

NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE
YEAR ENDED DECEMBER 31, 2023



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Independent Member
BKR International

May 3, 2024

The Honorable Chairperson and Members
of the Executive Committee
New Jersey Municipal Environmental
Risk Management Fund
Parsippany, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Jersey Municipal Environmental Risk Management Fund for the year ended December 31, 2023, and have issued our report thereon dated May 3, 2024.

As part of our audit, we performed procedures required by the New Jersey Department of Community Affairs, Division of Local Government Services and the results thereof are disclosed on the following page. This letter does not affect our report dated May 3, 2024 on the financial statements of the Fund.

This report is intended solely for the information and use of the New Jersey Municipal Environmental Risk Management Fund's management and the New Jersey Department of Community Affairs, Division of Local Government Services and Department of Banking and Insurance. However, this report is a matter of public record as its distribution is not limited.

Mount Arlington, New Jersey
May 3, 2024

NISIVOCCIA LLP

Andrew Kucinski
Certified Public Accountant
Registered Municipal Accountant No. 583

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMMENTS AND RECOMMENDATIONS

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Suggestions to Management:

Fund Deficit

Fund Year 2006, 2022 are experiencing a Fund Deficit of \$928,195, and \$432,819 respectively. The Fund's attorneys are actively pursuing insurance recoveries from third parties for a Super Fund Buyout claim. Upon receipt of all such recoveries, the Fund will submit a claim with the aggregate reinsurer, which, once received will eliminate the deficit.

Governmental Accounting Standards Board Statement No. 102 – Certain Risk Disclosures

This Statement is effective for the calendar year 2025 financial statements of the Fund. We suggest that the Fund review this Statement in conjunction with their operations to determine whether the Fund will need to implement the disclosures required by this Statement.

Status of Prior Year Comments and Recommendations

There were no prior year recommendations.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
SUMMARY OF RECOMMENDATIONS

There are no current year recommendations.