

New Jersey Public Housing Authority
Joint Insurance Fund
Parsippany, New Jersey

Comprehensive Annual Financial Report
For the Years Ended December 31, 2020 and 2019

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
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INTRODUCTORY SECTION

New Jersey Public Housing Authority Joint Insurance Fund
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Parsippany, N.J. 07054-4412
Telephone (201) 881-7632 Fax (201) 881-7633

May 14, 2021

Executive Committee
New Jersey Public Housing Authority Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Dear Executive Committee Members:

The Comprehensive Annual Financial Report (CAFR) of the New Jersey Public Housing Authority Joint Insurance Fund (NJPHAJIF) for the year ended December 31, 2020 is hereby respectfully submitted. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the NJPHAJIF. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of the operations of the NJPHAJIF as measured by the financial activity of its various membership years; and that all disclosures necessary to enable the reader to gain the maximum understanding of the NJPHAJIF's financial affairs have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section contains this transmittal letter, a list of the NJPHAJIF's members, a list of the NJPHAJIF's officers and an organizational chart. The financial section includes a management discussion and analysis which includes discussions of the financial activities and substantive highlights of the year, the financial statements, as well as the independent auditors' opinion on the financial statements. State schedules are provided pursuant to the specifications of the New Jersey Department of Banking and Insurance, which, along with the Department of Community Affairs, exercises regulatory control over the NJPHAJIF. The statistical section includes selected data covering up to the last ten years that the NJPHAJIF has been operational.

The NJPHAJIF was formed under State statutes which authorize local government entities to pool resources to meet risk management needs. Specifically, the NJPHAJIF administers a program of self funding and commercial insurance, and reinsurance that provides protection to members in the areas of workers' compensation, automobile and general liability and public officials/employment practices liability. The NJPHAJIF also purchases property reinsurance. The NJPHAJIF performs a number of tasks in accomplishing its mission, including contracting for support services such as claims and litigation management, loss control services and training, financial management and reporting, actuarial services, and general management.

Economic Conditions and Outlook

The NJPHAJIF's economic condition and its outlook are strong. The NJPHAJIF has provided its members with stable assessments, a steady financial surplus, comprehensive insurance, and responsive service. These factors have resulted in growth and stability in membership that is expected to continue in the future.

NJPHAJIF Initiatives

In 2019, the MEL Board of Fund Commissioners authorized the release of a Professional Services RFP for an Asset Manager and a Financial Advisor to manage investments of the Municipal Excess Liability Fund Joint Cash Management and Investment Program (JMCI). At its March 27, 2020 meeting, the MEL Board of Fund Commissioners adopted a resolution awarding Clearbrook as the Asset Manager, Bank of New York as Custodian & Accounting and NW Financial as the Financial Advisor.

The Residual Claims Fund and the Environmental Joint Insurance Fund executed agreements to participate at their March 27th meetings. The JMCI is also extended invitations to local affiliated Joint Insurance Funds. The NJPHA JIF adopted resolution 33-20, and executed participation application and agreement in an effort to expand investment income resources for the NJPHA JIF.

Discussions began in 2020 to expand loss control services to include Right to Services which would assist members to become compliant as required under the New Jersey Worker and Community Right to Know Act (N.J.S.A. 34:5A-1 et. seq.). As a result of loss control visits, it was deemed worthy of discussion of implementation for the following 2021 year.

Financial Management and Control

The financial statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and necessarily include amounts based upon reliable estimates and judgments. The NJPHAJIF's books are maintained on a full accrual basis. A summary of significant accounting policies is discussed in more detail in the notes to the financial statements found in the financial section.

Internal Accounting Structure

The NJPHAJIF's accounting system is organized so that each membership year, and line of coverage within each year, can be evaluated separately. The assets, liabilities, revenues, and expenses of each year and line of coverage are reported separately on a full accrual basis. This practice is necessary because the composition of the NJPHAJIF's membership, and the extent of participation within each line of coverage, could vary from year to year.

The NJPHAJIF's management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable assurance that these objectives are being met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control decisions are made within the above framework. Management believes that the NJPHAJIF's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Investment Management

NJPHAJIF investments are made in accordance with the Local Fiscal Affairs Law and the NJPHAJIF's Cash and Investment Management Plan. Investments for the year were limited to US Treasury Securities, deposits in banks covered by the Governmental Unit Depository Protection Act, and deposits in the New Jersey Cash Management Plan, which is administered by the State of New Jersey's Division of Investments. In planning and executing investments, the NJPHAJIF emphasizes liquidity and safety. After these objectives are met, the NJPHAJIF seeks to optimize investment income. The NJPHAJIF protects itself from realization of capital losses by maintaining the ability to hold all investments to maturity.

As of December 31, 2020, the NJPHAJIF's portfolio consisted of the following:

	<u>Amount</u>	<u>% of Total</u>
Checking Accounts	\$ 9,448,888	72.63%
Money Market Account	1,152,169	8.86%
Investments	<u>2,408,153</u>	<u>18.51%</u>
	<u>\$ 13,009,210</u>	<u>100.00%</u>

Independent Audit

Nisivoccia LLP, independent accountants, provide an independent, objective review of the fairness of the NJPHAJIF's reported financial position and results of operations. Their audit includes procedures they deem necessary to express an opinion as to the fairness of the financial statements. Their opinion is included in the financial section of this report.

Acknowledgments

Our appreciation is also extended to each NJPHAJIF commissioner, and particularly to the Executive Committee members, for their commitment to risk management and intergovernmental risk pooling.

Respectfully submitted,

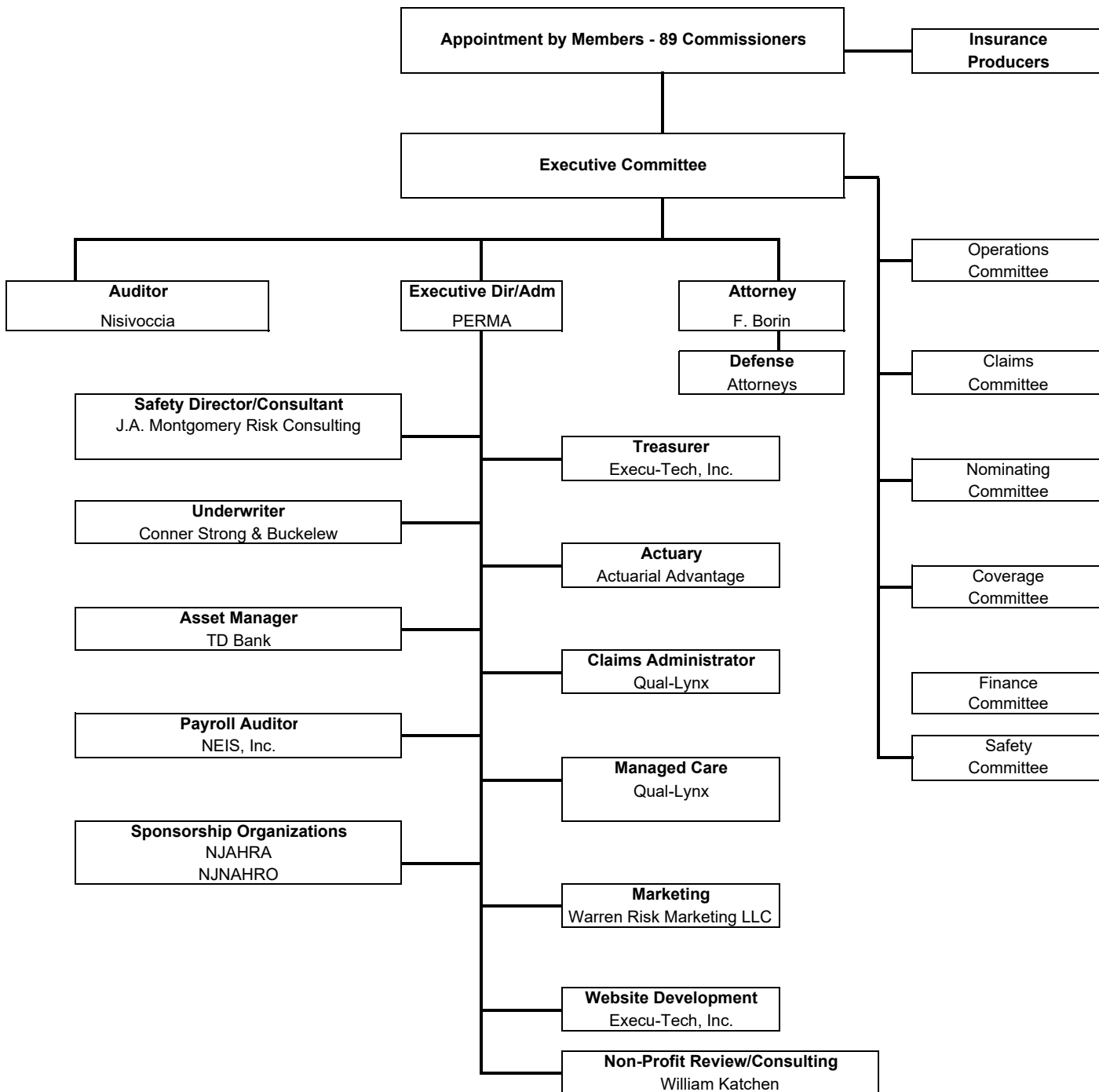
Steve Sacco

Steve Sacco, Executive Director

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2020

Robert DiVincent	Fund Chairman
Sherry Sims	Fund Secretary
John Mahon	Executive Committee
John Clarke	Executive Committee
Joseph Billy	Executive Committee
Douglas Dzema	Executive Committee
Kathleen DiTomasso	Executive Committee
Larry Stratton	Executive Committee Alternate
Grace Dekker	Executive Committee Alternate
Susan Thomas	Executive Committee Alternate
Eric Chubenko	Executive Committee Alternate
Anthony Feorenzo	Executive Committee Alternate
Pamela Mitchell	Executive Committee Alternate
PERMA Risk Management Services	Administrator
Steve Sacco	Executive Director
David N. Grubb	Deputy Executive Director
Joseph Hrubash	Deputy Executive Director
Execu-Tech, Inc.	Treasurer/Web Developer
Frank Borin	
DeCotiis, Fitzpatrick, Cole & Giblin LLP	Attorney
Nisivoccia LLP	Auditor
Actuarial Advantage	Actuary
Qual-Lynx	Claims Administrator/Managed Care Provider
Conner Strong & Buckelew	Underwriting Manager
NEIS, Inc.	Payroll Auditor
TD Bank	Asset Manager
J.A Montgomery Risk Consulting	Safety Director/Consultant

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
2020 ORGANIZATIONAL CHART



NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
MEMBERSHIP LISTING
AS OF DECEMBER 31, 2020

Christine Lodato	A-Home, Inc.
Abdul Wahab	Atlantic City Housing Authority
John Mahon	Bayonne Housing Authority
Lynn Bartlett	Bergen County Housing Authority
Grace Dekker	Berkeley Housing Authority
Gary Centinaro	Beverly Housing Authority
Sherry Sims	Boonton Housing Authority
Jacob Naszimento	Brick Housing Authority
James Howell	Bridgeton Housing Authority
John Mahon	Bridgeview Manor Housing Corp.
Jacqueline Jones	Buena Housing Authority
Rick Iovine	Burlington Housing Authority
Victor Figueroa	Camden Housing Authority
Carol Hackenberg	Cape May Housing Authority
Eric Chubenko	Carteret Housing Authority
William Snyder	Cedar Crossing Condominium Association
Joseph Capano	Cliffside Park Housing Authority
Mark Lonetto	Collingswood Borough Housing Authority
Tanya Van Order	Cook's Pond, LP
Maria Tchinchinian	Dover Housing Authority
Duangrat Simpkins	East Orange Housing Authority
Christine Lodato	Edgewater Housing Associates Urban Renewal L.P.
Christine Lodato	Edgewater Housing Authority
Christine Lodato	Edgewater Neighborhood Affordable Housing Friends, LLP
Deborah Hurley	Edison Housing Authority
Domingo Senande	Englewood Housing Authority
Domingo Senande	Englewood Housing Management Services, Inc.
Domingo Senande	Englewood Westmoor Gardens
Gary Centinaro	Florence Housing Authority
Peggy McQuade	Fort Lee Assistance & Support Hsg. Corp. (FLASH Corp)
Peggy McQuade	Fort Lee Housing Authority
Sharon Whetzler	Freehold Housing Authority
Margaret Fiore	Garfield Housing Authority
Jacqueline Jones	Glassboro Housing Authority
Ruddys Andrade	Guttenberg Housing Authority
Anthony Feorenzo	Hackensack Housing Authority
Joseph Iacovino	Haddon Township Housing Authority
Kathleen DiTomasso	Highland Park Housing Authority
Douglas Dzema	Highlands Housing Authority
Marc Recko	Hoboken Housing Authority
Carmelo Garcia	Irvington Housing Authority

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
MEMBERSHIP LISTING
AS OF DECEMBER 31, 2020

Vivian Brady-Phillips	Jersey City Housing Authority
Douglas Dzema	Keansburg Housing Authority
Scott Parsons	Lakewood Housing Authority
Ann Ferguson	Linden Housing Authority
Ann Ferguson	Linden Housing Corp.
Thomas DeSomma	Lodi Housing Authority
Gloria Wright	Long Branch Housing Authority
Louis Riccio	HQP Properties, Inc.
Tanya Van Order	Madison Housing Authority
Susan Thomas	Middletown Township Housing Authority
Paul Dice	Millville Housing Authority
Roberta Strater	Morris County Affordable Housing Corp.
Kelly Stephens	Morris County Housing Authority
To Be Appointed	Morristown Housing Authority
Bart Cook	Neptune City Housing Authority
Bart Cook	Neptune Housing Authority
John Clarke	New Brunswick Housing Authority
Gerald Sanzari	North Bergen Housing Authority
Gerald Sanzari	North Bergen Renaissance Corp.
Gerald Sanzari	North Bergen Renaissance I Urban Renewal, LP
Jacqueline Jones	Ocean City Housing Authority
Larry Stratton	Old Bridge Township Housing Authority
Walter McNeil	Orange Housing Authority
Pamela Mitchell	Passaic Housing Authority
Catherina Rutland	Penns Grove Housing Authority
Douglas Dzema	Perth Amboy Housing Authority
Paul Rummerfield	Phillipsburg Housing Authority
Randall Wood	Plainfield Housing Authority
Vernon Lawrence	Pleasantville Housing Authority
Catherine Hart	Princeton Housing Authority
Jennifer Wensonmaier	Rahway Housing Authority
Willian Snyder	Red Bank Housing Authority
Paul Dice	Salem Housing Authority
Douglas Dzema	Sayreville Housing Authority
Douglas Dzema	Sayreville Senior Housing Corp.
Jacob Naszimento	Secaucus Housing Authority
Larry Stratton	South Amboy Housing Authority
Larry Stratton	South Amboy Renaissance Corp.
Joseph Billy	Summit Housing Authority
Jelani Garrett	Trenton Housing Authority
Jorge Rodriquez	Union City Housing Authority
Jacqueline Jones	Vineland Housing Authority

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
MEMBERSHIP LISTING
AS OF DECEMBER 31, 2020

Robert DiVincent
Robert DiVincent
Robert DiVincent
Robert DiVincent
Paul Dice
Kathleen DiTomasso

Weehawken Housing Authority
Weehawken Senior Housing Authority
Weehawken Senior Rehabilitation Corp.
West New York Housing Authority
Wildwood Housing Authority
Woodbridge Housing Authority

FINANCIAL SECTION



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Independent Member
BKR International

Independent Auditors' Report

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Public Housing Authority Joint Insurance Fund
Parsippany, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Public Housing Authority Joint Insurance Fund
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Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The introductory section, supplementary data, combining supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining supplementary schedules 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 combining supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, supplementary data, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Public Housing Authority Joint Insurance Fund
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021 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 solely 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 Fund's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 14, 2021

Nisivoccia LLP

NISIVOCCIA LLP

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
Management Discussion and Analysis

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, 2020, 2019 and 2018. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

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

Statement of Net Position – This statement presents information reflecting the Fund's assets, liabilities, deferred outflows and inflows of resources, and net position. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.

Statement of Revenue, 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.

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

Financial Highlights

The following tables summarize the financial position and results of operations for the Fund as of and for the years ended December 31, 2020, 2019 and 2018.

<u>SUMMARY OF STATEMENT OF NET POSITION</u>	2020	2019	2019/2020 Percent Change	2018	2018/2019 Percent Change
ASSETS:					
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 13,009,210	\$ 12,631,029	2.99%	\$ 12,325,520	2.48%
Assessments Receivable	138,323	259,905	-46.78%	12,826	1926.39%
Investment in Joint Ventures	(978,214)	(294,686)	-231.95%	46,007	-740.52%
Other Assets	6,612	12,951	-48.95%	144,204	-91.02%
Total	12,175,931	12,609,199	-3.44%	12,528,557	0.64%
LIABILITIES:					
Loss Reserves	8,907,155	7,810,162	14.05%	8,486,959	-7.97%
Other Liabilities and Reserves	1,132,141	1,749,057	-35.27%	1,589,204	10.06%
Total	10,039,296	9,559,219	5.02%	10,076,163	-5.13%
UNRESTRICTED NET POSITION	\$ 2,136,635	\$ 3,049,980	-29.95%	\$ 2,452,394	24.37%

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

	2020	2019	2019/2020 Percent Change	2018	2018/2019 Percent Change
Operating Revenue:					
Assessments and Other Income	\$ 10,490,875	\$ 9,997,901	4.93%	\$ 9,049,207	10.48%
Operating Expenses:					
Provision for Claims and Claims Expense	4,511,380	3,382,257	33.38%	5,091,901	-33.58%
Assessment for Participation in RCF	759,931	882,065	-13.85%	485,689	81.61%
Assessment for Participation in MELJIF	3,367,990	3,030,281	11.14%	3,024,722	0.18%
Administrative and Operating Expenses	2,159,806	2,010,078	7.45%	1,917,044	4.85%
Total Operating Expenses	10,799,107	9,304,681	16.06%	10,519,356	-11.55%
Operating Income/(Loss)	(308,232)	693,220	-144.46%	(1,470,149)	147.15%
Non-Operating Revenue/(Expense):					
Investment Income	78,415	245,059	-68.00%	154,705	58.40%
Change in Investment in Joint Ventures	(683,528)	(340,693)	-100.63%	(534,398)	36.25%
Member Dividends				(12,592)	100.00%
Change in Net Position	\$ (913,345)	\$ 597,586	-252.84%	\$ (1,862,434)	132.09%

In 2020, the Fund's total assets decreased 3.44%. Liabilities increased 5.02% primarily due to an increase of 14.05% in Loss Reserves. The Fund's Investments in Joint Ventures represents the Fund's share of the net position in the Municipal Excess Liability Joint Insurance Fund (MEL) and the Municipal Excess Liability Residual Claims Fund (RCF). Overall, the Fund's unrestricted net position decreased in 2020 by 29.95%.

Operating income decreased by 144.46% primarily due to a 33.38% increase in provision for claims and claims expense. Investment income decreased by 68.00% due to a low interest rate environment.

The Fund did not pay a dividend in 2020 and 2019, however the Fund did pay a dividend of \$12,592 in 2018.

The future financial position of the Fund will be impacted by medical cost trends that impact upon workers compensation costs, accident rates, workers compensation indemnity rates, and interest rates. The Fund is evaluating ways of addressing each of these challenges.

BASIC FINANCIAL STATEMENTS

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATEMENT OF NET POSITION

	December 31	
	2020	2019
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 10,601,057	\$ 10,260,845
Investments	2,408,153	2,370,184
Assessments Receivable	138,323	259,905
Investment in Joint Ventures	(978,214)	(294,686)
Other Receivables	2,389	8,892
Prepaid Expenses	4,223	4,059
	<u>12,175,931</u>	<u>12,609,199</u>
 <u>LIABILITIES:</u>		
Loss Reserves	8,907,155	7,810,162
Accounts Payable - Vendors	42,900	65,657
Other Liabilities	7,546	7,741
Insurance Premiums Payable		722,627
Unearned Contributions	118,926	8,956
Due Municipal Excess Liability Residual Claims Fund	759,931	882,065
Municipal Excess Liability EPL Credits		2,400
Due Municipal Excess Liability Joint Insurance Fund	202,838	
Assessment Overpayments		59,611
	<u>10,039,296</u>	<u>9,559,219</u>
 <u>NET POSITION:</u>		
Unrestricted	<u>2,136,635</u>	<u>3,049,980</u>
Total Net Position	<u>\$ 2,136,635</u>	<u>\$ 3,049,980</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended December 31	
	2020	2019
Operating Revenue:		
Assessments from Participating Members	\$ 10,490,875	\$ 9,995,501
MEL EPL Credits		2,400
Total Operating Revenue	<u>10,490,875</u>	<u>9,997,901</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense (Net of Reinsurance of \$-0- and \$ -0- for 2020 and 2019, respectively)	4,511,380	3,382,257
Assessment for Participation in Municipal Excess Liability Residual Claims Fund	759,931	882,065
Assessment for Participation in Municipal Excess Liability Joint Insurance Fund	3,367,990	3,030,281
Insurance Premiums	764,684	688,889
Municipal Excess Liability EPL Credits		2,400
Claims Administration	207,576	203,506
Other Contractual Services	502,188	430,748
Non-Contractual Expenses	41,089	56,970
Administration	330,305	322,916
Risk Management Fees	313,964	304,649
Total Operating Expenses	<u>10,799,107</u>	<u>9,304,681</u>
Operating Income/(Loss)	(308,232)	693,220
Non-Operating Revenue:		
Change in Investment in Joint Ventures	(683,528)	(340,693)
Investment Income	78,415	245,059
Change in Net Position	(913,345)	597,586
Net Position - Beginning of Year	<u>3,049,980</u>	<u>2,452,394</u>
Net Position - End of Year	<u>\$ 2,136,635</u>	<u>\$ 3,049,980</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATEMENT OF CASH FLOWS

	Year Ended December 31	
	2020	2019
Cash Flows from Operating Activities:		
Assessments Collected	\$ 10,552,846	\$ 9,808,033
Refunds	82,446	37,590
Claims Expense	(3,496,833)	(4,096,644)
Professional and Administrative Expenses	(1,417,879)	(1,309,188)
Insurance Premiums and Assessments	(5,420,814)	(4,379,341)
Net Cash Provided/(Used) by Operating Activities	299,766	60,450
Cash Flows from Investing Activities:		
Purchase of Investment Securities	(2,539,948)	(159,099)
Proceeds from Sales and Maturities of Investment Securities	2,508,929	5,605,423
Investment Income	71,465	197,754
Net Cash Provided/(Used) by Investing Activities	40,446	5,644,078
Net Increase/(Decrease) in Cash and Cash Equivalents	340,212	5,704,528
Cash and Cash Equivalents, January 1	10,260,845	4,556,317
Cash and Cash Equivalents, December 31	\$ 10,601,057	\$ 10,260,845
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (308,232)	\$ 693,220
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Assets:		
Assessments Receivable	121,582	(247,079)
Excess Insurance Reimbursement Receivables		3,968
Other Receivables	6,503	127,284
Prepaid Expenses	(164)	1
Increase/(Decrease) in Liabilities:		
Loss Reserves	1,096,993	(676,797)
Accounts Payable	(22,757)	9,601
Other Liabilities	(195)	7,741
Unearned Revenue	109,970	(239,295)
Due To Municipal Excess Liability Residual Claims Fund	(122,134)	359,847
Municipal Excess Liability EPL Credits	(2,400)	200
Due To Municipal Excess Liability Fund	202,838	
Insurance Premiums Payable	(722,627)	(37,852)
Assessment Overpayments	(59,611)	59,611
Net Cash Provided/(Used) by Operating Activities	\$ 299,766	\$ 60,450

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: NATURE OF OPERATIONS

The New Jersey Public Housing Authority Joint Insurance Fund (the "Fund") was created on November 1, 1994, in accordance with P.L. 1983, C.372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey statutes". The Fund is both an insured and self-administered group of local utility authorities established for the purpose of providing low-cost insurance coverage for the members in order to keep local user fees and charges at a minimum for the local utility authorities who form the membership of the joint insurance fund.

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

- a) Workers' Compensation and Employers' Liability
- b) Liability Other than Motor Vehicles
- c) Property Damage Other than Motor Vehicles
- d) Motor Vehicle
- e) Public Officials' Liability
- f) Cyber Liability

The Fund is a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property and public officials' coverages which are purchased by the Fund from a commercial carrier. In addition, the Fund is member of the Municipal Excess Liability Residual Claims Fund which is more fully described in Note 8.

Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities. The Fund considers anticipated investment income when determining if a premium deficiency exists.

A participating authority must remain in the Fund for the full term of membership unless terminated earlier by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws. The Fund has 89 members at December 31, 2020.

The Executive Director/Administrator is responsible for the overall administration of the Fund. Fees paid to the Executive Director encompass all administrative duties which are performed at the Executive Director's office. Accordingly, the Fund does not maintain any capital assets or incur any payroll expense.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The combined financial statements include all funds of the Fund over which the Fund exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Fund is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as the measurement focus.

Management Estimates

The preparation of financial statements requires management to make estimates and assumptions that affects the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Fund, as an instrumentality of the State of New Jersey and therefore a governmental entity, has determined itself to be a tax-exempt organization and not subject to either federal or state income taxes.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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. The Fund categorizes its fair value measurements 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 prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Assessments

The gross claim fund assessment is determined by the actuary and, when combined with expense and premium projections, constitutes the Fund's budget. Assessments for participating Authorities are determined by underwriting criteria established by the Executive Committee. Assessments are recognized over the course of the year for which coverage is being provided.

Unpaid Claims Liabilities

The Fund 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 reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund does not discount claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Reinsurance

The Fund uses reinsurance and excess insurance agreements to reduce its exposure to large losses on certain types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Excess and reinsurance premiums are included in the Fund's assessment for the Municipal Excess Liability Joint Insurance Fund and are not readily determinable. This amount deducted from claim liabilities for reinsurance was \$-0- and \$-0 for the years ended December 31, 2020 and 2019, respectively.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE 3: 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 paid as of December 31, 2020. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors. 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 unpaid losses are stated net of any recoveries from excess loss insurance and reinsurance coverages. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

Loss reserves, at December 31, 2020 and 2019, which have been estimated by the Fund's Actuary and Claims Servicing Agent, are as follows:

	<u>2020</u>	<u>2019</u>
Case Reserves	\$ 5,569,727	\$ 4,965,435
Losses Incurred but not Reported	<u>3,337,428</u>	<u>2,844,727</u>
Total Loss Reserves	<u>\$ 8,907,155</u>	<u>\$ 7,810,162</u>
The following represents changes in the aggregate reserves for the Fund:		
	<u>2020</u>	<u>2019</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	<u>\$ 7,810,162</u>	<u>\$ 8,486,959</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	4,778,044	4,013,482
(Decrease)/Increase in Provision for Insured Events of Prior Years	<u>(266,664)</u>	<u>(631,225)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>4,511,380</u>	<u>3,382,257</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	1,014,521	1,118,917
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>2,399,866</u>	<u>2,940,137</u>
Total Payments	<u>3,414,387</u>	<u>4,059,054</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 8,907,155</u>	<u>\$ 7,810,162</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
 (Continued)

NOTE 3: LOSS RESERVES (Cont'd)

The Fund maintains a contract for excess insurance for the property coverage which covers losses in excess of an amount established between the Fund and the insurer up to the limits of coverage set forth in the contract on a specific occurrence, or per accident or annual aggregate basis. In addition, the Municipal Excess Liability Joint Insurance Fund covers losses in excess of the Fund's self-insured retention for automotive and general liability and workers' compensation for each fund year.

A contingent liability exists with respect to insurance coverage which would become an actual liability in the event the insuring companies, or any of them, might be unable to meet their obligations to the Fund under existing insurance agreements.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

GASB requires disclosure of the level of custodial credit risk assumed by the Fund in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Fund 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 Fund limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in Note 5.

Custodial Credit Risk – The Fund's policy with respect to custodial credit risk requires that the Fund ensures that Fund's cash and cash equivalents are only deposited in financial institutions in which NJ insurance funds are permitted to invest their cash and cash equivalents.

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) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral deposits or public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and, in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE 4: CASH AND CASH EQUIVALENTS (Cont'd)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of December 31, cash and cash equivalents of the Fund consisted of the following:

	<u>2020</u>	<u>2019</u>
Checking Accounts	\$ 9,448,888	\$ 9,112,381
Money Market Account	1,152,169	1,148,464
	<u>\$ 10,601,057</u>	<u>\$ 10,260,845</u>

The carrying amount of the Fund's cash at cost at December 31, 2019 was \$10,260,845 and the bank balance was \$10,524,983. The carrying amount of the Fund's cash at cost at December 31, 2020 was \$10,601,057 and the bank balance was \$10,787,039.

NOTE 5: INVESTMENTS

New Jersey statutes permit the Fund to purchase the following types of investments:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of local units or bonds or other obligations of school districts of which the local units are part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
 (Continued)

NOTE 5: INVESTMENTS (Cont'd)

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the State Division of Investments and are invested consistent with the rules and regulations of the State Investment Council.

All of the Fund's investments are recorded at fair value based on quoted market prices (Level 1 inputs). The investments are held by the Fund's custodial bank trust department in the Fund's name. The bank's trust department is also its agent in purchasing and selling the securities. The investments are uninsured and unregistered. All of the funds held by the custodial bank are held in a fiduciary account, in the Fund's name, and are backed by the full faith and credit of the U.S. Government. As such, they are protected in the event of bankruptcy of the bank. Investments at December 31, 2020 and 2019 consisted of the following recurring fair value measurements as Level 1 inputs:

	Balance Dec. 31, 2020	Weighted Average Maturity in Months
Certificates of Deposit	<u>\$ 2,408,153</u>	<u>10.87</u>
	Balance Dec. 31, 2019	
Certificates of Deposit	<u>\$ 2,370,184</u>	<u>10.87</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
 (Continued)

NOTE 6: NET POSITION

The State of New Jersey has no statutory minimum net position requirements.

The Fund had accumulated deficit net position accounts on a statutory basis as follows:

Fund Year 2017 - Property	\$ 115,259
Fund Year 2017 - General Liability	\$ 663,854
Fund Year 2017 - Workers Compensation	\$ 702,519
Fund Year 2017 - Public Officials/Employment Practices	\$ 1,333
Fund Year 2018 - Property	\$ 769,454
Fund Year 2018 - General Liability	\$ 173,362
Fund Year 2018 - Workers Compensation	\$ 356,516
Fund Year 2020 - Property	\$ 244,331
Fund Year 2020 - Workers Compensation	\$ 61,644

In addition to the above individual deficits, there was an overall fund year deficit in 2017 and 2018 in the amount of \$1,181,772 and \$944,310, respectively. The Fund has no current plans to assess the membership to eliminate deficit balances.

NOTE 7: MEMBER DIVIDENDS PAYABLE

During 2019 and 2020, the Fund did not declare any dividends.

NOTE 8: MEMBERSHIP IN JOINT INSURANCE FUNDS

Municipal Excess Liability Joint Insurance Fund:

In 2000, the Fund became a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides its members with excess workers' compensation and employers' liability, excess liability other than motor vehicle, excess motor vehicle, and public officials'/employment practices liabilities and related coverages. The MEL is an insured and a 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 and user fees at a minimum. 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.

A resolution was passed on October 16, 2019 by the MEL Board of Fund Commissioners to amend the risk management plan to include the following:

After the end of the year before the Fund has finalized its year end accounting, the Fund's Commissioners shall levy an additional supplementary assessment so that the Fund's statutory surplus for all fund years combined is not less than 12.5% of open reserves.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
 (Continued)

NOTE 8: MEMBERSHIP IN JOINT INSURANCE FUNDS (Cont'd)

Municipal Excess Liability Joint Insurance Fund: (Cont'd)

Under this amendment, a supplementary assessment will be paid over a 10-year period if the statutory surplus falls below the trigger amount. This will fund the MEL to pay long term claims.

For the year ended December 31, 2020, a supplemental assessment of \$2,978,484 was made in accordance with the amended risk management plan. New Jersey Public Housing Authority Joint Insurance Fund's portion of the liability to be repaid over a 10-year period is \$208,838.

The MEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and 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.

Municipal Excess Liability Residual Claims Fund:

In 2006, the Fund became 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 these loss reserves to the Residual Fund results in the closing of those 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 severally 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 Banking and 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.

During 2020, the Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the 2016 Fund Year. Loss reserves totaling \$759,931 at December 31, 2020, were assumed as of December 31, 2020 in exchange for the Fund's assessment for participation in the Residual Fund of \$759,931.

During 2019, the Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the 2015 Fund Year. Loss reserves totaling \$882,065 at December 30, 2019, were assumed as of December 30, 2019 in exchange for the Fund's assessment for participation in the Residual Fund of \$882,065.

The December 31, 2020 audit reports of the MEL and Residual Fund are not filed as of the date of this audit. Selected, summarized, financial information for the Funds as December 31, 2019 is as follows:

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE 8: MEMBERSHIP IN JOINT INSURANCE FUNDS (Cont'd)

	Municipal Excess Liability Joint Insurance Fund	Municipal Excess Liability Residual Claims Fund
Total Assets	\$ 80,294,462	\$ 102,873,503
Net Position	\$ 26,272,636	\$ 12,110,198
Total Revenue	\$ 49,733,294	\$ 29,006,573
Total Expenses	\$ 51,222,164	\$ 27,358,705
Change in Net Position	\$ (1,488,870)	\$ 1,001,868
Member Dividends	\$ -0-	\$ 646,000

The Fund's equity interest in the MEL and the Residual Fund was (\$978,214) and (\$294,686) respectively, on December 31, 2020 and 2019.

Financial statements for the MEL and the Residual Fund and are available at the office of the Funds' Executive Director:

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

NOTE 9: CONTINGENCIES

In the normal course of its operations, the Fund has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Fund, a number of these cases may possibly be settled for amounts in excess of the Fund's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

NOTE 10: RELATIONSHIP WITH SUPPLEMENTARY DATA SCHEDULES

The information in the Fund's financial statements differs from the State Schedules listed in the supplementary data section as Schedules A through F. Specifically, the Schedules present historical information from the inception of each fund year. In addition, the financial statements reflect the Fund's equity interest in joint ventures at the financial statement date. The Supplementary Data Schedules do not reflect the equity interest in joint ventures.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE 11: AGGREGATE EXCESS LOSS FUND CONTINGENCY

The Municipal Excess Liability Joint Insurance Fund (the “MEL”) has adopted a retrospective rating premium approach to implement experience rated assessments for liability and workers’ compensation coverages. The MEL billed 85% of the experience rated assessment in the first year and, should a member joint insurance fund exceed that amount, an additional assessment would be calculated based on each member joint insurance fund’s retrospective rating modification. The retrospective rating modification is an experience rated factor and any additional assessments would be capped at 100%, 115% or 125% of that factor. If a member joint insurance fund’s liability and workers’ compensation loss funds stay within the 85% threshold, there would not be an additional assessment.

Beginning in 2016, the Fund budgeted and assessed each member 100% of the MEL’s layer of projected loss funds. The Fund will expense the liability and workers’ compensation excess coverage premium for the actual amount billed by the MEL and record revenue at the full amount budgeted and billed its members.

The difference between the assessment billed to the Fund’s members and the MEL’s premium will be transferred to an Aggregate Excess Loss Fund Contingency within the Fund in January and will earn interest in the same manner as all other fund years. The net position within the Aggregate Excess Loss Fund Contingency of the Fund will be maintained by member in the same manner that the Closed Fund Years’ net position is maintained. As future fund years continue to adopt this program the same process will be followed, and the member shares will be maintained on a weighted average of their contributions to the Aggregate Excess Loss Fund Contingency. If the MEL bills the Fund for an additional assessment, and the member does not have enough net position in its portion of the Aggregate Excess Loss Fund Contingency, the Fund could bill the member an additional assessment.

NOTE 12: SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
COMPARATIVE RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Property		General Liability		Automotive		Worker's Compensation		Totals	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Unpaid claims and claim adjustment expenses at beginning of year	\$ 397,120	\$ 469,410	\$ 2,793,929	\$ 3,042,117	\$ 293,060	\$ 157,981	\$ 4,326,053	\$ 4,817,451	\$ 7,810,162	\$ 8,486,959
Incurring claims and claim adjustment expenses:										
Provision for insured events of the current period	1,475,190	1,066,536	879,208	863,821	129,474	99,378	2,294,172	1,983,747	4,778,044	4,013,482
Increase/(decrease) in provision for insured events of prior years	211,006	134,304	353,882	(212,419)	(186,225)	45,876	(645,327)	(598,986)	(266,664)	(631,225)
Total incurred claims and claim adjustment expenses	1,686,196	1,200,840	1,233,090	651,402	(56,751)	145,254	1,648,845	1,384,761	4,511,380	3,382,257
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current period	711,324	709,921	19,627	5,047	703	4,002	282,867	399,947	1,014,521	1,118,917
Claims and claim adjustment expenses attributable to insured events of prior years	591,125	563,209	694,993	894,543	6,977	6,173	1,106,771	1,476,212	2,399,866	2,940,137
Total payments	1,302,449	1,273,130	714,620	899,590	7,680	10,175	1,389,638	1,876,159	3,414,387	4,059,054
Total unpaid claims and claim adjustment expenses at end of year	\$ 780,867	\$ 397,120	\$ 3,312,399	\$ 2,793,929	\$ 228,629	\$ 293,060	\$ 4,585,260	\$ 4,326,053	\$ 8,907,155	\$ 7,810,162

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

	Fiscal Period Ended December 31, 2020 and Policy Period Ended December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Required contribution and investment revenue										
Earned	\$ 9,077,350	\$ 8,665,740	\$ 8,433,503	\$ 8,290,224	\$ 8,431,440	\$ 8,444,817	\$ 8,656,989	\$ 9,065,074	\$ 10,004,418	\$ 10,430,207
Ceded	3,317,496	3,374,208	3,517,527	3,596,112	74,825	3,419,949	3,517,527	3,596,112	3,719,170	3,929,836
	<u>5,759,854</u>	<u>5,291,532</u>	<u>4,915,976</u>	<u>4,694,112</u>	<u>8,356,615</u>	<u>5,024,868</u>	<u>5,139,462</u>	<u>5,468,962</u>	<u>6,285,248</u>	<u>6,500,371</u>
Unallocated expenses	1,197,460	1,226,316	1,263,661	1,268,629	56,970	1,310,673	1,263,661	1,345,654	1,321,189	1,395,122
Estimated claims and expenses, end of policy year										
Incurred	3,223,521	10,138,381	3,379,999	3,978,489	3,378,000	3,514,527	3,957,613	4,646,948	4,013,482	4,778,044
Ceded	221,827	6,608,382	63,489	63,489						
Net Incurred	<u>3,001,694</u>	<u>3,529,999</u>	<u>3,379,999</u>	<u>3,915,000</u>	<u>3,378,000</u>	<u>3,514,527</u>	<u>3,957,613</u>	<u>4,646,948</u>	<u>4,013,482</u>	<u>4,778,044</u>
Paid (cumulative) as of:										
End of policy year	956,914	1,155,099	1,206,867	1,297,321	1,127,169	1,394,196	976,605	1,592,034	1,118,917	1,014,521
One year later	2,051,250	1,786,287	1,918,632	1,982,348	1,874,628	2,083,637	2,203,038	2,811,915	1,903,080	
Two years later	2,466,265	1,993,526	2,156,255	2,705,066	3,094,749	2,537,710	2,761,389	3,363,484		
Three years later	2,848,254	2,535,555	2,465,407	3,543,561	4,112,349	3,297,500	3,313,641			
Four years later	3,002,063	2,746,809	2,495,784	4,036,700	4,514,464	3,809,382				
Five years later	3,002,063	2,746,809	2,495,784	4,036,700	4,916,579					
Six years later	3,002,063	2,746,809	2,495,784	4,036,700						
Seven years later	3,002,063	2,746,809	2,495,784							
Eight years later	3,002,063	2,746,809								
Nine years later	3,002,063									
Reestimated ceded claims and expenses	327,180	467,078	615,903	485,689	882,065	759,931				
Reestimated incurred claims and expenses:										
End of policy year	3,001,694	3,529,999	3,379,999	3,915,000	3,378,000	3,514,527	3,957,613	4,646,948	4,013,482	4,778,044
One year later	3,766,695	3,435,090	2,926,057	3,933,000	4,467,328	4,365,377	4,357,567	4,821,543	3,598,646	
Two years later	3,651,876	3,309,248	2,878,666	4,216,255	5,231,647	4,622,138	4,470,175	5,067,618		
Three years later	3,421,429	3,357,540	2,845,668	4,322,255	5,305,437	4,494,683	5,057,573			
Four years later	3,002,063	2,746,809	2,495,784	4,036,700	4,514,464	3,809,382				
Five years later	3,002,063	2,746,809	2,495,784	4,036,700	4,514,464					
Six years later	3,002,063	2,746,809	2,495,784	4,036,700						
Seven years later	3,002,063	2,746,809	2,495,784							
Eight years later	3,002,063	2,746,809								
Nine years later	3,002,063	2,746,809								
Increase/(decrease) in estimated incurred claims and expense from end of policy year	\$ 369	\$ (783,190)	\$ (884,215)	\$ 121,700	\$ 1,136,464	\$ 294,855	\$ 1,099,960	\$ 420,670	\$ (414,836)	\$ -0-

COMBINING SUPPLEMENTARY SCHEDULES

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2020

	Fund Year					Total
	Closed Years	Aggregate Excess Loss Contingency	2017	2018	2019	
ASSETS						
Cash and Cash Equivalents	\$ 3,171,658	\$ 402,573	\$ 458,099	\$ 619,172	\$ 2,498,840	\$ 3,450,715
Investments	720,479	91,449	104,062	140,652	567,641	783,870
Assessments Receivable	132,373	96				5,854
Investment in Joint Ventures	(1,410,871)	202,838	353,954	(77,078)	273,886	(320,943)
Other Receivables					149	2,240
Prepaid Expenses						4,223
Total Assets	2,613,639	696,956	916,115	682,746	3,340,516	3,925,959
LIABILITIES:						
Loss Reserves			1,743,933	1,704,134	1,695,565	3,763,523
Accounts Payable - Vendors					5,652	37,248
Other Liabilities	7,546					7,546
Unearned Contributions						118,926
Due Municipal Excess Liability Residual Claims Fund	759,931					759,931
Due Municipal Excess Liability Joint Insurance Fund		202,838				202,838
Total Liabilities	767,477	202,838	1,743,933	1,704,134	1,701,217	3,919,697
NET POSITION:						
Unrestricted/(Deficit)	1,846,162	494,118	(827,818)	(1,021,388)	1,639,299	6,262
Total Net Position	\$ 1,846,162	\$ 494,118	\$ (827,818)	\$ (1,021,388)	\$ 1,639,299	\$ 6,262
						\$ 2,136,635

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDING DECEMBER 31, 2020

	Fund Year					Total
	Closed Years	2017	2018	2019	2020	
Operating Revenue:						
Assessments from Participating Members					\$ 10,408,179	\$ 10,490,875
Total Operating Revenue					10,408,179	10,490,875
Operating Expenses:						
Provision for Claims and Claim Adjustment Expenses	\$ (685,301)	\$ 587,398	\$ 246,075	\$ (414,836)	4,778,044	4,511,380
Assessment for Participation in Municipal Excess Liability						
Residual Claims Fund	759,931					759,931
Assessment for Participation in Municipal Excess Liability						
Joint Insurance Fund						
Insurance Premiums					3,165,152	3,367,990
Claims Administration					764,684	764,684
Other Contractual Services					207,576	207,576
Non-Contractual Expenses					502,188	502,188
Administration					41,089	41,089
Risk Management Consultants					330,305	330,305
Total Operating Expenses	74,630	587,398	246,075	(414,836)	10,103,002	10,799,107
Operating Income/(Loss)	(74,630)	(587,398)	(246,075)	414,836	305,177	(308,232)
Non-Operating Revenue:						
Change in Investment in Joint Ventures	(408,284)	71,189	(133,377)	(94,951)	(320,943)	(683,528)
Investment Income	23,355	4,722	8,548	17,590	22,028	78,415
Change in Net Position	(459,559)	(511,487)	(370,904)	337,475	6,262	(913,345)
Net Position - Beginning of Year	2,305,721	(316,331)	(650,484)	1,301,824		3,049,980
Net Position/(Deficit) - End of Year	\$ 1,846,162	\$ (827,818)	\$ (1,021,388)	\$ 1,639,299	\$ 6,262	\$ 2,136,635

SUPPLEMENTARY DATA

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
HISTORICAL OPERATING RESULTS ANALYSIS
ALL FUND YEARS
DECEMBER 31, 2020
(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	167,104,804	
Supplemental Contributions		213,202	
Other Income (except investments)		<u>6,832</u>	
Total Income			\$ 167,324,838
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	57,704,810		
Case Reserves	5,569,727		
IBNR Reserve	<u>3,337,428</u>		
Subtotal			\$ 66,611,965
Less Excess Insurance:			
Received	975,936		
Receivable			
Recoverable			
Subtotal		<u>975,936</u>	
Limited Incurred Claims (claims-excess)			<u>65,636,029</u>
<u>Expenses:</u>			
Excess Insurance Premiums	72,651,941		
Administrative	23,184,389		
MEL EPL Credits	4,600		
Other	<u>74,825</u>		
Subtotal Expenses			<u>95,915,755</u>
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			<u>161,551,784</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			5,773,054
4. <u>Investment Income (Earned)</u>			<u>5,147,416</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			10,920,470
6. <u>Return of Surplus:</u>			
Paid	7,805,621		
Authorized and Unpaid			
Subtotal Return of Surplus		<u>7,805,621</u>	
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 3,114,849</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET
ALL FUND YEARS
DECEMBER 31, 2020
(Unaudited)

1. <u>Assets:</u>			
Cash and Investments (1)	\$ 13,009,210		
		\$ 13,009,210	
<u>Receivables (1):</u>			
Excess Insurance			
Assessments	138,323		
Other	2,389		
Total Receivables		140,712	
Prepaid Expenses (1)		4,223	
Other Assets (1)			
<u>Total Assets</u>			\$ 13,154,145
2. <u>Liabilities:</u>			
<u>Claims:</u>			
Case Reserves	5,569,727		
IBNR Reserve (2)	3,337,428		
Subtotal Claims		8,907,155	
<u>Expenses (unpaid) (1):</u>			
Excess Insurance			
Administrative	42,900		
Subtotal Expenses		42,900	
<u>Other Liabilities:</u>			
Unearned Contributions	118,926		
Authorized Return of Surplus			
Miscellaneous Liabilities (1)	970,315		
Subtotal		1,089,241	
<u>Total Liabilities</u>			10,039,296
NET CURRENT SURPLUS/(DEFICIT) = 1-2			\$ 3,114,849
			\$ 3,114,849

Notes: (1) attach schedule itemizing these categories
(2) attach an opinion from the actuary

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - CLOSED YEARS
DECEMBER 31, 2020
(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 128,748,119		
Supplemental Contributions	213,202		
Other Income (except investments)	2,232		
Total Income			\$ 128,963,553
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	48,110,084		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 48,110,084	
Less Excess Insurance:			
Received	975,936		
Receivable			
Recoverable			
Subtotal		975,936	
Limited Incurred Claims (claims-excess)			47,134,148
<u>Expenses:</u>			
Excess Insurance Premiums	57,686,458		
Administrative	17,938,188		
Subtotal Expenses		75,624,646	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			122,758,794
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			6,204,759
4. <u>Investment Income (Earned)</u>			4,857,895
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			11,062,654
6. <u>Return of Surplus:</u>			
Paid	7,805,621		
Authorized and Unpaid			
Subtotal Return of Surplus			7,805,621
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 3,257,033

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - AGGREGATE EXCESS LOSS CONTINGENCY FUND
DECEMBER 31, 2020
(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	481,927	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 481,927
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid			
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal			
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			
<u>Expenses:</u>			
Excess Insurance Premiums	202,838		
Administrative			
Worker's Compensation			
Subtotal Expenses			202,838
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			202,838
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			279,089
4. <u>Investment Income (Earned)</u>			12,191
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			291,280
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 291,280

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2017DECEMBER 31, 2020

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	8,589,654	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 8,589,654
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		3,313,641	
Case Reserves		1,460,996	
IBNR Reserve		282,936	
Subtotal			\$ 5,057,573
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			5,057,573
<u>Expenses:</u>			
Excess Insurance Premiums		3,517,527	
Administrative		1,263,661	
MEL EPL Credits			
Other			
Subtotal Expenses			4,781,188
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			9,838,761
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(1,249,107)
4. <u>Investment Income (Earned)</u>			67,335
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(1,181,772)
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (1,181,772)

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2018

DECEMBER 31, 2020

(Unaudited)

1.	<u>Underwriting Income:</u>		
	Regular Contributions (earned)	\$ 8,963,749	
	Supplemental Contributions		
	Other Income (except investments)	<u>2,200</u>	
	Total Income		\$ 8,965,949
2.	<u>Incurred Liabilities:</u>		
	<u>Claims:</u>		
	Paid	3,363,484	
	Case Reserves	1,473,087	
	IBNR Reserve	<u>231,047</u>	
	Subtotal		\$ 5,067,618
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal	<u> </u>	
	Limited Incurred Claims (claims-excess)		<u>5,067,618</u>
	<u>Expenses:</u>		
	Excess Insurance Premiums	3,596,112	
	Administrative	1,268,629	
	MEL EPL Credits	2,200	
	Other	<u>74,825</u>	
	Subtotal Expenses		<u>4,941,766</u>
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		<u>10,009,384</u>
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		(1,043,435)
4.	<u>Investment Income (Earned)</u>		<u>99,125</u>
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		(944,310)
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus	<u> </u>	
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		<u>\$ (944,310)</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2019DECEMBER 31, 2020

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	9,913,176	
Supplemental Contributions			
Other Income (except investments)		2,400	
Total Income			\$ 9,915,576
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		1,903,080	
Case Reserves		1,092,760	
IBNR Reserve		602,806	
Subtotal			\$ 3,598,646
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			3,598,646
<u>Expenses:</u>			
Excess Insurance Premiums		3,719,170	
Administrative		1,318,789	
MEL EPL Credits		2,400	
Other			
Subtotal Expenses			5,040,359
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			8,639,005
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,276,571
4. <u>Investment Income (Earned)</u>			88,842
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,365,413
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,365,413

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2020DECEMBER 31, 2020

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 10,408,179	
Supplemental Contributions		
Other Income (except investments)		
Total Income		\$ 10,408,179
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	1,014,521	
Case Reserves	1,542,884	
IBNR Reserve	2,220,639	
Subtotal		\$ 4,778,044
Less Excess Insurance:		
Received		
Receivable		
Recoverable		
Subtotal		
Limited Incurred Claims (claims-excess)		4,778,044
<u>Expenses:</u>		
Excess Insurance Premiums	3,929,836	
Administrative	1,395,122	
MEL EPL Credits		
Subtotal Expenses		5,324,958
<u>Total Incurred Liabilities</u>		
(limited claims and expenses)		10,103,002
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		305,177
4. <u>Investment Income (Earned)</u>		22,028
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		327,205
6. <u>Return of Surplus:</u>		
Paid		
Authorized and Unpaid		
Subtotal Return of Surplus		
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 327,205

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2017

DECEMBER 31, 2020

(Unaudited)

	Coverages and Other Accounts										Total	
	Property	General Liability	Automotive	Worker's Compensation	Employment Practices	Loss Contingency	Excess Liability	General and Administrative				
1. <u>Underwriting Income</u>												
Regular Contributions (earned)	\$ 935,081	\$ 717,583	\$ 127,362	\$ 1,780,446	\$ 521,457	\$ 206,200	\$ 2,993,848	\$ 1,307,677			\$ 8,589,654	
Supplemental Contributions	935,081	717,583	127,362	1,780,446	521,457	206,200	2,993,848	1,307,677			8,589,654	
Other Income (except investments)												
Total Income												
2. <u>Incurred Liabilities</u>												
Claims (limited incurred)	1,045,981	1,402,060	105,424	2,504,108	523,679		2,988,040	1,263,661			5,057,573	
Expenses	5,808										4,781,188	
Total Liabilities	1,051,789	1,402,060	105,424	2,504,108	523,679		2,988,040	1,263,661			9,838,761	
3. <u>Underwriting Surplus/(Deficit)</u>	(116,708)	(684,477)	21,938	(723,662)	(2,222)	206,200	5,808	44,016			(1,249,107)	
4. <u>Adjustments</u>												
Investment Income	1,449	20,623	3,846	21,143	889	6,780	8,370	4,235			67,335	
Transfers												
Total Adjustments	1,449	20,623	3,846	21,143	889	6,780	8,370	4,235			67,335	
5. Gross Operating Surplus	(115,259)	(663,854)	25,784	(702,519)	(1,333)	212,980	14,178	48,251			(1,181,772)	
6. Return of Surplus												
7. Net Current Surplus	\$ (115,259)	\$ (663,854)	\$ 25,784	\$ (702,519)	\$ (1,333)	\$ 212,980	\$ 14,178	\$ 48,251			\$ (1,181,772)	

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2018
 DECEMBER 31, 2020
 (Unaudited)

	Coverages and Other Accounts							Public Officials/ Employment Practices	Excess Liability	General and Administrative	Total
	Property	General Liability	Automotive	Worker's Compensation	Loss Contingency						
1. <u>Underwriting Income</u>											
Regular Contributions (earned)	\$ 939,738	\$ 813,949	\$ 125,823	\$ 2,013,957	\$ 206,109	\$ 565,984	\$ 3,030,460	\$ 1,267,729	\$ 8,963,749		
Supplemental Contributions											
Other Income (except investments)											
Total Income	939,738	813,949	125,823	2,013,957	206,109	565,984	3,032,660	1,267,729	8,965,949	2,200	
2. <u>Incurred Liabilities</u>											
Claims (limited incurred)	1,707,265	1,009,177	17,447	2,333,729		565,652	3,026,922	1,268,629	5,067,618		
Expenses	5,738			74,825		565,652	3,026,922	1,268,629	4,941,766		
Total Liabilities	1,713,003	1,009,177	17,447	2,408,554		565,652	3,026,922	1,268,629	10,009,384		
3. <u>Underwriting Surplus/(Deficit)</u>	(773,265)	(195,228)	108,376	(394,597)	206,109	332	5,738	(900)	(1,043,435)		
4. <u>Adjustments</u>											
Investment Income	3,811	21,866	3,235	38,081	6,098	1,283	23,151	1,600	99,125		
Transfers											
Total Adjustments	3,811	21,866	3,235	38,081	6,098	1,283	23,151	1,600	99,125		
5. <u>Gross Operating Surplus</u>	(769,454)	(173,362)	111,611	(356,516)	212,207	1,615	28,889	700	(944,310)		
6. <u>Return of Surplus</u>											
7. <u>Net Current Surplus</u>	\$ (769,454)	\$ (173,362)	\$ 111,611	\$ (356,516)	\$ 212,207	\$ 1,615	\$ 28,889	\$ 700	\$ (944,310)		

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2019
DECEMBER 31, 2020
(Unaudited)

	Coverages and Other Accounts									
	Property	General Liability	Automotive	Worker's Compensation	Loss Fund Contingency	Excess Liability	Public Officials/ Employment Practices	General and Administrative	Total	
1. <u>Underwriting Income</u>										
Regular Contributions (earned)	\$ 1,220,253	\$ 860,645	\$ 125,748	\$ 2,242,375	\$ 277,975	\$ 3,035,909	\$ 607,621	\$ 1,542,650	\$ 9,913,176	
Supplemental Contributions						2,400			2,400	
Other Income (except investments)										
Total Income	1,220,253	860,645	125,748	2,242,375	277,975	3,038,309	607,621	1,542,650	9,915,576	
2. <u>Incurred Liabilities</u>										
Claims (limited incurred)	1,211,729	858,343	18,175	1,510,399		3,032,681	608,432	1,318,789	3,598,646	
Expenses	5,632			74,825					5,040,359	
Total Liabilities	1,217,361	858,343	18,175	1,585,224		3,032,681	608,432	1,318,789	8,639,005	
3. <u>Underwriting Surplus/(Deficit)</u>	2,892	2,302	107,573	657,151	277,975	5,628	(811)	223,861	1,276,571	
4. <u>Adjustments</u>										
Investment Income Transfers	10,891	12,490	1,779	27,995	6,727	23,674	3,685	1,601	88,842	
Total Adjustments	10,891	12,490	1,779	27,995	6,727	23,674	3,685	1,601	88,842	
5. Gross Operating Surplus	13,783	14,792	109,352	685,146	284,702	29,302	2,874	225,462	1,365,413	
6. Return of Surplus										
7. Net Current Surplus	\$ 13,783	\$ 14,792	\$ 109,352	\$ 685,146	\$ 284,702	\$ 29,302	\$ 2,874	\$ 225,462	\$ 1,365,413	

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2020
DECEMBER 31, 2020

(Unaudited)

	Coverages and Other Accounts							Total	
	Property	General Liability	Automotive	Workers' Compensation	Public Officials/ Employment Practices	Loss Fund Contingency	Excess Liability		General and Administrative
1. <u>Underwriting Income</u>									
Regular Contributions (earned)	\$ 1,234,756	\$ 880,644	\$ 129,939	\$ 2,302,438	\$ 681,578	\$ 328,365	\$ 3,171,435	\$ 1,679,024	\$ 10,408,179
Supplemental Contributions									
Other Income (except investments)									
Total Income	1,234,756	880,644	129,939	2,302,438	681,578	328,365	3,171,435	1,679,024	10,408,179
2. <u>Incurred Liabilities</u>									
Claims (limited incurred)	1,475,190	879,208	129,474	2,294,172					4,778,044
Expenses	6,291			76,322	682,071		3,165,152	1,395,122	5,324,958
Total Liabilities	1,481,481	879,208	129,474	2,370,494	682,071		3,165,152	1,395,122	10,103,002
3. <u>Underwriting Surplus/(Deficit)</u>	(246,725)	1,436	465	(68,056)	(493)	328,365	6,283	283,902	305,177
4. <u>Adjustments</u>									
Investment Income	2,394	2,548	380	6,412	1,028	1,877	7,216	173	22,028
Transfers									
Total Adjustments	2,394	2,548	380	6,412	1,028	1,877	7,216	173	22,028
5. Gross Operating Surplus	(244,331)	3,984	845	(61,644)	535	330,242	13,499	284,075	327,205
6. Return of Surplus									
7. Net Current Surplus	\$ (244,331)	\$ 3,984	\$ 845	\$ (61,644)	\$ 535	\$ 330,242	\$ 13,499	\$ 284,075	\$ 327,205

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2017DECEMBER 31, 2020

(Unaudited)

	Coverages				Total
	Property	General Liability	Automotive	Workers' Compensation	
Paid Claims	\$ 1,045,980	\$ 477,309	\$ 19,739	\$ 1,770,613	\$ 3,313,641
Case Reserves	1	813,938	70,126	576,931	1,460,996
IBNR Reserve		110,813	15,559	156,564	282,936
Subtotal	<u>1,045,981</u>	<u>1,402,060</u>	<u>105,424</u>	<u>2,504,108</u>	<u>5,057,573</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>1,045,981</u>	<u>1,402,060</u>	<u>105,424</u>	<u>2,504,108</u>	<u>\$ 5,057,573</u>
Number of Claims	47	95	13	153	
Cost/Claim	<u>\$ 22,255</u>	<u>\$ 14,759</u>	<u>\$ 8,110</u>	<u>\$ 16,367</u>	

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2018DECEMBER 31, 2020

(Unaudited)

	Coverages				Total
	Property	General Liability	Automotive	Workers' Compensation	
Paid Claims	\$ 1,707,265	\$ 311,380	\$ 17,447	\$ 1,327,392	\$ 3,363,484
Case Reserves		519,021		954,066	1,473,087
IBNR Reserve		178,776		52,271	231,047
Subtotal	<u>1,707,265</u>	<u>1,009,177</u>	<u>17,447</u>	<u>2,333,729</u>	<u>5,067,618</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>1,707,265</u>	<u>1,009,177</u>	<u>17,447</u>	<u>2,333,729</u>	<u>\$ 5,067,618</u>
Number of Claims	68	124	12	121	
Cost/Claim	<u>\$ 25,107</u>	<u>\$ 8,139</u>	<u>\$ 1,454</u>	<u>\$ 19,287</u>	

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2019DECEMBER 31, 2020

(Unaudited)

	Coverages				Total
	Property	General Liability	Automotive	Workers' Compensation	
Paid Claims	\$ 1,200,222	\$ 22,583	\$ 4,002	\$ 676,273	\$ 1,903,080
Case Reserves	11,507	495,345		585,908	1,092,760
IBNR Reserve		340,415	14,173	248,218	602,806
Subtotal	<u>1,211,729</u>	<u>858,343</u>	<u>18,175</u>	<u>1,510,399</u>	<u>3,598,646</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>1,211,729</u>	<u>858,343</u>	<u>18,175</u>	<u>1,510,399</u>	<u>\$ 3,598,646</u>
Number of Claims	44	94	13	112	
Cost/Claim	<u>\$ 27,539</u>	<u>\$ 9,131</u>	<u>\$ 1,398</u>	<u>\$ 13,486</u>	

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2020DECEMBER 31, 2020

(Unaudited)

	Coverages				Total
	Property	General Liability	Automotive	Workers' Compensation	
Paid Claims	\$ 711,324	\$ 19,627	\$ 703	\$ 282,867	\$ 1,014,521
Case Reserves	762,866	180,772	14,997	584,249	1,542,884
IBNR Reserve	1,000	678,809	113,774	1,427,056	2,220,639
Subtotal	<u>1,475,190</u>	<u>879,208</u>	<u>129,474</u>	<u>2,294,172</u>	<u>4,778,044</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>1,475,190</u>	<u>879,208</u>	<u>129,474</u>	<u>2,294,172</u>	<u>\$ 4,778,044</u>
Number of Claims	61	61	7	107	
Cost/Claim	<u>\$ 24,183</u>	<u>\$ 14,413</u>	<u>\$ 18,496</u>	<u>\$ 21,441</u>	

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2017DECEMBER 31, 2020

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 5,808		\$ 5,808
Excess Liability Insurance	2,988,040		2,988,040
Excess Public Official's Insurance	523,679		523,679
Subtotal Excess	<u>3,517,527</u>		<u>3,517,527</u>
2. <u>Administrative Expenses</u>			
Administration	316,584		316,584
Claims Administration	203,506		203,506
Legal	41,406		41,406
Treasurer	74,968		74,968
Actuary	36,276		36,276
Risk Management Consultants	246,133		246,133
Other Contracted Services	256,909		256,909
External Auditor	22,294		22,294
Non-Contracted Expenses	65,585		65,585
Subtotal Administrative	<u>1,263,661</u>		<u>1,263,661</u>
Total Expenses = 1+2	<u>\$ 4,781,188</u>	<u>\$ -0-</u>	<u>\$ 4,781,188</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2018DECEMBER 31, 2020

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 5,738		\$ 5,738
Excess Liability Insurance	3,024,722		3,024,722
Excess Public Official's Insurance	565,652		565,652
Subtotal Excess	<u>3,596,112</u>		<u>3,596,112</u>
2. <u>Administrative Expenses</u>			
Administration	322,916		322,916
Claims Administration	203,506		203,506
Legal	42,646		42,646
Treasurer	76,467		76,467
Actuary	37,002		37,002
Risk Management Consultants	262,553		262,553
Other Contracted Services	252,268		252,268
External Auditor	22,740		22,740
Non-Contracted Expenses	48,531		48,531
Subtotal Administrative	<u>1,268,629</u>		<u>1,268,629</u>
3. <u>Excess Liability Insurance</u>			
MEL EPL Credits	2,200		2,200
Subtotal Excess Liability Insurance	<u>2,200</u>		<u>2,200</u>
4. <u>Other</u>			
Worker's Compensation/Managed Care	74,825		74,825
Subtotal Other	<u>74,825</u>		<u>74,825</u>
Total Expenses = 1+2+3	<u>\$ 4,941,766</u>	<u>\$ -0-</u>	<u>\$ 4,941,766</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2019DECEMBER 31, 2020

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 5,632		\$ 5,632
Excess Liability Insurance	3,030,281		3,030,281
Excess Public Officials' Insurance	608,432		608,432
Excess Workers Compensation Insurance	74,825		74,825
Subtotal Excess	<u>3,719,170</u>		<u>3,719,170</u>
2. <u>Administrative Expenses</u>			
Administration	322,916		322,916
Claims Administration	203,506		203,506
Legal	42,478		42,478
Treasurer	76,467		76,467
Actuary	37,002		37,002
Risk Management Consultants	298,997	\$ 5,652	304,649
Other Contracted Services	252,061		252,061
External Auditor	22,740		22,740
Non-Contracted Expenses	56,970		56,970
Subtotal Administrative	<u>1,313,137</u>	<u>5,652</u>	<u>1,318,789</u>
3. <u>Excess Liability Insurance</u>			
MEL EPL Credits	2,400		2,400
Subtotal Excess Liability Insurance	<u>2,400</u>		<u>2,400</u>
Total Expenses = 1+2	<u>\$ 5,034,707</u>	<u>\$ 5,652</u>	<u>\$ 5,040,359</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2020DECEMBER 31, 2020

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 6,291		\$ 6,291
Excess Liability Insurance	3,165,152		3,165,152
Excess Public Officials' Insurance	682,071		682,071
Excess Workers Compensation Insurance	76,322		76,322
Subtotal Excess	<u>3,929,836</u>		<u>3,929,836</u>
2. <u>Administrative Expenses</u>			
Administration	330,305		330,305
Claims Administration	207,576		207,576
Legal	41,947	\$ 3,608	45,555
Treasurer	77,996		77,996
Actuary	37,742		37,742
Risk Management Consultants	306,034	7,930	313,964
Other Contracted Services	317,700		317,700
External Auditor		23,195	23,195
Non-Contracted Expenses	38,574	2,515	41,089
Subtotal Administrative	<u>1,357,874</u>	<u>37,248</u>	<u>1,395,122</u>
Total Expenses = 1+2	<u>\$ 5,287,710</u>	<u>\$ 37,248</u>	<u>\$ 5,324,958</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
PROGRAM SUMMARY
FUND YEAR - 2020
DECEMBER 31, 2020
(Unaudited)

	COVERAGES					
	Property	General Liability	Automotive	Workers' Compensation	Public Officials/ Employment Practices	CYBER
1.) <u>Limits</u>	\$125,000,000	\$5,000,000 per occurrence	\$5,000,000 per occurrence	Statutory	\$2,000,000	XL CATLIN(Primary) / Beazley (Excess) Fund Aggregate - \$12,000,000
2.) <u>Fund Retention Specific</u>	\$100,000	\$300,000	\$300,000	\$300,000	QBE Speciality Insurance Co. None	Third Party, Per Claim - \$6,000,000 First Party, Per Claim - \$6,000,000 Retention Per Member - \$10,000.
3.) <u>Excess Insurance</u> (list all insurers and amount insured)	Zurich Insurance \$125,000,000 per occurrence-blanket limit in excess of JIF/MEL \$500,000 self-insured retention	Municipal Excess Liability Joint Insurance Fund provides \$1,700,000 in excess of \$300,000 for both liability and workers' compensation Underwriters at Lloyd's of London (Brit) provides \$3,000,000 in excess of JIF/MEL retention of \$2,000,000 on a pro-rata basis with the MEL (80% Brit/20% MEL) for liability. Safety National provides statutory limits excess of JIF/MEL retention \$2,000,000 for Worker's Compensation and \$5,000,000 for Employers Liability			Members have various deductible or co-insurance based on program compliance	
4.) <u>Number of Participants</u>	74	74	74	76	74	74
5.) <u>Incurred Liabilities</u>	\$1,481,481	\$879,208	\$129,474	\$2,370,494	\$682,071	
6.) <u>Exposure Units</u>	1,968,404.930	17,841	279	86,673,541	Full time Employees - 1,550	
7.) <u>Liabilities/Unit</u>	\$0.001	\$39,274	\$322,695	\$0.024	\$312,644	
						Underwriters at Lloyd's of London (Brit) provides optional excess liability reinsurance to the Municipal Excess Liability Joint Insurance on a pro-rata basis 80% Brit/20% MEL Member optional limits in layers starting at \$1,000,000 in excess of \$2,000,000 through \$8,000,000

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2020
(Unaudited)

<u>Bank</u>	<u>Account Description</u>	<u>Amount</u>
TD Bank	Checking Account	\$ 9,634,870
Investor's Savings Bank - Money Market Account - Short Term	Investment Account	1,152,169
Bank of New Jersey - Certificate of Deposit - Long Term	Investment Account	1,227,941
Lakeland Bank - Certificate of Deposit - Long Term	Investment Account	1,180,212
		<u>13,195,192</u>
Less: Outstanding Checks		<u>185,982</u>
		<u>\$ 13,009,210</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ASSESSMENTS RECEIVABLES
DECEMBER 31, 2020
(Unaudited)

Closed Fund Year		\$ 132,373
Aggregate Excess Loss Contingenacy Fund		96
Fund Year 2020		<u>5,854</u>
		<u>\$ 138,323</u>

ANALYSIS OF OTHER RECEIVABLES
DECEMBER 31, 2020
(Unaudited)

Fund Year 2019:		
Deductible Billing - Hoboken		\$ 149
Fund Year 2020:		
Deductible Billing - Atlantic City Housing Authority	\$ 2,228	
Deductible Billing - Hackensack Housing Authority	<u>12</u>	
		<u>2,240</u>
		<u>\$ 2,389</u>

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF PREPAID EXPENSE
DECEMBER 31, 2020
(Unaudited)

Prepaid Insurance- Administration		\$ 4,223
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ANALYSIS OF MISCELLANEOUS LIABILITIES
DECEMBER 31, 2020
(Unaudited)

Closed Years:

Workers Compensation Refund		\$ 7,546
Due To Municipal Excess Liability Residual Claims Fund		759,931
Due To Municipal Excess Liability Fund		202,838
		\$ 970,315

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF UNEARNED CONTRIBUTIONS
DECEMBER 31, 2020
 (Unaudited)

Fund Year 2020:		
Unearned Contribution - Lodi		\$ 118,926

ANALYSIS OF ADMINISTRATIVE EXPENSES PAYABLE
DECEMBER 31, 2020
 (Unaudited)

Fund Year 2019:			
Risk Management Consultants			\$ 5,652
Fund Year 2020:			
Administration	\$ 2,515		
Legal		3,608	
Risk Management Consultants		7,930	
External Auditor		23,195	
			37,248
			\$ 42,900

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS



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 Auditors' Report

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Public Housing Authority Joint Insurance Fund
Parsippany, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 New Jersey Public Housing Authority Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated May 14, 2021.

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 Fund's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Public Housing Authority Joint Insurance Fund
Page 2

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*.

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.

Mount Arlington, New Jersey
May 14, 2021

Nisivoccia LLP

NISIVOCCIA LLP

STATISTICAL SECTION

This part of the Fund's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Fund's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Fund's financial performance and well-being have changed over time.

Revenue Capacity (Not Applicable)

These schedules contain information to help the reader assess the factors affecting the Fund's ability to generate its revenue.

Debt Capacity (Not Applicable)

These schedules present information to help the reader assess the affordability of the Fund's current levels of outstanding debt and the Fund's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Fund's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the Fund's operations and resources to help the reader understand how the Fund's financial information relates to the services the Fund provides and the activities it performs.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
NET POSITION BY COMPONENT
LAST TEN YEARS
(Unaudited)

	December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities										
Unrestricted	\$ 8,778,499	\$ 7,804,322	\$ 8,769,692	\$ 8,376,810	\$ 7,960,141	\$ 6,761,263	\$ 4,314,828	\$ 2,452,394	\$ 3,049,980	\$ 2,136,635
Total Business-Type Activities Net Position	\$ 8,778,499	\$ 7,804,322	\$ 8,769,692	\$ 8,376,810	\$ 7,960,141	\$ 6,761,263	\$ 4,314,828	\$ 2,452,394	\$ 3,049,980	\$ 2,136,635

Source - Insurance Fund Financial Records.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
SCHEDULE OF CHANGE IN NET POSITION
LAST TEN YEARS
(Unaudited)

	Year Ended December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue:										
Assessments from Participating Members	\$ 8,946,540	\$ 8,627,024	\$ 8,407,575	\$ 8,267,520	\$ 8,405,289	\$ 8,540,395	\$ 8,673,835	\$ 9,047,007	\$ 9,995,501	\$ 10,490,875
Other Income	290,384	129,667	30,257	50,904	25,516	80,032	85,554	154,705	245,059	78,415
Investment Income	447,972	156,598	701,232	(331,784)	(206,431)	239,528	(166,889)	(534,398)	(340,693)	(683,528)
Change in Investment in Joint Venture										
Total Revenue	9,684,896	8,913,289	9,139,064	7,986,640	8,224,374	8,859,955	8,592,500	8,669,514	9,902,267	9,885,762
Expenses:										
Provision for Claims and Claim Adjustment Expense	2,978,233	4,318,618	2,403,137	2,711,313	2,977,535	4,243,381	5,328,898	5,091,901	3,382,257	4,511,380
Assessment for Participation in Municipal Excess Liability Residual Claims Fund	775,981	482,076	295,667	437,574	327,180	467,079	615,903	485,689	882,065	759,931
Assessment for Participation in Municipal Excess Liability Joint Insurance Fund	3,310,131	3,366,483	3,206,123	2,853,378	3,008,139	2,951,633	2,988,040	3,024,722	3,030,281	3,367,990
Insurance Premiums	7,365	7,605	303,642	325,462	421,884	468,316	529,487	571,390	688,889	764,684
MEL EPL Credits								2,200	2,400	
Claims Administration	182,893	186,551	190,522	194,871	194,871	199,516	203,506	203,506	203,506	207,576
Other Contractual Services	403,986	414,975	405,915	405,536	413,982	488,908	431,853	505,948	430,748	502,188
Non-Contractual Expenses	60,192	76,597	76,640	116,153	118,877	54,273	65,585	48,531	56,970	41,089
Administration	277,964	283,523	289,728	296,724	302,657	313,858	316,584	322,916	322,916	330,305
Risk Management Fees	268,986	251,038	252,320	239,456	257,439	259,147	246,306	262,553	304,649	313,964
Total Expenses	8,265,731	9,387,466	7,423,694	7,580,467	8,022,564	9,446,111	10,726,162	10,519,356	9,304,681	10,799,107
Member Dividends	500,000	500,000	750,000	799,055	618,479	612,722	312,773	12,592		
Change in Net Position	\$ 919,165	\$ (974,177)	\$ 965,370	\$ (392,882)	\$ (416,669)	\$ (1,198,878)	\$ (2,446,435)	\$ (1,862,434)	\$ 597,586	\$ (913,345)

Source - Insurance Fund Financial Records.

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
MEMBER GROWTH ANALYSIS - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2020
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total number of members	90	89	91	89	90	89	89	89	89	89
Total employees	1,920	2,122	1,877	1,765	1,723	1,675	1,572	1,555	1,550	1,649
Total annual payrolls	\$ 95,215,675	\$ 97,489,572	\$ 92,195,688	\$ 89,845,353	\$ 87,189,981	\$ 85,243,821	\$ 84,827,680	\$ 85,746,856	\$ 86,673,541	\$ 85,903,303
Total member assessments	\$ 8,946,564	\$ 8,627,131	\$ 8,407,735	\$ 8,267,520	\$ 8,405,129	\$ 8,390,927	\$ 8,589,654	\$ 8,963,749	\$ 9,913,176	\$ 10,408,179
Total number of claims	420	664	326	380	332	369	308	325	263	236
Total reported losses	\$ 3,359,207	\$ 3,290,743	\$ 2,811,777	\$ 4,319,428	\$ 5,130,908	\$ 4,292,690	\$ 4,774,637	\$ 4,836,571	\$ 2,995,840	\$ 2,557,405

Source - Insurance Fund - Executive Director's Office and Third Party Claims Administrator

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
REPORTED LOSS HISTORY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2020

(Unaudited)

During its years of existence, the Fund has incurred the following reported losses (paid claims plus case reserves from claims incurred by Fund members). The claims reflect both the impact of increase in membership, the delay in claims reaching the Fund's coverages, and the changes in the average cost per claim. These amounts do not include incurred by not reported ("IBNR") claim estimates.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property	\$ 831,877	\$ 638,178	\$ 803,517	\$ 794,117	\$ 694,784	\$ 898,516	\$ 1,045,981	\$ 1,707,265	\$ 1,211,729	\$ 1,474,190
General Liability	830,923	435,709	422,845	1,088,281	1,677,480	1,040,732	1,291,247	830,401	517,928	200,399
Automotive	30,552	281,293	290,640	2,010	300,615	9,861	89,865	17,447	4,002	15,700
Workers' Compensation	1,665,855	1,935,563	1,294,775	2,435,020	2,458,029	2,343,581	2,347,544	2,281,458	1,262,181	867,116
Total	\$ 3,359,207	\$ 3,290,743	\$ 2,811,777	\$ 4,319,428	\$ 5,130,908	\$ 4,292,690	\$ 4,774,637	\$ 4,836,571	\$ 2,995,840	\$ 2,557,405
Total number of claims	420	664	326	380	332	369	308	325	263	236
Average cost per claim	\$ 7,998	\$ 4,956	\$ 8,625	\$ 11,367	\$ 15,455	\$ 11,633	\$ 15,502	\$ 14,882	\$ 11,391	\$ 10,836

Source - Insurance Fund- Third Party Claims Administrator

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
REPORTED CLAIM ACTIVITY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2020
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property	70	331	70	70	65	78	47	68	44	61
General Liability	149	151	91	144	121	125	95	124	94	61
Automotive	20	15	9	11	10	21	13	12	13	7
Workers' Compensation	181	167	156	155	136	145	153	121	112	107
Total	420	664	326	380	332	369	308	325	263	236
Claims settled in full	399	629	305	353	299	339	280	295	220	85
Claims pending	21	35	21	27	33	30	28	30	43	151
Total	420	664	326	380	332	369	308	325	263	236

Source - Insurance Fund - Third Party Claims Administrator