u>1,410,686</u>		
Total Expenses		<u>3,978,775</u>	
Total Incurred Liabilities			<u>8,406,839</u>
Underwriting Deficit			(912,187)
Investment Income			<u>143,571</u>
Supplemental Assessment:			
Unpaid:			
Residual Claims Fund		<u>15,863</u>	
Total Unpaid Supplemental Assessment			<u>15,863</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:			
Regular Contributions			(188,080)
Excess Insurance Premiums			188,080
Deficit Transfer From Closed Fund Year			<u>784,479</u>
Gross Statutory Surplus			-
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ -</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF MEL UNEMCUMBERED SURPLUS ACCOUNT  
OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

Underwriting Income			
MEL Surplus Transfer	<u>\$</u>	1,251,468	
Total Underwriting Income			\$ 1,251,468
Expenses:			
Supplemental Assessment:			
Paid		654,170	
Unpaid		<u>650,916</u>	
Total Supplemental Assessment	<u>\$</u>	1,305,086	
Total Expenses			<u>1,305,086</u>
Underwriting Deficit			(75,476)
Investment Loss			<u>(21,858)</u>
Intrafund Transfers			
Regular Contributions			1,251,468
Excess Insurance Premiums			<u>(1,251,468)</u>
Net Statutory Deficit			<u><u>\$ (75,476)</u></u>



BURLINGTON COUNTY 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, 2022

Expenses:			
Supplemental Assessment:			
Unpaid	\$	<u>142,769</u>	
Total Supplemental Assessment		<u>\$</u>	<u>142,769</u>
Total Expenses			<u>\$</u> <u>142,769</u>
Underwriting Deficit			(142,769)
Net Statutory Deficit			<u>\$</u> <u>(142,769)</u>

BURLINGTON COUNTY 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, 2022

Underwriting Income:		
Regular Contributions	\$ 105,157,144	
MEL and RCF Dividends	504,409	
EJIF Dividends	242,307	
JIF Retro Program	77,798	
Other Income	<u>53,137</u>	
Total Underwriting Income		\$ 106,034,795
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	36,751,150	
Residual Claims Fund Premiums	<u>7,050,769</u>	
Subtotal		\$ 43,801,919
Less Excess Insurance:		
Received	252,211	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>252,211</u>
Total Limited Incurred Claims		43,549,708
Expenses:		
Loss Fund Contingency	-	
Excess Insurance Premiums	28,842,507	
Operating	<u>17,566,220</u>	
Total Expenses		<u>46,408,727</u>
Total Incurred Liabilities		<u>89,958,435</u>
Underwriting Surplus		16,076,360
Investment Income		3,859,376
Supplemental Assessments		
Paid		
Residual Claims Fund	<u>222,426</u>	
Total Supplemental Assessment		<u>222,426</u>
Intrafund Transfers to MEL Unencumbered Surplus Account:		
Regular Contributions		(331,051)
Excess Insurance Premiums		331,051
Surplus Transfer To 2018 Fund Year		<u>(784,479)</u>
Gross Statutory Surplus		18,928,831
Return of Surplus:		
Paid	11,348,054	
Aggregate Excess Loss Fund Contingency	329,105	
Aggregate Excess Loss Fund Contingency		
Accrued Interest	13,316	
Authorized and Unpaid	<u>1,141,869</u>	
Total Return of Surplus		<u>12,832,344</u>
Net Statutory Surplus		<u>\$ 6,096,487</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages 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>Loss Contingency</u>	<u>Environmental</u>	<u>MEL</u>			
Underwriting Income:											
Regular Contributions	\$ 336,741	\$ 495,374	\$ 123,439	\$ 1,958,530	\$ 514,250	\$ 106,500	\$ 248,979	\$ 2,279,461	\$ 987,538	\$ 1,876,383	\$ 8,927,195
Total Underwriting Income	336,741	495,374	123,439	1,958,530	514,250	106,500	248,979	2,279,461	987,538	1,876,383	8,927,195
Incurred Liabilities:											
Claims	646,467	617,968	135,672	2,215,436							3,615,543
Expenses							248,977	2,279,461	986,630	1,791,891	5,306,959
Total Liabilities	646,467	617,968	135,672	2,215,436	-	-	248,977	2,279,461	986,630	1,791,891	8,922,502
Underwriting Surplus (Deficit)	(309,726)	(122,594)	(12,233)	(256,906)	514,250	106,500	2		908	84,492	4,693
Adjustments:											
Investment Loss	(5,531)	(11,763)	(2,886)	(42,905)	(12,198)	(2,529)		(12,279)	(870)	(22,282)	(113,243)
Intrafund Transfers											-
Intrafund Transfers to MEL Unencumbered Surplus Account:											
Regular Contributions								(100,126)			(100,126)
Excess Insurance Premiums								100,126			100,126
Total Adjustments	(5,531)	(11,763)	(2,886)	(42,905)	(12,198)	(2,529)		(12,279)	(870)	(22,282)	(113,243)
Gross Statutory Surplus (Deficit)	(315,257)	(134,357)	(15,119)	(299,811)	502,052	103,971	2	(12,279)	38	62,210	(108,550)
Return of Surplus											-
Net Statutory Surplus (Deficit)	\$ (315,257)	\$ (134,357)	\$ (15,119)	\$ (299,811)	\$ 502,052	\$ 103,971	\$ 2	\$ (12,279)	\$ 38	\$ 62,210	\$ (108,550)

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Environmental</u>	<u>MEL</u>	<u>Public Officials &amp; Employment Practices</u>	<u>Expense &amp; Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 303,471	\$ 499,041	\$ 123,743	\$ 1,943,407	\$ 506,412	\$ 246,464	\$ 2,052,414	\$ 810,429	\$ 1,706,103	\$ 8,191,484
JIF Retro Program					15,255					15,255
Total Underwriting Income	303,471	499,041	123,743	1,943,407	521,667	246,464	2,052,414	810,429	1,706,103	8,206,739
Incurred Liabilities:										
Claims	486,794	589,937	128,459	2,624,173						3,829,363
Expenses						246,465	2,026,738	835,808	1,590,567	4,699,578
Total Liabilities	486,794	589,937	128,459	2,624,173	-	246,465	2,026,738	835,808	1,590,567	8,528,941
Underwriting Surplus (Deficit)	(183,323)	(90,896)	(4,716)	(680,766)	521,667	(1)	25,676	(25,379)	115,536	(322,202)
Adjustments:										
Investment Income (Loss)	(382)	(27,068)	(5,661)	(43,356)	(28,132)	(5)	(3,186)	49	(9,483)	(117,224)
Intrafund Transfers	150,000				(150,000)					-
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(155,304)			(155,304)
Excess Insurance Premiums							155,304			155,304
Total Adjustments	149,618	(27,068)	(5,661)	(43,356)	(178,132)	(5)	(3,186)	49	(9,483)	(117,224)
Gross Statutory Surplus (Deficit)	(33,705)	(117,964)	(10,377)	(724,122)	343,535	(6)	22,490	(25,330)	106,053	(439,426)
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ (33,705)	\$ (117,964)	\$ (10,377)	\$ (724,122)	\$ 343,535	\$ (6)	\$ 22,490	\$ (25,330)	\$ 106,053	\$ (439,426)

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</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 &amp; Employment Practices</u>	<u>Expense &amp; Contingency</u>	<u>Total</u>
Underwriting Income:											
Regular Contributions	\$ 296,387	\$ 486,083	\$ 128,090	\$ 1,939,868	\$ 503,016	\$ 49,659	\$ 249,015	\$ 2,028,948	\$ 678,701	\$ 1,650,461	\$ 8,010,228
JIF Retro Program					20,584						20,584
Total Underwriting Income	296,387	486,083	128,090	1,939,868	523,600	49,659	249,015	2,028,948	678,701	1,650,461	8,030,812
Incurred Liabilities:											
Claims	415,891	497,550	237,469	1,713,933							2,864,843
Expenses							249,014	2,028,948	678,453	1,535,249	4,491,664
Total Liabilities	415,891	497,550	237,469	1,713,933	-	-	249,014	2,028,948	678,453	1,535,249	7,356,507
Underwriting Surplus (Deficit)	(119,504)	(11,467)	(109,379)	225,935	523,600	49,659	1	-	248	115,212	674,305
Adjustments:											
Investment Income (Loss)	(40)	(19,421)	(5,012)	(37,712)	(25,250)	(2,667)		(4,673)	384	(1,598)	(95,989)
Intrafund Transfers	75,000				(75,000)						-
Intrafund Transfers to MEL Unencumbered Surplus Account:											
Regular Contributions								(235,556)			(235,556)
Excess Insurance Premiums								235,556			235,556
Total Adjustments	74,960	(19,421)	(5,012)	(37,712)	(100,250)	(2,667)	-	(4,673)	384	(1,598)	(95,989)
Gross Statutory Surplus (Deficit)	(44,544)	(30,888)	(114,391)	188,223	423,350	46,992	1	(4,673)	632	113,614	578,316
Return of Surplus											-
Net Statutory Surplus (Deficit)	\$ (44,544)	\$ (30,888)	\$ (114,391)	\$ 188,223	\$ 423,350	\$ 46,992	\$ 1	\$ (4,673)	\$ 632	\$ 113,614	\$ 578,316

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages 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>Environmental</u>	<u>MEL</u>	<u>Public Officials &amp; Employment Practices</u>	<u>Expense &amp; Contingency</u>	
Underwriting Income:										
Regular Contributions	\$ 267,750	\$ 451,895	\$ 125,800	\$ 1,953,070	\$ 493,972	\$ 246,894	\$ 1,889,163	\$ 604,466	\$ 1,556,335	\$ 7,589,345
Other Income									600	600
Total Underwriting Income	267,750	451,895	125,800	1,953,070	493,972	246,894	1,889,163	604,466	1,556,935	7,589,945
Incurred Liabilities:										
Claims	550,329	489,264	72,901	2,492,819						3,605,313
Expenses						246,892	1,889,163	604,277	1,465,697	4,206,029
Total Liabilities	550,329	489,264	72,901	2,492,819	-	246,892	1,889,163	604,277	1,465,697	7,811,342
Underwriting Surplus (Deficit)	(282,579)	(37,369)	52,899	(539,749)	493,972	2	-	189	91,238	(221,397)
Adjustments:										
Investment Income (Loss)	(1,710)	(15,165)	(2,030)	13,928	235	112	14,142	(11)	10,735	20,236
Intrafund Transfers	320,000				(320,000)					-
Intrafund Transfers to MEL Unencumbered Surplus Account:										
Regular Contributions							(241,351)			(241,351)
Excess Insurance Premiums							241,351			241,351
Total Adjustments	318,290	(15,165)	(2,030)	13,928	(319,765)	112	14,142	(11.00)	10,735	20,236
Gross Statutory Surplus (Deficit)	35,711	(52,534)	50,869	(525,821)	174,207	114	14,142	178	101,973	(201,161)
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 35,711	\$ (52,534)	\$ 50,869	\$ (525,821)	\$ 174,207	\$ 114	\$ 14,142	\$ 178	\$ 101,973	\$ (201,161)

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<u>Coverages 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>Environmental</u>	<u>MEL</u>	<u>RCF</u>			
Underwriting Income:											
Regular Contributions	\$ 270,300	\$ 451,350	\$ 125,800	\$ 2,011,950	\$ 507,802	\$ 249,231	\$ 1,759,842		\$ 585,067	\$ 1,533,310	\$ 7,494,652
Total Underwriting Income	270,300	451,350	125,800	2,011,950	507,802	249,231	1,759,842	-	585,067	1,533,310	7,494,652
Incurred Liabilities:											
Claims	338,023	1,503,684	90,177	2,496,180							4,428,064
Expenses						249,231	1,759,838		559,020	1,410,686	3,978,775
Total Liabilities	338,023	1,503,684	90,177	2,496,180	-	249,231	1,759,838	-	559,020	1,410,686	8,406,839
Underwriting Surplus (Deficit)	(67,723)	(1,052,334)	35,623	(484,230)	507,802	-	4	-	26,047	122,624	(912,187)
Adjustments:											
Investment Income	4,031	7,604	7,320	37,134	37,388	181	15,870		1,439	32,604	143,571
Intrafund Transfers	100,000	353,277		80,000	(533,277)						-
RCF Supplemental Assessment								\$ 15,863			15,863
Intrafund Transfers to MEL Unencumbered											
Surplus Account:											
Regular Contributions							(188,080)				(188,080)
Excess Insurance Premiums							188,080				188,080
(Surplus) Deficit Transfers to Closed Fund Year	(36,308)	691,453	(42,943)	367,096	(11,913)	(181)	(15,874)	15,863	(27,486)	(155,228)	784,479
Total Adjustments	67,723	1,052,334	(35,623)	484,230	(507,802)		(4)		(26,047)	(122,624)	943,913
Gross Statutory Surplus	-	-	-	-	-	-	-	-	-	-	-
Return of Surplus											
Net Statutory Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<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)	\$ 361,563	\$ 18,899	\$ 4,618	\$ 586,481	\$ 971,561
Case Reserves	283,904	261,406	12,687	543,161	1,101,158
IBNR Reserves	1,000	337,663	118,367	1,085,794	1,542,824
Subtotal	<u>646,467</u>	<u>617,968</u>	<u>135,672</u>	<u>2,215,436</u>	<u>3,615,543</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 646,467</u>	<u>\$ 617,968</u>	<u>\$ 135,672</u>	<u>\$ 2,215,436</u>	<u>\$ 3,615,543</u>
Number of Claims	<u>82</u>	<u>121</u>	<u>27</u>	<u>154</u>	<u>384</u>
Cost per Claim	<u>\$ 7,884</u>	<u>\$ 5,107</u>	<u>\$ 5,025</u>	<u>\$ 14,386</u>	<u>\$ 9,415</u>



BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>		
Paid Claims (Net of Recoveries)	\$ 435,278	\$ 69,032	\$ 40,319	\$ 1,484,322	\$ 2,028,951	
Case Reserves	51,516	307,017	22,562	770,131	1,151,226	
IBNR Reserves		213,888	65,578	369,720	649,186	
Subtotal	486,794	589,937	128,459	2,624,173	3,829,363	
Excess Insurance						
Received					-	
Receivable					-	
Recoverable					-	
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ 486,794	\$ 589,937	\$ 128,459	\$ 2,624,173	\$ 3,829,363	
Number of Claims	80	115	39	201	435	
Cost per Claim	\$ 6,085	\$ 5,130	\$ 3,294	\$ 13,056	\$ 8,803	

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>		
Paid Claims (Net of Recoveries)	\$ 415,888	\$ 163,751	\$ 40,499	\$ 1,358,065	\$ 1,978,203	
Case Reserves	3	255,848	165,103	395,949	816,903	
IBNR Reserves		77,951	31,867	149,537	259,355	
Subtotal	415,891	497,550	237,469	1,903,551	3,054,461	
Excess Insurance						
Received					-	
Receivable					-	
Recoverable				189,618	189,618	
Subtotal	-	-	-	189,618	189,618	
Limited Incurred Claims	\$ 415,891	\$ 497,550	\$ 237,469	\$ 1,713,933	\$ 2,864,843	
Number of Claims	69	128	23	234	454	
Cost per Claim	\$ 6,027	\$ 3,887	\$ 10,325	\$ 7,325	\$ 6,310	

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<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)	\$ 550,125	\$ 293,343	\$ 72,901	\$ 1,687,350	\$ 2,603,719
Case Reserves	204	157,447		625,142	782,793
IBNR Reserves		38,474		180,327	218,801
Subtotal	<u>550,329</u>	<u>489,264</u>	<u>72,901</u>	<u>2,492,819</u>	<u>3,605,313</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 550,329</u>	<u>\$ 489,264</u>	<u>\$ 72,901</u>	<u>\$ 2,492,819</u>	<u>\$ 3,605,313</u>
Number of Claims	<u>90</u>	<u>139</u>	<u>22</u>	<u>161</u>	<u>412</u>
Cost per Claim	<u>\$ 6,115</u>	<u>\$ 3,520</u>	<u>\$ 3,314</u>	<u>\$ 15,483</u>	<u>\$ 8,751</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2022 EXPENSE ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 248,977		\$ 248,977
MEL	2,154,085		2,154,085
MEL Unencumbered Surplus Account	100,126		100,126
POL/EPL	986,630		986,630
Elected Official Credits	25,250		25,250
	<hr/>		<hr/>
Subtotal Excess Insurance	3,515,068	-	3,515,068
	<hr/>		<hr/>
Operating Expenses:			
Actuary	26,627		26,627
Administration	382,557		382,557
Administrative Consultant	29,648		29,648
Annual Planning Retreat	5,732		5,732
Attorney	75,441		75,441
Auditor		\$ 20,025	20,025
Claims Administration	219,790	2,000	221,790
Claims Auditor		4,800	4,800
Contingency	1,005		1,005
EPL/Cyber:			
Cyber Risk Services	102,304		102,304
EPL/Cyber Incentive Program	9,658	3,000	12,658
Fidelity Bond - Professionals	1,114		1,114
JIF Website	5,461		5,461
Legal Notices	1,422	55	1,477
Meeting Expense/Dinner Meeting	1,508	2,100	3,608
Office Supplies	881		881
Other Expenses	151		151
Payroll Auditor	12,119		12,119
Performance Bond (TPA)	277		277
Postage/Copies/Fax	2,144	141	2,285
PRIMA/AGRIP Conference	2,710		2,710
Printing	1,893	3,961	5,854
Property Appraiser	19,482		19,482
Record Retention Service	908		908
Recording Secretary	4,590		4,590
Risk Management Consultants	365,397		365,397
Safety Director	140,583		140,583
Safety Programs:			
Optional Safety Budget	39,040	11,631	50,671
Safety Incentive Program	1,766	85,959	87,725
Training			
Police Risk Services	22,000		22,000
Right To Know		43,645	43,645
Training	1,600		1,600
Technology Risk Services Director	66,528		66,528
Treasurer	11,846		11,846
Underwriting Manager	8,527		8,527
Wellness Program	43,286	6,579	49,865
	<hr/>		<hr/>
Subtotal Operating Expenses	1,607,995	183,896	1,791,891
	<hr/>		<hr/>
Total Expenses	\$ 5,123,063	\$ 183,896	\$ 5,306,959
	<hr/> <hr/>		<hr/> <hr/>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2021 EXPENSE ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 246,465		\$ 246,465
MEL	1,845,434		1,845,434
MEL Unencumbered Surplus Account	155,304		155,304
POL/EPL	835,808		835,808
Elected Official Credits	26,000		26,000
	<hr/>		<hr/>
Subtotal Excess Insurance	3,109,011	-	3,109,011
	<hr/>		<hr/>
Operating Expenses:			
Actuary	26,105		26,105
Administration	375,056		375,056
Administrative Consultant	29,067		29,067
Attorney	73,962		73,962
Auditor	19,632		19,632
Claims Administration	215,881		215,881
Claims Auditor		\$ 4,800	4,800
Contingency	5,500		5,500
EPL/Cyber:			
Cyber Risk Services	682		682
EPL/Cyber Incentive Program	11,991		11,991
Fidelity Bond - Professionals	1,114		1,114
JIF Website	5,222		5,222
Legal Notices	1,578		1,578
Meeting Expense/Dinner Meeting	409		409
Office Supplies	420		420
Other Expenses	198		198
Payroll Auditor	11,881		11,881
Performance Bond (TPA)	122		122
Postage/Copies/Fax	1,492		1,492
PRIMA/AGRIP Conference	3,189		3,189
Printing	5,090		5,090
Property Appraiser	26,404		26,404
Record Retention Service	1,050		1,050
Recording Secretary	4,500		4,500
Risk Management Consultants	307,602		307,602
Safety Director	137,826		137,826
Safety Programs:			
Optional Safety Budget	47,559		47,559
Safety Incentive Program	71,190	15,645	86,835
Training			
Police Risk Services	1,834		1,834
Right To Know	37,536		37,536
Training	9,511		9,511
Technology Risk Services Director	66,528		66,528
Treasurer	11,614		11,614
Underwriting Manager	8,360		8,360
Wellness Program	50,017		50,017
	<hr/>		<hr/>
Subtotal Operating Expenses	1,570,122	20,445	1,590,567
	<hr/>		<hr/>
Total Expenses	\$ 4,679,133	\$ 20,445	\$ 4,699,578
	<hr/>		<hr/>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2020 EXPENSE ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 249,014		\$ 249,014
MEL	1,766,416		1,766,416
MEL Unencumbered Surplus Account	235,556		235,556
POL/EPL	678,453		678,453
Elected Official Credits	26,976		26,976
Subtotal Excess Insurance	2,956,415	-	2,956,415
Operating Expenses:			
Actuary	25,904		25,904
Administration	367,702		367,702
Administrative Consultant	29,067		29,067
Annual Planning Retreat	1,138		1,138
Attorney	72,512		72,512
Auditor	19,247		19,247
Claims Administration	214,006		214,006
Claims Administration - Admin			
Claims Auditor		\$ 4,800	4,800
Contingency	4,190		4,190
EPL/Cyber:			
Cyber Risk Services	5,428		5,428
EPL/Cyber Incentive Program	10,462		10,462
Technology Risk Management Services	8,784		8,784
Fidelity Bond - Professionals	1,099		1,099
JIF Website	5,017		5,017
Legal Notices	2,827		2,827
Meeting Expense/Dinner Meeting	58		58
Office Supplies	1,116		1,116
Other Expenses	124		124
Payroll Auditor	11,231		11,231
Performance Bond (TPA)	114		114
Postage/Copies/Fax	1,797		1,797
PRIMA/AGRIP Conference	2,460		2,460
Printing	5,676		5,676
Property Appraiser	17,686		17,686
Record Retention Service	999		999
Recording Secretary	4,500		4,500
Risk Management Consultants	280,214		280,214
Safety Director	137,826		137,826
Safety Programs:			
Optional Safety Budget	48,037		48,037
Safety Incentive Program	79,015		79,015
Training			
Police Risk Services	9,500		9,500
Right To Know	31,797		31,797
Training	4,521		4,521
Technology Risk Services Director	55,440		55,440
Treasurer	11,386		11,386
Underwriting Manager	8,360		8,360
Wellness Program	51,209		51,209
Subtotal Operating Expenses	1,530,449	4,800	1,535,249
Total Expenses	\$ 4,486,864	\$ 4,800	\$ 4,491,664

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2019 EXPENSE ANALYSIS--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Environmental	\$ 246,892		\$ 246,892
MEL	1,622,313		1,622,313
MEL Unencumbered Surplus Account	241,351		241,351
POL/EPL	604,277		604,277
Elected Official Credits	25,499		25,499
	<hr/>		
Subtotal Excess Insurance	2,740,332	-	2,740,332
	<hr/>		
Operating Expenses:			
Actuary	25,092		25,092
Administration	354,545		354,545
Administrative Consultant	27,746		27,746
Annual Planning Retreat	6,287		6,287
Attorney	70,000		70,000
Auditor	18,870		18,870
Claims Administration	202,906		202,906
Claims Administration - Admin			
Claims Auditor		\$ 4,800	4,800
Contingency	7,946		7,946
EPL/Cyber:			
Cyber Risk Services	5,428		5,428
EPL/Cyber Incentive Program	11,477		11,477
Technology Risk Management Services	8,784		8,784
Fidelity Bond - Professionals	1,068		1,068
JIF Website	4,788		4,788
Legal Notices	1,567		1,567
Meeting Expense/Dinner Meeting	1,497		1,497
Office Supplies	953		953
Payroll Auditor	11,006		11,006
Performance Bond (TPA)	171		171
Postage/Copies/Fax	2,804		2,804
PRIMA/AGRIP Conference	3,884		3,884
Printing	6,705		6,705
Property Appraiser	21,936		21,936
Record Retention Service	996		996
Recording Secretary	4,500		4,500
Risk Management Consultants	248,056		248,056
Safety Director	131,341		131,341
Safety Programs:			
Optional Safety Budget	50,498		50,498
Safety Incentive Program	87,413		87,413
Training			
Police Risk Services	9,500		9,500
Right To Know	19,813		19,813
Training	7,250		7,250
Technology Risk Services Director	37,125		37,125
Treasurer	11,163		11,163
Underwriting Manager	7,903		7,903
Wellness Program	49,879		49,879
	<hr/>		
Subtotal Operating Expenses	1,460,897	4,800	1,465,697
	<hr/>		
Total Expenses	\$ 4,201,229	\$ 4,800	\$ 4,206,029
	<hr/>		

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	28	28	28	28
Incurred Liabilities:				
Claims (Schedule D)	\$ 646,467	\$ 617,968	\$ 135,672	\$ 2,215,436
Administrative Expenses (1)	207,064	304,609	75,904	1,204,314
	<u>\$ 853,531</u>	<u>\$ 922,577</u>	<u>\$ 211,576</u>	<u>\$ 3,419,750</u>
Exposure Units	\$ 593,504,861 (Property Value)	260,410 (Population)	1,310 (Vehicles)	\$ 93,427,701 (Payroll)
Liabilities per Exposure Unit	\$1.44 (Per \$1,000 Value)	\$3.54 (Per Capita)	\$161.51 (Per Vehicle)	\$36.60 (Per \$1,000 Payroll)

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



BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	28	28	28	28
Incurred Liabilities:				
Claims (Schedule D)	\$ 486,794	\$ 589,937	\$ 128,459	\$ 2,624,173
Administrative Expenses (1)	168,205	276,603	68,587	1,077,172
	<u>\$ 654,999</u>	<u>\$ 866,540</u>	<u>\$ 197,046</u>	<u>\$ 3,701,345</u>
Exposure Units	\$ 531,522,568 (Property Value)	260,410 (Population)	1,279 (Vehicles)	\$ 90,833,668 (Payroll)
Liabilities per Exposure Unit	\$1.23 (Per \$1,000 Value)	\$3.33 (Per Capita)	\$154.06 (Per Vehicle)	\$40.75 (Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2020 PROGRAM SUMMARY--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	28	28	28	28
Incurred Liabilities:				
Claims (Schedule D)	\$ 415,891	\$ 497,550	\$ 237,469	\$ 1,713,933
Administrative Expenses (1)	159,635	261,806	68,990	1,044,819
	<u>\$ 575,526</u>	<u>\$ 759,356</u>	<u>\$ 306,459</u>	<u>\$ 2,758,752</u>
Exposure Units	\$ 505,264,287 (Property Value)	260,410 (Population)	1,250 (Vehicles)	\$ 87,723,615 (Payroll)
Liabilities per Exposure Unit	\$1.14 (Per \$1,000 Value)	\$2.92 (Per Capita)	\$245.17 (Per Vehicle)	\$31.45 (Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
STATEMENT OF FUND YEAR 2019 PROGRAM SUMMARY--STATUTORY BASIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY/ \$ 7,000,000
Fund Retention	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	27	27	27	27
Incurred Liabilities:				
Claims (Schedule D)	\$ 550,329	\$ 489,264	\$ 72,901	\$ 2,492,819
Administrative Expenses (1)	140,232	236,676	65,887	1,022,903
	<u>\$ 690,561</u>	<u>\$ 725,940</u>	<u>\$ 138,788</u>	<u>\$ 3,515,722</u>
Exposure Units	\$ 483,522,234 (Property Value)	253,025 (Population)	1,238 (Vehicles)	\$ 84,015,978 (Payroll)
Liabilities per Exposure Unit	\$1.43 (Per \$1,000 Value)	\$2.87 (Per Capita)	\$112.11 (Per Vehicle)	\$41.85 (Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS--STATUTORY BASIS  
AS OF DECEMBER 31, 2022

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
M&T Bank:	
Commercial Checking	\$ 1,000
Investors Bank:	
Administrative Expense Acct	115
Claims Acct	100,000
Operating Acct	<u>1,147,282</u>
Total Cash and Cash Equivalents	<u>1,248,397</u>
 <u>Investments</u>	
BNY Mellon	
Joint Cash Management and Investment Program (JCMI)	<u>13,865,525</u>
Total Cash, Cash Equivalents, and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	<u><u>\$ 15,113,922</u></u>
 Total Cash, Cash Equivalents, and Investments by Fund Year:	
2022	\$ 2,604,416
2021	1,380,609
2020	1,469,758
2019	805,234
MEL Unencumbered Surplus Account	575,441
Closed Years	<u>8,278,464</u>
	<u><u>\$ 15,113,922</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS  
AS OF DECEMBER 31, 2022

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>	
Administrative Expenses:			
Auditor - Bowman and Company LLP	2022	\$ 20,025	
Claims Administration - Qual-Lynx	2022	2,000	
Claims Auditor - North Shore Risk Consulting	2022	4,800	
EPL/Cyber Incentive Program	2022	3,000	
Legal Notices	2022	55	
Meeting Expense	2022	2,100	
Optional Safety Budget	2022	11,631	
Postage/Copies/Fax	2022	141	
Printing	2022	3,961	
Right To Know	2022	43,645	
Safety Incentive Program	2022	85,959	
Wellness Program	2022	<u>6,579</u>	
Total Fund Year 2022			\$ 183,896
Administrative Expenses:			
Claims Auditor - North Shore Risk Consulting	2021	4,800	
Safety Incentive Program	2021	<u>15,645</u>	
Total Fund Year 2021			20,445
Administrative Expenses:			
Claims Auditor - North Shore Risk Consulting	2020	<u>4,800</u>	
Total Fund Year 2020			4,800
Administrative Expenses:			
Claims Auditor - North Shore Risk Consulting	2019	<u>4,800</u>	
Total Fund Year 2019			<u>4,800</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis			<u><u>\$ 213,941</u></u>

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**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 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

