

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE INITIAL PERIOD ENDED DECEMBER 31, 2018

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	<u>ROSS ANGILELLA</u>	<u>TIMOTHY SHEEHAN</u>
Secretary	<u>JOHN KELLY</u>	<u>EDMUND SHEA</u>
	<u>JANETTE KESSLER</u>	<u>ANDREW MAIR</u>
	<u>KENDALL COLLINS</u>	<u>MICHAEL YUSKA</u>
	<u>KENNETH MECOUCH</u>	

EXECUTIVE COMMITTEE ALTERNATES

<u>ANNA MARIE WRIGHT</u>	_____
<u>CARL BLOCK</u>	_____
<u>RAISSA WALKER</u>	_____
<u>EUGENIO ESQUIVEL</u>	_____

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, 2018 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, 2018, 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	<u> X </u> <u> Yes </u> <u> No </u>
(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 _____, 2019

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, 2018 and 2017, 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, 2018 and 2017 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 26, 2019 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

Voorhees, New Jersey
September 26, 2019

**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, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated September 26, 2019.

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,

A handwritten signature in black ink, appearing to read "Bowman & Company LLP", is written over the printed name.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
September 26, 2019

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, 2018, 2017 and 2016. 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 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, 2018, 2017 and 2016.

Summary Statements of Net Position			2018 to 2017 Change	
	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Amount</u> <u>Percentage</u>
Assets				
Cash & Cash Equivalents	\$ 12,775,678	\$ 18,531,960	\$ 19,865,779	\$(5,756,282) -31.1%
Investments	15,028,093	4,945,280		10,082,813 203.9%
Contributions and Other Receivables	19,565	348,931	154,021	(329,366) -94.4%
Other Assets	25,964	192,402	291,001	(166,438) -86.5%
Total Assets	<u>27,849,300</u>	<u>24,018,573</u>	<u>20,310,801</u>	<u>3,830,727</u> <u>15.9%</u>
Liabilities, Reserves & Net Position				
Liabilities and Reserves				
Loss Reserves	12,402,059	13,262,954	11,484,655	(860,895) -6.5%
Other Liabilities & Reserves	528,021	290,010	510,985	238,011 82.1%
Total Liabilities and Reserves	<u>12,930,080</u>	<u>13,552,964</u>	<u>11,995,640</u>	<u>(622,884)</u> <u>-4.6%</u>
Net Position - Unrestricted	<u>\$ 14,919,220</u>	<u>\$ 10,465,609</u>	<u>\$ 8,315,161</u>	<u>\$ 4,453,611</u> <u>42.6%</u>

Net position increased by \$4,453,611 from 2017 to 2018 or 42.6%. Comparatively, net position had increased by \$2,150,488 from 2016 to 2017 or 25.9%. The Fund recognized a 15.9% increase in its assets and a 4.6% decrease in liabilities from 2017 to 2018. Comparatively, the Fund recognized a 18.3% increase in its assets and a 13.0% increase in liabilities from 2016 to 2017.

Summary Statements of Revenues, Expenses, and Changes in Net Position			2018 to 2017 Change	
	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Amount</u> <u>Percentage</u>
Operating Revenue				
Regular Contributions	<u>\$ 21,302,329</u>	<u>\$ 21,070,063</u>	<u>\$ 21,278,896</u>	<u>\$ 232,266</u> <u>1.1%</u>
Operating Expenses:				
Provision for Claims and Claims				
Adjustment Expenses	(208,365)	2,199,398	2,164,726	(2,407,763) -109.5%
Excess & Ancillary Insurance				
Premiums	15,124,286	14,902,491	15,046,310	221,795 1.5%
Administrative Expenses	<u>1,666,735</u>	<u>1,652,099</u>	<u>1,511,366</u>	<u>14,636</u> <u>0.9%</u>
Total Operating Expenses	<u>16,582,656</u>	<u>18,753,988</u>	<u>18,722,402</u>	<u>(2,171,332)</u> <u>-11.6%</u>
Operating Income	<u>4,719,673</u>	<u>2,316,075</u>	<u>2,556,494</u>	<u>2,403,598</u> <u>103.8%</u>
Non-Operating Revenue:				
Investment Income	233,938	34,373	44,495	199,565 580.6%
Return of Surplus	<u>(500,000)</u>	<u>(200,000)</u>	<u>(150,000)</u>	<u>(300,000)</u> <u>150.0%</u>
Change in Net Position	<u>\$ 4,453,611</u>	<u>\$ 2,150,448</u>	<u>\$ 2,450,989</u>	<u>\$ 2,303,163</u> <u>107.1%</u>

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 Insurance Fund Commission 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 ninth year of operations were \$27,849,300 and total liabilities and reserves were \$12,930,080 resulting in an unrestricted net position of \$14,919,220.

The provision for claims and claims adjustment expenses of (\$208,365) is composed of \$3,803,697 of current fund year expense and an adjustment to prior year's expenses of (\$4,012,062).

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 2018, investment income was \$233,938 due to the large cash balance invested in money markets and investments.

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 12,775,678	\$ 18,531,960
Investments	15,028,093	4,945,280
Contributions Receivable	19,565	12,704
Interest Receivable	25,964	16,214
Refund Receivable	-	320,013
Prepaid Expenses	-	192,402
	<hr/>	<hr/>
Total Assets	27,849,300	24,018,573
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	13,777	116,464
Accrued Excess Insurance	14,244	-
Authorized Return of Surplus	500,000	173,546
	<hr/>	<hr/>
Total Liabilities	528,021	290,010
	<hr/>	<hr/>
Claims Reserves:		
Case Reserves	5,641,230	3,560,908
IBNR Reserves	8,032,895	10,479,791
Less Reserve Discount	(1,272,066)	(777,745)
	<hr/>	<hr/>
Total Reserves	12,402,059	13,262,954
	<hr/>	<hr/>
Total Liabilities and Reserves	12,930,080	13,552,964
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	\$ 14,919,220	\$ 10,465,609
	<hr/>	<hr/>

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating Revenue:		
Regular Contributions	<u>\$ 21,302,329</u>	<u>\$ 21,070,063</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses		
Current Fund Year Expense	3,803,697	3,737,996
Adjustment to Prior Years Expense Provisions	(4,012,062)	(1,538,598)
Excess Insurance Premiums	11,930,500	10,914,353
Ancillary Insurance Premiums	3,193,786	3,988,138
Administrative Expenses:		
Actuary	22,081	22,324
Attorney	15,000	15,000
Auditor	13,776	13,770
Internal Auditor	16,100	-
Claims Administrator	66,000	61,625
Fund Administrator	598,685	604,917
Miscellaneous Expenses	13,027	6,380
Risk Management Consultant	100,000	100,000
Safety Director	379,433	381,250
Treasurer	15,000	14,750
Underwriting Managers	<u>427,633</u>	<u>432,083</u>
Total Operating Expenses	<u>16,582,656</u>	<u>18,753,988</u>
Operating Income	<u>4,719,673</u>	<u>2,316,075</u>
Non-Operating Revenue:		
Investment Income	<u>233,938</u>	<u>34,373</u>
Change in Net Position	4,953,611	2,350,448
Net Position - Beginning	10,465,609	8,315,161
Return of Surplus	<u>(500,000)</u>	<u>(200,000)</u>
Net Position - Ending	<u><u>\$ 14,919,220</u></u>	<u><u>\$ 10,465,609</u></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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Receipts from Regular Contributions	\$ 21,295,468	\$ 20,868,160
Payments for Claim Payment	(652,530)	(421,099)
Payments for Insurance Premiums	(11,403,841)	(11,135,767)
Payments to Professionals and Suppliers	(4,963,208)	(5,541,538)
Net Cash Flows Provided by Operating Activities	<u>4,275,889</u>	<u>3,769,756</u>
Cash Flows from Investing Activities:		
Investment Income	210,074	50,496
Purchase of Investments	(12,083,699)	(4,977,617)
Redemption of Investments	2,015,000	-
Net Cash Used in Investing Activities	<u>(9,858,625)</u>	<u>(4,927,121)</u>
Cash Flows Used in Noncapital Financing Activities:		
Return of Surplus	<u>(173,546)</u>	<u>(176,454)</u>
Net Decrease in Cash and Cash Equivalents	(5,756,282)	(1,333,819)
Cash and Cash Equivalents - Beginning	<u>18,531,960</u>	<u>19,865,779</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 12,775,678</u></u>	<u><u>\$ 18,531,960</u></u>
Reconciliation of Operating Income to		
Cash Flows from Operating Activities:		
Operating Income	\$ 4,719,673	\$ 2,316,075
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(6,861)	141,317
Refund Receivable	320,013	(320,013)
Prepaid Expense	192,402	98,599
Accrued Administrative Expenses	(102,687)	98,699
Accrued Excess Insurance	14,244	-
Due To Member	-	(343,220)
Claims Reserves	(860,895)	1,778,299
Net Cash Flows Provided by Operating Activities	<u><u>\$ 4,275,889</u></u>	<u><u>\$ 3,769,756</u></u>

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

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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 2018, 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, Union County Insurance Fund Commission and Atlantic County Insurance Commission.

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

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. 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 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.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Basis of Accounting (Cont'd)

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 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. 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 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.

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.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

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

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities (Cont'd)

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, 2018. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency and other factors.

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

Excess Coverage

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 reasonably 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.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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 \$12,910,238 as of December 31, 2018, \$258,687 was insured while \$12,651,551 was collateralized under GUDPA.

Of the Fund's bank balance of \$18,885,112 as of December 31, 2017, \$273,554 was insured while \$18,611,558 was collateralized under GUDPA.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in United States Treasury Notes and United States Treasury Bills of \$15,028,093 and \$4,985,280 as of December 31, 2018 and 2017, were held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit risk, the Fund's investment policy provides that no investment or deposit shall have a maturity longer than five (5) years from date of purchase.

Credit Risk

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

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Concentration of Credit Risk

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

As of December 31, 2018 and 2017, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>2018</u>	<u>2017</u>
US TREASURY BILL	2.290%	01/03/19	AAA	\$ 10,511,956	\$ -
US TREASURY BILL	2.320%	02/14/19	AAA	531,863	-
US TREASURY NOTE	0.750%	01/31/18	AAA	-	499,810
US TREASURY NOTE	0.750%	04/30/18	AAA	-	498,905
US TREASURY NOTE	0.750%	09/30/18	AAA	-	496,445
US TREASURY NOTE	1.125%	01/15/19	AAA	499,795	496,365
US TREASURY NOTE	0.875%	04/15/19	AAA	497,805	493,810
US TREASURY NOTE	1.000%	09/30/19	AAA	494,080	492,635
US TREASURY NOTE	1.625%	01/31/20	AAA	492,775	493,380
US TREASURY NOTE	1.125%	04/30/20	AAA	490,585	491,075
US TREASURY NOTE	1.625%	09/30/20	AAA	490,175	492,385
US TREASURY NOTE	1.750%	01/31/21	AAA	488,535	490,470
US TREASURY NOTE	1.250%	03/31/21	AAA	530,525	-
				<u>\$ 15,028,093</u>	<u>\$ 4,945,280</u>

Fair Value Measurements of Investments

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

The Fund has the following recurring fair value measurements as of December 31, 2018 and 2017:

U.S. Treasury Notes and U.S. Treasury Bills of \$15,028,093 and \$4,945,280 are valued using quoted market prices for identical assets (Level 1 inputs).

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses. Net claims expense for the year is comprised of the incurred expense estimated for the current fund year as established by the reservists and actuary plus or minus the adjustment to prior fund year liabilities re-estimated as of the end of the current year.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund during 2018 and 2017 for all open Fund years net of excess insurance recoveries:

	<u>2018</u>	<u>2017</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 13,262,924</u>	<u>\$ 11,484,655</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	3,803,697	3,737,966
Changes in provision for insured events of prior fund years	<u>(4,012,062)</u>	<u>(1,538,598)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>(208,365)</u>	<u>2,199,368</u>
Payments (Net of Recoveries):		
Attributable to insured events of current fund year	211,356	21,705
Attributable to insured events of prior fund years	<u>441,174</u>	<u>399,394</u>
Total Payments all fund years	<u>652,530</u>	<u>421,099</u>
Total unpaid claim and claim adjustment expenses all Fund years - Ending	12,402,059	13,262,924
Reserve Discount	<u>1,272,066</u>	<u>777,745</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending--Statutory Basis	<u><u>\$ 13,674,125</u></u>	<u><u>\$ 14,040,669</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: NET POSITION

As of December 31, 2018 and 2017, 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>2018</u>	<u>2017</u>
Atlantic County Insurance Commission	\$ 633,855	\$ 370,587
Burlington County Insurance Commission	1,406,830	964,967
Camden County Insurance Commission	4,418,513	3,192,568
Cumberland County Insurance Commission	697,401	482,602
Gloucester County Insurance Commission	2,538,239	1,831,795
Hudson County	884,438	595,629
Mercer County Insurance Fund Commission	1,155,179	762,925
Ocean County	730,819	462,015
Salem County	449,404	346,119
Union County Insurance Fund Commission	<u>2,004,542</u>	<u>1,456,402</u>
	<u>\$ 14,919,220</u>	<u>\$ 10,465,609</u>

Note 7: RELATED PARTY TRANSACTIONS

Each member has an ownership interest in the New Jersey Counties Excess 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, 2018 and 2017 were as follows:

<u>Member</u>	<u>2018</u>	<u>2017</u>
Atlantic County Insurance Commission	\$ 1,900,538	\$ 1,851,311
Burlington County Insurance Commission	2,051,713	1,781,594
Camden County Insurance Commission	4,744,327	4,694,895
Cumberland County Insurance Commission	1,167,459	1,112,498
Gloucester County Insurance Commission	2,840,389	2,722,433
Hudson County	1,733,579	1,667,911
Mercer County Insurance Fund Commission	2,494,914	2,389,428
Ocean County	1,850,808	1,684,980
Salem County	-	678,529
Union County Insurance Fund Commission	<u>2,518,602</u>	<u>2,486,484</u>
	<u>\$ 21,302,329</u>	<u>\$ 21,070,063</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: RETURN OF SURPLUS

During 2018, the Board of Commissioners approved a dividend in the amount of \$500,000. The dividend was payable in the amount of \$166,666 from the 2011 fund year, \$166,667 from the 2013 fund year and \$166,667 from the 2014 fund year.

During 2017, the Board of Commissioners approved a dividend in the amount of \$200,000. The dividend was payable in the amount of \$100,000 from the 2010 fund year and \$100,000 from the 2011 fund year.

Note 9: SUBSEQUENT EVENTS

Subsequent to year-end, Monmouth County joined the Fund.

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, 2018

	<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	\$ -	\$ 4,787,523	\$ -	\$ 8,475,431	\$ 13,262,954
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year		2,588,706		1,214,991	3,803,697
Changes in provision for insured events of prior fund years		(512,577)	173,383	(3,672,868)	(4,012,062)
Total incurred claims and claims adjustment expenses all Fund years	-	2,076,129	173,383	(2,457,877)	(208,365)
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year		(61,562)	173,383	211,356	211,356
Attributable to insured events of prior fund years				329,353	441,174
Total payments all fund years	-	(61,562)	173,383	540,709	652,530
Total unpaid claims and claim adjustment expenses - Ending	-	6,925,214	-	5,476,845	12,402,059
Reserve Discount		733,104		538,962	1,272,066
Total unpaid claims and claim adjustment expenses - Ending--Statutory Basis	\$ -	\$ 7,658,318	\$ -	\$ 6,015,807	\$ 13,674,125

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NINE-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2018

	Fund Years								
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net Earned Required Contribution and Investment Revenue:									
Earned	\$ 4,411,721	\$ 8,038,660	\$ 10,955,840	\$ 13,069,285	\$ 18,785,097	\$ 21,297,393	\$ 21,331,382	\$ 21,110,888	\$ 21,335,558
Ceded	2,651,209	5,056,336	6,950,333	8,782,580	13,284,978	15,328,183	15,049,298	14,902,491	15,124,286
	1,760,512	2,982,324	4,005,507	4,286,705	5,500,119	5,969,210	6,282,084	6,208,397	6,211,272
Unallocated Expenses	389,756	599,519	802,401	916,133	1,356,476	1,567,817	1,533,442	1,651,896	1,665,030
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	3,737,996	3,803,697
Ceded									
Net Incurred	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000	3,650,000	3,114,000	3,737,996	3,803,697
Paid (Cumulative) as of:									
End of Policy Year	-	-	38,135	-	-	130,464	-	21,705	211,356
One Year Later	-	-	96,320	-	120,096	242,660	-	25,647	
Two Years Later	-	139,753	125,214	15,975	268,119	345,382	-		
Three Years Later		144,097	515,889	516,427	401,039	395,960			
Four Years Later	142,195	144,097	1,132,971	306,969	447,238				
Five Years Later	163,454	396,667	1,466,691	520,299					
Six Years Later	164,355	435,147	1,533,508						
Seven Years Later	165,365	488,982							
Eight Years Later	171,840								
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	3,737,996	3,803,697
One Year Later	1,047,136	1,875,000	2,550,000	2,325,000	2,845,000	3,575,000	2,645,000	2,792,101	
Two Years Later	931,000	1,350,000	2,300,000	2,185,000	2,160,000	3,220,000	1,662,670		
Three Years Later	600,000	1,260,000	2,492,203	2,150,001	2,080,000	3,462,048			
Four Years Later	629,999	1,030,000	2,407,503	1,740,001	1,575,786				
Five Years Later	490,000	1,185,000	2,270,000	1,253,708					
Six Years Later	329,355	1,015,000	1,747,625						
Seven Years Later	475,000	989,814							
Eight Years Later	181,506								
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (940,498)	\$ (1,065,185)	\$ (982,374)	\$ (1,156,292)	\$ (1,434,214)	\$ (187,952)	\$ (1,451,330)	\$ (945,895)	\$ -

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, 2018

ASSETS

Cash and Cash Equivalents	\$ 12,775,678	
Investments	<u>15,028,093</u>	
Total Cash and Investments		\$ 27,803,771
Receivables:		
Contributions Receivable	19,565	
Interest Receivable	<u>25,964</u>	
Total Receivables		<u>45,529</u>
Total Assets		\$ 27,849,300

LIABILITIES

Claims:		
Case Reserves	5,641,230	
IBNR Reserve	<u>8,032,895</u>	
Total Claims		13,674,125
Accrued Expenses:		
Excess Insurance	14,244	
Administrative Expenses	<u>13,777</u>	
Total Accrued Expenses		28,021
Other Liabilities:		
Authorized Return of Surplus	<u>500,000</u>	
Total Other Liabilities		<u>500,000</u>
Total Liabilities		<u>14,202,146</u>
Net Statutory Surplus		<u>\$ 13,647,154</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, 2018

Operating Revenue:		
Regular Contributions		\$ 139,838,293
Incurring Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$ 3,794,830	
Case Reserves	5,641,230	
IBNR Reserves	<u>8,032,895</u>	
Total Limited Incurred Claims		\$ 17,468,955
Expenses:		
Excess Insurance	68,262,273	
Ancillary Insurance	28,867,421	
Administrative	<u>10,482,470</u>	
Total Expenses		<u>107,612,164</u>
Total Incurred Liabilities		<u>125,081,119</u>
Underwriting Income		14,757,174
Investment Income		<u>497,531</u>
Gross Statutory Surplus		15,254,705
Return of Surplus:		
Paid	1,107,551	
Authorized and Unpaid	<u>500,000</u>	
Total Return of Surplus		<u>1,607,551</u>
Net Statutory Surplus		<u><u>\$ 13,647,154</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>2018</u>	<u>2017</u>
Total Liabilities and Reserves - Comparative Statements of Net Position	\$ 12,930,080	\$ 13,552,964
Plus Reserve Discount	<u>1,272,066</u>	<u>777,745</u>
Total Liabilities--Statutory Basis	<u>\$ 14,202,146</u>	<u>\$ 14,330,709</u>
Net Position - Comparative Statements of Net Position	\$ 14,919,220	\$ 10,465,609
Less Reserve Discount	<u>1,272,066</u>	<u>777,745</u>
Net Statutory Surplus	<u>\$ 13,647,154</u>	<u>\$ 9,687,864</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 21,302,329</u>		
Total Underwriting Income			\$ 21,302,329
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	211,356		
Case Reserves	296,617		
IBNR Reserves	<u>3,295,724</u>		
Total Limited Incurred Claims		\$ 3,803,697	
Expenses:			
Excess Insurance	11,930,500		
Ancillary Insurance	3,193,786		
Administrative	<u>1,665,030</u>		
Total Expenses		<u>16,789,316</u>	
Total Incurred Liabilities			<u>20,593,013</u>
Underwriting Income			709,316
Investment Income			<u>33,229</u>
Gross Statutory Surplus			742,545
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 742,545</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 21,070,061</u>		
Total Underwriting Income			\$ 21,070,061
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	25,647		
Case Reserves	640,084		
IBNR Reserves	<u>2,126,370</u>		
Total Limited Incurred Claims		\$ 2,792,101	
Expenses:			
Excess Insurance	10,914,353		
Ancillary Insurance	3,988,138		
Administrative	<u>1,651,896</u>		
Total Expenses		<u>16,554,387</u>	
Total Incurred Liabilities			<u>19,346,488</u>
Underwriting Income			1,723,573
Investment Income			<u>40,827</u>
Gross Statutory Surplus			1,764,400
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 1,764,400</u></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, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 21,278,896</u>		
Total Underwriting Income			\$ 21,278,896
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	-		
Case Reserves	530,313		
IBNR Reserves	<u>1,132,357</u>		
Total Limited Incurred Claims		\$ 1,662,670	
Expenses:			
Excess Insurance	10,973,270		
Ancillary Insurance	4,076,028		
Administrative	<u>1,533,442</u>		
Total Expenses		<u>16,582,740</u>	
Total Incurred Liabilities			<u>18,245,410</u>
Underwriting Income			3,033,486
Investment Income			<u>52,486</u>
Gross Statutory Surplus			3,085,972
Return of Surplus:			
Paid	-		
Authorized and Unpaid	<u>-</u>		
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 3,085,972</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, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 21,242,766</u>		
Total Underwriting Income			\$ 21,242,766
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	395,960		
Case Reserves	2,462,260		
IBNR Reserves	<u>603,828</u>		
Total Limited Incurred Claims		\$ 3,462,048	
Expenses:			
Excess Insurance	11,153,266		
Ancillary Insurance	4,174,917		
Administrative	<u>1,567,817</u>		
Total Expenses		<u>16,896,000</u>	
Total Incurred Liabilities			<u>20,358,048</u>
Underwriting Income			884,718
Investment Income			<u>54,627</u>
Gross Statutory Surplus			939,345
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 939,345</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, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 18,722,335</u>		
Total Underwriting Income			\$ 18,722,335
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	447,238		
Case Reserves	655,655		
IBNR Reserves	<u>472,893</u>		
Total Limited Incurred Claims		\$ 1,575,786	
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>16,217,240</u>
Underwriting Income			2,505,095
Investment Income			<u>62,762</u>
Gross Statutory Surplus			2,567,857
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>166,667</u>	
Total Return of Surplus			<u>166,667</u>
Net Statutory Surplus			<u><u>\$ 2,401,190</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, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 13,006,028</u>		
Total Underwriting Income			\$ 13,006,028
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	520,299		
Case Reserves	507,306		
IBNR Reserves	<u>226,103</u>		
Total Limited Incurred Claims		\$ 1,253,708	
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>10,952,421</u>
Underwriting Income			2,053,607
Investment Income			<u>63,257</u>
Gross Statutory Surplus			2,116,864
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>166,667</u>	
Total Return of Surplus			<u>166,667</u>
Net Statutory Surplus			<u><u>\$ 1,950,197</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, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 10,894,134</u>		
Total Underwriting Income			\$ 10,894,134
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	1,533,508		
Case Reserves	87,538		
IBNR Reserves	<u>126,579</u>		
Total Limited Incurred Claims		\$ 1,747,625	
Expenses:			
Excess Insurance	4,168,463		
Ancillary Insurance	2,781,870		
Administrative	<u>802,401</u>		
Total Expenses		<u>7,752,734</u>	
Total Incurred Liabilities			<u>9,500,359</u>
Underwriting Income			1,393,775
Investment Income			<u>61,706</u>
Gross Statutory Surplus			1,455,481
Return of Surplus:			
Paid		293,856	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>293,856</u>
Net Statutory Surplus			<u><u>\$ 1,161,625</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, 2018

Underwriting Income:		
Regular Contributions	<u>\$ 7,965,927</u>	
Total Underwriting Income		\$ 7,965,927
Incurring Liabilities:		
Claims:		
Paid (Net of Recoveries)	488,982	
Case Reserves	461,457	
IBNR Reserves	<u>39,375</u>	
Total Limited Incurred Claims		\$ 989,814
Expenses:		
Excess Insurance	2,530,201	
Ancillary Insurance	2,526,135	
Administrative	<u>599,519</u>	
Total Expenses		<u>5,655,855</u>
Total Incurred Liabilities		<u>6,645,669</u>
Underwriting Income		1,320,258
Investment Income		<u>72,733</u>
Gross Statutory Surplus		1,392,991
Return of Surplus:		
Paid	400,532	
Authorized and Unpaid	<u>166,666</u>	
Total Return of Surplus		<u>567,198</u>
Net Statutory Surplus		<u><u>\$ 825,793</u></u>

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, 2018

Underwriting Income:			
Regular Contributions	<u>\$ 4,355,817</u>		
Total Underwriting Income			\$ 4,355,817
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	171,840		
Case Reserves	-		
IBNR Reserves	<u>9,666</u>		
Total Limited Incurred Claims		\$ 181,506	
Expenses:			
Excess Insurance	1,428,383		
Ancillary Insurance	1,222,826		
Administrative	<u>389,756</u>		
Total Expenses		<u>3,040,965</u>	
Total Incurred Liabilities			<u>3,222,471</u>
Underwriting Income			1,133,346
Investment Income			<u>55,904</u>
Gross Statutory Surplus			1,189,250
Return of Surplus:			
Paid		413,163	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>413,163</u>
Net Statutory Surplus			<u>\$ 776,087</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

<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>
Underwriting Income:						
Regular Contributions	\$ 5,724,080	\$ 3,297,934	\$ 251,713	\$ 6,174,010	\$ 4,132,652	\$ 1,721,940
						\$ 21,302,329
Incurred Liabilities:						
Claims		2,588,706		1,214,991		3,803,697
Expenses	5,693,774	2,994,852		3,241,874	3,193,786	1,665,030
						16,789,316
Total Liabilities	5,693,774	5,583,558	-	4,456,865	3,193,786	1,665,030
						20,593,013
Underwriting Surplus (Deficit)	30,306	(2,285,624)	251,713	1,717,145	938,866	56,910
						709,316
Adjustments:						
Investment Income	424	2,894	1,667	19,105	7,747	1,392
Permanent Transfers						33,229
						-
Total Adjustments	424.00	2,894	1,667	19,105	7,747.00	1,392
						33,229
Gross Statutory Surplus (Deficit)	30,730	(2,282,730)	253,380	1,736,250	946,613	58,302
Return of Surplus						742,545
						-
Net Statutory Surplus (Deficit)	\$ 30,730	\$ (2,282,730)	\$ 253,380	\$ 1,736,250	\$ 946,613	\$ 58,302
						\$ 742,545

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

<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>
Underwriting Income:						
Regular Contributions	\$ 5,154,850	\$ 3,458,773	\$ 249,715	\$ 6,388,183	\$ 4,070,083	\$ 1,748,457
						\$ 21,070,061
Incurred Liabilities:						
Claims		2,163,571	1,148	627,382		2,792,101
Expenses	5,030,295	2,777,000		3,107,058	3,988,138	1,651,896
						16,554,387
Total Liabilities	5,030,295	4,940,571	1,148.00	3,734,440	3,988,138	1,651,896
						19,346,488
Underwriting Surplus (Deficit)	124,555	(1,481,798)	248,567	2,653,743	81,945	96,561
						1,723,573
Adjustments:						
Investment Income	1,070	5,620		28,775	684	2,441
Permanent Transfers			2,237			40,827
						-
Total Adjustments	1,070.00	5,620	2,237	28,775	684.00	2,441
						40,827
Gross Statutory Surplus (Deficit)	125,625	(1,476,178)	250,804	2,682,518	82,629	99,002
Return of Surplus						1,764,400
						-
Net Statutory Surplus (Deficit)	\$ 125,625	\$ (1,476,178)	\$ 250,804	\$ 2,682,518	\$ 82,629	\$ 99,002
						\$ 1,764,400

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, 2018

<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>
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		514,940		1,147,730		1,662,670
Expenses	4,966,811	2,555,000		3,451,459	4,076,028	1,533,442
						16,582,740
Total Liabilities	4,966,811	3,069,940	-	4,599,189	4,076,028	1,533,442
						18,245,410
Underwriting Surplus	44,006	509,495	241,714	1,962,284	63,142	212,845
						3,033,486
Adjustments:						
Investment Income	391	9,996	3,369	30,147	603	4,798
Permanent Transfers						52,486
						-
Total Adjustments	391.00	9,996	3,369	30,147	603.00	4,798
						52,486
Gross Statutory Surplus	44,397	519,491	245,083	1,992,431	63,745	217,643
Return of Surplus						3,085,972
						-
Net Statutory Surplus	\$ 44,397	\$ 519,491	\$ 245,083	\$ 1,992,431	\$ 63,745	\$ 217,643
						\$ 3,085,972

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:								
Regular Contributions	\$ 4,559,292	\$ 3,525,543	\$ 242,603	\$ 7,155,080	\$ -	\$ 4,077,144	\$ 1,683,104	\$ 21,242,766
Incurred Liabilities:								
Claims		1,872,037	54,882	1,535,129				3,462,048
Expenses	4,541,481	2,534,250		4,077,535		4,174,917	1,567,817	16,896,000
Total Liabilities	4,541,481	4,406,287	54,882.00	5,612,664	-	4,174,917	1,567,817	20,358,048
Underwriting Surplus (Deficit)	17,811	(880,744)	187,721	1,542,416	-	(97,773)	115,287	884,718
Adjustments:								
Investment Income	209	12,408	3,143	32,356	2,295	44	4,172	54,627
Permanent Transfers								-
Total Adjustments	209	12,408	3,143	32,356	2,295	44	4,172	54,627
Gross Statutory Surplus (Deficit)	18,020	(868,336)	190,864	1,574,772	2,295	(97,729)	119,459	939,345
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 18,020	\$ (868,336)	\$ 190,864	\$ 1,574,772	\$ 2,295	\$ (97,729)	\$ 119,459	\$ 939,345

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
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		497,030	118,186	960,570				1,575,786
Expenses	3,791,240	2,491,556		3,279,870		3,722,312	1,356,476	14,641,454
Total Liabilities	3,791,240	2,988,586	118,186.00	4,240,440	-	3,722,312	1,356,476	16,217,240
Underwriting Surplus (Deficit)	(3)	(12,258)	112,596	2,260,990	-	36,692	107,078	2,505,095
Adjustments:								
Investment Income	39	10,196	3,818	34,886	2,479	1,246	10,098	62,762
Permanent Transfers								-
Total Adjustments	39	10,196	3,818	34,886	2,479	1,246	10,098	62,762
Gross Statutory Surplus (Deficit)	36	(2,062)	116,414	2,295,876	2,479	37,938	117,176	2,567,857
Return of Surplus				166,667				166,667
Net Statutory Surplus (Deficit)	36	(2,062)	116,414	2,129,209	2,479	37,938	117,176	2,401,190

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
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		264,369	250,000	739,339				1,253,708
Expenses	2,578,765	3,022,406				3,181,409	916,133	9,698,713
Total Liabilities	2,578,765	3,286,775	250,000	739,339	-	3,181,409	916,133	10,952,421
Underwriting Surplus (Deficit)	72,379	516,888	(48,169)	1,233,729	-	233,261	45,519	2,053,607
Adjustments:								
Investment Income	4,801	15,182	1,799	28,476	3,027	3,598	6,374	63,257
Permanent Transfers								-
Total Adjustments	4,801	15,182	1,799	28,476	3,027	3,598	6,374	63,257
Gross Statutory Surplus (Deficit)	77,180	532,070	(46,370)	1,262,205	3,027	236,859	51,893	2,116,864
Return of Surplus				166,667				166,667
Net Statutory Surplus (Deficit)	\$ 77,180	\$ 532,070	\$ (46,370)	\$ 1,095,538	\$ 3,027	\$ 236,859	\$ 51,893	\$ 1,950,197

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
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		932,508	250,000	565,117				1,747,625
Expenses	2,284,162	1,025,494	209,861	648,946		2,781,870	802,401	7,752,734
Total Liabilities	2,284,162	1,958,002	459,861	1,214,063	-	2,781,870	802,401	9,500,359
Underwriting Surplus (Deficit)	121,823	(220,585)	(45,597)	1,249,179	-	106,811	182,144	1,393,775
Adjustments:								
Investment Income	3,320	8,093	3,040	32,789	3,225	334	10,905	61,706
Permanent Transfers								-
Total Adjustments	3,320	8,093	3,040	32,789	3,225	334	10,905	61,706
Gross Statutory Surplus (Deficit)	125,143	(212,492)	(42,557)	1,281,968	3,225	107,145	193,049	1,455,481
Return of Surplus						107,103	186,753	293,856
Net Statutory Surplus (Deficit)	\$ 125,143	\$ (212,492)	\$ (42,557)	\$ 1,281,968	\$ 3,225	\$ 42	\$ 6,296	\$ 1,161,625

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
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		145,328	91,234	753,252				989,814
Expenses	1,502,240	632,583	84,589	310,789		2,526,135	599,519	5,655,855
Total Liabilities	1,502,240	777,911	175,823	1,064,041	-	2,526,135	599,519	6,645,669
Underwriting Surplus (Deficit)	(3,236)	423,640	59,067	490,260	131,707	61,145	157,675	1,320,258
Adjustments:								
Investment Income	7	15,158	8,701	33,000	3,996	2,658	9,213	72,733
Permanent Transfers								-
Total Adjustments	7	15,158	8,701	33,000	3,996	2,658	9,213	72,733
Gross Statutory Surplus (Deficit)	(3,229)	438,798	67,768	523,260	135,703	63,803	166,888	1,392,991
Return of Surplus				341,666		63,593	161,939	567,198
Net Statutory Surplus (Deficit)	\$ (3,229)	\$ 438,798	\$ 67,768	\$ 181,594	\$ 135,703	\$ 210	\$ 4,949	\$ 825,793

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
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				181,506				181,506
Expenses	901,560	198,141	70,173	258,509		1,222,826	389,756	3,040,965
Total Liabilities	901,560	198,141	70,173	440,015	-	1,222,826	389,756	3,222,471
Underwriting Surplus	3,153	387,561	74,924	478,365	109,208	9,931	70,204	1,133,346
Adjustments:								
Investment Income	410	16,940	2,674	22,882	2,428	4,073	6,497	55,904
Permanent Transfers								-
Total Adjustments	410	16,940	2,674	22,882	2,428	4,073	6,497	55,904
Gross Statutory Surplus	3,563	404,501	77,598	501,247	111,636	14,004	76,701	1,189,250
Return of Surplus				325,000		13,957	74,206	413,163
Net Statutory Surplus	\$ 3,563	\$ 404,501	\$ 77,598	\$ 176,247	\$ 111,636	\$ 47	\$ 2,495	\$ 776,087

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -		\$ -	\$ 211,356	\$ 211,356
Case Reserves		\$ 8,045		288,572	296,617
IBNR Reserves		2,580,661		715,063	3,295,724
Subtotal	-	2,588,706	-	1,214,991	3,803,697
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 2,588,706	\$ -	\$ 1,214,991	\$ 3,803,697
Number of Claims	-	89	3	11	103
Average Cost Per Claim	\$ -	\$ 29,087	\$ -	\$ 110,454	\$ 36,929

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ 780	\$ 1,148	\$ 23,719	\$ 25,647	
Case Reserves		591,204		48,880	640,084	
IBNR Reserves		1,571,587		554,783	2,126,370	
Subtotal	-	2,163,571	1,148	627,382	2,792,101	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 2,163,571	\$ 1,148	\$ 627,382	\$ 2,792,101	
Number of Claims	-	149	5	25	179	
Average Cost Per Claim	\$ -	\$ 14,521	\$ 230	\$ 25,095	\$ 15,598	

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, 2018

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ -	\$ -	
Case Reserves		269,478	-	260,835	530,313	
IBNR Reserves		245,462		886,895	1,132,357	
Subtotal	-	514,940	-	1,147,730	1,662,670	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 514,940	\$ -	\$ 1,147,730	\$ 1,662,670	
Number of Claims	-	160	6	17	183	
Average Cost Per Claim	\$ -	\$ 3,218	\$ -	\$ 67,514	\$ 9,086	

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, 2018

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ 6,535	\$ 54,882	\$ 334,543	\$ 395,960	
Case Reserves		1,661,771		800,489	2,462,260	
IBNR Reserves		203,731		400,097	603,828	
Subtotal	-	1,872,037	54,882	1,535,129	3,462,048	
Excess Insurance Received Recoverable					-	
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ -	\$ 1,872,037	\$ 54,882	\$ 1,535,129	\$ 3,462,048	
Number of Claims	-	196	4	51	251	
Average Cost Per Claim	\$ -	\$ 9,551	\$ 13,721	\$ 30,101	\$ 13,793	

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, 2018

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ 3,511	\$ 118,186	\$ 325,541	\$ 447,238
Case Reserves		436,763		218,892	655,655
IBNR Reserves		56,756		416,137	472,893
Subtotal	-	497,030	118,186.00	960,570	1,575,786
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 497,030	\$ 118,186	\$ 960,570	\$ 1,575,786
Number of Claims	-	120	7	28	155
Average Cost Per Claim	\$ -	\$ 4,142	\$ 16,884	\$ 34,306	\$ 10,166

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, 2018

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ 231,519	\$ 250,000	\$ 38,780	\$ 520,299
Case Reserves		14,481		492,825	507,306
IBNR Reserves		18,369		207,734	226,103
Subtotal	-	264,369	250,000	739,339	1,253,708
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 264,369	\$ 250,000	\$ 739,339	\$ 1,253,708
Number of Claims	-	66	2	24	92
Average Cost Per Claim	\$ -	\$ 4,006	\$ 125,000	\$ 30,806	\$ 13,627

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, 2018

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ 932,504	\$ 250,000	\$ 351,004	\$ 1,533,508
Case Reserves		4		87,534	87,538
IBNR Reserves				126,579	126,579
Subtotal	-	932,508	250,000	565,117	1,747,625
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 932,508	\$ 250,000	\$ 565,117	\$ 1,747,625
Number of Claims	2	59	6	19	86
Average Cost Per Claim	\$ -	\$ 15,805	\$ 41,667	\$ 29,743	\$ 20,321

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, 2018

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ 145,322	\$ 91,234	\$ 252,426	\$ 488,982	
Case Reserves		6		461,451	461,457	
IBNR Reserves				39,375	39,375	
Subtotal	-	145,328	91,234	753,252	989,814	
Excess Insurance Received Recoverable					-	
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ -	\$ 145,328	\$ 91,234	\$ 753,252	\$ 989,814	
Number of Claims	1	62	3	13	79	
Average Cost Per Claim	\$ -	\$ 2,344	\$ 30,411	\$ 57,942	\$ 12,529	

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, 2018

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ 171,840	\$ 171,840	
Case Reserves						
IBNR Reserves				9,666	9,666	
Subtotal	-		-	181,506	181,506	
Excess Insurance						
Received						-
Recoverable						-
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ -	\$ -	\$ -	\$ 181,506	\$ 181,506	
Number of Claims	-	38	-	4	42	
Average Cost Per Claim	\$ -	\$ -	\$ -	\$ 45,377	\$ 4,322	

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 11,916,256	\$ 14,244	\$ 11,930,500
Ancillary Insurance	3,193,786		3,193,786
	<hr/>		
Subtotal Excess Insurance	15,110,042	14,244	15,124,286
	<hr/>		
Administrative Expenses:			
Actuary	22,081		22,081
Attorney	15,000		15,000
Auditor	0	13,521	13,521
Internal Auditor	16,100		16,100
Claims Administrator	66,000		66,000
Fund Administrator	598,685		598,685
Miscellaneous Expenses	11,321	256	11,577
Safety Director	379,433		379,433
Treasurer	15,000		15,000
Risk Management Consultant	100,000		100,000
Underwriting Managers	427,633		427,633
	<hr/>		
Subtotal Administrative Expenses	1,651,253	13,777	1,665,030
	<hr/>		
Total Expenses	\$ 16,761,295	\$ 28,021	\$ 16,789,316
	<hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 10,914,353		\$ 10,914,353
Ancillary Insurance	3,988,138		3,988,138
	<hr/>		
Subtotal Excess Insurance	14,902,491	-	14,902,491
	<hr/>		
Administrative Expenses:			
Actuary	22,324		22,324
Attorney	15,000		15,000
Auditor	14,025		14,025
Claims Administrator	61,625		61,625
Fund Administrator	604,917		604,917
Miscellaneous Expenses	5,672		5,672
Safety Director	381,250		381,250
Treasurer	15,000		15,000
Risk Management Consultant	100,000		100,000
Underwriting Managers	432,083		432,083
	<hr/>		
Subtotal Administrative Expenses	1,651,896	-	1,651,896
	<hr/>		
Total Expenses	\$ 16,554,387	-	\$ 16,554,387
	<hr/>		

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, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 10,973,270		\$ 10,973,270
Ancillary Insurance	4,076,028		4,076,028
	<hr/>		
Subtotal Excess Insurance	15,049,298	-	15,049,298
	<hr/>		
Administrative Expenses:			
Actuary	22,418		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	6,645		6,645
Safety Director	374,579		374,579
Treasurer	14,750		14,750
Underwriting Managers	429,401		429,401
	<hr/>		
Subtotal Administrative Expenses	1,533,442	-	1,533,442
	<hr/>		
Total Expenses	\$ 16,582,740	-	\$ 16,582,740
	<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, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 11,153,266		\$ 11,153,266
Ancillary 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, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 9,562,666		\$ 9,562,666
Ancillary 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/>		

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, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 5,601,171		\$ 5,601,171
Ancillary 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/>		

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, 2018

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 4,168,463		\$ 4,168,463
Ancillary 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, 2018

	<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/>		

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, 2018

	<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 2018 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<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		\$30,000,000	N/A	
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	\$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
Union	\$0	\$250,000	\$250,000	\$300,000
Excess Insurers				Safety National, Wesco, Underwriters at Lloyd's
	Zurich, Mitsui, Starr, Velocity	Underwriters at Lloyd's, National Casualty		
Number of Participants	9	9	9	9
Incurring Liabilities:				
Claims (Schedule D)	\$ -	\$ 2,588,706	\$ -	\$ 1,214,991
Administrative Expenses (1)	5,708,121	3,138,328	119,159	4,629,922
	<u>\$ 5,708,121</u>	<u>\$ 5,727,034</u>	<u>\$ 119,159</u>	<u>\$ 5,844,913</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 2017 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$25,000,000	\$25,000,000	STATUTORY
Aggregate		\$35,000,000	N/A	
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	\$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	\$300,000
Union	\$0	\$250,000	\$250,000	\$300,000
Excess Insurers				Safety National, Wesco, Underwriters at Lloyd's
	Zurich, Mitsui, Starr, Velocity	Underwriters at Lloyd's, National Casualty		
Number of Participants	10	10	10	10
Incurring Liabilities:				
Claims (Schedule D)	\$ -	\$ 2,163,571	\$ 1,148	\$ 627,382
Administrative Expenses (1)	5,077,734	3,036,667	95,109	4,356,739
	<u>\$ 5,077,734</u>	<u>\$ 5,200,238</u>	<u>\$ 96,257</u>	<u>\$ 4,984,121</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 2016 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$25,000,000	\$25,000,000	STATUTORY
Aggregate		\$35,000,000	N/A	
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	\$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	\$300,000
Excess Insurers	Zurich, Mitsui, Scottsdale, Starr	Underwriters at Lloyd's, National Casualty		Safety National, Wesco, Underwriters at Lloyd's
Number of Participants	10	10	10	10
Incurring Liabilities:				
Claims (Schedule D)	\$ -	\$ 514,940	\$ -	\$ 1,147,730
Administrative Expenses (1)	4,982,078	2,910,396	83,855	4,530,383
	<u>\$ 4,982,078</u>	<u>\$ 3,425,336</u>	<u>\$ 83,855</u>	<u>\$ 5,678,113</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$25,000,000	\$25,000,000	STATUTORY
Aggregate		\$35,000,000	N/A	
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		Underwriters at Lloyd's, Safety National, Arch, Wesco
Number of Participants	10	10	10	10
Incurring Liabilities:				
Claims (Schedule D)	\$ -	\$ 1,872,037	\$ 54,882	\$ 1,535,129
Administrative Expenses (1)	4,547,931	2,893,242	87,857	5,192,053
	<u>\$ 4,547,931</u>	<u>\$ 4,765,279</u>	<u>\$ 142,739</u>	<u>\$ 6,727,182</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$25,000,000	\$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 National, Arch, Wesco
Number of Participants	9	9	9	9
Incurring Liabilities:				
Claims (Schedule D)	\$ -	\$ 497,030	\$ 118,186	\$ 960,570
Administrative Expenses (1)	3,791,239	2,658,577	79,513	4,389,813
	<u>\$ 3,791,239</u>	<u>\$ 3,155,607</u>	<u>\$ 197,699</u>	<u>\$ 5,350,383</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, 2018

	<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	\$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)	\$ -	\$ 264,369	\$ 250,000	\$ 739,339
Administrative Expenses (1)	2,600,660	3,258,737	61,054	596,854
	<u>\$ 2,600,660</u>	<u>\$ 3,523,106</u>	<u>\$ 311,054</u>	<u>\$ 1,336,193</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, 2018

	<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, Starr Indemnity		Star Insurance Company
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule D)	\$ -	\$ 932,508	\$ 250,000	\$ 565,117
Administrative Expenses (1)	2,318,431	1,225,760	267,360	1,159,313
	<u>\$ 2,318,431</u>	<u>\$ 2,158,268</u>	<u>\$ 517,360</u>	<u>\$ 1,724,430</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, 2018

	<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)	\$ -	\$ 145,328	\$ 91,234	\$ 753,252
Administrative Expenses (1)	1,501,250	806,658	130,573	691,239
	<u>\$ 1,501,250</u>	<u>\$ 951,986</u>	<u>\$ 221,807</u>	<u>\$ 1,444,491</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, 2018

	<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
Excess Insurers	Lexington RSUI	Star Insurance Company, Starr Indemnity		Star Insurance Company
Number of Participants	2	2	2	2
Incurring Liabilities:				
Claims (Schedule D)	\$ -	\$ -	\$ -	\$ 181,506
Administrative Expenses (1)	902,652	332,351	96,119	487,018
	<u>\$ 902,652</u>	<u>\$ 332,351</u>	<u>\$ 96,119</u>	<u>\$ 668,524</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, CASH EQUIVALENTS AND INVESTMENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2018

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
First Colonial Bank	
General Account	\$ 26,496
Workers' Compensation Claims Account	(1,111)
Liability Claims Account	12,741,607
Wilmington Trust	
Federated Government Obligations Money Market Fund	8,687
	<hr/>
Total Cash and Cash Equivalents	12,775,678
	<hr/>
<u>Investments</u>	
Wilmington Trust - Investment Account	15,028,093
	<hr/>
Total Cash, Cash Equivalents and Investements per Schedule A - Historical Balance Sheet--Statutory Basis	\$ 27,803,771
	<hr/> <hr/>
Total Cash, Cash Equivalents and Investements by Fund Year:	
2018	\$ 4,339,043
2017	4,526,781
2016	4,744,381
2015	4,001,711
2014	3,693,085
2013	2,847,641
2012	1,374,244
2011	1,491,931
2010	784,954
	<hr/>
	\$ 27,803,771
	<hr/> <hr/>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2018

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Excess Insurance Premiums		
Excess Insurance - Property	2018	<u>\$ 14,244</u>
Administrative Expenses:		
Actuary - The Actuarial Advantage, Inc.		
Auditor - Bowman & Company LLP	2018	13,521
Miscellaneous Expenses	2018	<u>256</u>
Total Administrative Expenses		<u>13,777</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis		<u><u>\$ 28,021</u></u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

A handwritten signature in black ink, appearing to read 'J. Miles', enclosed within a circular stamp or seal.

James J. Miles, Jr

