

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE INITIAL PERIOD ENDED DECEMBER 31, 2016

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: NEW JERSEY COUNTIES EXCESS INSURANCE FUND

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

Primary location of books and records: PERMA, 9 CAMPUS DRIVE,
SUITE 216, PARSIPPANY, NJ 07054

Statement Contact Person: PAULINE KONTOMANOLIS, CPA Phone No. (201) 518-7023

EXECUTIVE COMMITTEE

Chairman ROSS ANGILELLA GERALD WHITE
Secretary JOHN KELLY EDMUND SHEA
JANETTE KESSLER
KENDALL COLLINS
KENNETH MECOUCH

EXECUTIVE COMMITTEE ALTERNATES

ANDREW MAIR
JESSICA FOOTE BISHOP
MICHAEL YUSKA

State of NEW JERSEY
County of CAMDEN

ROSS ANGILELLA (Chairman), JOHN KELLY (Secretary), of the NEW
JERSEY COUNTIES EXCESS INSURANCE FUND being duly sworn, each for himself

deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 31st day of December, 2016 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2016, and of its income and deductions there from for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairman Secretary

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

Subscribed and sworn to before me the _____ day of _____, 2017

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
New Jersey Counties Excess Joint Insurance Fund
9 Campus Drive
Suite 216
Parsippany, NJ 07054

Report on the Financial Statements

We have audited the accompanying financial statements of the New Jersey Counties Excess Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2016 and 2015 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Board of Commissioners
New Jersey Counties Excess Joint Insurance Fund

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2017 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 28, 2017

**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

Board of Commissioners
New Jersey Counties Excess Joint Insurance Fund
9 Campus Drive
Suite 216
Parsippany, NJ 07054

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 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, the financial statements of the New Jersey Counties Excess Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collective comprise the Fund's basic financial statements, and have issued our report thereon dated September 28, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of 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 determination of financial statement amounts. 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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards, audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 28, 2017

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the New Jersey Counties Excess Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2016, 2015 and 2014. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

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

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

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

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 activities and noncapital financing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year.

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the years ended December 31, 2016, 2015 and 2014.

Summary Statements of Net Position	12/31/2016	12/31/2015	12/31/2014	2015 to 2016 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 19,865,779	\$ 17,194,034	\$13,038,229	\$ 2,671,745	15.5%
Contributions and Refund Receivable	154,021	59,548	141,117	94,473	158.7%
Other Assets	291,001	-	97,544	291,001	100.0%
Total Assets	20,310,801	17,253,582	13,276,890	3,057,219	17.7%
Liabilities, Reserves & Net Position					
Liabilities and Reserves					
Loss Reserves	11,484,655	10,951,153	7,923,713	533,502	4.9%
Other Liabilities & Reserves	510,985	438,257	29,603	72,728	16.6%
Total Liabilities and Reserves	11,995,640	11,389,410	7,953,316	606,230	5.3%
Net Position - Unrestricted	\$ 8,315,161	\$ 5,864,172	\$ 5,323,574	\$ 2,450,989	41.8%

Net position increased by \$2,450,989 from 2015 to 2016 or 41.8%. Comparatively, net position had increased by \$540,598 from 2014 to 2015 or 10.2%. The Fund recognized a 17.7% increase in its assets and a 5.3% increase in liabilities from 2015 to 2016. Comparatively, the Fund recognized a 30.0% increase in its assets and a 43.2% increase in liabilities from 2014 to 2015.

Summary Statements of Revenues, Expenses, and Changes in Net Position	12/31/2016	12/31/2015	12/31/2014	2016 to 2015 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions	\$ 21,278,896	\$ 21,242,764	\$18,722,335	\$ 36,132	0.2%
Operating Expenses:					
Provision for Claims and Claims					
Adjustment Expenses	2,164,726	3,705,909	2,540,486	(1,541,183)	-41.6%
Excess & Ancillary Insurance					
Premiums	15,046,310	15,307,173	13,306,584	(260,863)	-1.7%
Administrative Expenses	1,511,366	1,571,262	1,365,813	(59,896)	-3.8%
Total Operating Expenses	18,722,402	20,584,344	17,212,883	(1,861,942)	-9.0%
Operating Income	2,556,494	658,420	1,509,452	1,898,074	288.3%
Non-Operating Revenue:					
Investment Income	44,495	32,178	27,743	12,317	38.3%
Return of Surplus	(150,000)	(150,000)	-	-	0.0%
Change in Net Position	\$ 2,450,989	\$ 540,598	\$ 1,537,195	\$ 1,910,391	353.4%

Financial Highlights Continued

Effective March 1, 2010, the Camden County Insurance Commission and the Gloucester County Insurance Commission formed the New Jersey Counties Excess Joint Insurance Fund (the "Fund"). The Fund was established under N.J.S.A. 40A:10-36 and N.J.A.C. 11:15-2, which authorizes the establishment of a joint insurance fund for the purposes provided by law. This was based on the Commissions' determination that cost savings and efficiencies can be achieved if the two commissions share the cost of excess insurance claim management and services and consolidation of insurance policies. Subsequently, Union County joined the Fund in 2011; the Burlington County Insurance Commission, Cumberland County Insurance Commission, and Salem County Insurance Fund Commission joined the Fund in 2012, Hudson County, Mercer County Insurance Fund Commission, and Ocean County joined the Fund in 2014 and Atlantic County Insurance Commission joined the Fund in 2015.

The Fund's total assets at the end of the seventh year of operations were \$20,310,801 and total liabilities and reserves were \$11,995,640 resulting in an unrestricted net position of \$8,315,161.

Insurance premiums represent premiums paid to excess carriers for coverage on claims in excess of the Fund's self-insured retentions points and various ancillary coverages.

In 2016, investment income was \$44,495 due to the large cash balance invested in money markets.

Economic Conditions

The future financial position of the Fund will be impacted by trends in medical costs, which affect workers compensation costs. The Fund will attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

Contacting the Fund's Management

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

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 19,865,779	\$ 17,194,034
Contributions Receivable	154,021	59,548
Prepaid Expenses	<u>291,001</u>	<u>-</u>
Total Assets	<u>20,310,801</u>	<u>17,253,582</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	17,765	44,272
Accrued Excess Insurance	-	41,034
Due To Member	343,220	202,951
Authorized Return of Surplus	<u>150,000</u>	<u>150,000</u>
Total Liabilities	<u>510,985</u>	<u>438,257</u>
Claims Reserves:		
Case Reserves	2,624,456	2,413,317
IBNR Reserves	9,575,204	9,188,911
Less Reserve Discount	<u>(715,005)</u>	<u>(651,075)</u>
Total Reserves	<u>11,484,655</u>	<u>10,951,153</u>
Total Liabilities and Reserves	<u>11,995,640</u>	<u>11,389,410</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ 8,315,161</u>	<u>\$ 5,864,172</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating Revenue:		
Regular Contributions	<u>\$ 21,278,896</u>	<u>\$ 21,242,764</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	2,164,726	3,705,909
Excess Insurance Premiums	10,971,112	11,152,022
Ancillary Insurance Premiums	4,075,198	4,155,151
Administrative Expenses:		
Actuary	22,418	20,797
Attorney	15,000	15,000
Auditor	14,750	12,750
Contingencies	(20,937)	4,215
Claims Administrator	58,500	60,000
Fund Administrator	598,149	613,893
Miscellaneous Expenses	4,506	5,723
Safety Director	374,579	372,477
Treasurer	15,000	15,000
Underwriting Managers	<u>429,401</u>	<u>451,407</u>
Total Operating Expenses	<u>18,722,402</u>	<u>20,584,344</u>
Operating Income	<u>2,556,494</u>	<u>658,420</u>
Non-Operating Revenue:		
Investment Income	<u>44,495</u>	<u>32,178</u>
Change in Net Position	2,600,989	690,598
Net Position - Beginning	5,864,172	5,323,574
Return of Surplus	<u>(150,000)</u>	<u>(150,000)</u>
Net Position - Ending	<u>\$ 8,315,161</u>	<u>\$ 5,864,172</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Receipts from Regular Contributions	\$ 21,324,692	\$ 21,493,652
Payments for Claim Payment	(1,631,224)	(678,469)
Payments for Insurance Premiums	(11,303,147)	(10,979,812)
Payments to Professionals and Suppliers	<u>(5,613,071)</u>	<u>(5,711,744)</u>
Net Cash Flows Provided by Operating Activities	<u>2,777,250</u>	<u>4,123,627</u>
Cash Flows Provided by Investing Activities:		
Investment Income	<u>44,495</u>	<u>32,178</u>
Cash Flows Used in Noncapital Financing Activities:		
Return of Surplus	<u>(150,000)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	2,671,745	4,155,805
Cash and Cash Equivalents - Beginning	<u>17,194,034</u>	<u>13,038,229</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 19,865,779</u></u>	<u><u>\$ 17,194,034</u></u>
Reconciliation of Operating Income to		
Cash Flows from Operating Activities:		
Operating Income	\$ 2,556,494	\$ 658,420
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(94,473)	47,937
Refund Receivable	-	33,632
Prepaid Expense	(291,001)	97,544
Accrued Administrative Expenses	(26,507)	14,669
Accrued Excess Insurance	(41,034)	41,034
Due To Member	140,269	202,951
Claims Reserves	<u>533,502</u>	<u>3,027,440</u>
Net Cash Flows Provided by Operating Activities	<u><u>\$ 2,777,250</u></u>	<u><u>\$ 4,123,627</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

On March 1, 2010, the New Jersey Counties Excess Joint Insurance Fund (the "Fund") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government", under the provisions of N.J.S.A. 40A:10-36 and N.J.A.C. 11:15-2. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

During 2016, members of the Fund included the Camden County Insurance Commission, Cumberland County Insurance Commission, Burlington County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Mercer County Insurance Fund Commission, Ocean County, Salem County Insurance Fund Commission, Union County and Atlantic County.

The Board of Commissioners of the Fund may approve subsequent membership by majority vote or may terminate any member by a majority vote, after proper notice has been given. New memberships are effective upon approval by the Commissioners of Insurance and Community Affairs. Early terminations require prior approval by the Commissioner of Insurance.

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

The Fund offers the following coverages to its members:

- Workers' compensation and employers' liability.
- Liability other than motor vehicles.
- Property damage including motor vehicles and comprehensive employee dishonesty.
- Motor vehicles liability.

In addition, the Fund offers the following ancillary insurance coverage to its members:

- Public Officials Liability/School Board Legal/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability
- Privacy Liability
- Non-Owned Aircraft Liability

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies followed by the Fund:

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

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government'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 government.

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

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

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

Basis of Presentation

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

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

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 statement 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 governments 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 municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

Additionally, the Fund has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection 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.

Annual Contributions

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

Supplemental Contributions

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

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

Investment Income Allocation

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

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for a coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. Reported Claims Case Reserves

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

B. Claims Incurred But Not Reported (IBNR) Reserve

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

Case and IBNR Reserves represent the estimated liability for the expected future development of claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2016. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

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

Excess Coverage

Consistent with N.J.A.C. 11:15-2.6(a)6, and N.J.A.C. 11:15-2.23, the Fund shall secure excess insurance or reinsurance in a form, in an amount and by an insurer, or other entity authorized to provide such coverage in New Jersey pursuant to law, acceptable to the Commissioner, if commercially available and unreasonably priced, as determined by the Fund Commissioners/Board of Commissioners for each Fund year, and as approved by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The policies of excess insurance and/or reinsurance issued by an insurer to the Fund shall provide single accident (single occurrence) excess insurance and aggregate excess insurance. Losses in excess of the established self-insured retention shall be borne by the excess carrier(s) according to the terms and conditions of the excess contract(s). Any proposed change in the terms or limits of excess insurance and/or reinsurance shall be submitted to the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for approval at least 30 days prior to the effective date of the proposed change.

The Fund is not required to maintain single accident (single occurrence) excess insurance if the Fund's single accident (single occurrence) limit of liability as set forth in its approved plan of risk management is equal to or less than its single accident (single occurrence) self-insured retention as approved by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Fund is not required to maintain aggregate excess insurance if its accumulated budgeted losses pursuant to N.J.A.C. 11:15-2.23(g) qualify the Fund for an exemption pursuant to N.J.A.C. 11:15-2.23 (f), or the Fund maintains an excess loss contingency balance in the Claims Accounting conformance with N.J.A.C. 11:15-2.23(f).

Subrogation

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

Refunds

As per Article VIII of the Fund's Bylaws, any monies for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Fund. A refund for any year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund shall not be contingent on the member's continued membership in the Fund. The Fund may apply a refund to any arrearage owed by the member to the Fund. Otherwise, at the option of the member, the refund may be retained by the Fund and applied towards the member's next annual contribution.

Administrative Expenses

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

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

Income Taxes

The Fund 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 Fund has classified its net position as unrestricted as described in Note 5. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

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.

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

Use of Estimates

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

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

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

Of the Fund's bank balance of \$19,870,081 as of December 31, 2016, \$250,000 was insured while \$19,620,081 was collateralized under GUDPA.

Of the Fund's bank balance of \$17,198,450 as of December 31, 2015, \$250,000 was insured while \$16,948,450 was collateralized under GUDPA.

Note 4: CHANGES IN UNPAID CLAIMS LIABILITIES

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

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund during 2016 and 2015 for all open Fund years net of excess insurance recoveries:

	<u>2016</u>	<u>2015</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	\$ 10,951,153	\$ 7,923,713
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	2,902,542	3,409,576
Changes in provision for insured events of prior fund years	<u>(737,816)</u>	<u>296,333</u>
Total incurred claims and claims adjustment expenses all fund years	<u>2,164,726</u>	<u>3,705,909</u>
Payments (Net of Recoveries):		
Attributable to insured events of current fund year	-	130,464
Attributable to insured events of prior fund years	<u>1,631,224</u>	<u>548,005</u>
Total Payments all fund years	<u>1,631,224</u>	<u>678,469</u>
Total unpaid claim and claim adjustment expenses all Fund years - Ending	11,484,655	10,951,153
Reserve Discount	<u>715,005</u>	<u>651,075</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending--Statutory Basis	<u><u>\$ 12,199,660</u></u>	<u><u>\$ 11,602,228</u></u>

Note 5: NET POSITION

As of December 31, 2016 and 2015, The Fund is carrying the individual member’s fund year surplus as unrestricted net position on the Comparative Statements of Net Position. The allocations of those funds attributed to the individual members are listed below and are based on the member's percentage of assessments.

<u>Member</u>	<u>2016</u>	<u>2015</u>
Atlantic County Insurance Commission	\$ 130,502	\$ 39,258
Burlington County Insurance Commission	682,458	445,003
Camden County Insurance Commission	2,592,303	2,068,866
Cumberland County Insurance Commission	274,481	181,019
Gloucester County Insurance Commission	1,543,724	1,218,992
Hudson County	360,958	143,231
Mercer County Insurance Fund Commission	743,967	368,830
Ocean County	274,526	115,583
Salem County Insurance Fund Commission	84,494	52,541
Union County	1,627,748	1,230,850
	<u>\$ 8,315,161</u>	<u>\$ 5,864,172</u>

Note 6: RELATED PARTY TRANSACTIONS

Each member has an ownership interest in the New Jersey Counties Excess Liability Joint Insurance Fund and pays excess insurance premiums to the Fund. Total excess insurance premiums paid to the Fund for the years ended December 31, 2016 and 2015 were as follows:

<u>Member</u>	<u>2016</u>	<u>2015</u>
Atlantic County Insurance Commission	\$ 1,852,128	\$ 1,444,977
Burlington County Insurance Commission	1,822,041	1,958,345
Camden County Insurance Commission	4,793,098	4,787,136
Cumberland County Insurance Commission	1,105,275	1,084,711
Gloucester County Insurance Commission	2,663,537	2,670,810
Hudson County	1,829,755	1,852,898
Mercer County Insurance Fund Commission	2,382,227	2,437,175
Ocean County	1,685,518	1,668,005
Salem County Insurance Fund Commission	677,783	779,357
Union County	2,467,534	2,559,350
	<u>\$ 21,278,896</u>	<u>\$ 21,242,764</u>

Note 7: RETURN OF SURPLUS

During 2016, the Board of Commissioners approved a dividend in the amount of \$150,000. The dividend was payable in the amount of \$75,000 from the 2010 fund year and \$75,000 from the 2011 fund year.

During 2015, the Board of Commissioners approved a dividend in the amount of \$150,000, payable from the 2010 fund year.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$	4,029,012	\$	6,922,141	\$ 10,951,153
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year		966,342		1,936,200	2,902,542
Changes in provision for insured events of prior fund years		(1,030,840)	\$ 364,500	(71,476)	(737,816)
Total incurred claims and claims adjustment expenses all Fund years		(64,498)	364,500	1,864,724	2,164,726
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year		775,224	364,500	491,500	1,631,224
Attributable to insured events of prior fund years					-
Total payments all fund years	-	775,224	364,500	491,500	1,631,224
Total unpaid claims and claim adjustment expenses - Ending	-	3,189,290	-	8,295,365	11,484,655
Reserve Discount		114,383		600,622	715,005
Total unpaid claims and claim adjustment expenses - Ending--Statutory Basis	-	\$ 3,303,673	\$ -	\$ 8,895,987	\$ 12,199,660

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SEVEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2016

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net Earned Required Contribution and Investment Revenue:							
Earned	\$ 4,402,808	\$ 8,023,429	\$ 10,939,098	\$ 13,039,898	\$ 18,748,623	\$ 21,256,521	\$ 21,284,744
Ceded	2,651,209	5,056,336	6,950,333	8,782,580	13,284,978	15,328,183	15,049,298
	1,751,599	2,967,093	3,988,765	4,257,318	5,463,645	5,928,338	6,235,446
Unallocated Expenses	389,756	599,519	802,401	916,133	1,356,476	1,567,817	1,531,536
Estimated Claims and Expenses, End of Policy Year:							
Incurred	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000	3,650,000	3,114,000
Ceded							
Net Incurred	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000	3,650,000	3,114,000
Paid (Cumulative) as of:							
End of Policy Year	-	-	38,135	-	-	130,464	-
One Year Later	-	-	96,320	-	120,096	242,660	-
Two Years Later	-	139,753	125,214	15,975	268,119	-	-
Three Years Later	-	144,097	515,889	516,427	-	-	-
Four Years Later (A)	142,195	144,097	1,132,971	-	-	-	-
Five Years Later (A)	163,454	396,667	-	-	-	-	-
Six Years Later (A)	164,355	-	-	-	-	-	-
Reestimated Incurred Claims and Expenses:							
End of Policy Year	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000	3,650,000	3,114,000
One Year Later	1,047,136	1,875,000	2,550,000	2,325,000	2,845,000	3,575,000	-
Two Years Later	931,000	1,350,000	2,300,000	2,185,000	2,160,000	-	-
Three Years Later	600,000	1,260,000	2,492,203	2,150,001	-	-	-
Four Years Later (A)	629,999	1,030,000	2,407,503	-	-	-	-
Five Years Later (A)	490,000	1,185,000	-	-	-	-	-
Six Years Later (A)	329,355	-	-	-	-	-	-
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (792,649)	\$ (869,999)	\$ (322,496)	\$ (259,999)	\$ (850,000)	\$ (75,000)	\$ -

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2016

ASSETS

Cash and Cash Equivalents	\$ 19,865,779	
Receivables:		
Contributions Receivable	154,021	
Prepaid Expenses	<u>291,001</u>	
Total Assets		\$ 20,310,801

LIABILITIES

Claims:		
Case Reserves	\$ 2,624,456	
IBNR Reserve	<u>9,575,204</u>	
Total Claims		12,199,660
Accrued Expenses:		
Administrative Expenses	<u>17,765</u>	
Total Accrued Expenses		17,765
Other Liabilities:		
Due To Member	343,220	
Authorized Return of Surplus	<u>150,000</u>	
Total Other Liabilities		<u>493,220</u>
Total Liabilities		<u>12,710,645</u>
Net Statutory Surplus		<u>\$ 7,600,156</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

Operating Revenue:		
Regular Contributions		\$ 97,465,901
Incurring Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$ 2,721,199	
Case Reserves	2,624,456	
IBNR Reserves	<u>9,575,204</u>	
Total Limited Incurred Claims		\$ 14,920,859
Expenses:		
Excess Insurance	45,417,420	
Ancillary Insurance	21,685,497	
Administrative	<u>7,163,638</u>	
Total Expenses		<u>74,266,555</u>
Total Incurred Liabilities		<u>89,187,414</u>
Underwriting Income		8,278,487
Investment Income		<u>229,220</u>
Gross Statutory Surplus		8,507,707
Return of Surplus:		
Paid	757,551	
Authorized and Unpaid	<u>150,000</u>	
Total Return of Surplus		<u>907,551</u>
Net Statutory Surplus		<u><u>\$ 7,600,156</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION – STATUTORY BASIS

Note 1: **RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS**

The information in the New Jersey Counties Excess Joint Insurance Fund (the “Fund”)’s basic financial statements, Exhibits A-1 through A-3, differ from the accompanying Supplementary schedules required by the Division of Banking and Insurance. The Supplementary schedules do not reflect the Reserve Discount as follows:

	<u>2016</u>	<u>2015</u>
Total Liabilities and Reserves - Comparative Statements of Net Position	\$ 11,995,640	\$ 11,389,410
Plus Reserve Discount	<u>715,005</u>	<u>651,075</u>
Total Liabilities--Statutory Basis	<u>\$ 12,710,645</u>	<u>\$ 12,040,485</u>
Net Position - Comparative Statements of Net Position	\$ 8,315,161	\$ 5,864,172
Less Reserve Discount	<u>715,005</u>	<u>651,075</u>
Net Statutory Surplus	<u>\$ 7,600,156</u>	<u>\$ 5,213,097</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions	<u>\$ 21,278,896</u>		
Total Underwriting Income			\$ 21,278,896
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	-		
Case Reserves	88		
IBNR Reserves	<u>3,113,912</u>		
Subtotal		\$ 3,114,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		3,114,000	
Expenses:			
Excess Insurance	10,973,270		
Ancilliary Insurance	4,076,028		
Administrative	<u>1,531,536</u>		
Total Expenses		<u>16,580,834</u>	
Total Incurred Liabilities			<u>19,694,834</u>
Underwriting Income			1,584,062
Investment Income			<u>5,848</u>
Gross Statutory Surplus			1,589,910
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 1,589,910</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions		<u>\$ 21,242,764</u>	
Total Underwriting Income			\$ 21,242,764
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	242,660		
Case Reserves	1,021,082		
IBNR Reserves	<u>2,311,258</u>		
Subtotal		\$ 3,575,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		3,575,000	
Expenses:			
Excess Insurance	11,153,266		
Ancilliary Insurance	4,174,917		
Administrative	<u>1,567,817</u>		
Total Expenses		<u>16,896,000</u>	
Total Incurred Liabilities			<u>20,471,000</u>
Underwriting Income			771,764
Investment Income			<u>13,757</u>
Gross Statutory Surplus			785,521
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 785,521</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions	<u>\$ 18,722,335</u>		
Total Underwriting Income			\$ 18,722,335
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	268,119		
Case Reserves	141,719		
IBNR Reserves	<u>1,750,162</u>		
Subtotal		\$ 2,160,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		2,160,000	
Expenses:			
Excess Insurance	9,562,666		
Ancillary Insurance	3,722,312		
Administrative	<u>1,356,476</u>		
Total Expenses		<u>14,641,454</u>	
Total Incurred Liabilities			<u>16,801,454</u>
Underwriting Income			1,920,881
Investment Income			<u>26,288</u>
Gross Statutory Surplus			1,947,169
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 1,947,169</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions		<u>\$ 13,006,028</u>	
Total Underwriting Income			\$ 13,006,028
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	516,427		
Case Reserves	623,731		
IBNR Reserves	<u>1,009,843</u>		
Total Limited Incurred Claims		\$ 2,150,001	
Expenses:			
Excess Insurance	5,601,171		
Ancillary Insurance	3,181,409		
Administrative	<u>916,133</u>		
Total Expenses		<u>9,698,713</u>	
Total Incurred Liabilities			<u>11,848,714</u>
Underwriting Income			1,157,314
Investment Income			<u>33,870</u>
Gross Statutory Surplus			1,191,184
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 1,191,184</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions	<u>\$ 10,894,134</u>		
Total Underwriting Income			\$ 10,894,134
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	1,132,971		
Case Reserves	430,463		
IBNR Reserves	<u>844,069</u>		
Total Limited Incurred Claims		\$ 2,407,503	
Expenses:			
Excess Insurance	4,168,463		
Ancilliary Insurance	2,781,870		
Administrative	<u>802,401</u>		
Total Expenses		<u>7,752,734</u>	
Total Incurred Liabilities			<u>10,160,237</u>
Underwriting Income			733,897
Investment Income			<u>44,964</u>
Gross Statutory Surplus			778,861
Return of Surplus:			
Paid		293,856	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>293,856</u>
Net Statutory Surplus			<u><u>\$ 485,005</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions	\$	7,965,927	
Total Underwriting Income			\$ 7,965,927
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	396,667		
Case Reserves	407,372		
IBNR Reserves	380,961		
Subtotal			\$ 1,185,000
Less Excess Insurance:			
Received	-		
Recoverable	-		
Subtotal			-
Total Limited Incurred Claims			1,185,000
Expenses:			
Excess Insurance	2,530,201		
Ancilliary Insurance	2,526,135		
Administrative	599,519		
Total Expenses			5,655,855
Total Incurred Liabilities			6,840,855
Underwriting Income			1,125,072
Investment Income			57,502
Gross Statutory Surplus			1,182,574
Return of Surplus:			
Paid		225,532	
Authorized and Unpaid		75,000	
Total Return of Surplus			300,532
Net Statutory Surplus			\$ 882,042

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

Underwriting Income:			
Regular Contributions	\$ 4,355,817		
Total Underwriting Income			\$ 4,355,817
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	164,355		
Case Reserves	1		
IBNR Reserves	164,999		
Subtotal		\$ 329,355	
Less Excess Insurance:			
Received	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		329,355	
Expenses:			
Excess Insurance	1,428,383		
Ancillary Insurance	1,222,826		
Administrative	389,756		
Total Expenses		3,040,965	
Total Incurred Liabilities			3,370,320
Underwriting Income			985,497
Investment Income			46,991
Gross Statutory Surplus			1,032,488
Return of Surplus:			
Paid		238,163	
Authorized and Unpaid		75,000	
Total Return of Surplus			313,163
Net Statutory Surplus			\$ 719,325

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 5,010,817	\$ 3,579,435	\$ 241,714	\$ 6,561,473	\$ 4,139,170	\$ 1,746,287	\$ 21,278,896
Incurred Liabilities:							
Claims	4,966,811	1,014,000		2,100,000			3,114,000
Expenses	4,966,811	2,555,000		3,451,459	4,076,028	1,531,536	16,580,834
Total Liabilities	4,966,811	3,569,000	-	5,551,459	4,076,028	1,531,536	19,694,834
Underwriting Surplus	44,006	10,435	241,714	1,010,014	63,142	214,751	1,584,062
Adjustments:							
Investment Income		1,376	281	3,849		342	5,848
Permanent Transfers							-
Total Adjustments	-	1,376	281	3,849	-	342	5,848
Gross Statutory Surplus	44,006	11,811	241,995	1,013,863	63,142	215,093	1,589,910
Return of Surplus							-
Net Statutory Surplus	\$ 44,006	\$ 11,811	\$ 241,995	\$ 1,013,863	\$ 63,142	\$ 215,093	\$ 1,589,910

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 4,559,292	\$ 3,525,543	\$ 242,603	\$ 7,155,080	\$ -	\$ 4,077,144	\$ 1,683,102	\$ 21,242,764
Incurred Liabilities:								
Claims	4,541,481	905,000		2,670,000				3,575,000
Expenses	4,541,481	2,534,250		4,077,535		4,174,917	1,567,817	16,896,000
Total Liabilities	4,541,481	3,439,250	-	6,747,535	-	4,174,917	1,567,817	20,471,000
Underwriting Surplus (Deficit)	17,811	86,293	242,603	407,545	-	(97,773)	115,285	771,764
Adjustments:								
Investment Income	42	3,121	859	6,648	2,273	44	770	13,757
Permanent Transfers								-
Total Adjustments	42	3,121	859	6,648	2,273	44	770	13,757
Gross Statutory Surplus (Deficit)	17,853	89,414	243,462	414,193	2,273	(97,729)	116,055	785,521
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 17,853	\$ 89,414	\$ 243,462	\$ 414,193	\$ 2,273	\$ (97,729)	\$ 116,055	\$ 785,521

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 3,791,237	\$ 2,976,328	\$ 230,782	\$ 6,501,430	\$ -	\$ 3,759,004	\$ 1,463,554	\$ 18,722,335
Incurring Liabilities:								
Claims	3,791,240	560,000		1,600,000		3,722,312	1,356,476	2,160,000
Expenses		2,491,556		3,279,870				14,641,454
Total Liabilities	3,791,240	3,051,556	-	4,879,870	-	3,722,312	1,356,476	16,801,454
Underwriting Surplus (Deficit)	(3)	(75,228)	230,782	1,621,560	-	36,692	107,078	1,920,881
Adjustments:								
Investment Income	39	5,612	2,632	7,610	2,456	893	7,046	26,288
Permanent Transfers								-
Total Adjustments	39	5,612	2,632	7,610	2,456	893	7,046	26,288
Gross Statutory Surplus (Deficit)	36	(69,616)	233,414	1,629,170	2,456	37,585	114,124	1,947,169
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 36	\$ (69,616)	\$ 233,414	\$ 1,629,170	\$ 2,456	\$ 37,585	\$ 114,124	\$ 1,947,169

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 2,651,144	\$ 3,803,663	\$ 201,831	\$ 1,973,068	\$ -	\$ 3,414,670	\$ 961,652	\$ 13,006,028
Incurred Liabilities:								
Claims	2,578,765	571,045	273,266	1,305,690		3,181,409	916,133	2,150,001
Expenses		3,022,406						9,698,713
Total Liabilities	2,578,765	3,593,451	273,266	1,305,690	-	3,181,409	916,133	11,848,714
Underwriting Surplus (Deficit)	72,379	210,212	(71,435)	667,378	-	233,261	45,519	1,157,314
Adjustments:								
Investment Income	4,083	9,908	1,590	9,506	2,998	1,394	4,391	33,870
Permanent Transfers								-
Total Adjustments	4,083	9,908	1,590	9,506	2,998	1,394	4,391	33,870
Gross Statutory Surplus (Deficit)	76,462	220,120	(69,845)	676,884	2,998	234,655	49,910	1,191,184
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 76,462	\$ 220,120	\$ (69,845)	\$ 676,884	\$ 2,998	\$ 234,655	\$ 49,910	\$ 1,191,184

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 2,405,985	\$ 1,737,417	\$ 414,264	\$ 2,463,242	\$ -	\$ 2,888,681	\$ 984,545	\$ 10,894,134
Incurred Liabilities:								
Claims	2,284,162	1,100,001	209,861	1,307,502		2,781,870	802,401	2,407,503
Expenses		1,025,494		648,946				7,752,734
Total Liabilities	2,284,162	2,125,495	209,861	1,956,448	-	2,781,870	802,401	10,160,237
Underwriting Surplus (Deficit)	121,823	(388,078)	204,403	506,794	-	106,811	182,144	733,897
Adjustments:								
Investment Income	1,888	8,093	3,040	18,551	3,195	334	9,863	44,964
Permanent Transfers								-
Total Adjustments	1,888	8,093	3,040	18,551	3,195	334	9,863	44,964
Gross Statutory Surplus (Deficit)	123,711	(379,985)	207,443	525,345	3,195	107,145	192,007	778,861
Return of Surplus						107,103	186,753	293,856
Net Statutory Surplus (Deficit)	\$ 123,711	\$ (379,985)	\$ 207,443	\$ 525,345	\$ 3,195	\$ 42	\$ 5,254	\$ 485,005

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 1,499,004	\$ 1,201,551	\$ 234,890	\$ 1,554,301	\$ 131,707	\$ 2,587,280	\$ 757,194	\$ 7,965,927
Incurred Liabilities:								
Claims		293,766	91,234	800,000				1,185,000
Expenses	1,502,240	632,583	84,589	310,789		2,526,135	599,519	5,655,855
Total Liabilities	1,502,240	926,349	175,823	1,110,789	-	2,526,135	599,519	6,840,855
Underwriting Surplus (Deficit)	(3,236)	275,202	59,067	443,512	131,707	61,145	157,675	1,125,072
Adjustments:								
Investment Income	7	11,075	8,070	24,690	2,733	2,656	8,271	57,502
Permanent Transfers								-
Total Adjustments	7	11,075	8,070	24,690	2,733	2,656	8,271	57,502
Gross Statutory Surplus (Deficit)	(3,229)	286,277	67,137	468,202	134,440	63,801	165,946	1,182,574
Return of Surplus				75,000		63,593	161,939	300,532
Net Statutory Surplus (Deficit)	\$ (3,229)	\$ 286,277	\$ 67,137	\$ 393,202	\$ 134,440	\$ 208	\$ 4,007	\$ 882,042

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 904,713	\$ 585,702	\$ 145,097	\$ 918,380	\$ 109,208	\$ 1,232,757	\$ 459,960	\$ 4,355,817
Incurred Liabilities:								
Claims		165,000		164,355				329,355
Expenses	901,560	198,141	70,173	258,509		1,222,826	389,756	3,040,965
Total Liabilities	901,560	363,141	70,173	422,864	-	1,222,826	389,756	3,370,320
Underwriting Surplus	3,153	222,561	74,924	495,516	109,208	9,931	70,204	985,497
Adjustments:								
Investment Income	376	13,176	1,952	20,064	1,358	4,072	5,993	46,991
Permanent Transfers								-
Total Adjustments	376	13,176	1,952	20,064	1,358	4,072	5,993	46,991
Gross Statutory Surplus	3,529	235,737	76,876	515,580	110,566	14,003	76,197	1,032,488
Return of Surplus				225,000		13,957	74,206	313,163
Net Statutory Surplus (Deficit)	\$ 3,529	\$ 235,737	\$ 76,876	\$ 290,580	\$ 110,566	\$ 46	\$ 1,991	\$ 719,325

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)					\$ -
Case Reserves		\$ 88			88
IBNR Reserves		1,013,912		\$ 2,100,000	3,113,912
Subtotal	-	1,014,000	-	2,100,000	3,114,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 1,014,000	-	\$ 2,100,000	\$ 3,114,000
Number of Claims		94	4	6	104
Average Cost Per Claim	-	\$ 10,787	-	\$ 350,000	\$ 29,942

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)		\$ 3,632		\$ 239,028	\$ 242,660
Case Reserves		177,594		843,488	1,021,082
IBNR Reserves		723,774		1,587,484	2,311,258
Subtotal	-	905,000	-	2,670,000	3,575,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 905,000	-	\$ 2,670,000	\$ 3,575,000
Number of Claims		165	2	34	201
Average Cost Per Claim	-	5,485	-	\$ 78,529	\$ 17,786

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)		\$ 2,547		\$ 265,572	\$ 268,119
Case Reserves		110,163		31,556	141,719
IBNR Reserves		447,290		1,302,872	1,750,162
Subtotal	-	560,000	-	1,600,000	2,160,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 560,000	-	\$ 1,600,000	\$ 2,160,000
Number of Claims		112	5	28	145
Average Cost Per Claim	-	\$ 5,000	-	\$ 57,143	\$ 14,897

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)		\$ 221,134	\$ 273,266	\$ 22,027	\$ 516,427
Case Reserves		9,554		614,177	623,731
IBNR Reserves		340,357		669,486	1,009,843
Subtotal	-	571,045	273,266	1,305,690	2,150,001
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 571,045	\$ 273,266	\$ 1,305,690	\$ 2,150,001
Number of Claims		64	3	21	88
Average Cost Per Claim	-	\$ 8,923	\$ 91,089	\$ 62,176	\$ 24,432

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)		\$ 932,504		\$ 200,467	\$ 1,132,971
Case Reserves		4,662		425,801	430,463
IBNR Reserves		162,835		681,234	844,069
Subtotal	-	1,100,001	-	1,307,502	2,407,503
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 1,100,001	-	\$ 1,307,502	\$ 2,407,503
Number of Claims	2	59	5	17	83
Average Cost Per Claim	-	\$ 18,644	-	\$ 76,912	\$ 29,006

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)		\$ 145,322	\$ 91,234	\$ 160,111	\$ 396,667
Case Reserves		27,788		379,584	407,372
IBNR Reserves		120,656		260,305	380,961
Subtotal	-	293,766	91,234.00	800,000	1,185,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 293,766	\$ 91,234	\$ 800,000	\$ 1,185,000
Number of Claims	1	62	3	13	79
Average Cost Per Claim	-	\$ 4,738	\$ 30,411	\$ 61,538	\$ 15,000

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)				\$ 164,355	\$ 164,355
Case Reserves		\$ 1			1
IBNR Reserves		164,999			164,999
Subtotal	-	165,000	-	164,355	329,355
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	-	\$ 165,000	-	\$ 164,355	\$ 329,355
Number of Claims		38		4	42
Average Cost Per Claim	-	\$ 4,342	-	\$ 41,089	\$ 7,842

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 10,973,270		\$ 10,973,270
Ancilliary Insurance	4,076,028		4,076,028
	<hr/>		
Subtotal Excess Insurance	15,049,298	-	15,049,298
	<hr/>		
Administrative Expenses:			
Actuary	18,810	\$ 3,608	22,418
Attorney	15,000		15,000
Auditor	-	14,000	14,000
Claims Administrator	58,500		58,500
Fund Administrator	598,149		598,149
Miscellaneous Expenses	4,332	157	4,489
Safety Director	374,579		374,579
Treasurer	15,000		15,000
Underwriting Managers	429,401		429,401
	<hr/>		
Subtotal Administrative Expenses	1,513,771	17,765	1,531,536
	<hr/>		
Total Expenses	\$ 16,563,069	\$ 17,765	\$ 16,580,834
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 11,153,266		\$ 11,153,266
Ancilliary Insurance	4,174,917		4,174,917
	<hr/>		
Subtotal Excess Insurance	15,328,183	-	15,328,183
	<hr/>		
Administrative Expenses:			
Actuary	20,797		20,797
Attorney	15,000		15,000
Auditor	13,500		13,500
Claims Administrator	60,000		60,000
Fund Administrator	613,893		613,893
Miscellaneous Expenses	5,743		5,743
Safety Director	372,477		372,477
Treasurer	15,000		15,000
Underwriting Managers	451,407		451,407
	<hr/>		
Subtotal Administrative Expenses	1,567,817	-	1,567,817
	<hr/>		
Total Expenses	\$ 16,896,000	\$ -	\$ 16,896,000
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 9,562,666		\$ 9,562,666
Ancilliary Insurance	3,722,312		3,722,312
	<hr/>		
Subtotal Excess Insurance	13,284,978	-	13,284,978
	<hr/>		
Administrative Expenses:			
Actuary	20,604		20,604
Attorney	15,000		15,000
Auditor	12,750		12,750
Claims Administrator	35,708		35,708
Fund Administrator	534,442		534,442
Miscellaneous Expenses	5,239		5,239
Safety Director	324,748		324,748
Treasurer	15,000		15,000
Underwriting Managers	392,985		392,985
	<hr/>		
Subtotal Administrative Expenses	1,356,476	-	1,356,476
	<hr/>		
Total Expenses	\$ 14,641,454	-	\$ 14,641,454
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 5,601,171		\$ 5,601,171
Ancilliary Insurance	3,181,409		3,181,409
	<hr/>		
Subtotal Excess Insurance	8,782,580	-	8,782,580
	<hr/>		
Administrative Expenses:			
Actuary	20,206		20,206
Attorney	15,000		15,000
Auditor	12,650		12,650
Claims Administrator	12,000		12,000
Fund Administrator	348,645		348,645
Miscellaneous Expenses	6,360		6,360
Safety Director	228,001		228,001
Treasurer	15,000		15,000
Underwriting Managers	258,271		258,271
	<hr/>		
Subtotal Administrative Expenses	916,133	-	916,133
	<hr/>		
Total Expenses	\$ 9,698,713	-	\$ 9,698,713
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 4,168,463		\$ 4,168,463
Ancilliary Insurance	2,781,870		2,781,870
	<hr/>		
Subtotal Excess Insurance	6,950,333	-	6,950,333
	<hr/>		
Administrative Expenses:			
Actuary	20,000		20,000
Attorney	15,000		15,000
Auditor	11,941		11,941
Claims Administrator	11,000		11,000
Fund Administrator	301,005		301,005
Miscellaneous Expenses	2,227		2,227
Safety Director	206,879		206,879
Treasurer	15,000		15,000
Underwriting Managers	219,349		219,349
	<hr/>		
Subtotal Administrative Expenses	802,401	-	802,401
	<hr/>		
Total Expenses	\$ 7,752,734	-	\$ 7,752,734
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 2,530,201		\$ 2,530,201
Ancillary Insurance	2,526,135		2,526,135
	<hr/>		
Subtotal Excess Insurance	5,056,336	-	5,056,336
	<hr/>		
Administrative Expenses:			
Actuary	20,259		20,259
Auditor	11,200		11,200
Claims Administrator	5,000		5,000
Fund Administrator	215,146		215,146
Legal Fee Reimbursement to Camden County	12,500		12,500
Miscellaneous Expenses	2,879		2,879
Safety Director	162,388		162,388
Treasurer	15,000		15,000
Underwriting Managers	155,147		155,147
	<hr/>		
Subtotal Administrative Expenses	599,519	-	599,519
	<hr/>		
Total Expenses	\$ 5,655,855	-	\$ 5,655,855
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2010 EXPENSE ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 1,428,383		\$ 1,428,383
Ancillary Insurance	1,222,826		1,222,826
	<hr/>		
Subtotal Excess Insurance	2,651,209	-	2,651,209
	<hr/>		
Administrative Expenses:			
Actuary	16,361		16,361
Auditor	10,000		10,000
Fund Administrator	124,930		124,930
Legal Fee Reimbursement to Camden County	20,000		20,000
Miscellaneous Expenses	4,805		4,805
Safety Director	104,970		104,970
Treasurer	15,000		15,000
Underwriting Managers	93,690		93,690
	<hr/>		
Subtotal Administrative Expenses	389,756	-	389,756
	<hr/>		
Total Expenses	\$ 3,040,965	-	\$ 3,040,965
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Aggregate		\$31,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Atlantic	\$100,000	\$750,000	\$750,000	\$750,000
Burlington	\$100,000	\$250,000	\$250,000	\$300,000
Camden	\$100,000	\$250,000	\$250,000	\$300,000
Cumberland	\$100,000	\$250,000	\$250,000	\$300,000
Gloucester	\$100,000	\$250,000	\$250,000	\$300,000
Hudson	\$0	\$750,000	\$750,000	\$750,000
Mercer	\$100,000	\$250,000	\$250,000	\$300,000
Ocean	\$0	\$250,000	\$250,000	\$750,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich, Mitsui, Scottsdale, Starr	Underwriters at Lloyd's, National Casualty		Arch, Safety, Wesco
Number of Participants	10	10	10	10
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 1,014,000	\$ -	\$ 2,100,000
Administrative Expenses (1)	4,982,059	2,909,955	83,751	4,529,042
	<u>\$ 4,982,059</u>	<u>\$ 3,923,955</u>	<u>\$ 83,751</u>	<u>\$ 6,629,042</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each				
Aggregate	\$260,000,000	\$20,000,000 \$30,000,000	\$20,000,000 N/A	STATUTORY
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Atlantic	\$100,000	\$500,000	\$500,000	\$750,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$250,000	\$250,000
Cumberland	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Hudson	\$0	\$750,000	\$750,000	\$1,000,000
Mercer	\$100,000	\$250,000	\$250,000	\$250,000
Ocean	\$0	\$250,000	\$250,000	\$750,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich, Mitsui, Scottsdale, Starr	Underwriters at Lloyd's, National Casualty		Arch, Safety, Wesco
Number of Participants	10	10	10	10
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 905,000	\$ -	\$ 2,670,000
Administrative Expenses (1)	4,547,931	2,893,242	87,857	5,192,053
	<u>\$ 4,547,931</u>	<u>\$ 3,798,242</u>	<u>\$ 87,857</u>	<u>\$ 7,862,053</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$25,000,000	STATUTORY
Aggregate		\$45,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$500,000	\$250,000
Cumberland	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Hudson	\$0	\$750,000	\$750,000	\$750,000
Mercer	\$100,000	\$250,000	\$250,000	\$250,000
Ocean	\$0	\$250,000	\$250,000	\$750,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers				
	Zurich, RSUI, Underwriters at Lloyd's, Scottsdale	Underwriters at Lloyd's, National Casualty, Markel		Underwriters at Lloyd's, Safety, Arch, Wesco
Number of Participants	9	9	9	9
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 560,000	\$ -	\$ 1,600,000
Administrative Expenses (1)	3,791,239	2,658,577	79,513	4,389,813
	<u>\$ 3,791,239</u>	<u>\$ 3,218,577</u>	<u>\$ 79,513</u>	<u>\$ 5,989,813</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000/\$25,000,000	STATUTORY
Aggregate		\$30,000,000/\$45,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$250,000	\$250,000
Cumberland	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	*Star Insurance Company, Starr Indemnity Underwriters at Lloyd's		*Star Insurance Company Safety, Wesco
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 571,045	\$ 273,266	\$ 1,305,690
Administrative Expenses (1)	2,600,660	3,258,737	61,054	596,854
	<u>\$ 2,600,660</u>	<u>\$ 3,829,782</u>	<u>\$ 334,320</u>	<u>\$ 1,902,544</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

(2) *Star was excess carrier though June 2013

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000	STATUTORY
Aggregate		\$25,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$250,000	\$250,000
Cumberland (Entered 10/4/12)	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Salem (Entered 10/15/12)	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	*Star Insurance Company, Indemnity	*Star Insurance Company	
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 1,100,001	\$ -	\$ 1,307,502
Administrative Expenses (1)	2,318,431	1,225,760	267,360	1,159,313
	<u>\$ 2,318,431</u>	<u>\$ 2,325,761</u>	<u>\$ 267,360</u>	<u>\$ 2,466,815</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000	STATUTORY
Aggregate		\$25,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$500,000	\$500,000	\$500,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Union (Entered 3/1/11)	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	Star Insurance Company, Starr Indemnity		Star Insurance Company
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 293,766	\$ 91,234	\$ 800,000
Administrative Expenses (1)	1,501,250	806,658	130,573	691,239
	<u>\$ 1,501,250</u>	<u>\$ 1,100,424</u>	<u>\$ 221,807</u>	<u>\$ 1,491,239</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000	STATUTORY
Aggregate		\$25,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$250,000
Camden	\$0	\$500,000	\$500,000	\$500,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	Star Insurance Company, Starr Indemnity		Star Insurance Company
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 165,000	\$ -	\$ 164,355
Administrative Expenses (1)	902,652	332,351	96,119	487,018
	<u>\$ 902,652</u>	<u>\$ 497,351</u>	<u>\$ 96,119</u>	<u>\$ 651,373</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2016

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
First Colonial Bank	
General Account	\$ 19,856,809
Workers' Compensation Claims Account	8,948
Liability Claims Account	<u>22</u>
 Total Cash and Equivalents per Schedule A - Historical Balance Sheet--Statutory Basis	 \$ 19,865,779
 Total Cash and Cash Equivalents by Fund Year:	
2016	\$ 4,416,918
2015	4,320,816
2014	3,839,049
2013	2,824,760
2012	1,759,535
2011	1,745,375
2010	<u>959,326</u>
	<u>\$ 19,865,779</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2016

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2016	\$ 14,000
Actuary - Actuarial Advantage	2016	3,608
Miscellaneous Expenses	2016	<u>157</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis		<u>\$ 17,765</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance 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.

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.

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



James J. Miles, Jr

