REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED

JUNE 30, 2023 AND 2022

NEW JERSEY SCHOOLS INSURANCE GROUP
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INDEPENDENT AUDITOR'S REPORT

Chairperson and Members
of the Board of Trustees
New Jersey Schools Insurance Group
Mount Laurel, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the New Jersey Schools Insurance Group (the "Group") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Group's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Group as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Group 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.

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowman.cpa

Chairperson and Members
of the Board of Trustees
New Jersey Schools Insurance Group

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2023, the Group adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements ("SBITA").* Our opinion is not modified with respect to this matter.

Prior Period Restatement

Because of the implementation of GASB Statement No. 96, *SBITA*, the accompanying financial statements as of and for the fiscal year ended June 30, 2022 have been restated, as discussed in Note 16 to the financial statements. Our opinion is not modified with respect to this matter.

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 the Group's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

Chairperson and Members
of the Board of Trustees
New Jersey Schools Insurance Group

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 Group'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023, on our consideration of the Group'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 Group'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 Group's internal control over financial reporting and compliance.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 15, 2023

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

INDEPENDENT AUDITOR'S REPORT

Chairperson and Members
of the Board of Trustees
New Jersey Schools Insurance Group
Mount Laurel, 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 New Jersey Schools Insurance Group (the "Group"), as of June 30, 2023, and for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Group's basic financial statements, and have issued our report thereon dated November 15, 2023. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the restatement of the prior period financial statements resulting from the new accounting principle.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Group'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 Group's internal control. Accordingly, we do not express an opinion on the effectiveness of the Group'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 Group'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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowman.cpa

Chairperson and Members
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New Jersey Schools Insurance Group

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Group's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Group's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 15, 2023

New Jersey Schools Insurance Group
Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the New Jersey Schools Insurance Group (the "Group") presents a discussion and analysis of the financial performance of the Group for the fiscal years ended June 30, 2023, 2022, and 2021. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

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

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

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

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

Financial Highlights

The following tables summarize the net position and results of operations for the Group as of and for the fiscal years ended June 30, 2023, 2022, and 2021.

Statements of Net Position

		Restated		2022 to 2023 Change	
	6/30/2023	6/30/2022	6/30/2021	Amount	Percentage
Assets					
Cash And Cash Equivalents	$ 197,732,897	$ 212,316,690	$ 217,156,519	$ (14,583,793)	-6.87%
Investments	216,830,986	187,875,304	190,625,401	28,955,682	15.41%
Capital Assets	1,332,320	995,045	1,319,707	337,275	33.90%
Other Assets	13,152,985	18,407,290	1,652,309	(5,254,305)	-28.54%
Total Assets	429,049,188	419,594,329	410,753,936	9,454,859	2.25%
Deferred Outflows of Resources	2,199,923	2,084,658	2,885,877	115,265	5.53%
Current Liabilities					
Loss Reserves	195,369,000	192,291,000	192,342,000	3,078,000	1.60%
Other Liabilities	13,703,007	20,004,344	19,300,671	(6,301,337)	-31.50%
Total Current Liabilities	209,072,007	212,295,344	211,642,671	(3,223,337)	-1.52%
Long-Term Liabilities					
Safety Grant Payable	4,000,000	6,000,000	8,500,000	(2,000,000)	-33.33%
Retirement Benefits	1,744,798	1,671,471	2,026,709	73,327	4.39%
Lease Liability	413,444	674,698	924,235	(261,254)	-38.72%
Subscription Liability	254,417	-	-	254,417	100.00%
Net Pensions Liabilities	12,323,932	9,756,136	12,995,945	2,567,796	26.32%
Total Long-Term Liabilities	18,736,591	18,102,305	24,446,889	634,286	3.50%
Total Liabilities And Reserves	227,808,598	230,397,649	236,089,560	(2,589,051)	-1.12%
Deferred Inflows of Resources	2,131,788	6,277,027	5,728,017	(4,145,239)	-66.04%
Net Position					
Invested in Capital Assets	1,332,320	995,045	1,319,707	337,275	33.90%
Unrestricted	199,976,405	184,009,266	170,502,529	15,967,139	8.68%
Net Position - Unrestricted	$ 201,308,725	$ 185,004,311	$ 171,822,236	$ 16,304,414	8.81%

Financial Highlights Continued

Statements of Revenues, Expenses, and Changes in Net Position Summary

	6/30/2023	Restated 6/30/2022	6/30/2021	2022 to 2023 Change Amount	2022 to 2023 Change Percentage
Operating Revenue					
Assessment Revenue & Other Income	$ 150,180,344	$ 136,489,970	$ 135,322,802	$ 13,690,374	10.03%
Operating Expenses					
Provision For Claims And Claims Adj Recoveries	61,940,124	50,976,693	34,361,082	10,963,431	21.51%
Reinsurance Premiums	50,128,643	42,523,338	39,706,292	7,605,305	17.89%
Salaries and Fringe Benefits	7,683,302	6,491,365	8,411,685	1,191,937	18.36%
Agent Commissions	17,809,913	15,951,141	16,112,143	1,858,772	11.65%
Safety Grant Expense	-	2,000,000	2,000,000	(2,000,000)	-100.00%
Professional Services	1,541,474	1,469,535	1,368,364	71,939	4.90%
Other	1,271,480	984,594	1,286,195	286,886	29.14%
Depreciation and Amortization	790,492	985,101	761,971	(194,609)	-19.76%
Total Operating Expenses	141,165,428	121,381,767	104,007,732	19,783,661	16.30%
Operating Income	9,014,916	15,108,203	31,315,070	(6,093,287)	-40.33%
Investment Income (Loss)	9,889,436	(1,926,128)	1,323,370	11,815,564	613.44%
Return of Surplus	2,599,938	-	-	2,599,938	100.00%
Change In Net Position	$ 16,304,414	$ 13,182,075	$ 32,638,440	$ 3,122,339	23.69%

The Group's total assets increased by 2.25% and total liabilities and reserves decreased by 1.12%. Included in total liabilities and reserves, loss reserves increased by 1.60%.

Operating income decreased by $6,093,287 primarily due to an increase in the operating expenses of $19,783,661, the majority of which was an increase in the provisions for claims and claims adjustment recovery.

Investment income for the fiscal year ended June 30, 2023, increased by $11,815,564 from the prior year due to investment interest on US Treasury Notes and Bills yields increasing. This attributed to unrealized gains this year which affected investment earnings. Realized gains and interest increased compared to the preceding year due to yields, the duration that US Treasury Notes and Bills were held, and par values before being sold.

Net Position increased by $16,304,414.

Economic Conditions

As a school board insurance group, the Group continues to be subject to many of the same economic conditions and trends as the commercial insurance market, including, but not limited to, inflationary trends in claim costs, fluctuations in U.S. Treasury Bond yields, and inflationary trends in the cost of obtaining excess/reinsurance.

Contacting the Group's Management

This financial report is designed to provide the New Jersey Schools Insurance Group's members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Group's finances and to demonstrate the Group'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's Office at 6000 Midlantic Drive, Mount Laurel, New Jersey 08054.

Exhibit A-1

NEW JERSEY SCHOOLS INSURANCE GROUP
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	Restated 2022
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 197,732,897	$ 212,316,690
Investments	216,830,986	187,875,304
Assessment Receivable	1,729,045	1,436,384
Accrued Interest and Dividends	1,525,811	84,368
Reinsurance Receivable	9,351,269	16,506,751
Prepaid Expenses and Other Assets	546,860	379,787
Total Current Assets	427,716,868	418,599,284
Capital Assets:		
Capital Assets, Net of Accumulated Depreciation and Amortization	1,332,320	995,045
Total Assets	429,049,188	419,594,329
DEFFERED OUTFLOWS OF RESOURCES		
Related to Pension	2,199,923	2,084,658
LIABILITIES AND RESERVES		
Current Liabilities:		
Unearned Assessments		374,821
Accounts Payable and Accrued Expenses	8,342,239	8,416,288
Return of Member Assessments Payable		6,346,945
Lease Liability	261,253	249,537
Subscription Liability	498,772	16,010
Authorized Return of Surplus Payable	2,599,938	
Safety Grant Payable	2,000,805	4,600,743
Total Current Liabilities	13,703,007	20,004,344
Claims Reserves:		
Case Reserves	126,844,000	113,968,000
IBNR Reserves	68,525,000	78,323,000
Total Claims Reserves	195,369,000	192,291,000
Long-Term Liabilities:		
Safety Grant Payable	4,000,000	6,000,000
Other Post Employment Benefits	1,744,798	1,671,471
Lease Liability	413,444	674,698
Subscription Liability	254,417	
Net Pension Liability	12,323,932	9,756,136
Total Long-Term Liabilities	18,736,591	18,102,305
Total Liabilities and Reserves	227,808,598	230,397,649
DEFFERED INFLOWS OF RESOURCES		
Related to Pension	2,131,788	6,277,027
NET POSITION		
Investment in Capital Assets	1,332,320	995,045
Unrestricted	199,976,405	184,009,266
Total Net Position	$ 201,308,725	$ 185,004,311

The Accompanying Notes to Financial Statements are an Integral Part of this Statement

NEW JERSEY SCHOOLS INSURANCE GROUP
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	Restated 2022
Operating Revenue:		
Assessment Revenue	$ 150,175,791	$ 136,489,157
Claims Servicing Revenue	4,553	740
Other Income		73
Total Operating Revenue	150,180,344	136,489,970
Operating Expenses:		
Provision for Claims and Claims Adjustment Expense	61,940,124	50,976,693
Reinsurance Premiums	50,128,643	42,523,338
Salaries and Fringe Benefits	7,683,302	6,491,365
Agent Commissions	17,809,913	15,951,141
Safety Grant Expense		2,000,000
Management Fees	581,250	637,500
Office Expenses	893,419	610,400
Consulting and Professional Fees	960,224	832,035
Travel and Meeting Expense	50,931	21,142
Other	327,130	353,052
Depreciation and Amortization	790,492	985,101
Total Operating Expenses	141,165,428	121,381,767
Operating Income	9,014,916	15,108,203
Non-Operating Revenue (Expense):		
Investment Income (Loss)	9,889,436	(1,926,128)
Change In Net Position	18,904,352	13,182,075
Net Position, Beginning	185,004,311	171,822,236
Net Position Before Distributions to Members	203,908,663	185,004,311
Return of Surplus	2,599,938	
Net Position, Ending	$ 201,308,725	$ 185,004,311

The Accompanying Notes to Financial Statements are an Integral Part of this Statement

Exhibit A-3

NEW JERSEY SCHOOLS INSURANCE GROUP
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	Restated 2022
Cash Flows From Operating Activities:		
Receipts From Assessments	$ 143,161,364	$ 135,270,354
Payments For Reinsurance Premiums	(50,128,643)	(42,523,338)
Payments For Claims Expenses	(51,706,642)	(66,845,908)
Payments For Operating Expenses	(26,092,571)	(22,745,859)
Payments For Salaries and Fringe Benefits	(9,302,683)	(8,736,183)
Receipts From Other Income	4,553	813
Net Cash Flows Provided By (Used In) Operating Activities	5,935,378	(5,580,121)
Cash Flows From Investing Activities:		
Proceeds from the Sales and Maturities of Investment Securities	157,501,175	127,603,728
Purchase of Investments	(184,210,410)	(128,615,203)
Investment Income	6,201,546	2,035,880
Net Cash Provided By (Used In) Investing Activities	(20,507,689)	1,024,405
Cash Flows From Capital and Related Financing Activities:		
Purchase of Capital Assets	(11,482)	(284,113)
Net Cash Used In Capital and Related Financing Activities	(11,482)	(284,113)
Net Decrease in Cash and Cash Equivalents	(14,583,793)	(4,839,829)
Cash and Cash Equivalents - Beginning	212,316,690	217,156,519
Cash and Cash Equivalents - Ending	$ 197,732,897	$ 212,316,690
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Operating Income	$ 9,014,916	$ 15,108,203
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization	790,492	985,101
Changes in Assets and Liabilities:		
(Increase)/Decrease in Assets		
Assessment Receivable	(292,661)	(1,204,008)
Reinsurance Receivable	7,155,482	(15,818,215)
Prepaid Expenses and Other Assets	(167,073)	66,806
Net Changes in Deferred Outflows	(115,265)	801,219
Increase/(Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	(74,049)	682,920
Member Return Payable	(6,346,945)	
Safety Grant Payable	(4,599,938)	(2,491,968)
Change in Loss Reserves	3,078,000	(51,000)
Unearned Assessments	(374,821)	(14,795)
Net Pension Liability	2,641,123	(3,595,047)
Lease Liability	(249,507)	(235,062)
Subscription Liability	(379,137)	(363,285)
Net Changes in Deferred Inflows	(4,145,239)	549,010
Net Cash Flows Provided By (Used In) Operating Activities	$ 5,935,378	$ (5,580,121)
Supplemental Disclosures:		
Non-Cash Activity:		
Addition of Right-To-Use Asset	$ 1,102,170	$ -
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	$ 643,753	$ 617,761

The Accompanying Notes to Financial Statements are an Integral Part of this Statement

NEW JERSEY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE GROUP

The New Jersey Schools Insurance Group ("the Group") was formed on October 22, 1983, in accordance with the New Jersey Statutes (N.J.S.A. 18A:18b-1 et seq). The bylaws of the Group, 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 Group. During the fiscal year ended June 30, 2014, the Bylaws were amended changing the name from New Jersey School Boards Association Insurance Group to New Jersey Schools Insurance Group.

Membership in the Group is open to all qualified New Jersey school districts and/or educational institutions as determined by the Group's Trustees. The school district's and/or educational institution's Board may apply for membership by resolution. All applicants to the Group must also include a letter certifying that the school district has never defaulted on a claim and has not been canceled for non-payment of insurance premiums for a period of at least two (2) years prior to the date of application. This certification must also be included in the Members Resolution of Participation. The Trustees may approve qualified applicants by majority vote.

The Group provides coverage for workers' compensation, general and automobile liability, auto physical damage, property, crime, and cyber liability. The Group uses reinsurance agreements to reduce its exposure to large losses on the types of coverages.

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

A summary of the risk amounts by the Group, by line of coverage are as follows:

Line of Coverage	**Retention**
Workers' compensation	\$1,000,000 per occurrence for fund years 2004 to 2023, \$350,000 per occurrence for fund years 1992 to 2002, and \$500,000 per occurrence for fund years 1986 to 1991 and 2003. For periods prior to 1987, annual aggregate retention based on minimum varying percentages of standard earning premium.
General liability and automobile liability	\$1,000,000 per occurrence for fund years 2022 to 2023, \$500,000 per occurrence for fund years 2003 to 2021, \$100,000 per occurrence for fund years 1999 to 2002, \$250,000 per occurrence for fund years 1988 to 1998, and \$200,000 per occurrence for periods prior to fund year 1988.
Property	\$1,000,000 per occurrence for fund years 2004 to 2023, \$150,000 per occurrence for fund year 1989 to 2001, and \$250,000 per occurrence for period prior to fund year 1989.
Crime	\$100,000 per occurrence.
Cyber Liability	\$500,000 per occurrence for fund year 2023.

Note 1: ORGANIZATION AND DESCRIPTION OF THE GROUP (CONT'D)

In addition, there are aggregate retentions applicable to losses in excess of the per occurrence retentions. For fund years 1994 to 1998, the aggregate retention is $250,000 for general and automobile liability losses and $350,000 for workers' compensation losses. For fund years 1999 to 2002, the aggregate retention is $100,000 for general and automobile liability and $350,000 workers' compensation losses.

For fund years 2003 to 2008, the aggregate retention is $500,000 for general and automobile liability and workers' compensation losses. For fund years 2003 to 2008, there was an additional one-time, inner aggregate retention of $500,000, excess of the $500,000 retention for general and automobile liability.

The Group also writes policies covering equipment breakdown, supplemental indemnity, environmental, crisis management, RESTART, and Terrorism; all of which are ceded 100% to reinsurance. The errors and omissions prior to 2003, and 2009 to 2023, was ceded 100% to reinsurance. During 2003 to 2008, the Group had a $1,000,000 retention.

During the fiscal years ended June 30, 2023 and 2022, there were 367 and 375 New Jersey school districts, respectively, that were members of the Group.

The Group also provides claims processing services for several New Jersey school districts. The Group does not retain any risk for these school districts. The Group had revenue from these services of $4,553 and $740 during the fiscal years ended June 30, 2023 and 2022, respectively.

Brokerage of policies is administered by Alliant Insurance Services, Inc. under contract with the Group. The Group administers the billings to members.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Component Unit

In evaluating how to define the Group for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement 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.

The basic, but not the only criterion for including a potential component unit within the reporting entity is the primary entity'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 and / or its citizens.

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.

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

Component Unit (Cont'd)

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

Basis of Presentation

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

Basis of Accounting

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

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

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

Cash, Cash Equivalents, and Investments

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

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

Cash, Cash Equivalents, and Investments

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

Investments

The Group generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The Group categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Income Allocation

Interest accruals and interest payments on cash instruments are allocated every month based upon each line of coverage share of opening cash and investment balances.

Annual Assessments

By May 15th of each year, the gross claim Group assessment is determined by the actuary and when combined with the expense and premium projections, constitutes the Group's budget. Assessments for participating School Districts are determined by the underwriting criteria established by management in consultation with the Board of Trustees. Assessments are recognized over the course of the year for which coverage is being provided. The annual assessment shall be paid to the Group in one (1) installment, except for Workers' Compensation, where members may request up to a maximum of twelve (12) monthly installments. Installment billings must be paid not later than sixty (60) days after billing.

Supplemental Assessments

If the Group is unable to pay indemnification obligations and expenses from a fund administered by it, the Trustees shall by majority vote levy upon the member school districts' additional assessments wherever needed or so ordered by the Trustees or the Commissioner of Banking and Insurance to supplement the Group's claim, loss retention or administrative accounts to assure the payment of the Group's obligations.

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

Lease Liability

The Group will recognize a lease liability at the commencement of the lease term, unless the lease is a short-term lease (12 months or less) or it transfers ownership of the underlying asset. The lease liability will be measured at the present value of payments expected to be made during the lease term (less any lease incentives) and reduced as payments are made and recognized for interest expense on the liability.

Assessments Earned

Assessments earned are recognized on a daily pro-rata basis over the term of the policy assessments applicable to the unexpired terms of the policies in force are reported as a liability and classified as unearned assessment at the balance sheet date.

Assessments Receivable

Assessments receivables are unsecured, and noninterest-bearing and are recorded when invoices are issued. The recording of invoices has nothing to do with financial statement presentation. Payments of assessments receivable are allocated to specific invoices identified on the members' invoice or if unspecified, they are applied "on account" to the member until identification is received from the member. Assessments receivables are written off when they are determined to be uncollectible.

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year-end.

Capital Assets

Capital Assets primarily consist of office furniture, equipment, and lease assets (i.e., an intangible right-to-use assets). Additions of furniture and equipment are recorded at cost and depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 5 years. Maintenance and repairs are charges to expense as incurred. Additions of intangible right-to-use assets are measured at the present value of payments expected to be made during the lease term (less any lease incentives), plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs; and amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows of Resources

The Group reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its comparative statements of net position. The only deferred outflows of resources reported in this fiscal year's financial statements are a deferred outflow of resources for contributions made to the Group's defined benefit pension plan between the measurement date of the net pension liability from the plan and the end of the Group's fiscal year.

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

Deferred Inflows of Resources

The Group's comparative statements of net position report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. Deferred inflows of resources are reported in the Group's comparative statements of net position for a deferred amount for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of five (5) years, including the current fiscal year.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Unpaid Claims Liabilities

The Group 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 claims adjuster.

B. Claims Incurred But Not Reported ("IBNR") Reserve
   In order to recognize claims incurred but not reported, a reserve is calculated by the Group's actuary.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Group and claims incurred but not reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Group and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through June 30, 2023.

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

Unpaid Claims Liabilities (Cont'd)

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 are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in current operations.

Reinsurance

Specific Excess Insurance - The Group records each claim at the estimated ultimate cost of settlement even if the costs should exceed the Group's specific claim self-insured retention level. Although the excess carrier is liable to the Group for the amounts insured, the Group remains liable to its insureds for the full amount of the policies written whether or not the excess carrier meets its obligations to the Group. Failure of the excess carrier to honor its obligations could result in losses to the Group.

Losses ceded to excess carriers for the fiscal years ended June 30, 2023 and 2022, amounted to $11,723,305 and $20,126,168, respectively.

Fund Transfers

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

Inter-trust fund transfers may be conducted by the Group at any time. Inter-trust fund transfers require prior approval of the Department of Banking and Insurance and may be conducted only where each member participates in every loss retention fund account during that fund year.

The Commissioner of the Department of Banking and Insurance shall waive the full participation requirement provided the Group demonstrates to the Department that it maintains records of each member's pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.

Inter-year fund transfers require prior approval of the Department of Banking and Insurance. The Group may seek approval from the Commissioner to make inter-year fund transfers at any time from a claims or loss retention trust account from any year that has been completed for at least twenty-four months. The inter-year fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

The membership for each fiscal year involving inter-year transfers must be identical between fiscal years. The Commissioner of the Department of Banking and Insurance shall waive the identical membership requirement provided the Group demonstrates to the Department that it maintains records of each member's pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

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

Subrogation

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

Income Taxes

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

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Trustees have 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 Trustees.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and investments in government securities.

Operating expenses include expenses associated with the fund operations, including claims expenses, insurance, and administrative expenses.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Recently Adopted Accounting Pronouncements

Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users ("governments"). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Because of the implementation of GASB Statement No. 96, the Group has determined that SBITA's exist and now have been reported and disclosed in accordance with the Statement (notes 5 and 13).

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Group's deposits might not be recovered. Although the Group 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 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 Group 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 Group relative to the happening of a future condition. If the Group had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Group's bank balance of $199,248,843 as of June 30, 2023, $250,000 was insured while $198,998,843 was collateralized under GUDPA.

Of the Group's bank balance of $214,222,285 as of June 30, 2022, $250,000 was insured while $213,972,285 was collateralized under GUDPA.

New Jersey Cash Management Fund

During the fiscal year, the Group participated in the New Jersey Cash Management Fund. The Cash Management Fund is governed by regulations of the State Investment Council, which prescribe standards designed to ensure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2023 and 2022, the Group's deposits with the New Jersey Cash Management Fund were $355,909 and $343,362, respectively.

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 Group 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 Group, and are held by either the counterparty or the counterparty's trust department or agent but not in the Group's name. All of the Group's investments are in United States Treasury Bills and Notes totaling $210,740,847 and $187,848,084, respectively as of June 30, 2023 and 2022, and mutual funds totaling $6,090,139 and $27,220, respectively as of June 30, 2023 and 2022, were uninsured and unregistered with securities held by either the counterparty or counterparty's trust department or agent, but not in the Group'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. To limit risk, the Group's investment policy provides that no investment or deposit shall have a maturity longer than five (5) years from date of purchase.

Note 4: INVESTMENTS (CONT'D)

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 Group may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Group has an investment policy that limits its investment choices.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Group does not place a limit on the amount that may be invested in any one issuer. All of the Group's investments are in debt obligations.

As of June 30, 2023 and 2022, the Group had the following investments and maturities.

Investment	Interest Rate	Maturities	Credit Rating	Market Value 6/30/2023	Market Value 6/30/2022
Blackrock Liquidity Funds			AAA	$ 6,090,139	$ 27,220
US TREASURY BILL	2.970%	7/26/2022	AAA	-	6,244,512
US TREASURY BILL	2.960%	7/28/2022	AAA	-	6,286,450
US TREASURY BILL	2.730%	8/2/2022	AAA	-	6,278,087
US TREASURY BILL	2.770%	8/4/2022	AAA	-	9,689,136
US TREASURY BILL	0.380%	12/29/2022	AAA	-	9,544,402
US TREASURY NOTE	1.250%	9/30/2022	AAA	-	4,780,032
US TREASURY NOTE	1.250%	10/31/2022	AAA	-	9,636,077
US TREASURY NOTE	1.250%	11/30/2022	AAA	-	9,313,708
US TREASURY NOTE	1.250%	12/31/2022	AAA	-	9,203,686
US TREASURY NOTE	1.250%	1/31/2023	AAA	-	12,545,578
US TREASURY NOTE	1.250%	2/28/2023	AAA	-	12,533,378
US TREASURY NOTE	1.250%	3/31/2023	AAA	-	12,276,987
US TREASURY NOTE	1.250%	4/30/2023	AAA	-	9,188,500
US TREASURY NOTE	1.250%	5/31/2023	AAA	-	9,410,970
US TREASURY NOTE	1.250%	6/30/2023	AAA	-	10,062,582
US TREASURY NOTE	1.250%	7/31/2023	AAA	9,742,054	9,486,600
US TREASURY NOTE	1.250%	8/15/2023	AAA	9,273,330	4,890,622
US TREASURY NOTE	1.250%	8/31/2023	AAA	5,019,448	9,045,751
US TREASURY NOTE	1.250%	9/30/2023	AAA	9,152,430	8,959,533
US TREASURY NOTE	0.375%	10/31/2023	AAA	9,646,140	9,470,818
US TREASURY NOTE	0.250%	11/15/2023	AAA	9,168,144	9,000,675
US TREASURY NOTE	2.250%	01/31/2024	AAA	6,282,496	-
US TREASURY NOTE	2.750%	02/15/2024	AAA	6,294,976	-

Note 4: INVESTMENTS (CONT'D)

Concentration of Credit Risk (Cont'd)

Investment	Interest Rate	Maturities	Credit Rating	Market Value 6/30/2023	Market Value 6/30/2022
US TREASURY NOTE	2.750%	02/15/2024	AAA	$ 2,139,308	$ -
US TREASURY NOTE	2.250%	03/31/2024	AAA	6,396,730	-
US TREASURY NOTE	2.250%	03/31/2024	AAA	2,124,105	-
US TREASURY NOTE	0.375%	04/15/2024	AAA	9,661,769	-
US TREASURY NOTE	2.500%	04/30/2024	AAA	2,123,083	-
US TREASURY NOTE	2.500%	05/15/2024	AAA	4,777,108	-
US TREASURY NOTE	2.500%	05/15/2024	AAA	2,437,300	-
US TREASURY NOTE	2.500%	05/31/2024	AAA	2,118,341	-
US TREASURY NOTE	3.000%	06/30/2024	AAA	9,422,357	-
US TREASURY NOTE	3.000%	06/30/2024	AAA	2,123,692	-
US TREASURY NOTE	3.000%	07/31/2024	AAA	9,458,978	-
US TREASURY NOTE	3.000%	07/31/2024	AAA	2,119,864	-
US TREASURY NOTE	2.375%	08/15/2024	AAA	9,231,858	-
US TREASURY NOTE	3.250%	08/31/2024	AAA	2,122,757	-
US TREASURY NOTE	3.250%	08/31/2024	AAA	9,759,800	-
US TREASURY NOTE	4.250%	09/30/2024	AAA	12,582,720	-
US TREASURY NOTE	4.250%	09/30/2024	AAA	2,146,464	-
US TREASURY NOTE	4.375%	10/31/2024	AAA	9,681,714	-
US TREASURY NOTE	4.375%	10/31/2024	AAA	2,148,748	-
US TREASURY NOTE	4.500%	11/30/2024	AAA	2,151,902	-
US TREASURY NOTE	4.250%	12/31/2024	AAA	2,144,594	-
US TREASURY NOTE	4.125%	1/31/2025	AAA	2,140,853	-
US TREASURY NOTE	4.125%	1/31/2025	AAA	3,937,200	-
US TREASURY NOTE	4.625%	2/28/2025	AAA	2,158,100	-
US TREASURY NOTE	4.625%	2/28/2025	AAA	8,706,818	-
US TREASURY NOTE	3.875%	3/31/2025	AAA	12,273,982	-
US TREASURY NOTE	4.125%	5/31/2025	AAA	10,071,684	-
				$ 216,830,986	$ 187,875,304

Fair Value Measurements of Investments

The Group categorizes its fair value disclosures within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Note 4: INVESTMENTS (CONT'D)

Fair Value Measurements of Investments (Cont'd)

The Group's fair value measurements as of June 30, 2023 and 2022, includes $210,740,847 and $187,848,084, respectively of United States Treasury Bills and Notes. In addition, fair value measurements include $6,090,139 and $27,020, respectively of mutual funds that invests in U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the United States Treasury. These investments are valued using quoted market prices for identical assets (Level 1 inputs).

Note 5: CAPITAL ASSETS

Capital assets balances and activity for the fiscal year ended June 30, 2023, were as follows:

	Restated Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	$ 378,892	$ 11,443	$ (207,428)	$ 182,907
Less: Accumulated Depreciation				
Furniture and Equipment	(221,694)	(124,733)	207,428	(138,999)
Total Capital Assets Being Depreciated, Net	157,198	(113,290)	-	43,908
Lease Assets:				
Intangible Right-To-Use Lease Asset - Building	2,286,372	-	-	2,286,372
Less: Accumulated Amortization				
Intangible Right-To-Use Lease Asset - Building	(1,486,142)	(228,637)	-	(1,714,779)
Total Lease Assets Being Amortized, Net	800,230	(228,637)	-	571,593
Subscription Assets:				
Intangible Right-To-Use Subscription Asset - Software Agreements	376,326	1,116,324	-	1,492,650
Less: Accumulated Amortization				
Intangible Right-To-Use Subscription Asset - Software Agreements	(338,709)	(437,122)	-	(775,831)
Total Subscription Assets Being Amortized, Net	37,617	679,202	-	716,819
Total Governmental Activities, Capital Assets, Net	$ 995,045	$ 337,275	$ -	$ 1,332,320

Note 5: CAPITAL ASSETS (CONT'D)

Capital assets balances and activity for the fiscal year ended June 30, 2022, were as follows:

	Balance June 30, 2021	Increases	Decreases	Restated Balance June 30, 2022
Governmental Activities:				
Capital Assets Being Depreciated				
Furniture and Equipment	$ 683,119	$ 284,113	$ (588,340)	$ 378,892
Less: Accumulated Depreciation				
Furniture and Equipment	(392,279)	(417,755)	588,340	(221,694)
Total Capital Assets Being Depreciated, Net	290,840	(133,642)	-	157,198
Lease Assets:				
Intangible Right-To-Use Lease Asset - Building	2,286,372	-	-	2,286,372
Less: Accumulated Amortization				
Intangible Right-To-Use Lease Asset - Building	(1,257,505)	(228,637)	-	(1,486,142)
Total Lease Assets Being Amortized, Net	1,028,867	(228,637)	-	800,230
Subscription Assets:				
Intangible Right-To-Use Subscription Asset - Software Agreements	-	376,326	-	376,326
Less: Accumulated Amortization				
Intangible Right-To-Use Subscription Asset - Software Agreements	-	(338,709)	-	(338,709)
Total Subscription Assets Being Amortized, Net	-	37,617	-	37,617
Total Governmental Activities, Capital Assets, Net	$ 1,319,707	$ (324,662)	$ -	$ 995,045

Intangible Right-to-Use Lease Asset - Building

In fiscal year 2022, the Group implemented GASB Statement No. 87, *Leases*, and recognized the value of leased office space located at 6000 Midlantic Drive, Mount Laurel, NJ under the terms of a ten-year lease agreement dated July 14, 2015 through December 31, 2025. The building amortization expense is included on the Statements of Revenues, Expenses, and Changes in Net Position related to the Group's intangible asset of office space, which is included in the above table as Intangible Right-to-Use Lease - Building. The intangible right-to-use asset is being amortized over 10 years, the term of the current lease. Terms of this lease are described in Note 12.

Intangible Right-to-Use Subscription Asset - Software Agreements

In fiscal year 2023, the Group implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The Group has seven software arrangements that require recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses, and Changes in Net Position related to the Group's intangible asset of seven software systems, which is included in the above table as Intangible Right-to-Use Subscription Assets - Software Arrangements. Terms of this lease are described in Note 13.

Note 6: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts Payable and Accrued Expenses for the fiscal years ended June 30, 2023 and 2022, were as follows:

	2023	2022
Accounts Payable and Accrued Expenses - Vendors	$ 3,784,700	$ 4,014,356
Rate Stabilization Reserves - SubFunds	2,212,715	2,382,816
Due to Reinsurers	2,344,824	2,019,116
	$ 8,342,239	$ 8,416,288

Note 7: SAFETY GRANTS

During the fiscal year ended in June 30, 2009, the Group approved a new safety grant program to the membership of the Group. The Group recognized that in this current climate of tightening school budgets, it has become increasingly difficult to spend money on safety. In an effort to help alleviate this problem, the Group approved this grant. The program is designed to help members make safety, security, and educational related purchases toward loss prevention at the membership level.

Upon renewal, each member will be eligible for the grant amount defined by the Group's Trustees and allocated to sub funds and non-sub funds by the Group's independent actuary. Each sub fund members grant amount will be determined by the Group's independent actuary and/or by its respective grant sub fund committee. The Group developed the guidelines, application, and approval process under which all members may apply for a grant. Based on the criteria of the grant and the review of each member's application, a grant were awarded for $0 and $2,000,000 for the fiscal years ended June 30, 2023 and 2022, respectively.

Scheduled payments of the awards are allocated over future years. In order to be eligible to receive a scheduled payment during a fiscal year, the grant recipient must have been a member of record as of the July 1st of the payment year. During the fiscal year ended June 30, 2023, the Group paid $4,599,938 on previously awarded grants including $2,000,000 for grants awarded for the June 30, 2019 year-end and $2,599,938 for the June 30, 2018 year-end and prior.

As of June 30, 2023, total safety grants payable, assuming all grant recipients are members of record as of July 1st of the payment year are as follows:

		Award Years			
Year Payable	Total	6/30/2022	6/30/2021	6/30/2020	6/30/2019 and Prior
6/30/2024	$ 2,000,805			$ 2,000,000	$ 805
6/30/2025	2,000,000		$ 2,000,000		
6/30/2026	2,000,000	$ 2,000,000			
	$ 6,000,805	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 805

Note 8: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Group 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 fiscal years ended June 30, 2023 and 2022, and for all open Fund years net of excess insurance recoveries: The Group maintains contracts for insurance including excess insurance covering losses in excess of an amount established between the Group and the insurer up to the limits of coverage set forth in the contract on a specific occurrence, or per accident or annual aggregate basis.

	2023	2022
Unpaid Claims and Claim Adjustment Expenses,		
Beginning of Year	$ 192,291,000	$ 192,342,000
Incurred Claims And Claim Adjustment Expenses:		
Provision For Insured Events Of Current Fund Year	72,794,755	55,268,433
Decrease in Provision for Insured		
Events of Prior Years	(10,854,631)	(4,291,740)
Total Incurred Claims And Claims		
Adjustment Expenses All Fund Years	61,940,124	50,976,693
Payments:		
Claims And Claims Adjustment Expenses Attributable to		
Insured Events of the Current Period	18,347,159	6,559,586
Insured Events of Prior Years	40,514,965	44,468,107
Total Incurred Claims and Claim Adjustment Expenses	58,862,124	51,027,693
Total Unpaid Claim And Claim Adjustment Expenses		
End of Year	$ 195,369,000	$ 192,291,000

Note 9: LONG-TERM LIABILITIES

During the fiscal years ended June 30, 2023 and 2022, the following changes occurred in long-term obligations:

	2023	Restated 2022
Pension Liabilities		
Beginning of Year	$ 9,756,136	$ 12,995,945
Increases	6,860,014	6,008,627
Decreases	(4,292,218)	(9,248,436)
Net Pension Liability End of Year	12,323,932	9,756,136
Other Post Employment Benefits Obligation		
Beginning of Year	1,671,471	2,026,709
Increases	154,353	202,960
Decreases	(81,026)	(558,198)
Net Other Post Employment Benefits Obligation End of Year	1,744,798	1,671,471
Safety Grants Payable		
Beginning of Year	10,600,743	13,092,711
Safety Grant Award	-	2,000,000
Payments	(4,599,938)	(4,491,968)
Safety Grants Payable End of Year	6,000,805	10,600,743
Less: Current Portion	(2,000,805)	(4,600,743)
Long-Term Portion of Safety Grants Payable End of Year	4,000,000	6,000,000
Lease Liability		
Beginning of Year	940,245	1,162,270
Additions	-	16,010
Payments	(265,548)	(238,035)
Lease Payable End of Year	674,697	940,245
Less: Current Portion	(261,253)	(265,547)
Long-Term Portion of Lease Payable End of Year	413,444	674,698
Subscription Liability		
Beginning of Year	16,010	-
Additions	1,116,325	379,295
Payments	(379,146)	(363,285)
Lease Payable End of Year	753,189	16,010
Less: Current Portion	(498,772)	(16,010)
Long-Term Portion of Subscription Payable End of Year	254,417	-
Total Long-Term Liabilities	$ 18,736,591	$ 18,102,305

Note 10: PENSION PLAN

A substantial number of Group employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS pension plan's fiduciary net position, which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.state.nj.us/treasury/pensions/financial-reports.shtml

General Information about Pension Plan

Plan Description

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Group, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death, and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{th}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{th}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier.

Note 10: PENSION PLAN (CONT'D)

General Information about Pension Plan (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The Group's contractually required contribution rate for the fiscal years ended June 30, 2023 and 2022, was 17.06% and 17.34% of the Group's covered payroll. These amounts were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Group's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023, was $1,029,798, and was paid by April 1, 2023. Based on the most recent PERS measurement date of June 30, 2021, the Group's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022, was $964,468, and was paid by April 1, 2022.

Employee contributions to the Plan during the fiscal years ended June 30, 2023 and 2022, were $470,846 and $448,345, respectively.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Group, under Chapter 133, P.L. 2001, for the fiscal year ended Juen 30, 2023, was .42% of the Authority's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on behalf of the Authority, to the pension plan for the fiscal year ended June 30, 2023, was $25,930, and is payable by April 1, 2023.

Note 10: PENSION PLAN (CONT'D)

Pension Liabilities, Pension Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability

As of June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Group's proportionate share of the net pension liability was $12,323,932. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Group's proportion of the net pension liability was based on a projection of the Group's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Group's proportion was 0.0816620765%, which was a decrease of .0006925164% from its proportion measured as of June 30, 2021.

As of June 30, 2022, the Group's proportionate share of the net pension liability was $9,756,136. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Group's proportion of the net pension liability was based on a projection of the Group's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the Group's proportion was .0823545929%, which was an increase of .0026609736% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense

For the fiscal years ended June 30, 2023 and 2022, the Group recognized pension benefit of ($542,422) and ($850,023), respectively. These amounts were based on the plan's June 30, 2022 and 2021 measurement dates, respectively.

For the fiscal year ended June 30, 2023, the Authority has recognized as a revenue and an expenditure on-behalf payments made by the State for the State's proportionate share of the PERS pension expense, associated with the Authority, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date. The amounts recognized as a revenue and an expenditure in the financial statements was $25,930.

Note 10: PENSION PLAN (CONT'D)

Pension Liabilities, Pension Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023 and 2022, the Group reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2023		June 30, 2022	
	Measurement Date June 30, 2022		Measurement Date June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 153,867	$ 69,842	$ 153,867	$ 69,842
Changes of Assumptions	38,183	1,845,380	50,810	3,473,248
Net Difference between Projected and Actual Earnings on Pension Plan Investments	510,076	-	-	2,570,023
Changes in Proportion and Differences between Group Contributions and Proportionate Share of Contributions	437,263	216,566	873,732	163,914
Group Contributions Subsequent to the Measurement Date	1,060,534	-	1,006,249	-
	$2,199,923	$2,131,788	$2,084,658	$6,277,027

Note 10: PENSION PLAN (CONT'D)

Pension Liabilities, Pension Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

The deferred outflows of resources related to pensions totaling $1,060,534 and $1,006,249 will be included as a reduction of the net pension liability in the fiscal years ended June 30, 2024 and 2023, respectively. This amount is based on an estimated April 1, 2024 and April 1, 2023, contractually required contribution, prorated from the pension plan measurement date of June 30, 2022 and June 30, 2021, to the Group's fiscal year-end of June 30, 2023 and 2022.

The Group will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04

Note 10: PENSION PLAN (CONT'D)

Pension Liabilities, Pension Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
Changes in Proportion and Differences between Group Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

Note 10: PENSION PLAN (CONT'D)

Pension Liabilities, Pension Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,		
2023	$	(897,599)
2024		(487,756)
2025		(180,371)
2026		561,581
2027		(2,304)
	$	(1,006,449)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022 and 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2022	Measurement Date June 30, 2021
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.75% - 6.55% Based on Years of Service	2.00% - 6.00% Based on Years of Service
Thereafter		3.00% - 7.00% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2014 - June 30, 2018

Note 10: PENSION PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

For the June 30, 2022, measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

For the June 30, 2021, measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022 and 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees, and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 and 2021, are summarized in the following table:

Note 10: PENSION PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

	Measurement Date June 30, 2022		Measurement Date June 30, 2021	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equit	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	100.00%		100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% as of the June 30, 2022, measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Note 10: PENSION PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate (Cont'd)

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021, measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Group's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the Group's proportionate share of the net pension liability as of June 30, 2022, the plan measurement date, calculated using a discount rate of 7.00%, as well as what the Group's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 15,832,642	$ 12,323,932	$ 9,337,878

The following presents the Group's proportionate share of the net pension liability as of June 30, 2021, the plan measurement date, calculated using a discount rate of 7.00%, as well as what the Group's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 13,285,879	$ 9,756,136	$ 6,760,649

Note 10: PENSION PLAN (CONT'D)

Sensitivity of Group's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Pension Plan Fiduciary Net Position

Public Employees' Retirement System

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The Group has established a postemployment benefit plan to assist retirees in paying for medical coverage. The plan provides a lifetime monthly payment of $500 to all eligible employees with full vesting occurring at retirement age 60 with 25 years of service. No assets are accumulated in a trust. In accordance with GASB Statement 75, this plan is considered a Single Employer, Defined Benefit OPEB Plan that is not administered through a Trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered by Benefit Terms

At June 30, 2023 and 2022, the following employees were covered by the benefit terms:

	2023	2022
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	4	4
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-	-
Active Employees	73	73
	77	77

Contributions

Employees are not required to contribute to the plan.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total OPEB Liability

The Group's total OPEB liability of $1,744,798 as of June 30, 2023, and $1,671,471 as of June 30, 2022, respectively, was measured as of June 30, 2023, and June 30, 2022. The liabilities were determined by an actuarial valuation as of June 30, 2021, and June 30, 2020, with the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023, and June 30, 2022.

Actuarial Assumptions and Other Inputs

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% Annually
Discount Rate	3.86%
Healthcare Cost Trend Rates	N/A

The discount rate was based on the 20-year Municipal AA bond rate.

An experience study was not performed on the actuarial assumptions used in the June 30, 2023, valuation since the plan had insufficient data to produce a study with credible results. Withdrawal, mortality, and salary increase rates were updated to those used in the July 1, 2022, New Jersey Public Employees' Retirement System actuarial valuation. The actuary has used his/her professional judgment in applying these assumptions to this plan.

The following table shows the changes in the total OPEB liability for the fiscal years ended June 30, 2023 and 2022, respectively:

	June 30, 2023		June 30, 2022	
Balance at Beginning of Year		$ 1,671,471		$ 2,026,709
Changes for the Year:				
Service Cost	$ 89,638		$ 146,281	
Interest Cost	64,715		41,577	
Benefit Payments	(14,638)		(15,062)	
Changes of Assumptions	(45,123)		(543,136)	
Differences Between Expected and Actual Demographic Experience	(21,265)		15,102	
Net Changes		73,327		(355,238)
Balance at End of Year		$ 1,744,798		$ 1,671,471

There were no changes of benefit terms at June 30, 2023 or 2022.

The discount rate changed to 3.86% from 3.69% as of June 30, 2023. There were also changes in the assumptions regarding withdrawal, mortality and salary increase rates.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Changes in the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Group, as well as what the Group's total OPEB liability would be if it was calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	June 30, 2023		
	1.00% Decrease (2.86%)	Current Discount Rate (3.86%)	1.00% Increase (4.86%)
Total OPEB Liability	$ 2,033,446	$ 1,744,878	$ 1,508,342

	June 30, 2022		
	1.00% Decrease (2.69%)	Current Discount Rate (3.69%)	1.00% Increase (4.69%)
Total OPEB Liability	$ 1,953,477	$ 1,671,472	$ 1,441,017

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

Since the plan provides a lifetime monthly payment of $500 to all eligible employees with full vesting occurring at retirement age 60 with 25 years of service. The total OPEB liability of the Group does not have any sensitivity if the total OPEB liability were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

Note 12: LEASE LIABILITY

The Group leases office space located at 6000 Midlantic Drive, Mount Laurel, NJ under the terms of a ten-year lease agreement dated July 14, 2015, with a monthly payment ranging from $21,756 to $23,502. The terms of the lease require fixed monthly base payments in addition to a proportionate share of real estate taxes, common area charges, and utilities though December 31, 2025. For purposes of discounting future payments on the lease, the Group used the incremental borrowing rate of 1.84% to determine the discounted lease liability that matched the buyout payment. The leased office accumulated amortization of the right-to-use asset is outlined in Note 5.

Future minimum payments under the building – office space agreement are as follows:

Building - Office Space			
Fiscal Year Ended	Total	Principal	Interest
6/30/2024	$ 271,487	$ 261,253	$ 10,234
6/30/2025	278,513	273,186	5,327
6/30/2026	141,013	140,259	754
	$ 691,013	$ 674,698	$ 16,315

Total Group's proportionate share of real estate taxes, common area charges, and utilities were $237,033 and $237,941 for the fiscal years ended June 30, 2023 and 2022.

Note 13: SUBSCRIPTION LIABILITY

The Group has seven software agreements under terms ranging from thirteen months to forty-nine months and monthly, quarterly, and annual payments ranging from $2,629 to $257,400. For purposes of discounting future payments on the subscriptions, the Group used the incremental borrowing rate ranging from .17% to 3.14% to determine the discounted subscription liability. The Group has an option to extend these arrangements for 12 additional months and there is not an option to purchase the software. There are no residual value guarantees in the arrangement provisions. These assets will be amortized over the various subscription terms and accumulated amortization of the right-to-use assets is outlined in Note 5.

Future minimum payments under the software agreements are as follows:

Software Agreements			
Fiscal Year Ended	Total	Principal	Interest
6/30/2024	$ 516,258	$ 498,772	$ 17,486
6/30/2025	260,028	254,416	5,612
	$ 776,286	$ 753,188	$ 23,098

Note 14: COMMITMENTS AND CONTINGENCIES

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

Note 15: RETURN OF SURPLUS

For the fiscal year ended June 30, 2023, the board of trustees of the Group authorized a return of surplus pursuant to N.J.A.C. 11:15-4.21 in the amount of $2,599,938 for the June 30, 2020 fund year and be paid in proportion to the member's participation in the respective funds year.

Note 16: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

As indicated in Notes 5 and 13 to the financial statements, the Group adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the fiscal year ended June 30, 2023. As a result of implementing this Statement, a restatement of unrestricted net position was required to record the Group's intangible right-to-use assets and right-to-use subscription liabilities. The following represents the cumulative effects of the restatement on the respective financial statement balances of the Group for the fiscal year ended June 30, 2022:

Statement of Net Position

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
Assets			
Capital Assets	$ 957,428	$ 37,617	$ 995,045
Current Liabilities			
Subscription Liability	-	16,010	16,010
Accounts Payable and Accrued Expenses	8,416,284	4	8,416,288
Net Position			
Invested in Capital Assets	957,428	37,617	995,045
Unrestricted	184,025,280	(16,014)	184,009,266
Net Position - Unrestricted	$ 184,982,708	$ 21,603	$ 185,004,311

Note 16: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS (CONT'D)

Statement of Revenues, Expenses, and Changes in Net Position Summary

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
Operating Expenses			
Office Expenses	$ 970,712	$ (360,312)	$ 610,400
Depreciation and Amortization	646,392	338,709	985,101
Total Operating Expenses	$ 1,617,104	$ (21,603)	$ 1,595,501

NEW JERSEY SCHOOLS INSURANCE GROUP

REQUIRED SUPPLEMENTARY INFORMATION

NEW JERSEY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Property	Auto Liability	General Liability	Workers' Compensation	Auto Physical Damage	Errors and Omissions	Other	Total
Total Unpaid Claim And Claim Adjustment Expenses - Beginning	$ 6,855,000	$ 5,504,000	$ 30,501,000	$ 148,984,000	$ 374,000	$ 73,000	$ -	$ 192,291,000
Incurred Claims And Claims Adjustment Expenses:								
Provision For Insured Events Of Current Fund Year	7,763,602	2,747,566	7,198,736	54,037,851	402,000		645,000	72,794,755
Changes In Provision For Insured Events Of Prior Fund Years	(5,122,806)	(422,432)	301,017	(5,489,410)	(338,000)	(37,000)	254,000	(10,854,631)
Total Incurred Claims And Claims Adjustment Expenses All Fund Years	2,640,796	2,325,134	7,499,753	48,548,441	64,000	(37,000)	899,000	61,940,124
Payments (Net Of Subrogation):								
Claims And Claims Adjustment Payments:								
Attributable To Insured Events Of Current Fund Year	3,543,006	1,127,566	191,736	13,484,851				18,347,159
Attributable To Insured Events Of Prior Fund Years	1,609,790	1,345,568	6,974,017	30,585,590				40,514,965
Total Payments All Fund Years	5,152,796	2,473,134	7,165,753	44,070,441	-	-	-	58,862,124
Total Unpaid Claim And Claim Adjustment Expenses - Ending	$ 4,343,000	$ 5,356,000	$ 30,835,000	$ 153,462,000	$ 438,000	$ 36,000	$ 899,000	$ 195,369,000

Schedule 2

NEW JERSEY SCHOOLS INSURANCE GROUP
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF JUNE 30, 2023

	Policy Period Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Earned Required Contribution										
And Investment and Other Revenue:										
Earned	$ 120,511,866	$ 124,626,122	$ 126,361,743	$ 133,379,578	$ 132,382,837	$ 134,549,907	$ 138,148,571	$ 136,169,864	$ 137,637,846	$ 150,877,958
Ceded	26,839,580	29,099,924	32,261,555	32,269,283	32,033,033	33,457,935	35,690,620	38,980,398	41,748,764	49,028,251
Net Earned	93,672,286	95,526,198	94,100,188	101,110,295	100,349,804	101,091,972	102,457,951	97,189,466	95,889,082	101,849,707
Unallocated Expenses	25,551,696	26,325,311	25,912,564	26,604,791	28,967,919	27,796,484	28,376,741	28,654,609	28,663,520	31,578,761
Estimated Claims And										
Expenses, End of Policy Year:										
Incurred	78,845,561	73,996,026	66,247,665	72,871,161	76,064,073	72,655,573	65,820,543	53,582,656	68,557,552	72,803,158
Ceded	-	-	-	843,073	91,429	377,281	429,086	30,698	259,885	8,404
Net Incurred	78,845,561	73,996,026	66,247,665	72,028,088	75,972,644	72,278,292	65,391,457	53,551,958	68,297,667	72,794,754
Paid (Cumulative) As Of:										
End Of Policy Year	20,977,561	17,465,026	13,283,259	15,641,161	18,770,073	18,452,574	15,483,543	10,206,656	19,601,552	18,347,158
One Year Later	35,420,195	28,061,255	25,117,981	25,595,406	33,063,710	32,246,395	23,646,678	19,186,698	42,377,737	
Two Years Later	43,921,706	38,774,424	30,034,405	32,333,358	39,246,659	43,909,150	27,689,894	29,348,085		
Three Years Later	80,479,069	44,917,898	35,953,911	39,359,746	43,926,452	49,231,406	31,676,789			
Four Years Later	86,419,412	49,787,105	42,335,819	43,863,602	48,635,653	55,213,380				
Five Years Later	90,552,500	53,658,740	44,428,567	46,512,723	51,179,313					
Six Years Later	93,284,577	56,293,373	57,866,776	50,876,452						
Seven Years Later	93,456,034	96,187,455	47,639,717							
Eight Years Later	80,347,014	60,101,097								
Nine Years Later	97,603,082									
Re-Estimated Ceded Claims										
And Expenses	35,127,230	2,617,260	3,288,449	5,506,472	1,143,472	9,682,537	1,828,671	1,192,562	15,259,885	8,404
Re-Estimated Net Incurred Claims										
And Expenses:										
End of Policy Year	78,845,561	73,996,026	66,247,665	72,028,088	75,972,644	72,278,292	65,391,457	53,551,958	68,297,667	72,794,754
One Year Later	98,447,195	71,039,255	63,202,827	65,704,708	69,342,889	66,708,332	52,916,853	44,084,303	59,661,851	
Two Years Later	79,719,706	68,058,209	57,209,251	61,356,660	65,008,755	63,391,896	48,206,224	45,443,523		
Three Years Later	73,481,530	64,628,683	55,721,757	57,126,648	63,554,679	60,326,493	46,465,119			
Four Years Later	71,086,133	63,706,890	53,414,844	54,901,325	61,282,219	59,531,844				
Five Years Later	69,299,270	53,386,525	52,896,118	54,113,180	61,078,841					
Six Years Later	68,650,804	63,281,158	52,154,274	53,688,980						
Seven Years Later	68,762,741	63,070,651	51,659,268							
Eight Years Later	68,694,225	63,435,836								
Nine Years Later	68,789,852									
Increase (Decrease) In Estimated Net Incurred Claims And Expenses From End Of Policy Year	$ (10,055,709)	$ (10,560,190)	$ (14,588,397)	$ (18,339,108)	$ (14,893,803)	$ (12,746,448)	$ (18,926,338)	$ (8,108,435)	$ (8,635,816)	$ -

NEW JERSEY SCHOOLS INSURANCE GROUP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GROUP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN PLAN YEARS

	Measurement Date Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Group's Proportion of the Net Pension Liability	0.0616007408%	0.0650904158%	0.0706814610%	0.0699392154%	0.0757942739%	0.0811065367%	0.0803681126%	0.0796936193%	0.0823545929%	0.0816620765%
Group's Proportionate Share of the Net Pension Liability	$ 11,773,126	$ 12,186,706	$ 15,866,572	$ 20,713,990	$ 17,643,695	$ 15,969,473	$ 14,481,115	$ 12,995,945	$ 9,756,136	$ 12,323,932
Group's Covered Payroll (Plan Measurement Period)	$ 4,159,680	$ 4,401,760	$ 4,855,756	$ 4,822,836	$ 5,385,532	$ 5,661,976	$ 5,663,648	$ 5,815,344	$ 5,971,216	$ 6,063,932
Group's Proportionate share of the Net Pension Liability as a Percentage of Covered Payroll	283.03%	276.86%	326.76%	429.50%	327.61%	282.05%	255.69%	223.48%	163.39%	203.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

NEW JERSEY SCHOOLS INSURANCE GROUP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF GROUP'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	$ 536,596	$ 607,671	$ 621,330	$ 702,153	$ 806,748	$ 781,745	$ 871,808	$ 964,468	$ 1,029,798	$ 1,060,534
Contribution in Relation to the Contractually Required Contribution	(536,596)	(607,671)	(621,330)	(702,153)	(806,748)	(781,745)	(871,808)	(964,468)	(1,029,798)	(1,060,534)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group's Covered Payroll (Fiscal Year)	$ 4,692,709	$ 4,979,739	$ 5,022,119	$ 5,367,663	$ 5,460,764	$ 5,612,964	$ 5,875,886	$ 6,086,567	$ 5,939,678	$ 6,216,212
Contributions as a Percentage of Group's Covered Payroll	11.43%	12.20%	12.37%	13.08%	14.77%	13.93%	14.84%	15.85%	17.34%	17.06%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

NEW JERSEY SCHOOLS INSURANCE GROUP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE GROUP'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Service Cost	$ 152,116	$ 573,752	$ 183,506	$ 189,011	$ 121,597	$ 146,281	$ 89,638
Interest Cost	36,265	53,404	59,917	66,731	56,166	41,577	64,715
Difference Between Expected and Actual Experience				(497,509)	(482,990)	15,102	(21,265)
Changes of Assumptions				232,068	169,100	(543,136)	(45,123)
Benefit Payments	(12,000)	(23,892)	(10,180)	(11,239)	(16,076)	(15,062)	(14,638)
Net Change in Total OPEB Liability	176,381	603,264	233,243	(20,938)	(152,203)	(355,238)	73,327
Total OPEB Liability - Beginning of Fiscal Year	1,186,962	1,363,343	1,966,607	2,199,850	2,178,912	2,026,709	1,671,471
Total OPEB Liability - End of Fiscal Year	$ 1,363,343	$ 1,966,607	$ 2,199,850	$ 2,178,912	$ 2,026,709	$ 1,671,471	$ 1,744,798
Covered-Employee Payroll	$ 5,759,503	$ 5,862,754	$ 5,927,674	$ 6,074,656	$ 6,121,984	$ 6,079,420	$ 6,343,611
Total OPEB Liability as a Percentage of Covered-Employee Payroll	23.67%	33.54%	37.11%	35.87%	33.11%	27.49%	27.50%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 1: POSTEMPLOYMENT BENEFITS - PENSION

Changes in Benefit Terms:

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability ("TPL"). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions:

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
Year	**Rate**	**Year**	**Rate**	**Year**	**Rate**	**Year**	**Rate**
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - GROUP PLAN

Changes in Benefit Terms:

None

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

Discount Rate			
Year	**Rate**	**Year**	**Rate**
2023	3.86%	2019	2.80%
2022	3.69%	2018	2.80%
2021	1.92%	2017	2.80%
2020	2.45%		

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

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

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

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

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

Bowman & Company LLP
Certified Public Accountants
& Consultants

Dennis J. Skalkowski

Dennis J. Skalkowski
Certified Public Accountant