PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Report on Audit of Financial Statements

For The Year Ended December 31, 2025

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Monmouth County Municipal Joint Insurance Fund

Financial Statements and Supplementary Information
For the Year Ended December 31, 2025

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

Street Address: _____

Mail Address: C/O PERMA
9 CAMPUS DRIVE
SUITE 216
PARSIPPANY, NJ 07054

Primary location of books and records: PERMA, 2 Cooper Street,
Camden, NJ 08102

Statement Contact Person: STEPHEN SACCO Phone No. (201) 881-7632

EXECUTIVE COMMITTEE

Chairman	THOMAS ROGERS	LAURIE ROTH
Secretary	BRYAN DEMPSEY	JONATHAN CAPP
	THOMAS NOLAN	JAMES GANT
	ANTHONY MERCANTANTE	

EXECUTIVE COMMITTEE ALTERNATES

TARA LOVRICH	
JUSTIN MACKO	
PETER VALESI	
RACHEL GIOLITTO	

State of NEW JERSEY
County of MONMOUTH

THOMAS ROGERS (Chairman), BRYAN DEMPSEY (Secretary), of the MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND being duly sworn, each for themselves deposes and says that they are the above described executive committee members of the said joint insurance fund and that on the 31st day of December, 2025 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated and that this semi-annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2025 and of its income and deductions there from for the period ended on that date, according to the best of their information, knowledge and belief respectively.

_____ Chairman

_____ Secretary

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

Subscribed and sworn to before me the
_____ day of _____, 2026

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Fund Commissioners
Monmouth County Municipal Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey

Opinion

We have audited the accompanying financial statements of the Monmouth County Municipal Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2025, and the respective changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

PKF O'Connor Davies LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2026, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Voorhees, New Jersey
June 18, 2026

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

Board of Fund Commissioners
Monmouth County Municipal Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Monmouth County Municipal Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 18, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Voorhees, New Jersey
June 18, 2026

Monmouth County Municipal Joint Insurance Fund

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Monmouth County Municipal Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2025 and 2024. Please read it in conjunction with the basic financial statements and notes that follow this section.

Overview of Basic Financial Statements

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

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

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

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

Financial Highlights

The following tables summarize the net position and results of operations for the Fund as of and for the years ended December 31, 2025 and 2024.

Statements of Net Position Summary	12/31/2025	12/31/2024	2024 to 2025 Change Amount	2024 to 2025 Change Percentage
Assets				
Cash and Cash Equivalents	$ 9,603,104	$12,025,544	$(2,422,440)	-20.1%
Investments	22,037,145	19,520,638	2,516,507	12.9%
Investment in Joint Ventures	4,616,995	3,555,004	1,061,991	29.9%
Receivables and Other Assets	345,947	334,122	11,825	3.5%
Total Assets	36,603,191	35,435,308	1,167,883	3.3%
Liabilities and Reserves & Net Position				
Liabilities and Reserves				
Loss Reserves	16,760,856	16,440,732	320,124	1.9%
Other Liabilities	3,520,721	4,321,003	(800,282)	-18.5%
Total Liabilities and Reserves	20,281,577	20,761,735	(480,158)	-2.3%
Net Position - Unrestricted	$16,321,614	$14,673,573	$ 1,648,041	11.2%

Statements of Revenues, Expenses, and Changes in Net Position	12/31/2025	12/31/2024	2024 to 2025 Change Amount	2024 to 2025 Change Percentage
Operating Revenues				
Regular Contributions & Other Income	$21,549,330	$20,896,442	$ 652,888	3.1%
Operating Expenses				
Provision for Claims and Claims Adjustment Expenses	9,248,063	9,557,933	(309,870)	-3.2%
Premium for Excess Insurance	9,363,685	9,115,392	248,293	2.7%
Residual Claims Fund Supplemental Assessment	523,322	-	523,322	100.0%
Professional & Contractual Services	3,191,054	3,178,594	12,460	0.4%
Total Operating Expenses	22,326,124	21,851,919	474,205	2.2%
Operating Loss	(776,794)	(955,477)	178,683	18.7%
Non-Operating Revenue				
Investment Income	1,522,422	1,153,965	368,457	31.9%
Change in Investment in Joint Ventures	1,061,991	(291,087)	1,353,078	464.8%
Total Non-Operating Revenue	2,584,413	862,878	1,721,535	199.5%
Return of Surplus	159,578	162,613	(3,035)	-1.9%
Change in Net Position	$ 1,648,041	$ (255,212)	$ 1,903,253	745.8%

Financial Highlights Continued

The Fund's total assets increased by 3.3% and total liabilities and reserves decreased by 2.3%, resulting in an increase in unrestricted net position from $14,673,573 at December 31, 2024 to $16,321,614 at December 31, 2025, an increase of $1,648,041, or 11.2%. "Investment in Joint Ventures," which represents the Fund's share of surplus retained in the Municipal Excess Liability Joint Insurance Fund, the Municipal Excess Liability Residual Claims Fund, the New Jersey Municipal Environmental Risk Management Fund, and the New Jersey Municipal Cyber Risk Management Fund, increased by 29.9%.

Assessments and other income increased by 3.1%, reflecting increased budgets for claims and increased exposure for existing members. The Fund recognized an operating loss of $776,794, representing an improvement of $178,683 from 2024, which experienced an operating loss of $955,477. The improvement was primarily attributable to increased member assessments, partially offset by higher claims costs, excess insurance premiums, and administrative expenses. In 2025, operating expenses included a Residual Claims Fund Supplemental Assessment of $523,322 for prior fund years, representing an additional assessment intended to maintain the Residual Claims Fund's statutory surplus at no less than 12.5% of unpaid claims, including IBNR.

Investment income increased by 31.9% to $1,522,422 during 2025. The increase was primarily attributable to continued favorable investment yields and increased earnings generated by the Fund's investment portfolio and cash balances. In addition, the Fund's investment in joint ventures increased by $1,061,991 during the year, reflecting favorable operating results and changes in net position within the Fund's affiliated joint insurance funds.

For 2025, the Fund paid a dividend to its members in the amount of $159,578, representing a pass-through of dividends received from the New Jersey Municipal Environmental Risk Management Fund.

Economic Conditions

The Fund continues to be affected by increasing workers' compensation, liability, and property insurance costs. Rising medical costs, legislative and regulatory changes affecting workers' compensation claims, and expanded liability exposures continue to place upward pressure on claim costs. In addition, property insurance premiums have increased due to higher property values and the increased frequency and severity of natural catastrophes.

The Fund continues to address these challenges through proactive risk management, loss prevention initiatives, and effective claims management. Management also remains focused on maintaining a strong financial position through prudent investment and liquidity management practices.

Contacting the Fund's Management

This financial report is designed to provide the Monmouth County Municipal Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Monmouth County Municipal Joint Insurance Fund office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

Exhibit A-1

Monmouth County Municipal Joint Insurance Fund
Statement of Net Position
As of December 31, 2025

	2025
ASSETS	
Cash and Cash Equivalents	$ 9,603,104
Investments	22,037,145
Contributions Receivable	5,322
Due from Member	187,090
Accrued Interest Receivable	147,235
Prepaid Expenses	6,300
Investment in Joint Ventures	4,616,995
Total Assets	36,603,191
LIABILITIES AND RESERVES	
Liabilities:	
Accrued Administrative Expenses	219,215
Due to Member	11,750
Due to Residual Claims Fund	1,585,927
Residual Claims Fund Supplemental Assessment	1,544,251
Authorized and Unpaid Return of Surplus	159,578
Total Liabilities	3,520,721
Reserves:	
Claims:	
Case Reserves	9,387,991
IBNR Reserves	8,712,856
Less: Discounted Reserves	(1,339,991)
Less: Excess Insurance Recoverable	-
Total Reserves	16,760,856
Total Liabilities and Reserves	20,281,577
NET POSITION	
Unrestricted	$ 16,321,614

See Notes to Financial Statements.

Exhibit A-2

Monmouth County Municipal Joint Insurance Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2025

	2025
OPERATING REVENUES:	
Regular Contributions	$ 21,384,739
Environmental Fund Dividend	164,591
Total Operating Revenue	21,549,330
OPERATING EXPENSES:	
Provision for Claims and Claims Adjustment Expenses	9,248,063
Premium for Excess Insurance	9,363,685
Residual Claims Fund Supplemental Assessment	523,322
Administrative Expenses:	
Administrator	44,117
Claims Administrator	58,852
Safety Director	16,871
Professional Services	39,490
Safety Programs	30,313
Risk Management Consulting	107,667
Miscellaneous Expenses	2,893,744
Total Operating Expenses	22,326,124
OPERATING LOSS	(776,794)
NON-OPERATING REVENUE:	
Investment Income	1,522,422
Change in Investment in Joint Ventures	1,061,991
Total Non-Operating Revenue	2,584,413
Change in Net Position	1,807,619
NET POSITION	
Net Position - Beginning	14,673,573
Return of Surplus	(159,578)
Net Position - Ending	$ 16,321,614

See Notes to Financial Statements.

Exhibit A-3

Monmouth County Municipal Joint Insurance Fund
Statement of Cash Flows
For the Year Ended December 31, 2025

		2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Regular Contributions	$	21,316,277
Receipts from Environmental Fund Dividend		164,591
Payments for Claim Payments		(7,984,880)
Payments for Insurance Premiums		(9,490,920)
Payments to Professionals and Suppliers		(5,322,513)
Net Cash Flows from Operating Activities		(1,317,445)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption of Investments		7,475,000
Purchase of Investments		(9,782,564)
Investment Income		1,365,182
Net Cash Flows from Investing Activities		(942,382)
CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITY:		
Return of Surplus		(162,613)
Net Decrease in Cash and Cash Equivalents		(2,422,440)
CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents - Beginning		12,025,544
Cash and Cash Equivalents - Ending	$	9,603,104
Reconciliation of Operating Loss to Cash Flows from Operating Activities:		
Operating Loss	$	(776,794)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:		
Changes in Assets and Liabilities:		
Decrease (Increase) in Assets:		
Contributions Receivable		(5,322)
Due From Member		(52,137)
Prepaid Expenses		(6,069)
Increase (Decrease) in Liabilities:		
Accrued Administrative Expenses		(1,608,137)
Due to Residual Claims Fund		943,059
Accrued Excess Insurance		11,750
Residual Claims Fund Supplemental Assessment		523,322
Contributions Payable		(11,003)
Claims Reserves		320,124
Net Cash Flows from Operating Activities	$	(1,317,445)
Supplemental Disclosure - Noncash Activity:		
Change in Unrealized Gain on Investments Included in Investment Income	$	(7,111)
Change in Investment in Joint Ventures	$	1,061,991

See Notes to Financial Statements.

Note 1: Organization and Description of The Fund

On January 1, 1988, the Monmouth County Municipal Joint Insurance Fund (the "Fund") was formed in accordance with P.L. 1983, C.372, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A and N.J.S. 11:15-3 of the New Jersey Statutes. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

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

During 2025, members of the Fund included: Allenhurst Borough, Allentown Borough, Atlantic Highlands Borough, Avon-by-the-Sea Borough, Bradley Beach Borough, Brielle Borough, Deal Borough, Eatontown Borough, Englishtown Borough, Farmingdale Borough, Freehold Township, Hazlet Township, Highlands Borough, Interlaken Borough, Keyport Borough, Lake Como Borough, Little Silver Borough, Loch Arbour Village, Manalapan Township, Manasquan Borough, Marlboro Township, Matawan Borough, Middletown Township, Millstone Township, Monmouth Beach Borough, Neptune City Borough, Oceanport Borough, Red Bank Borough, Roosevelt Borough, Rumson Borough, Sea Bright Borough, Sea Girt Borough, Shrewsbury Borough, Shrewsbury Township, Spring Lake Borough, Spring Lake Heights Borough, Tinton Falls Borough, Union Beach Borough, Upper Freehold Township, Wall Township, West Long Branch Borough.

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

The Fund offers the following coverages to its members:

Workers' compensation and employers' liability.
Liability other than motor vehicles.
Property damage other than motor vehicles.
Motor vehicles liability and damage.

Note 2: Summary of Significant Accounting Policies

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

Component Unit

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

Note 2: Summary of Significant Accounting Policies (Cont'd)

Component Unit (cont'd)

The basic, but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service.

Application of this criterion involves considering whether the activity benefits the primary entity. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

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

Basis of Presentation

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

Basis of Accounting

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

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

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

Cash, Cash Equivalents, and Investments

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

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

Note 2: Summary of Significant Accounting Policies (Cont'd)

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

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

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

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

Investments

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

Investment Income Allocation

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

Annual Contributions

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

Supplemental Contributions

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

Note 2: Summary of Significant Accounting Policies (Cont'd)

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. Reported Claims Case Reserves

   Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.

B. Claims Incurred But Not Reported ("IBNR") Reserve

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

Case and IBNR Reserves represent the estimated liability for the expected future development of claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2025. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors. Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage

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

Fund Transfers

Inter-fund transfers are made upon the expressed approval of the Executive Committee, following prior written notification to the Commissioners of the Department of Banking and Insurance and the Department of Community Affairs.

Inter-year fund transfers require prior approval of the Department of Banking and Insurance and the Department of Community Affairs. The fund may seek approval from the Commissioners to make inter-year fund transfers at any time from a claims or loss retention trust account from any year, which has been completed for at least 12 months. The inter-year fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must exceed 35 percent of unpaid claims for that year.

Note 2: Summary of Significant Accounting Policies (Cont'd)

Fund Transfers (cont'd)

Claims must be undiscounted; the IBNR reserve must be certified by an actuary and the membership for each year involving inter-year fund transfers must be identical.

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

Subrogation

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

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization of the Executive Committee. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by the Fund's actuary may be declared to be refundable by the Fund no less than twenty-four months after the end of the year. The initial and any subsequent refund for any year from a Claim or Loss Retention Account is subject to the limitation that after the refund, the remaining net current surplus must exceed thirty-five percent of unpaid claims for that year. In later years, the Fund can seek annual approval for payment of refunds from a Claim or Loss Retention Account remaining from any year, which has been completed for at least thirty-six months or longer and may include such refund payments with initial refund payments from the preceding year. A full and final refund is not allowed until all Case reserves and IBNR reserves are closed.

Administrative Expenses

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

Net Position

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

Income Taxes

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

Operating and Non-Operating Revenues and Expenses

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

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

Use of Estimates

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

Note 3: Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits

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

Of the Fund's bank balance of $8,142,854 as of December 31, 2025, $500,000 was insured while $7,642,854 was collateralized under GUDPA.

New Jersey Cash Management Fund

During the year, the Fund participated in the New Jersey Cash Management Fund. The Cash Management Fund is governed by regulations of the State Investment Council, who prescribe standards designed to ensure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2025, the Fund's deposits with the New Jersey Cash Management Fund were $1,738,310.

Note 4: Investments

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in United States Treasury Notes and the Joint Cash Management and Investment Program of $22,037,145 at December 31, 2025, were held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Note 4: Investments (Cont'd)

Joint Cash Management and Investment Program

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

At December 31, 2025, the Fund had the following investments and maturities:

Investment	Interest Rate	Maturities	Credit Rating	Fair Value Hierarchy Level*	Market Value 2025
US TREASURY NOTE	2.000%	11/15/16	AAA	Level 1	$ 986,790
US TREASURY NOTE	4.250%	01/31/26	AAA	Level 1	1,050,420
US TREASURY NOTE	4.625%	02/28/26	AAA	Level 1	1,101,430
US TREASURY NOTE	4.500%	03/31/26	AAA	Level 1	1,002,110
US TREASURY NOTE	2.375%	04/30/26	AAA	Level 1	996,260
US TREASURY NOTE	4.875%	05/31/26	AAA	Level 1	1,005,190
US TREASURY NOTE	4.125%	06/15/26	AAA	Level 1	1,002,780
US TREASURY NOTE	4.375%	07/31/26	AAA	Level 1	1,004,660
US TREASURY NOTE	3.750%	08/31/26	AAA	Level 1	1,101,188
US TREASURY NOTE	3.500%	09/30/26	AAA	Level 1	1,099,197
US TREASURY NOTE	4.125%	10/31/26	AAA	Level 1	1,004,270
US TREASURY NOTE	3.875%	05/31/27	AAA	Level 1	1,105,632
US TREASURY NOTE	3.750%	08/31/27	AAA	Level 1	1,102,453
US TREASURY NOTE	3.500%	09/30/27	AAA	Level 1	1,000,200
US TREASURY NOTE	3.375%	10/31/27	AAA	Level 1	1,200,276
US TREASURY NOTE	3.375%	11/30/27	AAA	Level 1	1,097,899
JOINT CASH MANAGEMENT INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	5,176,390
					$ 22,037,145

Fair Value Measurements of Investments

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

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

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

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

Note 4: Investments (Cont'd)

Investment Income

The following schedule summarizes the net investment income for the year ended December 31, 2025:

Investment Income	$ 1,313,478
Less: Investment Expenses	11,335
Net Investment Earnings	1,302,143
Other Adjustments:	
Realized Gain	48,153
Unrealized Gain	172,126
Total Investment Income	$ 1,522,422

Note 5: Changes in Unpaid Claims Liabilities

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund at December 31, 2025 for all open Fund years net of excess insurance recoveries:

Total unpaid claim and claim adjustment expenses all fund years - Beginning	$ 17,083,599
Incurred claims and claims adjustment expenses:	
Provision for insured events of current fund year	9,201,327
Changes in provision for insured events of prior fund years	46,736
Total incurred claims and claims adjustment expenses all fund years	9,248,063
Payments (Net of Recoveries):	
Claims and claim adjustments expenses:	
Attributable to insured events of current fund year	2,438,887
Attributable to insured events of prior fund years	5,546,156
Total payments all fund years	7,985,043
Total unpaid claim and claim adjustment expenses all fund years - End of Year	$ 18,346,619
Analysis of Balance:	
Due to Residual Claims Fund	$ 1,585,763
Net Reserves	16,760,856
	$ 18,346,619

Note 6: Membership in Joint Insurance Fund

Municipal Excess Liability Residual Claims Fund

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

As a member of the Residual Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Residual Fund were to be exhausted, members would become jointly and 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 relates to the total assessment of the membership for that fund year. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for the Fund's membership assessment in the year in which the distribution was declared.

Municipal Excess Liability Joint Insurance Fund

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

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

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

New Jersey Municipal Environmental Risk Management Fund

The Fund is currently a member of the New Jersey Municipal Environmental Risk Management Fund ("Environmental Fund"). The Environmental Fund provides its members with various environmental related coverage.

The Environmental Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Environmental Fund are elected.

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

Note 6: Membership in Joint Insurance Fund (Cont'd)

New Jersey Municipal Environmental Risk Management Fund (cont'd)

The Environmental 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 body.

New Jersey Cyber Risk Management Fund

Effective January 1, 2023, the Fund became a member of the New Jersey Cyber Risk Management Fund ("Cyber Fund"). The Cyber Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing cyber insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Cyber Fund are elected.

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

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

Equity Interest

At December 31, 2025, the Fund's share of net position in the Residual Fund, MEL, Environmental Fund, and Cyber Fund is as follows:

Residual Fund	$ 352,415
MEL	2,264,412
Environmental Fund	1,554,717
Cyber Fund	445,451
	$ 4,616,995

Selected Financial Information

Selected summarized financial information for the Residual Fund, MEL, Environmental Fund, and Cyber Fund at December 31, 2025 is as follows:

	Residual Fund	MEL	Environmental Fund	Cyber Fund
Total Assets	$136,049,526	$ 132,615,402	$ 36,150,901	$ 8,961,903
Total Liabilities	$136,664,423	$ 125,425,476	$ 18,014,842	$ 2,661,408
Net Position (Deficit)	$ (614,897)	$ 7,189,926	$ 18,136,059	$ 6,300,495
Total Revenue	$ 57,291,982	$ 100,082,004	$ 7,071,525	$ 7,115,915
Total Expenses	$ 53,267,179	$ 105,151,297	$ 3,202,696	$ 4,689,152
Change in Net Position	$ 4,024,803	$ (5,069,293)	$ 1,756,202	$ 2,426,763
Distributions to Members	$ -	$ -	$ 2,112,627	$ -

Note 6: Membership in Joint Insurance Fund (Cont'd)

Selected Financial Information (cont'd)

Financial statements for the Residual Fund, MEL, Environmental Fund, and Cyber Fund are available at the Office of the Fund's Executive Director:

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

Note 7: Related Party Transactions

As disclosed in Note 6, the Fund is a member of the Residual Fund, MEL, Environmental Fund, and Cyber Fund and has an ownership interest in those funds.

Municipal Excess Liability Joint Insurance Fund

Excess insurance premiums paid to the MEL for the year ended December 31, 2025 was $6,520,541. As disclosed in Note 4, the Fund participated in the Joint Cash Management and Investment Program during December 31, 2025.

New Jersey Municipal Environmental Risk Management Fund

Excess insurance premiums paid to the Environmental Fund were $380,805 for the year ended December 31, 2025.

Municipal Excess Liability Residual Claims Fund

During 2025, the Fund was assessed $1,585,763, for the transfer of fund year 2021 liabilities to the Residual Fund. As disclosed in Note 9, the Fund was also assessed supplemental assessments during December 31, 2025. The Fund was also assessed an additional $164 due to the Residual Fund for the year ended December 31, 2025.

New Jersey Cyber Risk Management Fund

Excess insurance premiums paid to the Cyber Fund were $467,419 for the year ended December 31, 2025.

Note 8: Return Of Surplus

During 2025, the Executive Committee approved a dividend in the amount of $159,578, representing a pass through of $159,578 in Environmental Fund dividends.

Note 9: Supplemental Assessment

The Board of Fund Commissioners of the Residual Fund passed resolution to amend their plans of risk management. After the end of the year and before the Residual Fund has finalized their year-end accounting, their Commissioners shall levy an additional supplementary assessment so that their statutory surplus for all fund years combined is no less than 12.5 percent of unpaid claims including IBNR. A supplementary assessment payable over 10 years becomes automatic if the statutory surplus falls below a trigger number thus guaranteeing that the Residual Fund will have the resources to pay claims. For the year ended December 31, 2025, a supplemental assessment was due to the Residual Fund in the amount of $523,322. Total supplemental assessments owed to the Residual Fund totaled $1,544,251 at December 31, 2025.

Note 10: Contingencies

Claims Activity - 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.

Workers' compensation claims continue to be affected due to the changes in the public employee pension plans that reduce the plans' contribution to total disability claims. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims continue to be affected due to the New Jersey Tort Claims Act (NJTCA) where the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply. Property claims continue to be affected due to the increased frequency and severity of natural catastrophes.

The Fund continues to monitor these developments and will assess any material impact on the Fund's net position or results of operations in future reporting periods.

Note 11: Subsequent Events

The Fund has evaluated subsequent events occurring after December 31, 2025 through June 18, 2026, which is the date the financial statements were available to be issued.

Subsequent to year-end, the following entities have joined the Fund:

Township of Holmdel (effective January 1, 2026)

Monmouth County Municipal Joint Insurance Fund

Required Supplementary Information

For The Year Ended December 31, 2025

Schedule 1

Monmouth County Municipal Joint Insurance Fund
Required Supplementary Information
Reconciliation of Claims Liabilities By Fund
For the Year Ended December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Total
Total unpaid claims and claim adjustment expenses - Beginning	$ 665,864	$ 6,184,555	$ 1,236,314	$ 8,996,866	$ 17,083,599
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	1,296,730	2,024,125	359,254	5,521,218	9,201,327
Changes in provision for insured events of prior fund years	(986,687)	(337,488)	(46,371)	1,417,282	46,736
Total incurred claims and claims adjustment expenses all fund years	310,043	1,686,637	312,883	6,938,500	9,248,063
Payments (Net of Recoveries):					
Attributable to insured events of current fund year	946,414	119,619	27,646	1,345,208	2,438,887
Attributable to insured events of prior fund years	(379,348)	1,311,035	207,682	4,406,787	5,546,156
Total payments all fund years	567,066	1,430,654	235,328	5,751,995	7,985,043
Total unpaid claims and claim adjustment expenses - Ending	$ 408,841	$ 6,440,538	$ 1,313,869	$ 10,183,371	$ 18,346,619
Analysis of Balance:					
Due to Residual Claims Fund					$ 1,585,763
Net Reserves					16,760,856
					$ 18,346,619

Schedule 2

Monmouth County Municipal Joint Insurance Fund
Required Supplementary Information
Ten-Year Claims Development Information
As of December 31, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Earned Required Contribution and Investment Revenue:										
Earned	$ 14,757,758	$ 14,944,232	$ 15,239,801	$ 15,783,344	$ 16,123,535	$ 16,836,826	$ 18,146,757	$ 19,654,729	$ 21,031,911	$ 21,676,461
Ceded	4,597,810	4,716,025	4,628,223	5,090,919	5,765,478	5,529,640	6,417,939	7,310,591	8,570,146	9,363,935
	10,159,948	10,228,207	10,611,578	10,692,425	10,358,057	11,307,186	11,728,818	12,344,138	12,461,765	12,312,526
Unallocated Expenses	2,250,948	2,291,337	2,638,492	2,752,103	2,818,127	2,871,742	2,942,283	3,010,536	3,133,927	3,190,180
Estimated Claims and Expenses, End of Policy Year:										
Incurred	6,116,869	6,409,907	6,870,610	7,592,248	7,579,347	8,091,334	7,504,317	8,811,273	8,438,621	9,201,327
Ceded										
Net Incurred	6,116,869	6,409,907	6,870,610	7,592,248	7,579,347	8,091,334	7,504,317	8,811,273	8,438,621	9,201,327
Paid (Cumulative) as of:										
End of Policy Year	1,520,120	1,563,427	1,690,190	1,917,601	1,355,793	1,961,834	1,689,098	1,825,165	1,614,805	2,438,887
One Year Later	2,481,139	2,689,810	2,976,924	3,139,968	2,429,968	3,056,797	2,860,610	3,504,045	2,968,054	
Two Years Later	3,173,979	3,446,352	4,021,857	4,029,453	2,802,087	3,612,129	3,834,899	4,410,602		
Three Years Later	3,701,537	4,629,169	4,811,708	5,227,692	3,525,512	4,554,763	5,471,016			
Four Years Later (A)	3,701,537	4,629,169	4,811,708	5,227,692	3,525,512	5,562,128				
Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
Reestimated Incurred Claims and Expenses:										
End of Policy Year	6,116,869	6,409,907	6,870,610	7,592,248	7,579,347	8,091,334	7,504,317	8,811,273	8,438,621	9,201,327
One Year Later	5,307,001	7,131,397	6,648,407	7,088,719	5,178,695	6,438,136	6,075,405	8,504,961	7,384,419	
Two Years Later	4,948,628	6,364,127	7,150,523	7,114,143	4,834,499	6,550,499	7,403,861	8,589,948		
Three Years Later	4,918,795	6,466,762	6,992,857	7,184,020	4,702,627	7,013,486	8,213,711			
Four Years Later (A)	4,918,795	6,466,762	6,992,857	7,184,020	4,702,627	7,147,891				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	$ (1,198,074)	$ 56,855	$ 122,247	$ (408,228)	$ (2,876,720)	$ (943,443)	$ 709,394	$ (221,325)	$ (1,054,202)	$ -

(A) At the end of the Fourth Year, the Fund cedes remaining actuarially calculated liabilities to the Municipal Excess Liability Residual Claims Fund.

Monmouth County Municipal Joint Insurance Fund

Supplementary Information

For The Year Ended December 31, 2025

Schedule A

Monmouth County Municipal Joint Insurance Fund
Historical Balance Sheet--Statutory Basis
As of December 31, 2025

ASSETS			
Cash and Cash Equivalents	$ 9,603,104		
Investments	22,037,145		
Total Cash and Cash Equivalents		$ 31,640,249	
Receivables:			
Contributions Receivable	5,322		
Due From Member	187,090		
Accrued Interest Receivable	147,235		
Total Receivables		339,647	
Other Assets:			
Prepaid Expenses	6,300		
Total Other Assets		6,300	
Total Assets			$ 31,986,196
LIABILITIES			
Claims:			
Case Reserves	9,387,991		
IBNR Reserve	8,712,856		
Less: Excess Insurance Recoverable	-		
Total Claims		18,100,847	
Accrued Expenses:			
Administrative	219,215		
Total Accrued Expenses		219,215	
Other Liabilities:			
Due To Residual Claims Fund	1,585,927		
Due To Member	11,750		
Residual Claims Fund Supplemental Assessment	1,544,251		
Authorized and Unpaid Return of Surplus	159,578		
Total Other Liabilities		3,301,506	
Total Liabilities			21,621,568
Net Statutory Surplus			$ 10,364,628

Monmouth County Municipal Joint Insurance Fund
Statement of Historical Operating Results Analysis--Statutory Basis
For the Period January 1, 1988 (Date of Inception) to December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 406,839,784		
Supplemental Contributions	2,781,914		
Environmental JIF Dividend	1,955,203		
Retro Program	39,071		
Other Income	424,365		
Total Underwriting Income			$ 412,040,337
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	146,906,908		
Case Reserves	37,655,867		
IBNR Reserves	12,948,709		
Residual Claims Fund Premium	1,585,763		
Subtotal		$ 199,097,247	
Less Excess Insurance:			
Received			
Receivable	-		
Recoverable	-		
Subtotal			
Total Limited Incurred Claims		199,097,247	
EXPENSES:			
Excess Insurance Premiums	120,969,428		
Administrative	65,888,712		
Total Expenses		186,858,140	
Total Incurred Liabilities			385,955,387
UNDERWRITING SURPLUS			26,084,950
ADJUSTMENTS:			
Investment Income			22,578,449
Supplemental Assessment:			
Residual Claims Fund		2,412,268	
MEL Claims Fund		1,349,086	
Total Supplemental Assessment			3,761,354
MEL Premium Deferral			1,062,368
Transfers			431,741
GROSS STATUTORY SURPLUS			43,407,936
Return of Surplus:			
Paid		32,883,730	
Authorized and Unpaid		159,578	
Total Return of Surplus			33,043,308
NET STATUTORY SURPLUS			$ 10,364,628

Monmouth County Municipal Joint Insurance Fund
Notes To Supplementary Information

Note 1: Relationship with Basic Financial Statements

The information in the Monmouth County Municipal Joint Insurance Fund (the "Fund")'s basic financial statements, Exhibits A-1 through A-3, differs from the accompanying Supplementary Information required by the Division of Banking and Insurance as of and for the year ended December 31, 2025. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures and Discounted Reserves as follows:

Total Assets - Comparative Statements of Net Position	$ 36,603,191
Less: Investment in Joint Ventures	4,616,995
Total Assets - Statutory Basis	$ 31,986,196
Total Liabilities and Reserves - Comparative Statements of Net Position	$ 20,281,577
Add: Discounted Reserves	1,339,991
Total Liabilities - Statutory Basis	$ 21,621,568
Net Position - Comparative Statements of Net Position	$ 16,321,614
Less: Investment in Joint Ventures	4,616,995
Less: Discounted Reserves	1,339,991
Net Statutory Surplus	$ 10,364,628

Schedule C-1

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2025 Operating Results Analysis--Statutory Basis
For the Period January 1, 2025 To December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 21,384,736		
Total Underwriting Income			$ 21,384,736
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	2,438,887		
Case Reserves	2,379,376		
IBNR Reserves	4,383,064		
Subtotal		$ 9,201,327	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		9,201,327	
EXPENSES:			
Excess Insurance Premiums	9,363,935		
Operating	3,190,180		
Total Expenses		12,554,115	
Total Incurred Liabilities			21,755,442
UNDERWRITING DEFICIT			(370,706)
ADJUSTMENTS:			
Investment Income			291,725
GROSS STATUTORY DEFICIT			(78,981)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		-	
Total Return of Surplus			-
NET STATUTORY DEFICIT			$ (78,981)

Schedule C-2

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2024 Operating Results Analysis--Statutory Basis
For the Period January 1, 2024 To December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 20,400,370		
Other Income	100		
Total Underwriting Income			$ 20,400,470
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	2,968,054		
Case Reserves	1,941,616		
IBNR Reserves	2,474,749		
Subtotal		$ 7,384,419	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		7,384,419	
EXPENSES:			
Excess Insurance Premiums	8,570,146		
Operating	3,133,927		
Total Expenses		11,704,073	
Total Incurred Liabilities			19,088,492
UNDERWRITING SURPLUS			1,311,978
ADJUSTMENTS:			
Investment Income			631,441
GROSS STATUTORY SURPLUS			1,943,419
Return of Surplus:			
Paid		-	
Authorized and Unpaid		-	
Total Return of Surplus			-
NET STATUTORY SURPLUS			$ 1,943,419

Schedule C-3

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2023 Operating Results Analysis--Statutory Basis
For the Period January 1, 2023 To December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 18,817,047		
Other Income	1,708		
Total Underwriting Income			$ 18,818,755
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	4,410,602		
Case Reserves	2,953,533		
IBNR Reserves	1,225,813		
Subtotal		$ 8,589,948	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		8,589,948	
EXPENSES:			
Excess Insurance Premiums	7,310,591		
Operating	3,010,536		
Total Expenses		10,321,127	
Total Incurred Liabilities			18,911,075
UNDERWRITING DEFICIT			(92,320)
ADJUSTMENTS:			
Investment Income			835,975
GROSS STATUTORY SURPLUS			743,655
Return of Surplus:			
Paid		-	
Authorized and Unpaid		-	
Total Return of Surplus			-
NET STATUTORY SURPLUS			$ 743,655

Schedule C-4

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2022 Operating Results Analysis--Statutory Basis
For the Period January 1, 2022 To December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 17,510,182		
Total Underwriting Income			$ 17,510,182
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	5,471,016		
Case Reserves	2,113,464		
IBNR Reserves	629,231		
Subtotal		$ 8,213,711	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		8,213,711	
EXPENSES:			
Excess Insurance Premiums	6,417,939		
Operating	2,942,283		
Total Expenses		9,360,222	
Total Incurred Liabilities			17,573,933
UNDERWRITING DEFICIT			(63,751)
ADJUSTMENTS:			
Investment Income			636,576
GROSS STATUTORY SURPLUS			572,825
Return of Surplus:			
Paid		-	
Authorized and Unpaid		-	
Total Return of Surplus			-
NET STATUTORY SURPLUS			$ 572,825

Schedule C-5

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2021 Operating Results Analysis--Statutory Basis
For the Period January 1, 2021 To December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 16,151,642		
Total Underwriting Income			$ 16,151,642
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	5,562,128		
Residual Claims Fund Premiums	1,585,763		
Subtotal		$ 7,147,891	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		7,147,891	
EXPENSES:			
Excess Insurance Premiums	5,529,640		
Operating	2,871,742		
Total Expenses		8,401,382	
Total Incurred Liabilities			15,549,273
UNDERWRITING SURPLUS			602,369
ADJUSTMENTS:			
Investment Income			488,742
MEL Claims Fund Supplemental Assessment			656,238
Surplus Transfer to Closed Fund Year			434,873
GROSS STATUTORY SURPLUS			-
Return of Surplus:			
Paid		-	
Authorized and Unpaid		-	
Total Return of Surplus			-
NET STATUTORY SURPLUS			$ -

Schedule C-6

Monmouth County Municipal Joint Insurance Fund
Statement of Aggregate Excess Loss Fund Contingency
Operating Results Analysis--Statutory Basis
For the Period January 1, 2024 To December 31, 2025

UNDERWRITING INCOME:		
Regular Contributions	$ 1,060,674	
Total Underwriting Income		$ 1,060,674
EXPENSES:		
MEL Claims Fund Supplemental Assessment	214,399	
MEL Premium Deferral	884,810	
Total Expenses		1,099,209
UNDERWRITING DEFICIT		(38,535)
ADJUSTMENTS:		
Investment Income		38,535
NET STATUTORY SURPLUS		$ -

Monmouth County Municipal Joint Insurance Fund
Statement of Closed Fund Years
Operating Results Analysis--Statutory Basis
For the Period January 1, 1988 (Date of Inception) to December 31, 2025

UNDERWRITING INCOME:			
Regular Contributions	$ 311,515,133		
Supplemental Contributions	2,781,914		
Environmental JIF Dividend	1,955,203		
Other Income	461,628		
Total Underwriting Income			$ 316,713,878
INCURRED LIABILITIES:			
Claims:			
Paid (Net of Recoveries)	126,056,221		
Case Reserves	28,267,878		
IBNR Reserves	4,235,852		
Residual Claims Fund Premium	-		
Subtotal		$ 158,559,951	
Less Excess Insurance:			
Received			
Receivable	-		
Recoverable	-		
Total Limited Incurred Claims		158,559,951	
EXPENSES:			
Excess Insurance Premiums	83,777,177		
Operating	50,740,044		
Total Expenses		134,517,221	
Total Incurred Liabilities			293,077,172
UNDERWRITING SURPLUS			23,636,706
ADJUSTMENTS:			
Investment Income			19,655,455
Transfers			431,741
Residual Claim Fund Supplemental Assessment			2,890,717
MEL Premium Deferral			177,558
Transfer of Surplus From 2021 Fund Year			434,873
GROSS STATUTORY SURPLUS			40,227,018
Return of Surplus:			
Paid		32,883,730	
Authorized and Unpaid		159,578	
Total Return of Surplus			33,043,308
NET STATUTORY SURPLUS			$ 7,183,710

Schedule D-1

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2025 Account Operating Results Analysis--Statutory Basis
For the Period January 1, 2025 To December 31, 2025

	Coverages and Other Accounts										
	Property	General Liability	Automobile	Workers' Compensation	Loss Contingency	Cyber	Environmental JIF	MEL	Public Officials & Employment Practices	Expense & Contingency	Total
UNDERWRITING INCOME:											
Regular Contributions	$ 1,458,476	$ 1,527,431	$ 356,767	$ 5,375,000	$ 43,797	$ 467,419	$ 380,806	$ 6,520,541	$ 1,911,563	$ 3,342,936	$ 21,384,736
INCURRED LIABILITIES:											
Claims (Net of Recoveries)	1,296,730	2,024,125	359,254	5,521,218							9,201,327
Expenses	83,607					467,419	380,805	6,520,541	1,911,563	3,190,180	12,554,115
Total Liabilities	1,380,337	2,024,125	359,254	5,521,218	-	467,419	380,805	6,520,541	1,911,563	3,190,180	21,755,442
UNDERWRITING SURPLUS (DEFICIT)	78,139	(496,694)	(2,487)	(146,218)	43,797	-	1	-	-	152,756	(370,706)
ADJUSTMENTS:											
Investment Income	26,223	47,632	11,019	155,304						51,547	291,725
Total Adjustments	26,223	47,632	11,019	155,304	-	-	-	-	-	51,547	291,725
GROSS STATUTORY SURPLUS (DEFICIT)	104,362	(449,062)	8,532	9,086	43,797	-	1	-	-	204,303	(78,981)
Return of Surplus											-
NET STATUTORY SURPLUS (DEFICIT)	$ 104,362	$ (449,062)	$ 8,532	$ 9,086	$ 43,797	$ -	$ 1	$ -	$ -	$ 204,303	$ (78,981)

Schedule D-2

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2024 Account Operating Results Analysis--Statutory Basis
For the Period January 1, 2024 To December 31, 2025

	Coverages and Other Accounts										
	Property	General Liability	Automobile	Workers' Compensation	Loss Contingency	Cyber	Environmental JIF	MEL	Public Officials & Employment Practices	Expense & Contingency	Total
UNDERWRITING INCOME:											
Regular Contributions	$ 1,229,145	$ 1,477,159	$ 341,427	$ 5,424,000	$ 24,802	$ 449,042	$ 378,247	$ 5,937,587	$ 1,789,124	$ 3,349,837	$ 20,400,370
Other Income										100	100
Total Income	1,229,145	1,477,159	341,427	5,424,000	24,802	449,042	378,247	5,937,587	1,789,124	3,349,937	20,400,470
INCURRED LIABILITIES:											
Claims (Net of Recoveries)	1,267,293	1,984,345	325,622	3,807,159							7,384,419
Expenses	16,145					449,042	378,248	5,937,587	1,789,124	3,133,927	11,704,073
Total Liabilities	1,283,438	1,984,345	325,622	3,807,159	-	449,042	378,248	5,937,587	1,789,124	3,133,927	19,088,492
UNDERWRITING SURPLUS (DEFICIT)	(54,293)	(507,186)	15,805	1,616,841	24,802	-	(1)	-	-	216,010	1,311,978
ADJUSTMENTS:											
Investment Income	33,599	111,650	25,455	378,301	1,085					81,351	631,441
Total Adjustments	33,599	111,650	25,455	378,301	1,085.00	-	-	-	-	81,351	631,441
GROSS STATUTORY SURPLUS (DEFICIT)	(20,694)	(395,536)	41,260	1,995,142	25,887	-	(1)	-	-	297,361	1,943,419
Return of Surplus											-
NET STATUTORY SURPLUS (DEFICIT)	$ (20,694)	$ (395,536)	$ 41,260	$ 1,995,142	$ 25,887	$ -	$ (1)	$ -	$ -	$ 297,361	$ 1,943,419

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2023 Account Operating Results Analysis--Statutory Basis
For the Period January 1, 2023 To December 31, 2025

	Coverages and Other Accounts									
	Property	General Liability	Automobile	Workers' Compensation	Cyber	Environmental JIF	MEL	Public Officials & Employment Practices	Expense & Contingency	Total
UNDERWRITING INCOME:										
Regular Contributions	$ 1,027,015	$ 1,567,437	$ 314,968	$ 5,379,859	$ 455,799	$ 377,027	$ 4,744,218	$ 1,716,281	$ 3,234,443	$ 18,817,047
INCURRED LIABILITIES:										
Claims (Net of Recoveries)	1,501,960	1,650,614	757,312	4,680,062						8,589,948
Expenses	16,015				455,799	377,028	4,745,468	1,716,281	3,010,536	10,321,127
Total Liabilities	1,517,975	1,650,614	757,312	4,680,062	455,799	377,028	4,745,468	1,716,281	3,010,536	18,911,075
UNDERWRITING SURPLUS (DEFICIT)	(490,960)	(83,177)	(442,344)	699,797	-	(1)	(1,250)	-	225,615	(92,320)
ADJUSTMENTS:										
Investment Income	16,764	189,509	35,742	514,762					79,198	835,975
Transfers										-
Total Adjustments	16,764	189,509	35,742	514,762	-	-	-	-	79,198	835,975
GROSS STATUTORY SURPLUS (DEFICIT)	(474,196)	106,332	(406,602)	1,214,559	-	(1)	(1,250)	-	304,813	743,655
Return of Surplus										-
NET STATUTORY SURPLUS (DEFICIT)	$ (474,196)	$ 106,332	$ (406,602)	$ 1,214,559	$ -	$ (1)	$ (1,250)	$ -	$ 304,813	$ 743,655

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2022 Account Operating Results Analysis--Statutory Basis
For the Period January 1, 2022 To December 31, 2025

	Coverages and Other Accounts									
	Property	General Liability	Automobile	Workers' Compensation	Loss Contingency	Environmental JIF	MEL	Public Officials & Employment Practices	Expense & Contingency	Total
UNDERWRITING INCOME:										
Regular Contributions	$ 987,226	$ 1,421,035	$ 318,856	$ 5,166,963	$ -	$ 377,517	$ 4,362,514	$ 1,662,287	$ 3,213,784	$ 17,510,182
INCURRED LIABILITIES:										
Claims (Net of Recoveries)	863,696	2,798,903	193,260	4,357,852						8,213,711
Expenses	15,635					377,518	4,363,514	1,661,272	2,942,283	9,360,222
Total Liabilities	879,331	2,798,903	193,260	4,357,852	-	377,518	4,363,514	1,661,272	2,942,283	17,573,933
UNDERWRITING SURPLUS (DEFICIT)	107,895	(1,377,868)	125,596	809,111	-	(1)	(1,000)	1,015	271,501	(63,751)
ADJUSTMENTS:										
Investment Income (Loss)	8,041	133,186	37,235	437,052		(517)	(12,661)	(7,205)	41,445	636,576
Total Adjustments	8,041	133,186	37,235	437,052	-	(517)	(12,661)	(7,205)	41,445	636,576
GROSS STATUTORY SURPLUS (DEFICIT)	115,936	(1,244,682)	162,831	1,246,163	-	(518)	(13,661)	(6,190)	312,946	572,825
Return of Surplus										-
NET STATUTORY SURPLUS (DEFICIT)	$ 115,936	$ (1,244,682)	$ 162,831	$ 1,246,163	$ -	$ (518)	$ (13,661)	$ (6,190)	$ 312,946	$ 572,825

Monmouth County Municipal Joint Insurance Fund
Statement of Fund Year 2021 Account Operating Results Analysis--Statutory Basis
For the Period January 1, 2021 To December 31, 2025

	Coverages and Other Accounts									
	Property	General Liability	Automobile	Workers' Compensation	Loss Contingency	Environmental JIF	MEL	Public Officials & Employment Practices	Expense & Contingency	Total
UNDERWRITING INCOME:										
Regular Contributions	$ 840,351	$ 1,302,475	$ 308,874	$ 4,800,000	$ 244,440	$ 373,708	$ 3,557,636	$ 1,581,335	$ 3,142,823	$ 16,151,642
INCURRED LIABILITIES:										
Claims (Net of Recoveries)	1,377,231	1,978,273	486,697	3,305,690						7,147,891
Expenses	15,961					373,708	3,558,636	1,581,335	2,871,742	8,401,382
Total Liabilities	1,393,192	1,978,273	486,697	3,305,690	-	373,708	3,558,636	1,581,335	2,871,742	15,549,273
UNDERWRITING SURPLUS (DEFICIT)	(552,841)	(675,798)	(177,823)	1,494,310	244,440	-	(1,000)	-	271,081	602,369
ADJUSTMENTS:										
Investment Income (Loss)	119	84,927	4,196	345,942	33,369		(17,567)		37,756	488,742
MEL Claims Fund Supplemental Assessment							656,238			656,238
Surplus (Deficit) Transfer to Closed Fund Year	552,722	590,871	173,627	(1,840,252)	(277,809)		674,805		(308,837)	(434,873)
Total Adjustments	552,841	675,798	177,823	(1,494,310)	(244,440)	-	1,000	-	(271,081)	710,107
GROSS STATUTORY SURPLUS (DEFICIT)										-
Return of Surplus										-
NET STATUTORY SURPLUS (DEFICIT)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Schedule E-1

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2025 Claims Analysis--Statutory Basis
For the Period January 1, 2025 To December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 946,414	$ 119,619	$ 27,646	$ 1,345,208	$ 2,438,887
Case Reserves	350,316	383,831	21,039	1,624,190	2,379,376
IBNR Reserves		1,520,675	310,569	2,551,820	4,383,064
Subtotal	1,296,730	2,024,125	359,254	5,521,218	9,201,327
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 1,296,730	$ 2,024,125	$ 359,254	$ 5,521,218	$ 9,201,327
Number of Claims	188	99	39	268	594
Average Cost Per Claim	$ 6,898	$ 20,446	$ 9,212	$ 20,602	$ 15,490

Schedule E-2

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2024 Claims Analysis--Statutory Basis
For the Period January 1, 2024 To December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 1,207,896	$ 217,701	$ 55,267	$ 1,487,190	$ 2,968,054
Case Reserves	59,397	865,743	58,432	958,044	1,941,616
IBNR Reserves		900,901	211,923	1,361,925	2,474,749
Subtotal	1,267,293	1,984,345	325,622	3,807,159	7,384,419
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 1,267,293	$ 1,984,345	$ 325,622	$ 3,807,159	$ 7,384,419
Number of Claims	171	86	35	225	517
Average Cost Per Claim	$ 7,411	$ 23,074	$ 9,303	$ 16,921	$ 14,283

Schedule E-3

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2023 Claims Analysis--Statutory Basis
For the Period January 1, 2023 To December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 1,492,669	$ 359,127	$ 115,937	$ 2,442,869	$ 4,410,602
Case Reserves	9,291	808,471	546,920	1,588,851	2,953,533
IBNR Reserves		483,016	94,455	648,342	1,225,813
Subtotal	1,501,960	1,650,614	757,312	4,680,062	8,589,948
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 1,501,960	$ 1,650,614	$ 757,312	$ 4,680,062	$ 8,589,948
Number of Claims	178	101	29	222	530
Average Cost Per Claim	$ 8,438	$ 16,343	$ 26,114	$ 21,081	$ 16,207

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2022 Claims Analysis--Statutory Basis
For the Period January 1, 2022 To December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 863,620	$ 1,571,943	$ 64,595	$ 2,970,858	$ 5,471,016
Case Reserves	76	1,149,911	65,503	897,974	2,113,464
IBNR Reserves		77,049	63,162	489,020	629,231
Subtotal	863,696	2,798,903	193,260	4,357,852	8,213,711
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 863,696	$ 2,798,903	$ 193,260	$ 4,357,852	$ 8,213,711
Number of Claims	159	100	30	259	548
Average Cost Per Claim	$ 5,432	$ 27,989	$ 6,442	$ 16,826	$ 14,989

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2025 Expense Analysis--Statutory Basis
For the Period January 1, 2025 To December 31, 2025

	Paid	Accrued	Total
EXCESS INSURANCE PREMIUMS			
Cyber Fund	$ 467,419		$ 467,419
Property Account-MEL	83,607		83,607
Municipal Excess Liability Fund	6,520,541		6,520,541
Environmental Account	380,805		380,805
Public Officials & Employment Practices	1,911,563		1,911,563
Subtotal Excess Insurance	9,363,935	-	9,363,935
ADMINISTRATIVE EXPENSES:			
Actuary	49,136		49,136
Account Investment Fees	15,616		15,616
Administrator	468,001		468,001
Attorney	20,592	$ 1,872	22,464
Auditor		18,162	18,162
Claims Administrator	624,313		624,313
Outside Adjuster	88,850		88,850
Internal Auditor	21,577		21,577
Litigation Management	109,377	7,893	117,270
Managed Care	228,468		228,468
Miscellaneous	16,622	545	17,167
Postage	534	145	679
Property Appraisal		48,200	48,200
Risk Management Consulting	1,078,060	1,017	1,079,077
Safety - EPL Training		47,381	47,381
Safety - MEL Safety Director	30,600		30,600
Safety - MEL Safety Institute	83,861		83,861
Safety - Incentive Program		14,000	14,000
Safety - Safety Director	178,973		178,973
Treasurer	22,860		22,860
Underwriter	13,525		13,525
Subtotal Administrative Expenses	3,050,965	139,215	3,190,180
TOTAL EXPENSES	$ 12,414,900	$ 139,215	$ 12,554,115

Schedule F-2

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2024 Expense Analysis--Statutory Basis
For the Period January 1, 2024 To December 31, 2025

	Paid	Accrued	Total
EXCESS INSURANCE PREMIUMS			
Cyber Fund	$ 449,042		$ 449,042
Property Account-MEL	16,145		16,145
Municipal Excess Liability Fund	5,937,587		5,937,587
Environmental Account	378,248		378,248
Public Officials & Employment Practices	1,789,124		1,789,124
Subtotal Excess Insurance	8,570,146	-	8,570,146
ADMINISTRATIVE EXPENSES:			
Actuary	48,173		48,173
Account Investment Fees	10,405		10,405
Administrator	458,824		458,824
Attorney	22,024		22,024
Auditor	17,806		17,806
Claims Administrator	612,072		612,072
Outside Adjuster	87,108		87,108
Internal Auditor	21,154		21,154
Litigation Management	117,544		117,544
Managed Care	223,988		223,988
Miscellaneous	17,552		17,552
Postage	776		776
Property Appraisal	66,607		66,607
Risk Management Consulting	1,018,726	$ 38,954	1,057,680
Safety - EPL Training	46,452		46,452
Safety - MEL Safety Director	30,600		30,600
Safety - MEL Safety Institute	84,026		84,026
Safety - Safety Director	175,464		175,464
Treasurer	22,412		22,412
Underwriter	13,260		13,260
Subtotal Administrative Expenses	3,094,973	38,954	3,133,927
TOTAL EXPENSES	$ 11,665,119	$ 38,954	$ 11,704,073

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2023 Expense Analysis--Statutory Basis
For the Period January 1, 2023 To December 31, 2025

	Paid	Accrued	Total
EXCESS INSURANCE PREMIUMS			
Cyber Fund	$ 455,799		$ 455,799
Property Account-MEL	16,015		16,015
Municipal Excess Liability Fund	4,745,468		4,745,468
Environmental Account	377,028		377,028
Public Officials & Employment Practices	1,716,281		1,716,281
Subtotal Excess Insurance	7,310,591	-	7,310,591
ADMINISTRATIVE EXPENSES:			
Actuary	47,228		47,228
Account Investment Fees	6,854		6,854
Administrator	449,828		449,828
Attorney	10,775		10,775
Auditor	17,457		17,457
Claims Administrator	600,071		600,071
Outside Adjuster	85,400		85,400
Internal Auditor	20,739		20,739
Litigation Management	127,564		127,564
Managed Care	219,596		219,596
Miscellaneous	20,580		20,580
Postage	1,032		1,032
Risk Management Consulting	1,016,537	$ 20,404	1,036,941
Safety - EPL Training	45,541		45,541
Safety - MEL Safety Director	30,600		30,600
Safety - MEL Safety Institute	83,333		83,333
Safety - Safety Director	172,024		172,024
Treasurer	21,973		21,973
Underwriter	13,000		13,000
Subtotal Administrative Expenses	2,990,132	20,404	3,010,536
TOTAL EXPENSES	$ 10,300,723	$ 20,404	$ 10,321,127

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2022 Expense Analysis--Statutory Basis
For the Period January 1, 2022 To December 31, 2025

	Paid	Accrued	Total
EXCESS INSURANCE PREMIUMS			
Property Account-MEL	$ 15,635		$ 15,635
Municipal Excess Liability Fund	4,363,514		4,363,514
Environmental Account	377,518		377,518
Public Officials & Employment Practices	1,661,272		1,661,272
Subtotal Excess Insurance	6,417,939	-	6,417,939
ADMINISTRATIVE EXPENSES:			
Actuary	46,302		46,302
Administrator	441,012		441,012
Attorney	21,169		21,169
Auditor	17,115		17,115
Claims Administrator	602,260		602,260
Outside Adjuster	69,771		69,771
Internal Auditor	20,332		20,332
Litigation Management	115,163		115,163
Managed Care	215,290		215,290
Miscellaneous	18,364		18,364
Postage	1,186		1,186
Risk Management Consulting	994,356	$ 20,642	1,014,998
Safety - MEL Safety Institute	81,353		81,353
Safety - Optional Safety Award	12,750		12,750
Safety - Safety Director	230,931		230,931
Treasurer	21,542		21,542
Underwriter	12,745		12,745
Subtotal Administrative Expenses	2,921,641	20,642	2,942,283
TOTAL EXPENSES	$ 9,339,580	$ 20,642	$ 9,360,222

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2025 Program Summary--Statutory Basis
For the Period January 1, 2025 to December 31, 2025

	Coverages			
	Property	General Liability	Auto	Workers' Compensation
Limits	$ 125,000,000	$ 5,000,000	$ 5,000,000	STATUTORY $ 7,000,000
Fund Retention	$ 100,000	$ 300,000	$ 300,000	$ 300,000
Excess Insurers	MEL Lexington Various	MEL Munich Reinsurance	MEL	MEL Safety National
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	$ 1,296,730	$ 2,024,125	$ 359,254	$ 5,521,218
Administrative Expenses (1)	591,604	564,367	131,821	1,985,995
	$ 1,888,334	$ 2,588,492	$ 491,075	$ 7,507,213
Exposure Units	$ 1,359,794,000 (Property Value)	397,782 (Population)	2,680 (Vehicles)	$ 274,741,324 (Payroll)
Average Liability Per Exposure Unit	$1.39 (Per $1,000 Value)	$6.51 (Per Capita)	$183.24 (Per Vehicle)	$27.32 (Per $1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2024 Program Summary--Statutory Basis
For the Period January 1, 2024 to December 31, 2025

	Coverages			
	Property	General Liability	Auto	Workers' Compensation
Limits	$ 125,000,000	$ 5,000,000	$ 5,000,000	STATUTORY $ 7,000,000
Fund Retention	$ 100,000	$ 300,000	$ 300,000	$ 300,000
Excess Insurers	MEL Lexington Various	MEL Munich Reinsurance	MEL	MEL Safety National
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	$ 1,267,293	$ 1,984,345	$ 325,622	$ 3,807,159
Administrative Expenses (1)	465,724	547,485	126,544	2,010,318
	$ 1,733,017	$ 2,531,830	$ 452,166	$ 5,817,477
Exposure Units	$ 1,239,351,000 (Property Value)	395,117 (Population)	2,573 (Vehicles)	$ 265,022,219 (Payroll)
Average Liability Per Exposure Unit	$1.40 (Per $1,000 Value)	$6.41 (Per Capita)	$175.74 (Per Vehicle)	$21.95 (Per $1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2023 Program Summary--Statutory Basis
For the Period January 1, 2023 to December 31, 2025

	Coverages			
	Property	General Liability	Auto	Workers' Compensation
Limits	$ 125,000,000	$ 5,000,000	$ 5,000,000	STATUTORY $ 7,000,000
Fund Retention	$ 100,000	$ 300,000	$ 300,000	$ 300,000
Excess Insurers	MEL Zurich Insurance	MEL Munich Reinsurance	MEL	MEL Safety National
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	$ 1,501,960	$ 1,650,614	$ 757,312	$ 4,680,062
Administrative Expenses (1)	383,905	570,370	114,613	1,957,663
	$ 1,885,865	$ 2,220,984	$ 871,925	$ 6,637,725
Exposure Units	$ 1,149,521,000 (Property Value)	392,429 (Population)	2,616 (Vehicles)	$ 252,060,995 (Payroll)
Average Liability Per Exposure Unit	$1.64 (Per $1,000 Value)	$5.66 (Per Capita)	$333.30 (Per Vehicle)	$26.33 (Per $1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

Monmouth County Municipal Joint Insurance Fund
Schedule of Fund Year 2022 Program Summary--Statutory Basis
For the Period January 1, 2022 to December 31, 2025

	Coverages			
	Property	General Liability	Auto	Workers' Compensation
Limits	$ 125,000,000	$ 5,000,000	$ 5,000,000	STATUTORY $ 7,000,000
Fund Retention	$ 100,000	$ 300,000	$ 300,000	$ 300,000
Excess Insurers	MEL Zurich Insurance	MEL Munich Reinsurance	MEL	MEL Safety National
Number of Participants	41	41	41	41
Incurred Liabilities:				
Claims (Schedule D)	$ 863,696	$ 2,798,903	$ 193,260	$ 4,357,852
Administrative Expenses (1)	378,485	530,700	119,080	1,929,653
	$ 1,242,181	$ 3,329,603	$ 312,340	$ 6,287,505
Exposure Units	$ 1,051,856,000 (Property Value)	389,786 (Population)	2,630 (Vehicles)	$ 245,899,898 (Payroll)
Average Liability Per Exposure Unit	$1.18 (Per $1,000 Value)	$8.54 (Per Capita)	$118.76 (Per Vehicle)	$25.57 (Per $1,000 Payroll)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

Schedule H

Monmouth County Municipal Joint Insurance Fund
Schedule of Cash, Cash Equivalents, and Investments--Statutory Basis
As of December 31, 2025

Description	Amount
CASH AND CASH EQUIVALENTS	
New Jersey Cash Management Fund	$ 1,738,310
TD Bank:	
Operating Account	5,193,196
Claims Account	235,403
Citizens Bank:	
Operating Account	2,109,221
Claims Account	307,506
Wilmington Trust Money Market	19,468
Total Cash and Cash Equivalents	9,603,104
INVESTMENTS:	
Wilmington Trust	16,860,755
BNY Mellon:	
Joint Cash Management and Investment Program (JCMI)	5,176,390
Total Investments	22,037,145
Total Cash, Cash Equivalents, and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	$ 31,640,249
TOTAL CASH AND CASH EQUIVALENTS BY FUND YEAR:	
2025	$ 6,790,582
2024	6,371,392
2023	4,920,628
2022	3,318,617
Closed Years	10,239,030
	$ 31,640,249

Schedule I

Monmouth County Municipal Joint Insurance Fund
Schedule of Accrued Expenses--Statutory Basis
As of December 31, 2025

Description	Fund Year	Amount		
ADMINISTRATIVE EXPENSES:				
Attorney - Brown & Connery, LLP	2025	$ 1,872		
Auditor - PKF O'Connor Davies, LLP	2025	18,162		
Property Appraisal	2025	48,200		
Miscellaneous Expenses	2025	545		
Postage	2025	145		
Risk Management Consulting	2025	1,017		
Litigation Management	2025	7,893		
Safety - Right to Know	2025	47,381		
Safety - Incentive Program	2025	14,000		
Total 2025 Fund Year			$	139,215
ADMINISTRATIVE EXPENSES:				
Risk Management Consulting	2024	38,954		
Total 2024 Fund Year				38,954
ADMINISTRATIVE EXPENSES:				
Risk Management Consulting	2023	20,404		
Total 2023 Fund Year				20,404
ADMINISTRATIVE EXPENSES:				
Risk Management Consulting	2022	20,642		
Total 2022 Fund Year				20,642
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis			$	219,215

Monmouth County Municipal Joint Insurance Fund

Schedule of Findings and Recommendations

For The Year Ended December 31, 2025

Schedule of Findings and Recommendations

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

Schedule of Financial Statement Findings

None.

Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management

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

There were no findings in the prior year.