

FIRST RESPONDER JOINT INSURANCE FUND
Financial Statements
December 31, 2021 and 2020
With Independent Auditor's Reports

First Responder Joint Insurance Fund
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December 31, 2021 and 2020

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**First Responder Joint Insurance Fund
Management's Discussion and Analysis
December 31, 2021 and 2020**

This section of First Responder Joint Insurance Fund's (the "Fund") annual financial report presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2021 and 2020. Please read it in conjunction with the financial statements which follow this section. The following table summarizes the financial position and results of operations of the Fund for 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Assets		
Cash, investments and accrued interest	\$ 9,315,875	\$ 9,048,389
Other assets	<u>1,258</u>	<u>7</u>
	<u>\$ 9,317,133</u>	<u>\$ 9,048,396</u>
Liabilities and Fund Surplus		
Reserves for unpaid claims	\$ 2,823,889	\$ 2,919,082
Other liabilities	939,801	991,404
Fund surplus	<u>5,553,443</u>	<u>5,137,910</u>
	<u>\$ 9,317,133</u>	<u>\$ 9,048,396</u>
Revenue and Expenses		
Revenue	\$ 2,997,507	\$ 3,917,776
Investment and other income (expense)	<u>(19,728)</u>	<u>101,868</u>
	<u>2,977,779</u>	<u>4,019,644</u>
Claims expense, net	1,175,425	1,870,758
Insurance premiums	834,920	1,120,433
Administrative expense	<u>551,901</u>	<u>661,066</u>
	<u>2,562,246</u>	<u>3,652,257</u>
Net income	415,533	367,387
Fund surplus, beginning of year	<u>5,137,910</u>	<u>4,770,523</u>
Fund surplus, end of year	<u>\$ 5,553,443</u>	<u>\$ 5,137,910</u>

First Responder Joint Insurance Fund Management's Discussion and Analysis December 31, 2021 and 2020

Overview of the Financial Statements

The Fund's financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental and insurance companies, where applicable. The primary purpose of the Fund is to provide emergency first responder local units and contracting units of government with a joint self-insurance fund. The Fund provides insurance coverage for auto liability, general liability, property, and workers' compensation. The Fund operates under the provisions of New Jersey Statutes (N.J.S.A. 40A:10-36 et seq) and has 31 and 37 members in the Fund as of December 31, 2021 and 2020, respectively. The three basic financial statements presented within the financial statements are as follows:

- Balance Sheet - This statement presents information reflecting the Fund's assets, liabilities and Fund surplus. Fund surplus represents the amount of total assets less total liabilities.
- Statement of Revenue, Expenses and Changes in Fund Surplus - This statement reflects the operating revenues and expenses, as well as non-operating revenue and expenses during the operating year. The major source of operating revenue is derived from regular member contributions while major sources of operating expenses are claims paid, changes in case reserves, changes in the incurred but not reported claims and insurance and reinsurance premiums. The change in fund surplus is similar to the net profit or loss for any other insurance company.
- Statement of Cash Flows - This statement presents changes in cash and cash equivalents resulting from operating activities, investing activities and financing activities.

Financial Highlights

- For the Fund year 2021, revenue totaled \$2,997,507, a decrease of 23.5% over 2020 due to the loss of 6 members from 2020 to 2021.
- For Fund year 2009, the Fund had two aggregate loss funds. The aggregate loss funds are 125% of each loss fund, workers' compensation and liability including property. Effective 2010, the Fund's aggregate protection is based on the total combined loss funds and is calculated at 125% of the total loss fund. Aggregate protection is provided for the loss funds via the Municipal Excess Liability Fund ("MEL"). The cost for aggregate protection is included in the reinsurance/excess section of the budget.
- Claims case reserves represent a life to date estimate as to the expected liability for the reported claims and incurred but not reported claims ("IBNR"). Computing the claims liability does not result in achieving an exact amount. Claims case reserves must be estimated due to the complex factors that determine the liability. Some of these factors are changes in legal doctrine, inflation, historical settlements, claim frequency, damage awards and other statistical techniques.

Contacting the Fund's Management

This financial report is designed to provide the First Responder 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, please contact the Fund Administrator of the First Responder Joint Insurance Fund at the office of the Fund located at 51 Everett Drive, Suite 40-B, West Windsor, NJ 08550, or by phone at (609) 275-1155.

INDEPENDENT AUDITOR'S REPORT

To the Fund Commissioners,
First Responder Joint Insurance Fund:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of First Responder Joint Insurance Fund, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of revenue, expenses, and changes in fund surplus and cash flows for the years then ended and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of First Responder Joint Insurance Fund as of December 31, 2021 and 2020, and the changes in fund surplus and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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 First Responder Joint Insurance Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 GAAS, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements as prescribed by the State of New Jersey, Department of Community Affairs and Banking and Insurance, 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 First Responder Joint Insurance 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 First Responder Joint Insurance 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 May 2, 2022, on our consideration of First Responder Joint Insurance 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 First Responder Joint Insurance 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 First Responder Joint Insurance Fund's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC". The signature is written in a cursive, flowing style.

May 2, 2022

**First Responder Joint Insurance Fund
Balance Sheets
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 7,649,208	\$ 7,360,923
Investments	1,660,353	1,679,931
Accrued interest	6,314	7,535
Prepaid expenses and other assets	<u>1,258</u>	<u>7</u>
	<u>\$ 9,317,133</u>	<u>\$ 9,048,396</u>
Liabilities and Fund Surplus		
Liabilities		
Loss reserves		
Case reserves	\$ 2,612,678	\$ 2,353,208
IBNR reserves	<u>211,211</u>	<u>565,874</u>
Total loss reserves	<u>2,823,889</u>	<u>2,919,082</u>
Other		
Assessments collected in advance	122,740	94,461
Administrative expenses payable	217,984	209,831
Excess insurance premiums payable	<u>599,077</u>	<u>687,112</u>
	<u>939,801</u>	<u>991,404</u>
Total liabilities	3,763,690	3,910,486
Fund surplus	<u>5,553,443</u>	<u>5,137,910</u>
	<u>\$ 9,317,133</u>	<u>\$ 9,048,396</u>

The Notes to Financial Statements are an integral part of these statements.

First Responder Joint Insurance Fund
Statements of Revenue, Expenses, and Changes in Fund Surplus
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Underwriting income - regular contributions	\$ 2,997,507	\$ 3,917,776
Expenses		
Claims		
Paid	1,270,618	1,174,827
Increase in case reserves	259,470	803,181
Decrease in IBNR reserves	<u>(354,663)</u>	<u>(107,250)</u>
Total claims	<u>1,175,425</u>	<u>1,870,758</u>
Insurance and reinsurance premiums	834,920	1,120,433
Administrative expenses	<u>551,901</u>	<u>661,066</u>
	<u>1,386,821</u>	<u>1,781,499</u>
Total expenses	<u>2,562,246</u>	<u>3,652,257</u>
Operating income	<u>435,261</u>	<u>265,519</u>
Investment income, net	30,450	66,064
Change in fair value of investments, net	<u>(50,178)</u>	<u>35,804</u>
Total non-operating income (loss)	<u>(19,728)</u>	<u>101,868</u>
Net income	415,533	367,387
Fund surplus		
Beginning of year	<u>5,137,910</u>	<u>4,770,523</u>
End of year	<u>\$ 5,553,443</u>	<u>\$ 5,137,910</u>

The Notes to Financial Statements are an integral part of these statements.

First Responder Joint Insurance Fund
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating activities		
Underwriting income - regular contributions	\$ 3,025,786	\$ 3,991,166
Claims paid	(1,270,618)	(1,174,827)
Excess insurance premium paid	(922,955)	(978,881)
Administrative expenses paid	<u>(544,999)</u>	<u>(652,589)</u>
Net cash provided by operating activities	<u>287,214</u>	<u>1,184,869</u>
Investing activities		
Maturity/sale of investment securities	373,617	398,625
Purchase of investment securities	(403,436)	(423,596)
Investment income, net	<u>30,890</u>	<u>63,193</u>
Net cash provided by investing activities	<u>1,071</u>	<u>38,222</u>
Net change in cash	288,285	1,223,091
Cash		
Beginning of year	<u>7,360,923</u>	<u>6,137,832</u>
End of year	<u>\$ 7,649,208</u>	<u>\$ 7,360,923</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 435,261	\$ 265,519
Adjustments to reconcile operating income to net cash provided by operating activities		
Decrease in assessments receivable	-	37,732
(Increase) decrease in prepaid expenses and other assets	(1,251)	1,272
Increase (decrease) in case and IBNR reserves	(95,193)	695,931
Increase in assessments collected in advance	28,279	35,658
Increase in administrative expenses payable	8,153	7,205
Increase (decrease) in excess insurance premium payable	<u>(88,035)</u>	<u>141,552</u>
Net cash provided by operating activities	<u>\$ 287,214</u>	<u>\$ 1,184,869</u>

The Notes to Financial Statements are an integral part of these statements.

First Responder Joint Insurance Fund
Notes to Financial Statements
December 31, 2021 and 2020

1. OPERATIONS

First Responder Joint Insurance Fund (the "Fund") is an insurance fund formed under the provisions of and in accordance with P.L. 1983, c. 372 (N.J.S.A. 40A:10-36 et seq.) of the New Jersey statutes. The Fund was formed effective January 1, 2009, membership is comprised of New Jersey fire districts and its initial membership consisted of 9 members. As of December 31, 2021 and 2020, the Fund had 31 and 37 members, respectively.

The Fund's general objective is to provide members with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. The bylaws of the Fund, as supplemented by the Risk Management Plan, set forth the various procedures which are to be followed in the organization, administration, and operation of the Fund.

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

The Administrator is responsible for the overall administration of the Fund. Fees paid to the Administrator cover all administrative costs; accordingly, the Fund does not maintain any fixed assets nor incur any employee payroll expense.

The Fund offers its members coverage for property, general and auto liability, workers' compensation, environmental, cyber and management liability. The Fund is also a member of the Municipal Excess Liability Fund which provides excess insurance coverage for property, general and auto liability as well as workers' compensation.

The Fund's liability, self-insured retention ("SIR"), for claims is limited to the following coverage and amounts:

Coverage	Fund Years	Per Occurrence	Aggregate
Workers' Compensation ("WC")	2009	\$ 200,000	125% of WC loss fund
Liability and Property	2009	\$ 200,000/50,000	125% of package loss funds
Workers' Compensation	2010-2021	\$ 200,000	125% of total loss funds
General Liability	2010-2021	\$ 200,000	125% of total loss funds
Auto Liability	2010-2021	\$ 200,000	125% of total loss funds
Property	2009-2016	\$ 50,000	125% of total loss funds
Property	2017-2021	\$ 100,000	125% of total loss funds

Losses in excess of the above amounts are covered by reinsurance and excess insurance contracts. Package includes general liability, auto liability and property.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and insurance companies, where applicable. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

First Responder Joint Insurance Fund
Notes to Financial Statements
December 31, 2021 and 2020

Reporting Entity

Governmental Accounting Standards Board Codification Section 2100, *Defining Financial Reporting Entity*, establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards, and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The Fund has determined that there were no additional entities required to be included in the reporting entity under the criteria as described above in the current year. In addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses reflected as incurred. Fund surplus (deficit), or net position, reflects the excess (deficit) of total assets over total liabilities.

Revenue Recognition

The Fund offers annual coverage to its members. Member assessments (contributions) are recorded on the accrual basis. The member assessments of the participating municipalities are determined by the Fund Administrator and then certified by vote of the Fund's Board of Trustees. There are no advance sums collected for the revenue streams except any prepayments recorded as a liability. Revenue is recognized in the year the coverage is in effect and is recognized ratably over the period the service is provided.

Cash

The Fund considers all highly liquid investments with maturities of less than three months at the time of purchase to be cash.

Investments

The investments in government backed fixed maturities are carried at fair value. Fair value has been supplied by the custodian.

Assessments Receivable

Assessments receivable are comprised of member installments due to the Fund for the current year which remain unpaid at the end of the fiscal year. Per the Fund's by-laws, past due assessments shall bear interest at a rate determined annually by the Executive Committee. The interest rate assessed for each of the years ended December 31, 2021 and 2020 was 2% plus prime as determined by New Jersey Asset & Rebate Management Program and U.S. Bank, N.A., or its successors. Assessments receivable are written off when they are deemed to be uncollectible. Interest on delinquent assessments may be waived at the discretion of the Executive Committee.

First Responder Joint Insurance Fund

Notes to Financial Statements

December 31, 2021 and 2020

Claims Liabilities

The Fund establishes claims liabilities for the Fund's SIR, loss and claim allocated loss adjustment expense based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. 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 coverage 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 and historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund does not discount claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Reinsurance

The Fund purchases reinsurance and/or excess insurance in accordance with the Risk Management Plan. Although reinsurance/excess insurance does not discharge the primary liability of the Fund as direct insurer of the risk of loss, the Fund does not report the claim payments or liabilities under reinsurance/excess insurance contracts unless it is probable that those liabilities will not be covered by reinsurers. A contingent liability may exist with respect to reinsurance which would become an actual liability in the event any of the insurance companies might be unable to meet their obligations to the Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In addition, certain actuarial assumptions have been made in the preparation of these financial statements. Actual results could differ from those estimates. Significant estimates included in these financial statements are fair market value of investments, case reserves and incurred but not yet reported ("IBNR") reserves.

Income Taxes

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

Fair Value of Financial Instruments

According to professional standards, the Fund measures its fair value under generally accepted accounting principles and provides disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs using a fair value hierarchy based on three levels of inputs of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

First Responder Joint Insurance Fund
Notes to Financial Statements
December 31, 2021 and 2020

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

3. CASH

Deposits

At December 31, the carrying amounts of the Fund's deposits and the corresponding bank balances were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Operating checking account	\$ 7,639,442	\$ 7,641,313	\$ 7,350,715	\$ 7,334,050
Money market account	<u>9,766</u>	<u>9,766</u>	<u>10,208</u>	<u>10,208</u>
	<u>\$ 7,649,208</u>	<u>\$ 7,651,079</u>	<u>\$ 7,360,923</u>	<u>\$ 7,344,258</u>

The operating checking account and money market account are deposited in public depositories which are fully insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation and in excess of \$250,000 are fully collateralized by the bank through the Government Unit Deposit Protection Act.

4. INVESTMENTS

At December 31, 2021 and 2020, the Fund invested only in notes backed by the Federal Government. These notes are triple A rated ("AAA") by Moody's with interest rates ranging from 0.25% to 3.0% and 1.25% to 3.0% as of December 31, 2021 and 2020, respectively. The maturity dates range from 3/31/2022 to 2/28/2026 as of December 31, 2021 and from 8/31/2021 to 11/30/2025 as of December 31, 2020. 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 that are in the possession of an outside party. At December 31, 2021 and 2020, all of the Fund's investments are under the custody of New Jersey Asset and Rebate Management Program ("NJ/ARM"), who is the Fund's investment advisor.

Investments are stated at fair value. The difference between fair value and amortized cost is recorded as unrealized gain at December 31 each year. The amounts are as follows:

	<u>2021</u>	<u>2020</u>
Face value	\$ 1,640,000	\$ 1,605,000
Unamortized premium, net	16,797	21,197
Unrealized gain, net	<u>3,556</u>	<u>53,734</u>
Fair value	<u>\$ 1,660,353</u>	<u>\$ 1,679,931</u>

Investment income consisted of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Realized gain	\$ 4,095	\$ 2,721
Amortization of discount (premium), net	(4,535)	150
Interest income	<u>30,890</u>	<u>63,193</u>
Investment income, net	<u>\$ 30,450</u>	<u>\$ 66,064</u>

First Responder Joint Insurance Fund
Notes to Financial Statements
December 31, 2021 and 2020

5. FAIR VALUE ACCOUNTING

Recurring Fair Value Measurements

The Fund has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following tables summarize assets which have been accounted for at fair value on a recurring basis as of December 31, along with the basis for the determination of fair value:

		2021			
		Basis for Valuation			
		Quoted	Observable	Unobservable	
		Prices	Measurement	Measurement	
		in Active	Criteria	Criteria	
		Markets			
Total					
Investments - US Treasury Notes	<u>\$ 1,660,353</u>	<u>\$ 1,660,353</u>	<u>\$ -</u>	<u>\$ -</u>	
		2020			
		Basis for Valuation			
		Quoted	Observable	Unobservable	
		Prices	Measurement	Measurement	
		in Active	Criteria	Criteria	
		Markets			
Total					
Investments - US Treasury Notes	<u>\$ 1,679,931</u>	<u>\$ 1,679,931</u>	<u>\$ -</u>	<u>\$ -</u>	

For applicable assets and liabilities subject to this pronouncement, the Fund will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Fund will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Fund will develop measurement criteria based on the best information available.

U.S. Government-backed fixed rate notes are valued at the closing price reported on the active market on which individual securities are traded along with comparable bond ratings under Moody's and S&P.

The valuation methods for these investments are consistent for the years ended December 31, 2021 and 2020.

6. LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the members, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability.

First Responder Joint Insurance Fund
Notes to Financial Statements
December 31, 2021 and 2020

The Fund has created a loss reserve for any potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses ("IBNR").

Loss reserves at December 31, 2021 and 2020 which have been estimated by the Fund's Actuary and Claims Servicing Organization of the members (less member deductibles) are as follows:

	<u>2021</u>	<u>2020</u>
Case reserves	\$ 2,612,678	\$ 2,353,208
Reserves for losses incurred but not reported	<u>211,211</u>	<u>565,874</u>
	<u>\$ 2,823,889</u>	<u>\$ 2,919,082</u>

The following represents changes in the aggregate reserves and claim adjustment expenses for the Fund during the years ended December 31:

	<u>2021</u>	<u>2020</u>
Unpaid claim liabilities, beginning of year	\$ <u>2,919,082</u>	\$ <u>2,223,151</u>
Incurred claims		
Provision for insured events of current year	1,480,541	1,795,473
Increase (decrease) in provision for insured events of prior years	<u>(305,116)</u>	<u>75,285</u>
Total increase in incurred claims	<u>1,175,425</u>	<u>1,870,758</u>
Claim payments		
Payments on claims for insured events of current year	713,130	643,689
Payments, net, on claims for insured events of prior years	<u>557,488</u>	<u>531,138</u>
Total payments, net	<u>1,270,618</u>	<u>1,174,827</u>
Unpaid claim liabilities, end of year	<u>\$ 2,823,889</u>	<u>\$ 2,919,082</u>

7. RISKS AND UNCERTAINTIES

Management is continuing to evaluate the recent introduction of the COVID-19 virus to the United States and its impact on the Fund's industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Fund's financial condition and results of operations, the specific impact is not readily determinable as of the date of these financial statements.

8. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events occurring after the balance sheet date through the date of May 2, 2022, which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined that no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

SUPPLEMENTAL SCHEDULES

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

INDEPENDENT AUDITOR'S REPORT

To the Fund Commissioners,
First Responder Joint Insurance Fund:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of First Responder Joint Insurance Fund, which comprise the balance sheet as of December 31, 2021, and the related statements of revenue, expenses, and changes in fund surplus and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 2, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 over financial reporting.

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

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

Compliance and Other Matters

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

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith + Brown, PC

May 2, 2022

**First Responder Joint Insurance Fund
Ten Year Claims Development Information
December 31, 2021**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Underwriting income - regular contributions	\$ 2,159,614	\$ 2,638,629	\$ 3,110,375	\$ 3,746,076	\$ 3,888,767	\$ 3,804,161	\$ 3,695,628	\$ 3,762,041	\$ 3,917,776	\$ 2,997,507
Investment income	10,759	49,097	87,048	26,852	92,179	70,601	57,963	51,427	7,196	(2,364)
	<u>\$ 2,170,373</u>	<u>\$ 2,687,726</u>	<u>\$ 3,197,423</u>	<u>\$ 3,772,928</u>	<u>\$ 3,980,946</u>	<u>\$ 3,874,762</u>	<u>\$ 3,753,591</u>	<u>\$ 3,813,468</u>	<u>\$ 3,924,972</u>	<u>\$ 2,995,143</u>
Insurance and reinsurance premiums	\$ 625,095	\$ 706,725	\$ 815,527	\$ 877,144	\$ 1,056,018	\$ 974,402	\$ 1,033,070	\$ 1,003,454	\$ 1,120,433	\$ 943,367
Administrative	421,703	482,137	561,046	630,053	645,971	642,164	632,225	641,061	674,016	561,642
	<u>\$ 1,046,798</u>	<u>\$ 1,188,862</u>	<u>\$ 1,376,573</u>	<u>\$ 1,507,197</u>	<u>\$ 1,701,989</u>	<u>\$ 1,616,566</u>	<u>\$ 1,665,295</u>	<u>\$ 1,644,515</u>	<u>\$ 1,794,449</u>	<u>\$ 1,505,009</u>
Estimated incurred claims, end of policy year	\$ 983,458	\$ 1,148,001	\$ 1,276,000	\$ 2,134,857	\$ 1,468,416	\$ 1,884,001	\$ 1,877,498	\$ 1,412,893	\$ 1,795,473	\$ 1,480,541
Cumulative paid claims as of										
End of policy year	691,759	376,252	458,973	979,438	517,855	805,334	599,061	541,984	643,689	713,130
One year later	983,458	681,591	566,562	1,603,585	721,652	1,020,944	1,303,928	848,580	1,000,582	
Two years later	983,458	855,056	573,090	1,906,961	869,011	1,130,895	1,385,202	935,693		
Three years later	983,458	863,228	592,049	1,990,535	957,709	1,266,884	1,460,124			
Four years later	983,458	910,419	626,685	2,085,820	982,151	1,267,502				
Five years later	983,458	955,450	626,800	2,067,096	993,747					
Six years later	963,458	955,450	628,362	2,080,917						
Seven years later	983,458	955,450	640,887							
Eight years later	983,458	955,450								
Nine years later	983,458									
Cumulative incurred claims as of										
End of policy year	983,458	1,148,001	1,276,000	2,134,857	1,468,416	1,884,001	1,877,498	1,412,893	1,795,473	1,480,541
One year later	983,458	1,138,688	795,869	2,134,857	1,067,927	1,864,280	1,939,721	1,504,571	1,737,164	
Two years later	983,458	1,069,689	775,735	2,134,857	1,211,185	1,559,401	1,935,517	1,308,994		
Three years later	983,458	1,014,688	719,594	2,134,857	1,046,875	1,538,342	1,917,190			
Four years later	983,458	1,088,688	685,955	2,134,857	1,053,538	1,488,353				
Five years later	983,458	1,032,476	699,514	2,134,857	1,076,421					
Six years later	983,458	1,032,476	701,723	2,134,857						
Seven years later	983,458	1,032,476	695,925							
Eight years later	983,458	1,032,476								
Nine years later	983,458									
Decrease in cumulative incurred claims from end of policy year	<u>\$ -</u>	<u>\$ (115,525)</u>	<u>\$ (580,075)</u>	<u>\$ -</u>	<u>\$ (391,995)</u>	<u>\$ (395,648)</u>	<u>\$ 39,692</u>	<u>\$ (103,899)</u>	<u>\$ (58,309)</u>	<u>\$ -</u>

See Independent Auditor's Report.

First Responder Joint Insurance Fund
Schedules of Changes in Claim Liabilities by Line of Coverage
Years Ended December 31, 2021 and 2020

	2021				
	<u>Total</u>	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>
Unpaid claim liabilities, beginning of year	\$ 2,919,082	\$ 2,665,540	\$ 73,668	\$ 107,401	\$ 72,473
Incurred claims					
Provision for insured events of current year	1,480,541	1,289,712	97	186,410	4,322
Increase (decrease) in provision for insured events of prior years	<u>(305,116)</u>	<u>(293,922)</u>	<u>(53,473)</u>	<u>5,019</u>	<u>37,260</u>
Increase (decrease) in incurred claims	<u>1,175,425</u>	<u>995,790</u>	<u>(53,376)</u>	<u>191,429</u>	<u>41,582</u>
Claim payments					
Payments on claims for insured events of current year	713,130	555,080	15	153,713	4,322
Payments, net, on claims for insured events of prior years	<u>557,488</u>	<u>409,298</u>	<u>-</u>	<u>105,423</u>	<u>42,767</u>
Total payments	<u>1,270,618</u>	<u>964,378</u>	<u>15</u>	<u>259,136</u>	<u>47,089</u>
Unpaid claim liabilities, end of year	<u>\$ 2,823,889</u>	<u>\$ 2,696,952</u>	<u>\$ 20,277</u>	<u>\$ 39,694</u>	<u>\$ 66,966</u>
	2020				
	<u>Total</u>	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>
Unpaid claim liabilities, beginning of year	\$ 2,223,151	\$ 2,068,187	\$ 68,711	\$ 24,016	\$ 62,237
Incurred claims					
Provision for insured events of current year	1,795,473	1,459,550	54,000	232,923	49,000
Increase (decrease) in provision for insured events of prior years	<u>75,285</u>	<u>172,065</u>	<u>(48,793)</u>	<u>(12,369)</u>	<u>(35,618)</u>
Increase (decrease) in incurred claims	<u>1,870,758</u>	<u>1,631,615</u>	<u>5,207</u>	<u>220,554</u>	<u>13,382</u>
Claim payments					
Payments on claims for insured events of current year	643,689	515,295	250	125,522	2,622
Payments, net, on claims for insured events of prior years	<u>531,138</u>	<u>518,967</u>	<u>-</u>	<u>11,647</u>	<u>524</u>
Total payments	<u>1,174,827</u>	<u>1,034,262</u>	<u>250</u>	<u>137,169</u>	<u>3,146</u>
Unpaid claim liabilities, end of year	<u>\$ 2,919,082</u>	<u>\$ 2,665,540</u>	<u>\$ 73,668</u>	<u>\$ 107,401</u>	<u>\$ 72,473</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
Combining Schedule of Net Income and Changes in Fund Surplus for
Fund Years 2009 through 2021
Year Ended December 31, 2021**

<u>Fund Year</u>	<u>Fund Surplus 1/1/2021</u>	<u>Net Income</u>	<u>Less Surplus Returned to Members</u>	<u>Fund Surplus 12/31/2021</u>
2009	\$ -	\$ -	\$ -	\$ -
2010	92,181	(186)	-	91,995
2011	193,124	(430)	-	192,694
2012	140,441	(322)	-	140,119
2013	467,554	(1,154)	-	466,400
2014	1,121,661	3,308	-	1,124,969
2015	131,321	(423)	-	130,898
2016	1,228,340	(25,803)	-	1,202,537
2017	722,090	47,753	-	769,843
2018	154,334	16,772	-	171,106
2019	558,679	301,250	-	859,929
2020	328,185	65,175	-	393,360
2021	-	9,593	-	9,593
	<u>\$ 5,137,910</u>	<u>\$ 415,533</u>	<u>\$ -</u>	<u>\$ 5,553,443</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
 Combined Cumulative Operating Results Analysis for
 Fund Years 2009 through 2021
 December 31, 2021**

Revenue	
Underwriting income - regular contributions	<u>\$ 38,533,517</u>
Expenses	
Claims	
Paid	13,096,830
Case reserves	2,612,677
IBNR reserves	<u>211,211</u>
	15,920,718
Insurance and reinsurance premiums	10,478,368
Administrative expenses	<u>6,871,088</u>
	<u>33,270,174</u>
Operating income	<u>5,263,343</u>
Interest and other income	476,450
Transfers	<u>(186,350)</u>
Non-operating income, net	<u>290,100</u>
Net income and fund surplus	<u><u>\$ 5,553,443</u></u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2009 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 605,468	\$ 87,280	\$ 67,804	\$ 37,628	\$ 251,660	\$ 1,049,840
Expenses						
Claims						
Paid	471,704	1,252	774	-	-	473,730
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>471,704</u>	<u>1,252</u>	<u>774</u>	<u>-</u>	<u>-</u>	<u>473,730</u>
Other						
Insurance and reinsurance premiums	126,201	63,987	22,618	12,274	-	225,080
Administrative expenses	-	-	-	-	223,036	223,036
Total other expenses	<u>126,201</u>	<u>63,987</u>	<u>22,618</u>	<u>12,274</u>	<u>223,036</u>	<u>448,116</u>
Total expenses	<u>597,905</u>	<u>65,239</u>	<u>23,392</u>	<u>12,274</u>	<u>223,036</u>	<u>921,846</u>
Operating income	<u>7,563</u>	<u>22,041</u>	<u>44,412</u>	<u>25,354</u>	<u>28,624</u>	<u>127,994</u>
Non-operating income						
Investment income	840	283	519	292	413	2,347
Miscellaneous income	-	-	-	-	3	3
Total non-operating income	<u>840</u>	<u>283</u>	<u>519</u>	<u>292</u>	<u>416</u>	<u>2,350</u>
Net income	<u>8,403</u>	<u>22,324</u>	<u>44,931</u>	<u>25,646</u>	<u>29,040</u>	<u>130,344</u>
Transfers	<u>(8,403)</u>	<u>(22,324)</u>	<u>(44,931)</u>	<u>(25,646)</u>	<u>(29,040)</u>	<u>(130,344)</u>
Fund surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2010 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 703,617	\$ 347,202	\$ 225,301	\$ 103,165	\$ 443,891	\$ 1,823,176
Expenses						
Claims						
Paid	687,331	-	102,793	8,720	-	798,844
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>687,331</u>	<u>-</u>	<u>102,793</u>	<u>8,720</u>	<u>-</u>	<u>798,844</u>
Other						
Insurance and reinsurance premiums	144,535	241,997	87,614	46,220	-	520,366
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,554</u>	<u>364,554</u>
Total other expenses	<u>144,535</u>	<u>241,997</u>	<u>87,614</u>	<u>46,220</u>	<u>364,554</u>	<u>884,920</u>
Total expenses	<u>831,866</u>	<u>241,997</u>	<u>190,407</u>	<u>54,940</u>	<u>364,554</u>	<u>1,683,764</u>
Operating income (loss)	<u>(128,249)</u>	<u>105,205</u>	<u>34,894</u>	<u>48,225</u>	<u>79,337</u>	<u>139,412</u>
Non-operating income						
Investment income	572	3,701	1,244	1,716	1,354	8,587
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total non-operating income	<u>572</u>	<u>3,701</u>	<u>1,244</u>	<u>1,716</u>	<u>1,355</u>	<u>8,588</u>
Net income (loss)	<u>(127,677)</u>	<u>108,906</u>	<u>36,138</u>	<u>49,941</u>	<u>80,692</u>	<u>148,000</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,005)</u>	<u>(56,005)</u>
Fund surplus (deficit)	<u>\$ (127,677)</u>	<u>\$ 108,906</u>	<u>\$ 36,138</u>	<u>\$ 49,941</u>	<u>\$ 24,687</u>	<u>\$ 91,995</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2011 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 767,903	\$ 333,799	\$ 255,326	\$ 121,133	\$ 461,766	\$ 1,939,927
Expenses						
Claims						
Paid	572,165	629	189,938	30,033	-	792,765
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>572,165</u>	<u>629</u>	<u>189,938</u>	<u>30,033</u>	<u>-</u>	<u>792,765</u>
Other						
Insurance and reinsurance premiums	154,708	269,844	100,315	52,819	-	577,686
Administrative expenses	-	-	-	-	391,478	391,478
Total other expenses	<u>154,708</u>	<u>269,844</u>	<u>100,315</u>	<u>52,819</u>	<u>391,478</u>	<u>969,164</u>
Total expenses	<u>726,873</u>	<u>270,473</u>	<u>290,253</u>	<u>82,852</u>	<u>391,478</u>	<u>1,761,929</u>
Operating income (loss)	<u>41,030</u>	<u>63,326</u>	<u>(34,927)</u>	<u>38,281</u>	<u>70,288</u>	<u>177,998</u>
Non-operating income						
Investment income	3,014	3,929	62	2,379	5,309	14,693
Miscellaneous income	-	-	-	-	3	3
Total non-operating income	<u>3,014</u>	<u>3,929</u>	<u>62</u>	<u>2,379</u>	<u>5,312</u>	<u>14,696</u>
Net income (loss)	<u>44,044</u>	<u>67,255</u>	<u>(34,865)</u>	<u>40,660</u>	<u>75,600</u>	<u>192,694</u>
Transfers	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 44,044</u>	<u>\$ 67,255</u>	<u>\$ (34,865)</u>	<u>\$ 40,660</u>	<u>\$ 75,600</u>	<u>\$ 192,694</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2012 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 870,184	\$ 355,204	\$ 307,621	\$ 119,536	\$ 507,069	\$ 2,159,614
Expenses						
Claims						
Paid	829,348	-	139,876	14,234	-	983,458
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>829,348</u>	<u>-</u>	<u>139,876</u>	<u>14,234</u>	<u>-</u>	<u>983,458</u>
Other						
Insurance and reinsurance premiums	178,884	268,188	128,704	49,319	-	625,095
Administrative expenses	-	-	-	-	421,703	421,703
Total other expenses	<u>178,884</u>	<u>268,188</u>	<u>128,704</u>	<u>49,319</u>	<u>421,703</u>	<u>1,046,798</u>
Total expenses	<u>1,008,232</u>	<u>268,188</u>	<u>268,580</u>	<u>63,553</u>	<u>421,703</u>	<u>2,030,256</u>
Operating income (loss)	<u>(138,048)</u>	<u>87,016</u>	<u>39,041</u>	<u>55,983</u>	<u>85,366</u>	<u>129,358</u>
Non-operating income						
Investment income	49	3,292	1,495	2,120	3,803	10,759
Miscellaneous income	-	-	-	-	2	2
Total non-operating income	<u>49</u>	<u>3,292</u>	<u>1,495</u>	<u>2,120</u>	<u>3,805</u>	<u>10,761</u>
Net income (loss)	<u>(137,999)</u>	<u>90,308</u>	<u>40,536</u>	<u>58,103</u>	<u>89,171</u>	<u>140,119</u>
Transfers	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ (137,999)</u>	<u>\$ 90,308</u>	<u>\$ 40,536</u>	<u>\$ 58,103</u>	<u>\$ 89,171</u>	<u>\$ 140,119</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2013 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,090,452	\$ 422,616	\$ 389,775	\$ 160,522	\$ 575,264	\$ 2,638,629
Expenses						
Claims						
Paid	841,762	-	112,688	1,000	-	955,450
Case reserves	77,026	-	-	-	-	77,026
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>918,788</u>	<u>-</u>	<u>112,688</u>	<u>1,000</u>	<u>-</u>	<u>1,032,476</u>
Other						
Insurance and reinsurance premiums	199,405	308,434	140,871	58,015	-	706,725
Administrative expenses	-	-	-	-	482,137	482,137
Total other expenses	<u>199,405</u>	<u>308,434</u>	<u>140,871</u>	<u>58,015</u>	<u>482,137</u>	<u>1,188,862</u>
Total expenses	<u>1,118,193</u>	<u>308,434</u>	<u>253,559</u>	<u>59,015</u>	<u>482,137</u>	<u>2,221,338</u>
Operating income (loss)	<u>(27,741)</u>	<u>114,182</u>	<u>136,216</u>	<u>101,507</u>	<u>93,127</u>	<u>417,291</u>
Non-operating income						
Investment income	7,197	10,147	13,130	9,014	9,609	49,097
Miscellaneous income	-	-	-	-	12	12
Total non-operating income	<u>7,197</u>	<u>10,147</u>	<u>13,130</u>	<u>9,014</u>	<u>9,621</u>	<u>49,109</u>
Net income (loss)	<u>(20,544)</u>	<u>124,329</u>	<u>149,346</u>	<u>110,521</u>	<u>102,748</u>	<u>466,400</u>
Transfers	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ (20,544)</u>	<u>\$ 124,329</u>	<u>\$ 149,346</u>	<u>\$ 110,521</u>	<u>\$ 102,748</u>	<u>\$ 466,400</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2014 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,347,635	\$ 495,942	\$ 490,339	\$ 197,882	\$ 578,577	\$ 3,110,375
Expenses						
Claims						
Paid	453,335	644	159,683	27,225	-	640,887
Case reserves	55,038	-	-	-	-	55,038
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>508,373</u>	<u>644</u>	<u>159,683</u>	<u>27,225</u>	<u>-</u>	<u>695,925</u>
Other						
Insurance and reinsurance premiums	211,477	351,469	181,241	71,340	-	815,527
Administrative expenses	-	-	-	-	561,046	561,046
Total other expenses	<u>211,477</u>	<u>351,469</u>	<u>181,241</u>	<u>71,340</u>	<u>561,046</u>	<u>1,376,573</u>
Total expenses	<u>719,850</u>	<u>352,113</u>	<u>340,924</u>	<u>98,565</u>	<u>561,046</u>	<u>2,072,498</u>
Operating income	<u>627,785</u>	<u>143,829</u>	<u>149,415</u>	<u>99,317</u>	<u>17,531</u>	<u>1,037,877</u>
Non-operating income						
Investment income	54,879	10,894	11,157	7,556	2,562	87,048
Miscellaneous income	-	-	-	-	44	44
Total non-operating income	<u>54,879</u>	<u>10,894</u>	<u>11,157</u>	<u>7,556</u>	<u>2,606</u>	<u>87,092</u>
Net income	682,664	154,723	160,572	106,873	20,137	1,124,969
Transfers	-	-	-	-	-	-
Fund surplus	<u>\$ 682,664</u>	<u>\$ 154,723</u>	<u>\$ 160,572</u>	<u>\$ 106,873</u>	<u>\$ 20,137</u>	<u>\$ 1,124,969</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2015 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,946,082	\$ 510,526	\$ 468,903	\$ 171,484	\$ 649,081	\$ 3,746,076
Expenses						
Claims						
Paid	1,950,841	2,901	114,195	12,980	-	2,080,917
Case reserves	53,940	-	-	-	-	53,940
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>2,004,781</u>	<u>2,901</u>	<u>114,195</u>	<u>12,980</u>	<u>-</u>	<u>2,134,857</u>
Other						
Insurance and reinsurance premiums	225,242	353,146	226,695	72,061	-	877,144
Administrative expenses	-	-	-	-	630,053	630,053
Total other expenses	<u>225,242</u>	<u>353,146</u>	<u>226,695</u>	<u>72,061</u>	<u>630,053</u>	<u>1,507,197</u>
Total expenses	<u>2,230,023</u>	<u>356,047</u>	<u>340,890</u>	<u>85,041</u>	<u>630,053</u>	<u>3,642,054</u>
Operating income (loss)	<u>(283,941)</u>	<u>154,479</u>	<u>128,013</u>	<u>86,443</u>	<u>19,028</u>	<u>104,022</u>
Non-operating income						
Investment income	6,745	8,486	4,941	4,755	1,925	26,852
Miscellaneous income	-	-	-	-	24	24
Total non-operating income	<u>6,745</u>	<u>8,486</u>	<u>4,941</u>	<u>4,755</u>	<u>1,949</u>	<u>26,876</u>
Net income (loss)	<u>(277,196)</u>	<u>162,965</u>	<u>132,954</u>	<u>91,198</u>	<u>20,977</u>	<u>130,898</u>
Transfers	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ (277,196)</u>	<u>\$ 162,965</u>	<u>\$ 132,954</u>	<u>\$ 91,198</u>	<u>\$ 20,977</u>	<u>\$ 130,898</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2016 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,987,230	\$ 539,600	\$ 501,733	\$ 184,924	\$ 675,280	\$ 3,888,767
Expenses						
Claims						
Paid	811,367	10,811	161,927	9,642	-	993,747
Case reserves	79,276	-	-	-	-	79,276
IBNR reserves	3,398	-	-	-	-	3,398
Claims - net	<u>894,041</u>	<u>10,811</u>	<u>161,927</u>	<u>9,642</u>	<u>-</u>	<u>1,076,421</u>
Other						
Insurance and reinsurance premiums	283,319	408,816	279,998	83,885	-	1,056,018
Administrative expenses	-	-	-	-	645,971	645,971
Total other expenses	<u>283,319</u>	<u>408,816</u>	<u>279,998</u>	<u>83,885</u>	<u>645,971</u>	<u>1,701,989</u>
Total expenses	<u>1,177,360</u>	<u>419,627</u>	<u>441,925</u>	<u>93,527</u>	<u>645,971</u>	<u>2,778,410</u>
Operating income	<u>809,870</u>	<u>119,973</u>	<u>59,808</u>	<u>91,397</u>	<u>29,309</u>	<u>1,110,357</u>
Non-operating income						
Investment income	69,210	8,262	5,620	6,127	2,960	92,179
Miscellaneous income	-	-	-	-	1	1
Total non-operating income	<u>69,210</u>	<u>8,262</u>	<u>5,620</u>	<u>6,127</u>	<u>2,961</u>	<u>92,180</u>
Net income	<u>879,080</u>	<u>128,235</u>	<u>65,428</u>	<u>97,524</u>	<u>32,270</u>	<u>1,202,537</u>
Transfers	-	-	-	-	-	-
Fund surplus	<u>\$ 879,080</u>	<u>\$ 128,235</u>	<u>\$ 65,428</u>	<u>\$ 97,524</u>	<u>\$ 32,270</u>	<u>\$ 1,202,537</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2017 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,903,019	\$ 521,154	\$ 540,800	\$ 169,331	\$ 669,857	\$ 3,804,161
Expenses						
Claims						
Paid	1,086,926	500	165,677	14,399	-	1,267,502
Case reserves	216,917	-	-	-	-	216,917
IBNR reserves	<u>3,900</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,934</u>
Claims - net	1,307,743	534	165,677	14,399	-	1,488,353
Other						
Insurance and reinsurance premiums	241,428	381,885	273,136	77,953	-	974,402
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>642,164</u>	<u>642,164</u>
Total other expenses	<u>241,428</u>	<u>381,885</u>	<u>273,136</u>	<u>77,953</u>	<u>642,164</u>	<u>1,616,566</u>
Total expenses	<u>1,549,171</u>	<u>382,419</u>	<u>438,813</u>	<u>92,352</u>	<u>642,164</u>	<u>3,104,919</u>
Operating income	353,848	138,735	101,987	76,979	27,693	699,242
Non-operating income						
Investment income	46,222	8,309	7,347	4,493	4,230	70,601
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income	<u>46,222</u>	<u>8,309</u>	<u>7,347</u>	<u>4,493</u>	<u>4,230</u>	<u>70,601</u>
Net income	400,070	147,044	109,334	81,472	31,923	769,843
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus	<u>\$ 400,070</u>	<u>\$ 147,044</u>	<u>\$ 109,334</u>	<u>\$ 81,472</u>	<u>\$ 31,923</u>	<u>\$ 769,843</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2018 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,815,927	\$ 532,848	\$ 529,930	\$ 156,190	\$ 660,733	\$ 3,695,628
Expenses						
Claims						
Paid	1,173,379	-	259,420	27,325	-	1,460,124
Case reserves	396,795	-	-	46,206	-	443,001
IBNR reserves	13,661	1	-	403	-	14,065
Claims - net	<u>1,583,835</u>	<u>1</u>	<u>259,420</u>	<u>73,934</u>	<u>-</u>	<u>1,917,190</u>
Other						
Insurance and reinsurance premiums	238,857	436,847	282,992	74,374	-	1,033,070
Administrative expenses	-	-	-	-	632,225	632,225
Total other expenses	<u>238,857</u>	<u>436,847</u>	<u>282,992</u>	<u>74,374</u>	<u>632,225</u>	<u>1,665,295</u>
Total expenses	<u>1,822,692</u>	<u>436,848</u>	<u>542,412</u>	<u>148,308</u>	<u>632,225</u>	<u>3,582,485</u>
Operating income (loss)	<u>(6,765)</u>	<u>96,000</u>	<u>(12,482)</u>	<u>7,882</u>	<u>28,508</u>	<u>113,143</u>
Non-operating income						
Investment income	36,666	6,542	5,313	3,301	6,141	57,963
Miscellaneous income	-	-	-	-	-	-
Total non-operating income	<u>36,666</u>	<u>6,542</u>	<u>5,313</u>	<u>3,301</u>	<u>6,141</u>	<u>57,963</u>
Net income (loss)	<u>29,901</u>	<u>102,542</u>	<u>(7,169)</u>	<u>11,183</u>	<u>34,649</u>	<u>171,106</u>
Transfers	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 29,901</u>	<u>\$ 102,542</u>	<u>\$ (7,169)</u>	<u>\$ 11,183</u>	<u>\$ 34,649</u>	<u>\$ 171,106</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2019 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,838,404	\$ 527,438	\$ 569,298	\$ 152,644	\$ 674,257	\$ 3,762,041
Expenses						
Claims						
Paid	735,896	-	198,047	1,750	-	935,693
Case reserves	339,417	-	-	-	-	339,417
IBNR reserves	32,715	662	-	507	-	33,884
Claims - net	<u>1,108,028</u>	<u>662</u>	<u>198,047</u>	<u>2,257</u>	<u>-</u>	<u>1,308,994</u>
Other						
Insurance and reinsurance premiums	210,864	422,617	306,081	63,892	-	1,003,454
Administrative expenses	-	-	-	-	641,061	641,061
Total other expenses	<u>210,864</u>	<u>422,617</u>	<u>306,081</u>	<u>63,892</u>	<u>641,061</u>	<u>1,644,515</u>
Total expenses	<u>1,318,892</u>	<u>423,279</u>	<u>504,128</u>	<u>66,149</u>	<u>641,061</u>	<u>2,953,509</u>
Operating income	<u>519,512</u>	<u>104,159</u>	<u>65,170</u>	<u>86,495</u>	<u>33,196</u>	<u>808,532</u>
Non-operating income						
Investment income	28,894	5,974	7,125	2,265	7,169	51,427
Miscellaneous expense	-	-	-	-	(30)	(30)
Total non-operating income	<u>28,894</u>	<u>5,974</u>	<u>7,125</u>	<u>2,265</u>	<u>7,139</u>	<u>51,397</u>
Net income	548,406	110,133	72,295	88,760	40,335	859,929
Transfers	-	-	-	-	-	-
Fund surplus	<u>\$ 548,406</u>	<u>\$ 110,133</u>	<u>\$ 72,295</u>	<u>\$ 88,760</u>	<u>\$ 40,335</u>	<u>\$ 859,929</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2020 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,992,708	\$ 511,357	\$ 595,019	\$ 123,849	\$ 694,843	\$ 3,917,776
Expenses						
Claims						
Paid	742,828	250	232,085	25,419	-	1,000,582
Case reserves	580,652	-	-	-	-	580,652
IBNR reserves	116,601	19,480	-	19,849	-	155,930
Claims - net	<u>1,440,081</u>	<u>19,730</u>	<u>232,085</u>	<u>45,268</u>	<u>-</u>	<u>1,737,164</u>
Other						
Insurance and reinsurance premiums	278,964	443,852	335,019	62,598	-	1,120,433
Administrative expenses	-	-	-	-	674,016	674,016
Total other expenses	<u>278,964</u>	<u>443,852</u>	<u>335,019</u>	<u>62,598</u>	<u>674,016</u>	<u>1,794,449</u>
Total expenses	<u>1,719,045</u>	<u>463,582</u>	<u>567,104</u>	<u>107,866</u>	<u>674,016</u>	<u>3,531,613</u>
Operating income	<u>273,663</u>	<u>47,775</u>	<u>27,915</u>	<u>15,983</u>	<u>20,827</u>	<u>386,163</u>
Non-operating income						
Investment income	3,023	1,109	1,210	200	1,654	7,196
Miscellaneous expense	-	-	-	-	1	1
Total non-operating income	<u>3,023</u>	<u>1,109</u>	<u>1,210</u>	<u>200</u>	<u>1,655</u>	<u>7,197</u>
Net income	<u>276,686</u>	<u>48,884</u>	<u>29,125</u>	<u>16,183</u>	<u>22,482</u>	<u>393,360</u>
Transfers	-	-	-	-	-	-
Fund surplus	<u>\$ 276,686</u>	<u>\$ 48,884</u>	<u>\$ 29,125</u>	<u>\$ 16,183</u>	<u>\$ 22,482</u>	<u>\$ 393,360</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2021 Fund Year
Cumulative Operating Results Analysis
December 31, 2021**

	<u>Workers' Compensation</u>	<u>Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue						
Underwriting income - regular contributions	\$ 1,397,630	\$ 425,787	\$ 506,523	\$ 93,970	\$ 573,597	\$ 2,997,507
Expenses						
Claims						
Paid	555,080	15	153,713	4,322	-	713,130
Case reserves	734,632	82	32,697	-	-	767,411
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>1,289,712</u>	<u>97</u>	<u>186,410</u>	<u>4,322</u>	<u>-</u>	<u>1,480,541</u>
Other						
Insurance and reinsurance premiums	212,306	374,683	306,822	49,556	-	943,367
Administrative expenses	-	-	-	-	561,642	561,642
Total other expenses	<u>212,306</u>	<u>374,683</u>	<u>306,822</u>	<u>49,556</u>	<u>561,642</u>	<u>1,505,009</u>
Total expenses	<u>1,502,018</u>	<u>374,780</u>	<u>493,232</u>	<u>53,878</u>	<u>561,642</u>	<u>2,985,550</u>
Operating income	<u>(104,388)</u>	<u>51,007</u>	<u>13,291</u>	<u>40,092</u>	<u>11,955</u>	<u>11,957</u>
Non-operating income						
Investment income	(1,107)	(335)	(401)	(74)	(453)	(2,370)
Miscellaneous expense	-	-	-	-	6	6
Total non-operating income	<u>(1,107)</u>	<u>(335)</u>	<u>(401)</u>	<u>(74)</u>	<u>(447)</u>	<u>(2,364)</u>
Net income	(105,495)	50,672	12,890	40,018	11,508	9,593
Transfers	-	-	-	-	-	-
Fund surplus	<u>\$ (105,495)</u>	<u>\$ 50,672</u>	<u>\$ 12,890</u>	<u>\$ 40,018</u>	<u>\$ 11,508</u>	<u>\$ 9,593</u>

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**First Responder Joint Insurance Fund
2020 Fund Year
Cumulative Expense Analysis
December 31, 2021**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Actuary	\$ 14,271	\$ -	\$ 14,271
Administrator	195,889	-	195,889
Attorney	37,244	-	37,244
Auditor	9,551	-	9,551
Claims service	38,032	-	38,032
Treasurer	4,200	-	4,200
Non-contracted expenses	6,494	-	6,494
Loss control and safety	48,787	-	48,787
Website	4,227	-	4,227
RMC fees	299,571	-	299,571
Contingency	<u>-</u>	<u>15,750</u>	<u>15,750</u>
	<u>\$ 658,266</u>	<u>\$ 15,750</u>	<u>\$ 674,016</u>

See Independent Auditor's Report.

**First Responder Joint Insurance Fund
2021 Fund Year
Cumulative Expense Analysis
December 31, 2021**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Actuary	\$ 14,628	\$ -	\$ 14,628
Administrator	137,385	12,490	149,875
Attorney	31,658	6,331	37,989
Auditor	-	9,742	9,742
Claims service	27,125	12,141	39,266
Treasurer	4,200	-	4,200
Non-contracted expenses	5,334	4,666	10,000
Loss control and safety	37,466	3,406	40,872
Website	3,791	1,209	5,000
RMC fees	235,070	-	235,070
Contingency	-	15,000	15,000
	<u>\$ 496,657</u>	<u>\$ 64,985</u>	<u>\$ 561,642</u>

See Independent Auditor's Report.

OTHER INFORMATION

**First Responder Joint Insurance Fund
Comments and Recommendations
December 31, 2021 and 2020**

None.

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