

Report of Audit

on the

Financial Statements

of the

***Union County
Insurance Fund
Commission***

for the

Years Ended

December 31, 2022 and 2021

UNION COUNTY INSURANCE FUND COMMISSION

DECEMBER 31, 2022 AND 2021

I N D E X

	<u>PAGE NUMBER</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Independent Auditor's 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	4-5
Management Discussion and Analysis	6-9
BASIC FINANCIAL STATEMENTS	
<u>EXHIBITS</u>	
"A" Statements of Net Position as of December 31, 2022 and 2021	10
"B" Statements of Revenue, Expenses and Changes in Net Position for the Years Ended December 31, 2022 and 2021	11
"C" Statements of Cash Flows for the Years Ended December 31, 2022 and 2021	12
Notes to Financial Statements - December 31, 2022 and 2021	13-22
SUPPLEMENTARY INFORMATION	
<u>SCHEDULES</u>	
"A" Historical Year Operating Results Analysis-Fund Years 2018, 2019, 2020, 2021 and 2022 - December 31, 2022	23
"B" Historical Balance Sheet-Fund Years 2018, 2019, 2020, 2021 and 2022 - December 31, 2022	24
"C" Fund Year Operating Results Analysis - Fund Year 2018 - December 31, 2022	25
"C" Fund Year Operating Results Analysis - Fund Year 2019 - December 31, 2022	26
"C" Fund Year Operating Results Analysis - Fund Year 2020 - December 31, 2022	27
"C" Fund Year Operating Results Analysis - Fund Year 2021 - December 31, 2022	28

UNION COUNTY INSURANCE FUND COMMISSION

DECEMBER 31, 2021 AND 2020

I N D E X (CONTINUED)

	<u>PAGE NUMBER</u>
“C” Fund Year Operating Results Analysis - Fund Year 2022 - December 31, 2022	29
“D” Fund Year Account Operating Results Analysis-Fund Year 2018 - December 31, 2022	30
“D” Fund Year Account Operating Results Analysis-Fund Year 2019 - December 31, 2022	31
“D” Fund Year Account Operating Results Analysis-Fund Year 2020 - December 31, 2022	32
“D” Fund Year Account Operating Results Analysis-Fund Year 2021 - December 31, 2022	33
“D” Fund Year Account Operating Results Analysis-Fund Year 2022 - December 31, 2022	34
“E” Fund Year Claims Analysis-Fund Year 2018 - December 31, 2022	35
“E” Fund Year Claims Analysis-Fund Year 2019 - December 31, 2022	36
“E” Fund Year Claims Analysis-Fund Year 2020 - December 31, 2022	37
“E” Fund Year Claims Analysis-Fund Year 2021 - December 31, 2022	38
“E” Fund Year Claims Analysis-Fund Year 2022 - December 31, 2022	39
“F” Statement of Expenditures-Fund Year 2018 - for the Year Ended December 31, 2022	40
“F” Statement of Expenditures-Fund Year 2019 - for the Year Ended December 31, 2022	41
“F” Statement of Expenditures-Fund Year 2020 - for the Year Ended December 31, 2022	42
“F” Statement of Expenditures-Fund Year 2021 - for the Year Ended December 31, 2022	43
“F” Statement of Expenditures-Fund Year 2022 - for the Year Ended December 31, 2022	44
State Required Supporting Schedule-Year End Report – Analysis of Cash and Investments	45

UNION COUNTY INSURANCE FUND COMMISSION

DECEMBER 31, 2021 AND 2020

I N D E X (CONTINUED)

	<u>PAGE NUMBER</u>
State Required Supporting Schedule-Year End Report - Analysis of Accounts Receivable - December 31, 2022	46
State Required Supporting Schedule-Year End Report - Analysis of Prepaid Expenses - December 31, 2022	46
State Required Supporting Schedule-Year End Report - Analysis of Accounts Payable - December 31, 2022	46
Reconciliation of Claims Liabilities by Fund For the period January 1, 2022, to December 31,2022	47
Ten-Year Claims Development Information	48
Comments and Recommendations	49

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Union County Insurance Fund Commission
Administration Building
10 Elizabeth Plaza
Elizabeth, NJ 07202

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the Union County Insurance Fund Commission (the "Fund"), which comprises the statements of net position as of December 31, 2022 and 2021 and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Union County Insurance Fund Commission as of December 31, 2022 and 2021, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Qualified Opinion

We did not extend our audit to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) reserve amounts since they are prepared by the Fund's actuary as permitted by the Departments of Community Affairs and Banking and Insurance, State of New Jersey.

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

SUPLEE, CLOONEY & COMPANY

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. 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.

SUPLEE, CLOONEY & COMPANY

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union County Insurance Fund Commission's financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 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 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 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 Union County Insurance Fund Commission's financial reporting and compliance.

September 18, 2023





SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Board of Commissioners
Union County Insurance Fund Commission
Administration Building
10 Elizabeth Plaza
Elizabeth, NJ 07202

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Union County Insurance Fund Commission (the "Commission") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Union County Insurance Fund Commission's financial statements, and have issued our report thereon dated September 18, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Union County Insurance Fund Commission's control over financial reporting (internal control) to determine the 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union County Insurance Fund Commission'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.

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

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

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 18, 2023



MANAGEMENT DISCUSSION AND ANALYSIS

UNION COUNTY INSURANCE FUND COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2022 and 2021. It is to be read in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

OVERVIEW OF ANNUAL FINANCIAL REPORT

The Fund's basic financial statements are presented in conformity with generally accepted accounting principles for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide low cost insurance coverage for its members. The Fund maintains separate enterprise funds by incurred years and line of coverage. The financial statements include Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; Statements of Cash Flows; and Notes to Financial Statements.

The Statements of Net Position present the financial position of the Fund on a historical cost basis. These statements present information on the Fund's assets and liabilities, with the difference reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position present the results of the business activities of the Fund over the course of the fiscal year and information as to how the net position changed during the year. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

The Statements of Cash Flows present changes in cash and cash equivalents, resulting from operational, financing, and investing activities. These statements present cash receipts and cash disbursement information, without consideration of the earnings event or when an obligation arises.

The Notes to Financial Statements provide required disclosures and other information that are essential to an understanding of material data provided in the basic financial statements. The notes present information that include accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

FUND'S FINANCIAL HIGHLIGHTS

Summary Statements of Net Position

	<u>December 31,</u>		<u>Net Change</u>		<u>2020</u>
	<u>2022</u>	<u>2021</u>	<u>\$</u>	<u>%</u>	
Cash and Cash Equivalents	\$ 12,498,526	\$ 12,794,293	\$ (295,767)	-2.3%	\$ 11,273,792
Excess Insurance Receivable	-	308,775	(308,775)	-100.0%	429,515
Other Receivables	9,562	-	9,562	0.0%	-
Investment in Joint Venture	-	1,910,727	(1,910,727)	-100.0%	2,023,024
Total Assets	\$ 12,508,088	\$ 15,013,795	\$ (2,505,707)	-16.7%	\$ 13,726,331
<u>Liabilities:</u>					
Accounts Payable	\$ 17,300	\$ 10,287	\$ 7,013	68.2%	\$ 10,239
Deferred Revenue	-	673,742	(673,742)	100.0%	-
Loss Reserves	7,714,886	8,448,753	(733,867)	-8.7%	9,090,978
Total Liabilities	7,732,186	9,132,782	(1,400,596)	-15.3%	9,101,217
Net Position	4,775,902	5,881,013	(1,105,111)	-18.8%	4,625,114
Total liabilities and net position	\$ 12,508,088	\$ 15,013,795	\$ (2,505,707)	-16.7%	\$ 13,726,331

Total assets at December 31, 2022 and 2021, consisting principally of cash and cash equivalents, amounted to \$12.5 million and \$15.0 million at December 31, 2022 and 2021, respectively. Effective January 1, 2022 the Commission ceased its investment in the Joint Venture. Cash and cash equivalents decreased \$296 thousand. Loss reserves decreased \$734 thousand. Net position increased \$1.1 million largely due to the termination of the investment in Joint Venture.

Summary Statement of Revenues, Expenses and Change in Net Position

	<u>Year ended December 31</u>		<u>Net Change</u>		<u>2020</u>
	<u>2022</u>	<u>2021</u>	<u>\$</u>	<u>%</u>	
Operating Revenues - Assessments	\$ 3,230,703	\$ 3,890,028	\$ (659,325)	-16.9%	\$ 5,124,850
<u>Operating Expenses:</u>					
Provision for Claims and Claims Expenses	1,593,747	1,959,791	(366,044)	-18.7%	4,180,962
Administration	<u>208,805</u>	<u>190,847</u>	<u>17,958</u>	9.4%	<u>187,270</u>
Total Operating Expenses	\$ 1,802,552	\$ 2,150,638	\$ (348,086)	-16.2%	\$ 4,368,232
Operating Income (Loss)	\$ 1,428,151	\$ 1,739,390	\$ (311,239)	-17.9%	\$ 756,618
Interest Income	127,466	53,806	73,660	136.9%	71,878
Net Change in Investment in Joint Venture	<u>(1,910,727)</u>	<u>(112,297)</u>	<u>(1,798,430)</u>	-1601.5%	<u>(53,210)</u>
Change in Net Position	\$ (355,111)	\$ 1,680,899	\$ (2,036,009)	-121.1%	\$ 775,286
Net Position, Beginning of Year	\$ 5,881,013	\$ 4,625,114	1,255,899	27.2%	\$ 3,849,828
Equity distribution to members	<u>(750,000)</u>	<u>(425,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, End of Year	\$ 4,775,902	\$ 5,881,013	\$ (780,110)	-13.3%	\$ 4,625,114

Assessments for the year amounted to \$3.2 million, a decrease of \$.7 million from the prior year. The provision for claims and claims expenses amounted to \$1.6 million, a decrease of \$366 thousand from the prior year. The decrease is largely attributable to the termination of the investment in Joint Venture. Administration expenses increased 9.4% to \$208 thousand.

COMMISSION OVERVIEW

The Union County Insurance Fund Commission (the "Commission") was formed by the Union County Board of Chosen Freeholders pursuant to the authority of N.J.S.A. 40A:10-1, et seq. The Commission was established for the purpose of achieving cost savings through the joint purchase or self-funding of insurance. The Board of Commissioners is comprised of three (3) officials.

An executive director appointed by the Commissioners is responsible for the overall administration of the Commission.

The following coverages are offered by the Commission to its members:

- a) Workers' Compensation and Employers' Liability, USL&H and Harbor Marine/Jones Act
- b) General Liability including Law Enforcement Liability and Employee Benefits Liability
- c) Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage
- d) Property, Automobile Physical Damage and Boiler & Machinery

The Commission's sole member, the County, provides for excess insurance through membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).

Contacting the Fund's Management

Questions concerning the Fund's annual financial report should be addressed to the Commission's Executive Director at the Union County Insurance Fund Commission, c/o PERMA, 9 Campus Drive, Parsippany, NJ 07054.

BASIC FINANCIAL STATEMENTS

UNION COUNTY INSURANCE FUND COMMISSIONSTATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 12,498,526	\$ 12,794,293
Contributions Receivable	9,562	-
Excess Insurance Receivable	-	308,775
Investment in Joint Venture	-	1,910,727
	<u> </u>	<u> </u>
Total Assets	<u>\$ 12,508,088</u>	<u>\$ 15,013,795</u>
<u>Liabilities and Net Position</u>		
Liabilities:		
Accounts Payable	\$ 17,300	\$ 10,287
Deferred Revenue	-	673,742
Loss Reserves	7,714,886	8,448,753
Total Liabilities	<u>\$ 7,732,186</u>	<u>\$ 9,132,782</u>
Net Position:		
Net Position - Unrestricted	<u>\$ 4,775,902</u>	<u>\$ 5,881,013</u>
Total Net Position	<u>\$ 4,775,902</u>	<u>\$ 5,881,013</u>
Total Liabilities and Net Position	<u>\$ 12,508,088</u>	<u>\$ 15,013,795</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenue:		
Assessments - Participating Members	\$ <u>3,230,703</u>	\$ <u>3,890,028</u>
Total Operating Revenue	\$ <u>3,230,703</u>	\$ <u>3,890,028</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense	\$ 1,593,747	\$ 1,959,791
Administration	<u>208,805</u>	<u>190,847</u>
Total Operating Expenses	\$ <u>1,802,552</u>	\$ <u>2,150,638</u>
Operating Income	\$ 1,428,151	\$ 1,739,390
Non-operating Revenues:		
Interest Income	127,466	53,806
Net Change in Investment in Joint Ventures	<u>(1,910,727)</u>	<u>(112,297)</u>
Net Income (Loss)	\$ (355,111)	\$ 1,680,899
Net Position, Beginning of Year	5,881,013	4,625,114
Surplus Return to Participating Member	<u>(750,000)</u>	<u>(425,000)</u>
Net Position, End of Year	\$ <u><u>4,775,902</u></u>	\$ <u><u>5,881,013</u></u>

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

UNION COUNTY INSURANCE FUND COMMISSION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities:</u>		
Receipts from Participating Members' Assessments	\$ 2,547,399	\$ 4,563,770
Payments for Claims and Claims Adjustment Expense	(2,018,839)	(2,481,276)
Payments for Administration Expenses	<u>(201,792)</u>	<u>(190,799)</u>
Net Cash Provided by Operating Activities	\$ <u>326,768</u>	\$ <u>1,891,695</u>
<u>Cash Flows from Investing Activities:</u>		
Interest Income	\$ <u>127,466</u>	\$ <u>53,806</u>
Net Cash Provided by Investing Activities	\$ <u>127,466</u>	\$ <u>53,806</u>
<u>Cash Flows from Noncapital Financing Activities:</u>		
Fund Equity Distribution to Participating Members	\$ <u>(750,000)</u>	\$ <u>(425,000)</u>
Net Cash Used by Noncapital Financing Activities	\$ <u>(750,000)</u>	\$ <u>(425,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (295,766)	\$ 1,520,501
Cash and Cash Equivalents - Beginning of Year	<u>12,794,293</u>	<u>11,273,792</u>
Cash and Cash Equivalents - End of Year	\$ <u><u>12,498,526</u></u>	\$ <u><u>12,794,293</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 1,428,151	\$ 1,739,390
Changes in Operating Assets and Liabilities:		
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Excess Insurance Receivable	308,775	120,740
(Increase)/Decrease in Contributions Receivables	(9,562)	-
(Increase)/Decrease in Other Receivables	-	-
Increase/(Decrease) in Accounts Payable	7,013	48
Increase/(Decrease) in Deferred Revenue	(673,742)	673,742
Increase/(Decrease) in Loss Reserves	<u>(733,867)</u>	<u>(642,225)</u>
Net Cash Provided by Operating Activities	\$ <u><u>326,768</u></u>	\$ <u><u>1,891,695</u></u>

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

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(1) ORGANIZATION AND DESCRIPTION OF THE COMMISSION

The Union County Insurance Fund Commission (the "Commission") was formed by the Union County Board of Chosen Freeholders pursuant to the authority of N.J.S.A. 40A:10-1, et seq. The Commission was established for the purpose of achieving cost savings through the joint purchase or self-funding of insurance. The Board of Commissioners is comprised of three (3) officials.

An executive director appointed by the Commissioners is responsible for the overall administration of the Commission.

The following coverages are offered by the Commission to its members:

- a) Workers' Compensation and Employers' Liability, USL&H and Harbor Marine/Jones Act
- b) General Liability including Law Enforcement Liability and Employee Benefits Liability
- c) Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage
- d) Property, Automobile Physical Damage and Boiler & Machinery
- e) Cyber Liability

The Commission is currently comprised of one member, the County of Union.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Government Accounting Standards Board ("GASB") No. 14, "The Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Commission has determined that there were no additional entities required to be included in the reporting entity under the criteria as described above, in the current year. In addition, the Commission is not includable in any other reporting entity on the basis of such criteria.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Fund Accounting

The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of an enterprise fund, is the measurement of economic resources, that is, the determination of net income, financial position and cash flows.

Enterprise Funds are used to account for activities that are operated in a manner similar to private business enterprises.

Accrual Basis of Accounting

The Commission uses the accrual basis of accounting, whereby income is recorded as earned and expenses are recognized as incurred.

Income Taxes

The Commission is a tax-exempt organization and is not subject to either federal or state income taxes.

Assessments

The gross claim fund assessment is determined by the actuary and, when combined with expense and other projections, constitutes the Commission's budget.

Prepaid Expenses

Prepaid expenses consist of the prepaid portion of administrative expenses.

Deferred Revenue

Deferred revenue represents the unearned assessments.

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.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unpaid Claims Liabilities

The Commission establishes claims liabilities based on estimates of the ultimate cost of claims 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. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The accountants' audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) Reserve amounts since they are prepared by the Commission's Actuary.

Claims Case Reserves

Case reserves include estimated unpaid claim costs for claimants and allocated claim adjustment expenses as reported by the service agent.

Claims Incurred But Not Reported (IBNR) Reserve

In order to recognize claims incurred but not reported, a reserve is calculated by the Commission's actuary.

IBNR reserves include:

- a. Known loss events that are expected to later be presented as claims,
- b. Unknown loss events that are expected to become claims, and
- c. Expected future development on claims already reported.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discount

The Commission has elected to report the estimated liability for claims reserves and IBNR on a discounted basis based on an approximate projected 1.0% annual interest rate which varies by coverage. As with all projections, there is an uncertainty as to whether the underlying assets and claims payments will support the projected discount.

(3) CASH AND CASH EQUIVALENTS

The Commission considers cash in banks and Short-Term Investments with original maturities of three months or less as cash and cash equivalents.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund (SAIF), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes permit the deposit of public funds only in banks which meet the requirements of the Governmental Unit Deposit Protection Act or the State of New Jersey Cash Management Fund. This Act, commonly referred to as "GUDPA", requires that banks which accept public funds to be a public depository. The statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits.

Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Commission does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2022, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balances was exposed to custodial credit risk.

Based upon the limitation set forth by New Jersey Statutes and existing investment practices, the Commission is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(3) CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk – In accordance with its cash management plan, the Commission ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Commission limits its investments to those authorized in its cash management plan which are permitted under state statutes.

The Commission held the following cash and cash equivalents at December 31:

	<u>2022</u>	<u>2021</u>
Checking Accounts	<u>\$12,498,526</u>	<u>\$12,794,293</u>
	<u>\$12,498,526</u>	<u>\$12,794,293</u>

The carrying amount of the Commission's cash and cash equivalents at cost at December 31, 2022 was \$12,498,526 the bank balance was \$12,636,249. Of the bank balance, \$250,000 was covered by federal depository insurance; \$12,386,526 was covered by the collateral pool maintained by the banks as required by New Jersey statutes.

(4) FUND TRANSFERS

Permanent intertrust fund transfers and interyear fund transfers are made upon the expressed approval of the Commissioners.

All fund transfers are recognized at the time actual transfers take place.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(5) MEMBERSHIP IN JOINT INSURANCE FUND (JOINT VENTURE)

New Jersey Counties Excess Joint Insurance Fund (NJC)

The Commission terminated its membership in the New Jersey Counties Excess Joint Insurance Fund (NJC) effective January 1, 2022. The County of Union, the Commission's sole member, has become a member of the New Jersey Counties Excess Joint Insurance Fund (NJC). The NJC provides excess insurance for each of the coverages noted above, as well as Public Officials Liability, Employment Practices Liability, Crime, Pollution Liability, Employed Lawyers Liability, Cyber Liability, and Non-Owned Aircraft Liability to the County of Union.

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

The NJC 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 for that fund year. In accordance with Statement No. 10 of the Government Account Standards Board, these distributions are used to reduce the amount recorded for the Commission's membership assessment in the year in which the distribution was declared.

(6) RETURN OF SURPLUS

Any moneys for a fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by the Commission's actuary may be declared to be refundable as approved by the Commissioners. In 2022 the Commissioners approved a surplus return of \$750,000 from the 2018 Fund Year.

(7) MINIMUM SURPLUS REQUIREMENTS

There is no statutory minimum surplus requirements.

(8) DEFICIT FUND BALANCE

The Commission will liquidate any deficit in a fund balance by transferring from another fund or by assessing members for additional contributions.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(9) SUPPLEMENTAL ASSESSMENTS

The Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Commission's claims, loss retention, or administrative accounts to assure the payment of the Commission's obligations.

(10) LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet reported as of December 31, 2022. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Commission, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Commission's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The Commission has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Commission has not received notices or reports of losses.

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(10) LOSS RESERVES (CONTINUED)

	<u>PROPERTY FUND</u>	<u>GENERAL LIABILITY FUND</u>	<u>AUTO LIABILITY FUND</u>	<u>WORKERS' COMPENSATION FUND</u>		
<u>2018 Fund Year</u>						
Case Reserves	\$ -	\$ 76,000	\$ 100,000	\$ 404,661		
Discount on Reserves	-	-	-	(12,006)		
Losses Incurred But Not Reported (IBNR)	-	46,912	5,697	62,838		
	<u>\$ -</u>	<u>\$ 122,912</u>	<u>\$ 105,697</u>	<u>\$ 455,493</u>	<u>\$</u>	<u>684,102</u>
<u>2019 Fund Year</u>						
Case Reserves	\$ -	\$ 7,100	\$ -	\$ 714,884		
Discount on Reserves	-	-	-	(16,788)		
Losses Incurred But Not Reported (IBNR)	-	132,160	0	99,301		
	<u>\$ -</u>	<u>\$ 139,260</u>	<u>\$ 0</u>	<u>\$ 797,396</u>	<u>\$</u>	<u>936,656</u>
<u>2020 Fund Year</u>						
Case Reserves	\$ 159,824	\$ 65,182	\$ -	\$ 592,766		
Discount on Reserves	-	-	-	(36,028)		
Losses Incurred But Not Reported (IBNR)	0	134,208	60,000	761,286		
	<u>\$ 159,824</u>	<u>\$ 199,390</u>	<u>\$ 60,000</u>	<u>\$ 1,318,024</u>	<u>\$</u>	<u>1,737,238</u>
<u>2021 Fund Year</u>						
Case Reserves	\$ -	\$ 10,010	\$ 6,023	\$ 818,204		
Discount on Reserves	-	-	-	(42,065)		
Losses Incurred But Not Reported (IBNR)	0	245,953	91,604	708,738		
	<u>\$ 0</u>	<u>\$ 255,963</u>	<u>\$ 97,627</u>	<u>\$ 1,484,877</u>	<u>\$</u>	<u>1,838,467</u>
<u>2022 Fund Year</u>						
Case Reserves	\$ 82,617	\$ 42,260	\$ 4,002	\$ 776,325		
Discount on Reserves	-	-	-	(70,580)		
Losses Incurred But Not Reported (IBNR)	1,000	358,593	183,685	1,140,519		
	<u>\$ 83,618</u>	<u>\$ 400,853</u>	<u>\$ 187,687</u>	<u>\$ 1,846,264</u>	<u>\$</u>	<u>2,518,422</u>
<u>Totals</u>						
Case Reserves	\$ 242,441	\$ 200,552	\$ 110,025	\$ 3,306,839	\$	3,859,857
Discount on Reserves	-	-	-	(177,466)		(177,466)
Losses Incurred But Not Reported (IBNR)	1,001	917,826	340,987	2,772,682		4,032,495
	<u>\$ 243,442</u>	<u>\$ 1,118,378</u>	<u>\$ 451,012</u>	<u>\$ 5,902,054</u>	<u>\$</u>	<u>7,714,886</u>

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(11) CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Commission 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 Commission for all open fund years net of excess insurance recoveries as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Total unpaid claims and claim adjustment expenses all Fund years - beginning of year	\$8,448,753	\$9,090,978
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fund year	3,039,729	3,417,473
Changes in provision for insured events of prior fund years	<u>(1,445,983)</u>	<u>(1,457,682)</u>
Total incurred claims and claim adjustment expenses all Fund years	\$10,042,501	\$11,050,769
Payments:		
Claims and claim adjustment expenses:		
Attributable to insured events of current fund year	521,308	623,227
Attributable to insured events of prior fund years	<u>1,806,307</u>	<u>1,978,788</u>
Total Payments all Fund years	\$2,327,615	\$2,602,015
Total unpaid claims and claim adjustment expenses all Fund years - end of year	<u>\$7,714,886</u>	<u>\$8,448,753</u>

UNION COUNTY INSURANCE FUND COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(12) SUBSEQUENT EVENTS

The Union County Insurance Fund Commission has evaluated subsequent events occurring after the financial statement date through September 18, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the Union County Insurance Fund Commission has determined the following:

COVID-19 Pandemic

While there are many issues that are increasing claims costs for New Jersey public entities, management is confident that the Commission and its affiliated excess insurer, the New Jersey Counties Excess Joint Insurance Fund, are 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 claims to the Commission.

Claims Activity

Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. The Commission's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgements when Title 59 immunities should apply.

Excess Reinsurance Premiums

Management also expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance.

There are no further subsequent events that have occurred which require disclosure in the financial statements.

(13) LITIGATION, CLAIMS AND CONTINGENT LIABILITIES

In the opinion of management, claims or lawsuits incidental to the business of the Commission have been adequately provided for in the financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE A

UNION COUNTY INSURANCE FUND COMMISSION
HISTORICAL YEAR OPERATING RESULTS ANALYSIS

FUND YEARS 2018, 2019, 2020, 2021 AND 2022

DECEMBER 31, 2022

<u>Underwriting Income:</u>		
Regular Contributions	\$ 22,967,881.88	
Supplemental Contributions	-	
Other Income	-	
<u>Total Income</u>		\$ 22,967,881.88
<u>Incurred Liabilities:</u>		
Claims:		
Paid	\$ 8,357,313.53	
Case Reserves	3,859,857.30	
Discount on Reserves	(177,466.43)	
IBNR Reserve	4,032,494.72	
Subtotal		\$ 16,072,199.12
Less Excess Insurance:		
Received	\$ (429,515.00)	
Recoverable	-	
Subtotal		(429,515.00)
Limited Incurred Claims		\$ 16,501,714.12
Expenses:		
Administrative	948,760.86	
Subtotal Expenses		948,760.86
<u>Total Incurred Liabilities</u>		<u>17,450,474.98</u>
<u>Underwriting Surplus/(Deficit)</u>		\$ 5,517,406.90
<u>Investment Income</u>		<u>433,495.35</u>
<u>Gross Operating Surplus/(Deficit)</u>		\$ 5,950,902.25
<u>Return of Surplus:</u>		
Paid	\$ 1,175,000.00	
Authorized and Unpaid	-	
Subtotal Return of Surplus		<u>1,175,000.00</u>
<u>Net Current Surplus/(Deficit)</u>		\$ <u>4,775,902.25</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

HISTORICAL BALANCE SHEET

FUND YEARS 2018, 2019, 2020, 2021 AND 2022

DECEMBER 31, 2022

Assets:			
Cash and Investments	\$	<u>12,498,526.23</u>	
			\$ 12,498,526.23
Receivables:			
Excess Insurance		-	
Miscellaneous Receivable		-	
Prepaid Expenses		-	
Assessments		9,561.98	
Other	\$	<u>-</u>	
Total Receivables			<u>9,561.98</u>
<u>Total Assets</u>			\$ 12,508,088.21
Liabilities:			
Claims:			
Case Reserves	\$	3,859,857.30	
Discount on Reserves		(177,466.43)	
IBNR Reserve		<u>4,032,494.72</u>	
Subtotal Claims			\$ 7,714,885.59
Deferred Revenue		-	-
Expenses (Unpaid):			
Administrative	\$	<u>17,300.06</u>	
Subtotal Expenses			<u>17,300.06</u>
			<u>7,732,185.65</u>
<u>Total Liabilities</u>			
Net Current Surplus/(Deficit)			\$ <u><u>4,775,902.25</u></u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR 2018

DECEMBER 31, 2022

<u>Underwriting Income:</u>		
Regular Contributions	\$ 5,739,964.15	
Supplemental Contributions	-	
Other Income	-	
<u>Total Income</u>		\$ 5,739,964.15
<u>Incurred Liabilities:</u>		
Claims:		
Paid	\$ 2,750,266.51	
Case Reserves	580,661.14	
Discount on Reserves	(12,006.00)	
IBNR Reserve	115,446.97	
Subtotal		\$ 3,434,368.62
Less Excess Insurance:		
Received	\$ -	
Recoverable	-	
Subtotal		\$ -
Limited Incurred Claims		\$ 3,434,368.62
Expenses:		
Administrative	\$ 179,138.77	
Subtotal Expenses		179,138.77
<u>Total Incurred Liabilities</u>		<u>3,613,507.39</u>
<u>Underwriting Surplus/(Deficit)</u>		\$ 2,126,456.76
<u>Investment Income</u>		<u>206,065.77</u>
<u>Gross Operating Surplus/(Deficit)</u>		\$ 2,332,522.53
<u>Return of Surplus:</u>		
Paid	\$ 1,175,000.00	
Authorized and Unpaid		
Subtotal Return of Surplus		<u>1,175,000.00</u>
<u>Net Current Surplus/(Deficit)</u>		\$ <u>1,157,522.53</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR 2019

DECEMBER 31, 2022

<u>Underwriting Income:</u>		
Regular Contributions	\$ 4,982,336.73	
Supplemental Contributions	-	
Other Income	-	
<u>Total Income</u>		\$ 4,982,336.73
<u>Incurred Liabilities:</u>		
Claims:		
Paid	\$ 3,158,415.15	
Case Reserves	721,983.61	
Discount on Reserves	(16,787.99)	
IBNR Reserve	231,460.83	
Subtotal		\$ 4,095,071.60
Less Excess Insurance:		
Received	\$ -	
Recoverable	-	
Subtotal		-
Limited Incurred Claims		\$ 4,095,071.60
Expenses:		
Administrative	\$ 182,917.78	
Subtotal Expenses		182,917.78
<u>Total Incurred Liabilities</u>		<u>4,277,989.38</u>
<u>Underwriting Surplus/(Deficit)</u>		\$ 704,347.35
<u>Investment Income</u>		<u>104,811.89</u>
<u>Gross Operating Surplus/(Deficit)</u>		\$ 809,159.24
<u>Return of Surplus:</u>		
Paid	\$ -	
Authorized and Unpaid		
Subtotal Return of Surplus		-
<u>Net Current Surplus/(Deficit)</u>		\$ <u>809,159.24</u>

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

SCHEDULE C

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR 2020

DECEMBER 31, 2022

<u>Underwriting Income:</u>			
Regular Contributions	\$ 5,124,850.00		
Supplemental Contributions	-		
Other Income	-		
<u>Total Income</u>			\$ 5,124,850.00
 <u>Incurred Liabilities:</u>			
Claims:			
Paid	\$ 868,118.39		
Case Reserves	817,771.66		
Discount on Reserves	(36,028.00)		
IBNR Reserve	955,494.42		
Subtotal		\$ 2,605,356.47	2,605,356.47
 Less Excess Insurance:			
Received	\$ (429,515.00)		
Recoverable	-		
Subtotal		(429,515.00)	
Limited Incurred Claims		\$ 3,034,871.47	
 Expenses:			
Administrative	\$ 187,315.16		
Subtotal Expenses		187,315.16	
<u>Total Incurred Liabilities</u>			<u>3,222,186.63</u>
<u>Underwriting Surplus/(Deficit)</u>			\$ 1,902,663.37
<u>Investment Income</u>			<u>65,553.94</u>
<u>Gross Operating Surplus/(Deficit)</u>			\$ 1,968,217.31
 <u>Return of Surplus:</u>			
Paid	\$ -		
Authorized and Unpaid			
Subtotal Return of Surplus			-
<u>Net Current Surplus/(Deficit)</u>			<u>\$ 1,968,217.31</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR 2021

DECEMBER 31, 2022

<u>Underwriting Income:</u>		
Regular Contributions	\$ 3,890,028.00	
Supplemental Contributions	-	
Other Income	-	
<u>Total Income</u>		\$ 3,890,028.00
<u>Incurred Liabilities:</u>		
Claims:		
Paid	\$ 1,059,205.85	
Case Reserves	834,236.80	
Discount on Reserves	(42,064.71)	
IBNR Reserve	<u>1,046,295.35</u>	
Subtotal		\$ 2,897,673.29
Less Excess Insurance:		
Received	\$ -	
Recoverable	-	
Subtotal		<u>-</u>
Limited Incurred Claims		\$ 2,897,673.29
Expenses:		
Administrative	\$ <u>190,967.84</u>	
Subtotal Expenses		<u>190,967.84</u>
<u>Total Incurred Liabilities</u>		<u>3,088,641.13</u>
<u>Underwriting Surplus/(Deficit)</u>		\$ 801,386.87
<u>Investment Income</u>		<u>36,333.74</u>
<u>Gross Operating Surplus/(Deficit)</u>		\$ 837,720.61
<u>Return of Surplus:</u>		
Paid	\$ -	
Authorized and Unpaid	-	
Subtotal Return of Surplus		<u>-</u>
<u>Net Current Surplus/(Deficit)</u>		\$ <u><u>837,720.61</u></u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR 2022

DECEMBER 31, 2022

<u>Underwriting Income:</u>		
Regular Contributions	\$ 3,230,703.00	
Supplemental Contributions	-	
Other Income	-	
<u>Total Income</u>		\$ 3,230,703.00
<u>Incurred Liabilities:</u>		
Claims:		
Paid	\$ 521,307.63	
Case Reserves	905,204.09	
Discount on Reserves	(70,579.73)	
IBNR Reserve	<u>1,683,797.15</u>	
Subtotal		\$ 3,039,729.14
Less Excess Insurance:		
Received	\$ -	
Recoverable	-	
Subtotal		<u>-</u>
Limited Incurred Claims		\$ 3,039,729.14
Expenses:		
Administrative	\$ <u>208,421.31</u>	
Subtotal Expenses		<u>208,421.31</u>
<u>Total Incurred Liabilities</u>		<u>3,248,150.45</u>
<u>Underwriting Surplus/(Deficit)</u>		\$ (17,447.45)
<u>Investment Income</u>		<u>20,730.01</u>
<u>Gross Operating Surplus/(Deficit)</u>		\$ 3,282.56
<u>Return of Surplus:</u>		
Paid	\$ -	
Authorized and Unpaid		
Subtotal Return of Surplus		<u>-</u>
<u>Net Current Surplus/(Deficit)</u>		\$ <u><u>3,282.56</u></u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - FUND YEAR 2018

DECEMBER 31, 2022

	COVERAGES AND OTHER ACCOUNTS					TOTAL
	PROPERTY	GENERAL LIABILITY	AUTO LIABILITY	WORKERS' COMPENSATION INSURANCE	GENERAL AND ADMINISTRATIVE	
Underwriting Income	\$ 320,021.00	\$ 427,942.00	\$ 259,693.00	\$ 4,546,370.00	\$ 185,938.15	\$ 5,739,964.15
Regular Contributions (Earned)						
Supplemental Contributions						
Other Income (Except Investments)						
<u>Total Income</u>	<u>\$ 320,021.00</u>	<u>\$ 427,942.00</u>	<u>\$ 259,693.00</u>	<u>\$ 4,546,370.00</u>	<u>\$ 185,938.15</u>	<u>\$ 5,739,964.15</u>
Incurred Liabilities						
Claims (Limited Incurred)	\$ 290,046.32	\$ 540,868.00	\$ 128,807.00	\$ 2,474,647.30	\$ 179,138.77	\$ 3,434,368.62
Expenses						
<u>Total Liabilities</u>	<u>\$ 290,046.32</u>	<u>\$ 540,868.00</u>	<u>\$ 128,807.00</u>	<u>\$ 2,474,647.30</u>	<u>\$ 179,138.77</u>	<u>\$ 3,613,507.39</u>
<u>Underwriting Surplus/(Deficit)</u>	<u>\$ 29,974.68</u>	<u>\$ (112,926.00)</u>	<u>\$ 130,886.00</u>	<u>\$ 2,071,722.70</u>	<u>\$ 6,799.38</u>	<u>\$ 2,126,456.76</u>
Adjustments						
Investment Income	\$ 1,917.18	\$ 14,834.08	\$ 13,087.71	\$ 170,153.21	\$ 6,073.59	\$ 206,065.77
Transfers						
<u>Total Adjustments</u>	<u>\$ 1,917.18</u>	<u>\$ 14,834.08</u>	<u>\$ 13,087.71</u>	<u>\$ 170,153.21</u>	<u>\$ 6,073.59</u>	<u>\$ 206,065.77</u>
Gross Operating Surplus (Deficit)	\$ 31,891.86	\$ (98,091.92)	\$ 143,973.71	\$ 2,241,875.91	\$ 12,872.97	\$ 2,332,522.53
Return of Surplus	\$ -	\$ -	\$ -	\$ 1,175,000.00	\$ -	\$ 1,175,000.00
<u>Net Current Surplus (Deficit)</u>	<u>\$ 31,891.86</u>	<u>\$ (98,091.92)</u>	<u>\$ 143,973.71</u>	<u>\$ 1,066,875.91</u>	<u>\$ 12,872.97</u>	<u>\$ 1,157,522.53</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - FUND YEAR 2019

DECEMBER 31, 2022

	COVERAGES AND OTHER ACCOUNTS					TOTAL
	PROPERTY	GENERAL LIABILITY	AUTO LIABILITY	WORKERS' COMPENSATION INSURANCE	GENERAL AND ADMINISTRATIVE	
Underwriting Income	\$ 306,379.43	\$ 385,650.83	\$ 232,997.86	\$ 3,870,000.01	\$ 187,308.60	\$ 4,982,336.73
Regular Contributions (Earned)						
Supplemental Contributions						
Other Income (Except Investments)						
<u>Total Income</u>	<u>\$ 306,379.43</u>	<u>\$ 385,650.83</u>	<u>\$ 232,997.86</u>	<u>\$ 3,870,000.01</u>	<u>\$ 187,308.60</u>	<u>\$ 4,982,336.73</u>
Incurred Liabilities						
Claims (Limited Incurred)	\$ 115,092.98	\$ 462,076.00	\$ 7,739.00	\$ 3,510,163.62	\$ 182,917.78	\$ 4,095,071.60
Expenses						182,917.78
<u>Total Liabilities</u>	<u>\$ 115,092.98</u>	<u>\$ 462,076.00</u>	<u>\$ 7,739.00</u>	<u>\$ 3,510,163.62</u>	<u>\$ 182,917.78</u>	<u>\$ 4,277,989.38</u>
<u>Underwriting Surplus/(Deficit)</u>	<u>\$ 191,286.45</u>	<u>\$ (76,425.17)</u>	<u>\$ 225,258.86</u>	<u>\$ 359,836.39</u>	<u>\$ 4,390.82</u>	<u>\$ 704,347.35</u>
Adjustments						
Investment Income	\$ 6,128.76	\$ 8,691.74	\$ 7,444.97	\$ 81,886.25	\$ 660.17	\$ 104,811.89
Transfers						
<u>Total Adjustments</u>	<u>\$ 6,128.76</u>	<u>\$ 8,691.74</u>	<u>\$ 7,444.97</u>	<u>\$ 81,886.25</u>	<u>\$ 660.17</u>	<u>\$ 104,811.89</u>
Gross Operating Surplus (Deficit)	\$ 197,415.21	\$ (67,733.43)	\$ 232,703.83	\$ 441,722.64	\$ 5,050.99	\$ 809,159.24
Return of Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Net Current Surplus (Deficit)</u>	<u>\$ 197,415.21</u>	<u>\$ (67,733.43)</u>	<u>\$ 232,703.83</u>	<u>\$ 441,722.64</u>	<u>\$ 5,050.99</u>	<u>\$ 809,159.24</u>

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

SCHEDULE D

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - FUND YEAR 2020

DECEMBER 31, 2022

	<u>COVERAGES AND OTHER ACCOUNTS</u>					<u>TOTAL</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY</u>	<u>WORKERS' COMPENSATION INSURANCE</u>	<u>GENERAL AND ADMINISTRATIVE</u>	
Underwriting Income	\$ 355,673.00	\$ 393,364.00	\$ 237,658.00	\$ 3,947,400.50	\$ 190,754.50	\$ 5,124,850.00
Regular Contributions (Earned)						
Supplemental Contributions						
Other Income (Except Investments)						
<u>Total Income</u>	<u>\$ 355,673.00</u>	<u>\$ 393,364.00</u>	<u>\$ 237,658.00</u>	<u>\$ 3,947,400.50</u>	<u>\$ 190,754.50</u>	<u>\$ 5,124,850.00</u>
<u>Incurred Liabilities</u>						
Claims (Limited Incurred)	\$ 310,645.00	\$ 199,528.00	\$ 69,727.00	\$ 2,454,971.47	\$ 187,315.16	\$ 3,034,871.47
Expenses						187,315.16
<u>Total Liabilities</u>	<u>\$ 310,645.00</u>	<u>\$ 199,528.00</u>	<u>\$ 69,727.00</u>	<u>\$ 2,454,971.47</u>	<u>\$ 187,315.16</u>	<u>\$ 3,222,186.63</u>
<u>Underwriting Surplus/(Deficit)</u>	<u>\$ 45,028.00</u>	<u>\$ 193,836.00</u>	<u>\$ 167,931.00</u>	<u>\$ 1,492,429.03</u>	<u>\$ 3,439.34</u>	<u>\$ 1,902,663.37</u>
<u>Adjustments</u>						
Investment Income	\$ 3,943.69	\$ 7,128.12	\$ 4,161.99	\$ 49,161.93	\$ 1,158.21	\$ 65,553.94
Transfers						
<u>Total Adjustments</u>	<u>\$ 3,943.69</u>	<u>\$ 7,128.12</u>	<u>\$ 4,161.99</u>	<u>\$ 49,161.93</u>	<u>\$ 1,158.21</u>	<u>\$ 65,553.94</u>
Gross Operating Surplus (Deficit)	\$ 48,971.69	\$ 200,964.12	\$ 172,092.99	\$ 1,541,590.96	\$ 4,597.55	\$ 1,968,217.31
Return of Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Net Current Surplus (Deficit)</u>	<u>\$ 48,971.69</u>	<u>\$ 200,964.12</u>	<u>\$ 172,092.99</u>	<u>\$ 1,541,590.96</u>	<u>\$ 4,597.55</u>	<u>\$ 1,968,217.31</u>

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

SCHEDULE D

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - FUND YEAR 2021

DECEMBER 31, 2022

	<u>COVERAGES AND OTHER ACCOUNTS</u>					<u>TOTAL</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY</u>	<u>WORKERS' COMPENSATION INSURANCE</u>	<u>GENERAL AND ADMINISTRATIVE</u>	
<u>Underwriting Income</u>						
Regular Contributions (Earned)	\$ 319,500.00	\$ 363,600.00	\$ 203,400.00	\$ 2,809,258.00	\$ 194,270.00	\$ 3,890,028.00
Supplemental Contributions						-
Other Income (Except Investments)						-
<u>Total Income</u>	<u>\$ 319,500.00</u>	<u>\$ 363,600.00</u>	<u>\$ 203,400.00</u>	<u>\$ 2,809,258.00</u>	<u>\$ 194,270.00</u>	<u>\$ 3,890,028.00</u>
<u>Incurred Liabilities</u>						
Claims (Limited Incurred)	\$ 149,455.56	\$ 262,101.00	\$ 108,665.00	\$ 2,377,451.73	\$ 190,967.84	\$ 2,897,673.29
Expenses						190,967.84
<u>Total Liabilities</u>	<u>\$ 149,455.56</u>	<u>\$ 262,101.00</u>	<u>\$ 108,665.00</u>	<u>\$ 2,377,451.73</u>	<u>\$ 190,967.84</u>	<u>\$ 3,088,641.13</u>
<u>Underwriting Surplus/(Deficit)</u>	<u>\$ 170,044.44</u>	<u>\$ 101,499.00</u>	<u>\$ 94,735.00</u>	<u>\$ 431,806.27</u>	<u>\$ 3,302.16</u>	<u>\$ 801,386.87</u>
<u>Adjustments</u>						
Investment Income	\$ 2,255.52	\$ 4,053.76	\$ 2,188.66	\$ 23,680.70	\$ 4,155.10	\$ 36,333.74
Transfers						-
<u>Total Adjustments</u>	<u>\$ 2,255.52</u>	<u>\$ 4,053.76</u>	<u>\$ 2,188.66</u>	<u>\$ 23,680.70</u>	<u>\$ 4,155.10</u>	<u>\$ 36,333.74</u>
Gross Operating Surplus (Deficit)	\$ 172,299.96	\$ 105,552.76	\$ 96,923.66	\$ 455,486.97	\$ 7,457.26	\$ 837,720.61
Return of Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Current Surplus (Deficit)	<u>\$ 172,299.96</u>	<u>\$ 105,552.76</u>	<u>\$ 96,923.66</u>	<u>\$ 455,486.97</u>	<u>\$ 7,457.26</u>	<u>\$ 837,720.61</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - FUND YEAR 2022

DECEMBER 31, 2022

	COVERAGES AND OTHER ACCOUNTS					TOTAL
	PROPERTY	GENERAL LIABILITY	AUTO LIABILITY	WORKERS' COMPENSATION INSURANCE	GENERAL AND ADMINISTRATIVE	
Underwriting Income						
Regular Contributions (Earned)	\$ 332,100.00	\$ 378,000.00	\$ 180,900.00	\$ 2,132,100.00	\$ 207,603.00	\$ 3,230,703.00
Supplemental Contributions						
Other Income (Except Investments)						-
<u>Total Income</u>	<u>\$ 332,100.00</u>	<u>\$ 378,000.00</u>	<u>\$ 180,900.00</u>	<u>\$ 2,132,100.00</u>	<u>\$ 207,603.00</u>	<u>\$ 3,230,703.00</u>
Incurred Liabilities						
Claims (Limited Incurred)	\$ 163,314.87	\$ 400,853.00	\$ 211,350.00	\$ 2,264,211.27	\$ 208,421.31	\$ 3,039,729.14
Expenses						208,421.31
<u>Total Liabilities</u>	<u>\$ 163,314.87</u>	<u>\$ 400,853.00</u>	<u>\$ 211,350.00</u>	<u>\$ 2,264,211.27</u>	<u>\$ 208,421.31</u>	<u>\$ 3,248,150.45</u>
Underwriting Surplus/(Deficit)	\$ 168,785.13	\$ (22,853.00)	\$ (30,450.00)	\$ (132,111.27)	\$ (818.31)	\$ (17,447.45)
Adjustments						
Investment Income	\$ 2,132.78	\$ 2,863.05	\$ 1,206.61	\$ 14,131.30	\$ 396.27	\$ 20,730.01
Transfers						
<u>Total Adjustments</u>	<u>\$ 2,132.78</u>	<u>\$ 2,863.05</u>	<u>\$ 1,206.61</u>	<u>\$ 14,131.30</u>	<u>\$ 396.27</u>	<u>\$ 20,730.01</u>
Gross Operating Surplus (Deficit)	\$ 170,917.91	\$ (19,989.95)	\$ (29,243.39)	\$ (117,979.97)	\$ (422.04)	\$ 3,282.56
Return of Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Net Current Surplus (Deficit)</u>	<u>\$ 170,917.91</u>	<u>\$ (19,989.95)</u>	<u>\$ (29,243.39)</u>	<u>\$ (117,979.97)</u>	<u>\$ (422.04)</u>	<u>\$ 3,282.56</u>

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

SCHEDULE E

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2018

DECEMBER 31, 2022

	<u>COVERAGES</u>				<u>TOTAL</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY</u>	<u>WORKER'S COMPENSATION INSURANCE</u>	
Paid Claims	\$ 290,046.32	\$ 417,956.16	\$ 23,109.54	\$ 2,019,154.49	\$ 2,750,266.51
Case Reserves	-	76,000.00	100,000.00	404,661.14	580,661.14
Discount on Reserves	-	-	-	(12,006.00)	(12,006.00)
IBNR Reserve	-	46,911.84	5,697.46	62,837.67	115,446.97
Subtotal	<u>\$ 290,046.32</u>	<u>\$ 540,868.00</u>	<u>\$ 128,807.00</u>	<u>\$ 2,474,647.30</u>	<u>\$ 3,434,368.62</u>
Excess Insurance: Received	\$ -	\$ -	\$ -	\$ -	\$ -
Recoverable	-	-	-	-	-
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Incurred Claims	<u>\$ 290,046.32</u>	<u>\$ 540,868.00</u>	<u>\$ 128,807.00</u>	<u>\$ 2,474,647.30</u>	<u>\$ 3,434,368.62</u>
Number of Claims	75	174	45	272	
Cost/Claim	<u>\$ 3,867.28</u>	<u>\$ 3,108.44</u>	<u>\$ 2,862.38</u>	<u>\$ 9,097.97</u>	

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

SCHEDULE E

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2019

DECEMBER 31, 2022

COVERAGES

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY</u>	<u>WORKER'S COMPENSATION INSURANCE</u>	<u>TOTAL</u>
Paid Claims	\$ 115,092.98	\$ 322,815.90	\$ 7,738.98	\$ 2,712,767.29	\$ 3,158,415.15
Case Reserves	-	7,100.00	-	714,883.61	721,983.61
Discount on Reserves	-	-	-	(16,787.99)	(16,787.99)
IBNR Reserve	-	132,160.10	0.02	99,300.71	231,460.83
Subtotal	<u>\$ 115,092.98</u>	<u>\$ 462,076.00</u>	<u>\$ 7,739.00</u>	<u>\$ 3,510,163.62</u>	<u>\$ 4,095,071.60</u>
Excess Insurance: Received	\$ -	\$ -	\$ -	\$ -	\$ -
Recoverable	-	-	-	-	-
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Incurred Claims	<u>\$ 115,092.98</u>	<u>\$ 462,076.00</u>	<u>\$ 7,739.00</u>	<u>\$ 3,510,163.62</u>	<u>\$ 4,095,071.60</u>
Number of Claims	62	165	34	238	
Cost/Claim	<u>\$ 1,856.34</u>	<u>\$ 2,800.46</u>	<u>\$ 227.62</u>	<u>\$ 14,748.59</u>	

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

SCHEDULE E

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2020

DECEMBER 31, 2022

	<u>COVERAGES</u>				<u>TOTAL</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY</u>	<u>WORKER'S COMPENSATION INSURANCE</u>	
Paid Claims	\$ 60,637.64	\$ 138.00	\$ 9,727.08	\$ 797,615.67	\$ 868,118.39
Case Reserves	159,823.90	65,182.00	-	592,765.76	817,771.66
Discount on Reserves	-	-	-	(36,028.00)	(36,028.00)
IBNR Reserve	0.46	134,208.00	59,999.92	761,286.04	955,494.42
Subtotal	<u>\$ 220,462.00</u>	<u>\$ 199,528.00</u>	<u>\$ 69,727.00</u>	<u>\$ 2,115,639.47</u>	<u>\$ 2,605,356.47</u>
Excess Insurance: Received	\$ (90,183.00)	-	-	\$ (339,332.00)	\$ (429,515.00)
Recoverable Subtotal	<u>\$ (90,183.00)</u>	<u>-</u>	<u>-</u>	<u>\$ (339,332.00)</u>	<u>\$ (429,515.00)</u>
Incurred Claims	<u>\$ 310,645.00</u>	<u>\$ 199,528.00</u>	<u>\$ 69,727.00</u>	<u>\$ 2,454,971.47</u>	<u>\$ 3,034,871.47</u>
Number of Claims	23	134	21	358	
Cost/Claim	<u>\$ 13,506.30</u>	<u>\$ 1,489.01</u>	<u>\$ 3,320.33</u>	<u>\$ 6,857.46</u>	

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

SCHEDULE E

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2021

DECEMBER 31, 2022

COVERAGES

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY</u>	<u>WORKER'S COMPENSATION INSURANCE</u>	<u>TOTAL</u>
Paid Claims	\$ 149,455.55	\$ 6,138.00	\$ 11,037.73	\$ 892,574.57	\$ 1,059,205.85
Case Reserves	-	10,010.00	6,023.00	818,203.80	834,236.80
Discount on Reserves	-	-	-	(42,064.71)	(42,064.71)
IBNR Reserve	0.01	245,953.00	91,604.27	708,738.07	1,046,295.35
Subtotal	<u>\$ 149,455.56</u>	<u>\$ 262,101.00</u>	<u>\$ 108,665.00</u>	<u>\$ 2,377,451.73</u>	<u>\$ 2,897,673.29</u>
Excess Insurance: Received	\$ -	\$ -	\$ -	\$ -	\$ -
Recoverable Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Incurred Claims	<u>\$ 149,455.56</u>	<u>\$ 262,101.00</u>	<u>\$ 108,665.00</u>	<u>\$ 2,377,451.73</u>	<u>\$ 2,897,673.29</u>
Number of Claims	43	96	11	256	
Cost/Claim	<u>\$ 3,475.71</u>	<u>\$ 2,730.22</u>	<u>\$ 9,878.64</u>	<u>\$ 9,286.92</u>	

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

SCHEDULE E

UNION COUNTY INSURANCE FUND COMMISSION

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2022

DECEMBER 31, 2022

	COVERAGES				TOTAL
	PROPERTY	GENERAL LIABILITY	AUTO LIABILITY	WORKER'S COMPENSATION INSURANCE	
Paid Claims	\$ 79,697.18	\$ -	\$ 23,663.11	\$ 417,947.34	\$ 521,307.63
Case Reserves	82,617.40	42,260.18	4,002.00	776,324.51	905,204.09
Discount on Reserves	-	-	-	(70,579.73)	(70,579.73)
IBNR Reserve	1,000.29	358,592.82	183,684.89	1,140,519.15	1,683,797.15
Subtotal	\$ 163,314.87	\$ 400,853.00	\$ 211,350.00	\$ 2,264,211.27	\$ 3,039,729.14
Excess Insurance:					
Received	\$ -	\$ -	\$ -	\$ -	\$ -
Recoverable	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
Incurred Claims	\$ 163,314.87	\$ 400,853.00	\$ 211,350.00	\$ 2,264,211.27	\$ 3,039,729.14
Number of Claims	64	124	15	198	
Cost/Claim	\$ 2,551.79	\$ 3,232.69	\$ 14,090.00	\$ 11,435.41	

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

UNION COUNTY INSURANCE FUND COMMISSION
STATEMENT OF EXPENDITURES - FUND YEAR 2018
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET</u>	<u>EXPENDED</u>	<u>LOSS RESERVES</u>	<u>UNEXPENDED/ (OVEREXPENDED)</u>
Claims:				
Property Fund	\$ 320,021.00	\$ 290,046.32	-	\$ 29,974.68
General Liability Fund	427,942.00	417,956.16	122,911.84	(112,926.00)
Automobile Liability Fund	259,693.00	23,109.54	105,697.46	130,886.00
Worker's Compensation Fund	4,546,370.00	2,019,154.49	455,492.81	2,071,722.70
Total	<u>\$ 5,554,026.00</u>	<u>\$ 2,750,266.51</u>	<u>\$ 684,102.11</u>	<u>\$ 2,119,657.38</u>
Operating Expenses:				
Executive Director	\$ 153,686.00	\$ 153,686.00		-
Actuary	7,569.00	5,900.00		1,669.00
Attorney	4,000.00	4,000.00		-
Auditor	9,344.00	9,000.00		344.00
Treasurer	4,000.00	4,000.00		-
General Expenses	7,335.00	2,552.77		4,782.23
Total	<u>\$ 185,934.00</u>	<u>\$ 179,138.77</u>		<u>\$ 6,795.23</u>
TOTAL	<u>\$ 5,739,960.00</u>	<u>\$ 2,929,405.28</u>	<u>\$ 684,102.11</u>	<u>\$ 2,126,452.61</u>

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

SCHEDULE F

UNION COUNTY INSURANCE FUND COMMISSION

STATEMENT OF EXPENDITURES - FUND YEAR 2019

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET</u>	<u>EXPENDED</u>	<u>LOSS RESERVES</u>	<u>UNEXPENDED/ (OVEREXPENDED)</u>
Claims:				
Property Fund	\$ 306,379.00	\$ 115,092.98	\$ -	\$ 191,286.02
General Liability Fund	385,651.00	322,815.90	139,260.10	(76,425.00)
Automobile Liability Fund	232,998.00	7,738.98	0.02	225,259.00
Worker's Compensation Fund	3,870,000.00	2,712,767.29	797,396.33	359,836.38
Total	\$ <u>4,795,028.00</u>	\$ <u>3,158,415.15</u>	\$ <u>936,656.45</u>	\$ <u>699,956.40</u>
Operating Expenses:				
Executive Director	\$ 156,760.00	\$ 156,760.00		\$ -
Actuary	6,018.00	6,018.00		-
Attorney	4,000.00	4,000.00		-
Auditor	9,531.00	9,450.00		81.00
Treasurer	4,000.00	4,000.00		-
General Expenses	7,000.00	2,689.78		4,310.22
Total	\$ <u>187,309.00</u>	\$ <u>182,917.78</u>		\$ <u>4,391.22</u>
TOTAL	\$ <u><u>4,982,337.00</u></u>	\$ <u><u>3,341,332.93</u></u>	\$ <u><u>936,656.45</u></u>	\$ <u><u>704,347.62</u></u>

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

SCHEDULE F

UNION COUNTY INSURANCE FUND COMMISSION

STATEMENT OF EXPENDITURES - FUND YEAR 2020

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET</u>	<u>EXPENDED</u>	<u>LOSS RESERVES</u>	<u>UNEXPENDED/ (OVEREXPENDED)</u>
Claims:				
Property Fund	\$ 355,673.00	\$ 60,637.64	\$ 159,824.36	\$ 135,211.00
General Liability Fund	393,364.00	138.00	199,390.00	193,836.00
Automobile Liability Fund	237,658.00	9,727.08	59,999.92	167,931.00
Worker's Compensation Fund	3,947,400.00	797,615.67	1,318,023.80	1,831,760.53
Total	<u>\$ 4,934,095.00</u>	<u>\$ 868,118.39</u>	<u>\$ 1,737,238.08</u>	<u>\$ 2,328,738.53</u>
 Operating Expenses:				
Executive Director	\$ 159,895.00	\$ 159,895.08		\$ (0.08)
Actuary	6,138.00	6,138.00		-
Attorney	4,000.00	4,000.00		-
Auditor	9,722.00	10,000.00		(278.00)
Treasurer	4,000.00	4,000.00		-
General Expenses	7,000.00	3,282.08		3,717.92
Total	<u>\$ 190,755.00</u>	<u>\$ 187,315.16</u>		<u>\$ 3,439.84</u>
 TOTAL	<u>\$ 5,124,850.00</u>	<u>\$ 1,055,433.55</u>	<u>\$ 1,737,238.08</u>	<u>\$ 2,332,178.37</u>

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

SCHEDULE F

UNION COUNTY INSURANCE FUND COMMISSION

STATEMENT OF EXPENDITURES - FUND YEAR 2021

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET</u>	<u>EXPENDED</u>	<u>LOSS RESERVES</u>	<u>UNEXPENDED/ (OVEREXPENDED)</u>
Claims:				
Property Fund	\$ 319,500.00	\$ 149,455.55	\$ 0.02	\$ 170,044.43
General Liability Fund	363,600.00	6,138.00	501,916.00	(144,454.00)
Automobile Liability Fund	203,400.00	11,037.73	189,231.54	3,130.73
Worker's Compensation Fund	2,809,258.00	892,574.57	2,235,679.94	(318,996.51)
Total	\$ <u>3,695,758.00</u>	\$ <u>1,059,205.85</u>	\$ <u>2,926,827.50</u>	\$ <u>(290,275.35)</u>
Operating Expenses:				
Executive Director	\$ 163,093.00	\$ 163,092.96		\$ 0.04
Actuary	6,261.00	6,261.00		-
Attorney	4,000.00	4,000.00		-
Auditor	9,916.00	10,300.00		(384.00)
Treasurer	4,000.00	4,000.00		-
General Expenses	7,000.00	3,313.88		3,686.12
Total	\$ <u>194,270.00</u>	\$ <u>190,967.84</u>		\$ <u>3,302.16</u>
TOTAL	\$ <u>3,890,028.00</u>	\$ <u>1,250,173.69</u>	\$ <u>2,926,827.50</u>	\$ <u>(286,973.19)</u>

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

SCHEDULE F

UNION COUNTY INSURANCE FUND COMMISSION
STATEMENT OF EXPENDITURES - FUND YEAR 2022
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET</u>	<u>EXPENDED</u>	<u>LOSS RESERVES</u>	<u>UNEXPENDED/ (OVEREXPENDED)</u>
Claims:				
Property Fund	\$ 332,100.00	\$ 79,697.18	\$ 409,247.14	\$ (156,844.32)
General Liability Fund	378,000.00	-	843,966.18	(465,966.18)
Automobile Liability Fund	180,900.00	23,663.11	426,702.00	(269,465.11)
Worker's Compensation Fund	2,132,100.00	417,947.34	5,304,747.05	(3,590,594.39)
Total	<u>\$ 3,023,100.00</u>	<u>\$ 521,307.63</u>	<u>\$ 6,984,662.37</u>	<u>\$ (4,482,870.00)</u>
Operating Expenses:				
Executive Director	\$ 166,355.00	\$ 166,355.00		\$ -
Actuary	6,386.00	6,387.00		(1.00)
Attorney	4,000.00	-		4,000.00
Auditor	10,300.00	11,300.00		(1,000.00)
Treasurer	4,000.00	8,000.00		(4,000.00)
General Expenses	7,000.00	16,379.31		(9,379.31)
Total	<u>\$ 198,041.00</u>	<u>\$ 208,421.31</u>		<u>\$ (10,380.31)</u>
TOTAL	<u>\$ 3,221,141.00</u>	<u>\$ 729,728.94</u>	<u>\$ 6,984,662.37</u>	<u>\$ (4,493,250.31)</u>

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

UNION COUNTY INSURANCE FUND COMMISSION
STATE REQUIRED SUPPORTING SCHEDULE - YEAR END
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2022

<u>BANK</u>	<u>AMOUNT</u>
Investors Bank - Administrative Account	\$ 12,472,929.28
Investors Bank - Claims Account	163,319.96
	<u>12,636,249.24</u>
Add: Deposits in Transit	-
Less: Outstanding Checks	(137,623.35)
Other	<u>(99.89)</u>
	<u>\$ 12,498,526.00</u>

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

UNION COUNTY INSURANCE FUND COMMISSION

STATE REQUIRED SUPPORTING SCHEDULE - YEAR END REPORT

ANALYSIS OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2022

Excess Insurance Receivable	\$	-
Contributions Receivable		9,562
Other Receivables		-
		<hr/>
	\$	<u>9,562</u>

ANALYSIS OF PREPAID EXPENSES

DECEMBER 31, 2022

Prepaid Expenses	\$	-
	\$	<hr/> <u>-</u>

ANALYSIS OF EXPENSES PAYABLE

DECEMBER 31, 2022

Administrative Fund:		
Auditor	\$	11,300
General Expenses		<hr/> 6,000
	\$	<hr/> <u>17,300</u>

UNION COUNTY INSURANCE FUND COMMISSION

RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE PERIOD JANUARY 1, 2022 TO 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 of Year	\$ 361,967.03	\$ 1,068,887.94	\$ 534,116.67	\$ 6,483,781.86	\$ 8,448,753.50
Incurring Claims and Claims Adjustment Expenses: Provision for Insured Events of Current Fund Year	163,314.87	400,853.00	211,350.00	2,264,211.27	3,039,729.14
Changes in Provision for Insured Events of Prior Fund Years	<u>(102,899.54)</u>	<u>(295,179.00)</u>	<u>(270,246.00)</u>	<u>(777,657.97)</u>	<u>(1,445,982.51)</u>
Total Incurred Claims and Claims Adjustment Expenses all Fund Years	\$ <u>422,382.36</u>	\$ <u>1,174,561.94</u>	\$ <u>475,220.67</u>	\$ <u>7,970,335.16</u>	\$ <u>10,042,500.13</u>
Payments:					
Claims and Claims Adjustment Expenses: Attributable to Insured Events of Current Fund Year	\$ 79,697.18	\$ -	\$ 23,663.11	\$ 417,947.34	\$ 521,307.63
Attributable to Insured Events of Prior Fund Years	<u>99,243.12</u>	<u>56,184.00</u>	<u>546.00</u>	<u>1,650,333.79</u>	<u>1,806,306.91</u>
Total Payments All Fund Years	\$ <u>178,940.30</u>	\$ <u>56,184.00</u>	\$ <u>24,209.11</u>	\$ <u>2,068,281.13</u>	\$ <u>2,327,614.54</u>
Total Unpaid Claim and Claim Adjustment Expenses - End of Year	\$ <u><u>243,442.06</u></u>	\$ <u><u>1,118,377.94</u></u>	\$ <u><u>451,011.56</u></u>	\$ <u><u>5,902,054.03</u></u>	\$ <u><u>7,714,885.59</u></u>

UNION COUNTY INSURANCE FUND COMMISSION

TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

(Unaudited)

	Fiscal Period Ending December 31				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Required Contribution and Investment Revenue:					
Earned	5,946,030	5,087,149	5,190,404	3,926,362	3,251,433
Ceded	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,946,030</u>	<u>5,087,149</u>	<u>5,190,404</u>	<u>3,926,362</u>	<u>3,251,433</u>
Unallocated Expenses	<u>179,139</u>	<u>182,917</u>	<u>187,052</u>	<u>190,847</u>	<u>208,421</u>
Estimated Claims and Expenses, End of Policy Year					
Incurred	5,605,510	4,808,287	4,820,682	3,417,473	3,039,729
Ceded	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Incurred	<u>5,605,510</u>	<u>4,808,287</u>	<u>4,820,682</u>	<u>3,417,473</u>	<u>3,039,729</u>
Paid (Cumulative) as of:					
End of Policy Year	1,350,944	914,397	896,745	623,227	521,308
One Year Later	1,644,242	1,500,650	718,391	1,059,206	
Two Years Later	1,889,318	2,657,025	868,118		
Three Years Later	2,339,830	3,158,415			
Four Years Later	2,750,267				
Five Years Later					
Six Years Later					
Seven Years Later					
Eight Years Later					
Nine Years Later					
Reestimated Ceded Claims and Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reestimated Incurred Claims and Expense:					
End of Policy Year	5,605,510	4,808,287	4,820,682	3,417,473	3,039,729
One Year Later	3,958,927	4,209,503	3,418,443	2,897,673	
Two Years Later	3,917,992	4,598,121	3,034,871		
Three Years Later	3,473,931	4,095,072			
Four Years Later	3,434,369				
Five Years Later					
Six Years Later					
Seven Years Later					
Eight Years Later					
Nine Years Later					
Increase/(Decrease) in Estimated Incurred Claims and Expense From End of Policy Year	<u>(2,171,141)</u>	<u>(713,215)</u>	<u>(1,785,811)</u>	<u>(519,800)</u>	<u>-</u>

UNION COUNTY INSURANCE FUND COMMISSION

DECEMBER 31, 2022 AND 2021

COMMENTS AND RECOMMENDATIONS

NONE