

**New Jersey Municipal Environmental
Risk Management Fund**
Parsippany, New Jersey

Comprehensive Annual Financial Report
For the Years Ended December 31, 2016 and 2015

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND

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INTRODUCTORY SECTION



**New Jersey Municipal Environmental
Risk Management Fund**

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April 14, 2017

Executive Committee
New Jersey Municipal Environmental Risk Management Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Dear Executive Committee Members:

The Comprehensive Annual Financial Report (CAFR) of the New Jersey Municipal Environmental Risk Management Fund (EJIF) for the year ended December 31, 2016 is hereby respectfully submitted. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the EJIF. We believe the data, as presented, are accurate in all material respects; that they are presented in a manner designed to fairly set forth the financial position and results of the operations of the EJIF as measured by the financial activity of its various membership years; and that all disclosures necessary to enable the reader to gain the maximum understanding of the EJIF's financial affairs have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section contains this transmittal letter, a list of the EJIF's members, a list of the EJIF's officers and an organizational chart. The financial section includes a management discussion and analysis of financial results and trends, the financial statements, as well as the independent auditors' opinion on the financial statements. State schedules are provided pursuant to the specifications of the New Jersey Department of Banking and Insurance, which, along with the Department of Community Affairs, exercises regulatory control over the EJIF. The statistical section includes selected data covering each of the years that the EJIF has been operational.

The EJIF was formed under State statutes which authorize local government entities to pool resources to meet risk management needs. Specifically, the EJIF administers a program of self funding that provides protection to members in the area of environmental risks. In performing this mission, the EJIF also contracts for support services such as claims and litigation management, loss control services and training, financial management and reporting, actuarial services, and general management.

Economic Conditions and Outlook

The EJIF's economic condition and outlook is strong. The EJIF has provided its members with stable assessments, a growing financial surplus, comprehensive insurance, and responsive service. These factors have resulted in growth and stability in membership which is expected to continue in the future.

EJIF Initiatives

Starting in 2013, the EJIF became proactive with the Administrative and Legislative branches of the State Government with respect to specific large cases affecting the members of the EJIF. The EJIF issued a Request for Qualifications (RFQ) for the retention of a legislative agent. As a result of the RFQ, the EJIF awarded a contract to a legislative agent to educate the administration and the legislators on the facts of the Newark Bay case and advocate for an indemnification agreement. Further, in order not to have a repeat on other river basins, the legislative agent will continue to work with the EJIF on new legislation to effectively indemnify the municipalities in the future on similar litigation. The EJIF's legislative agent is the Princeton Public Affairs Group. They remained active throughout 2013-, 2015 and continued their efforts in fund year 2016.

Owning and operating an underground storage tank (UST) system can be an expensive and risky endeavor. Consequently, many of our members have installed above-ground storage tanks (ASTs) for their liquid fuels and chemicals. These ASTs often store gasoline for vehicles, diesel fuel for emergency generators and heating oil for boilers. Although the ASTs are inherently safer to own and operate than underground systems, EJIF members are experiencing substantial environmental damages and losses due to discharges from the underground piping associated with those ASTs.

Many ASTs have underground piping systems, but they do not have corrosion protection or leak detection monitoring to protect the entity in the event of a discharge or failure in the underground piping. As a result, underground leaks may go undetected for a long time, causing considerable damage to the environment and leaving the entity extremely vulnerable to expensive claims that may even exceed the EJIF level of protection. In response to this growing concern for our members, the EJIF Commissioners and professionals have adopted a policy that requires specific testing of underground piping. The inspections, testing, and record keeping outlined in the policy are designed to help members improve their level of protection. A list of certified vendors is provided on the EJIF's website and there is also a reimbursement process for testing fees through the EJIF membership. This testing reimbursement continued throughout 2016 and is still being pursued and offered in fund year 2017.

In 2014 the EJIF distributed a copy of an Environmental Alert which deals with the hidden costs and potential exposures of acquiring properties through foreclosure and/or donations. Since the E-JIF's Environmental Engineers provide assistance in evaluating and inspecting potential acquisitions, the E-JIF addressed additional funding to do so. The E-JIF averaged 2-3 requests from our membership per year. However, given the struggling economy and the alert issued to membership, this number greatly increased in the short term. The E-JIF authorized additional funding for the Environmental Engineers to provide this service to our members for 2016.

Also in 2014 and 2015, the professionals of the E-JIF, in conjunction with the Underwriters from Liberty Insurance, began to review and rewrite the environmental Legal Liability policy for the E-JIF. The revised policy was reviewed and adopted by the Board. A resolution was adopted which sets forth a new policy form for the E-JIF. This new policy form was in effect January 1, 2016 and will also reflect the 2015 Fund year.

In September of 2015, the professionals of the E-JIF started to negotiate for a possible increase in excess coverage concerning the 2016 budget. Additional limits (currently \$7.5 Million) and change to the Fund's retention (currently \$2.8 Million) are being explored. The third and final year of membership population based on the 2010 census, on which the excess premium is rated on, is being phased in as per the Fund's agreement with the excess carrier.

In 2016, the State of New Jersey Department of Banking & Insurance performed an examination of the Fund for the 2013 Fund Year.

Financial Management and Control

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States as promulgated by the Governmental Accounting Standards Board and necessarily include amounts based upon reliable estimates and judgments. The EJIF's books are maintained on a full accrual basis. A summary of significant accounting policies is discussed in more detail in the notes to the financial statements found in the financial section.

Internal Accounting Structure

The EJIF's accounting system is organized so that each membership year, and line of coverage within each year, can be evaluated separately. The assets, liabilities, revenues, and expenses of each year and line of coverage are reported separately on a full accrual basis. This practice is necessary because the composition of the EJIF's membership, and the extent of participation within each line of coverage, varies from year to year.

The EJIF's management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable assurance that these objectives are being met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control decisions are made within the above framework. Management believes that the EJIF's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Assessments

The allocation of assessments is based upon each member's population. This factor generates percentages that are applied against the Fund's budget to determine member premiums. Both the budget and assessments are approved by the Executive Committee. Dividends and additional assessments are derived based upon each member's proportional share of assessments by fund year and line of coverage. The Fund has implemented a strategy of retaining surplus with the objective of stabilizing future assessments.

Investment Management

EJIF investments are made in accordance with the Local Fiscal Affairs Law and the EJIF's Cash and Investment Management Plan. Investments for the year were limited to US Treasury Securities, deposits in banks covered by the Governmental Unit Depository Protection Act, and deposits in the New Jersey Cash Management Fund, which is administered by the State of New Jersey's Division of Investments. The EJIF can also purchase U.S. Agency issues with a maturity of more than 12 months through a cooperative program with the New Jersey Division of Investments. In planning and executing investments, the EJIF emphasizes liquidity and safety. After these objectives are met, the EJIF seeks to optimize investment income. The EJIF protects itself from realization of capital losses by maintaining the ability to hold all investments to maturity. Investments with maturities of longer than six months are made by a professional asset manager from the trust department of Wells Fargo Bank, who is overseen by the EJIF Treasurer. Short term investments are usually limited to bank deposits and the New Jersey Cash Management Fund, and are undertaken by the EJIF Treasurer.

As of December 31, 2016, the EJIF's portfolio consisted of the following:

Checking Accounts	\$ 7,748,188	27.36%
Money Market Accounts	11,726	0.04%
New Jersey Cash Management	1,906,088	6.73%
Investments	18,656,979	65.87%
	<u>\$ 28,322,981</u>	<u>100.00%</u>

Independent Audit

Nisivoccia LLP, independent accountants, provide an independent, objective review of the fairness of the EJIF's reported financial position and results of operations. Their audit includes procedures they deem necessary to express an opinion as to the fairness of the financial statements. Their opinion is included in the financial section of this report.

Acknowledgments

Our appreciation is also extended to each EJIF commissioner, and particularly to Executive and Advisory Committee members, for their commitment to risk management and intergovernmental risk pooling.

Respectfully submitted,

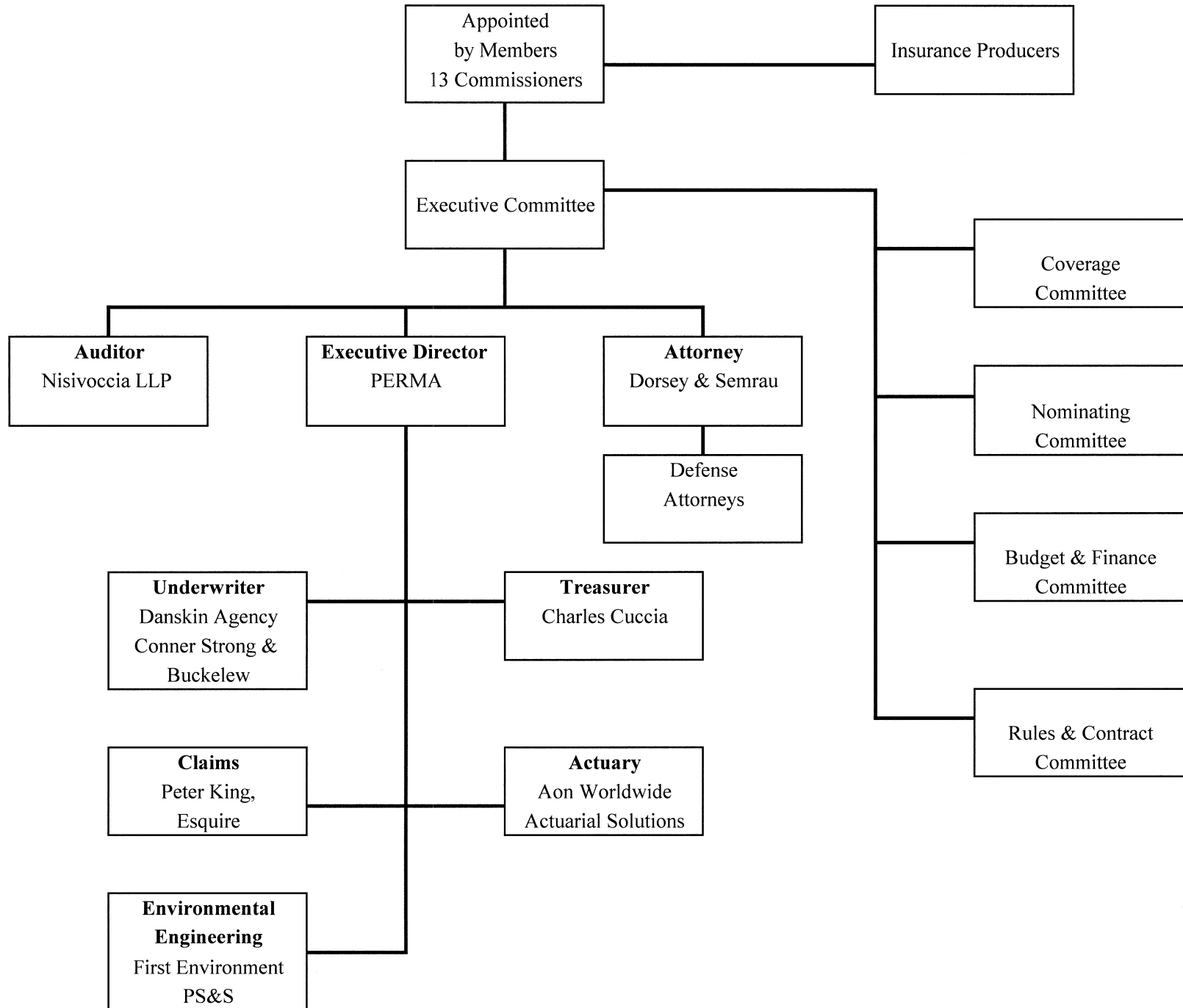
Stephen Sacco

Stephen Sacco, Executive Director

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2016

Paul Shives	Chairperson - Executive Committee
Robert Landolfi	Secretary - Executive Committee
Joe Catenaro	Executive Committee
Thomas Nolan	Executive Committee
Joe Wolk	Executive Committee
Jim Gildea	Executive Committee
Scott Carew	Executive Committee
Robert Law	Executive Committee
Greg Franz	Executive Committee-Alternate
Paul Tomasko	Executive Committee-Alternate
Jon Rheinhardt	Executive Committee-Alternate
Meghan Jack	Executive Committee-Alternate
Bernie Rutkowski	Executive Committee-Alternate
Perma Risk Management Services	Administrator
Stephen Sacco	Executive Director
Charles Cuccia	Treasurer
Dorsey & Semrau, LLC	Attorney
Nisivoccia LLP	Auditor
AON Worldwide Actuarial Services, Inc.	Actuary
Peter King, Esq.	Claims Administrators
The Danskin Agency	Underwriting Manager
Conner Strong & Buckelew	Underwriting Manager
Wells Fargo	Asset Manager
Wilmington Trust	Asset Manager
Investors Bank	Banking Institution
First Environment	Environmental Engineering Services
PS&S	Environmental Engineering Services

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
2016 ORGANIZATIONAL CHART



NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
MEMBERSHIP LISTING
DECEMBER 31, 2016

Camden County Municipal Joint Insurance Fund

South Bergen Municipal Joint Insurance Fund

Morris County Municipal Joint Insurance Fund

Ocean County Municipal Joint Insurance Fund

Professional Municipal Management Joint Insurance Fund

Bergen County Municipal Joint Insurance Fund

Monmouth County Joint Insurance Fund

Suburban Essex Joint Insurance Fund

Suburban Municipal Joint Insurance Fund

Central Jersey Joint Insurance Fund

New Jersey Utility Authorities Joint Insurance Fund

TRICO Joint Insurance Fund

Burlington County (BURLCO) Joint Insurance Fund

FINANCIAL SECTION



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 Mt. Arlington, NJ 07856
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 Newton, NJ 07860
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Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 opinions.

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Municipal Environmental Risk Management Fund
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2016 and 2015, and the changes in financial position and cash flows thereof for the years then ended in accordance 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 the accompanying Comparative Reconciliation of Claims Liabilities by Fund and Ten-Year Claims Development Information Schedules 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The introductory section, supplementary data, combining supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining supplementary schedules 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 combining supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, supplementary data, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Municipal Environmental Risk Management Fund
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2017 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

A handwritten signature in cursive script that reads "Nivivica LLP".

Mount Arlington, New Jersey
April 14, 2017

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
Management Discussion and Analysis
(Unaudited)

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2016 and 2015. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules 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 coverage for environmental risks for joint insurance funds 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:

Statement of Net Position – This statement presents information reflecting the Fund's assets, liabilities, deferred outflows and inflows of resources and net position. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.

Statement of Revenue, 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.

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

Financial Highlights

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

SUMMARY OF STATEMENT OF NET POSITION

	2016	2015	2015/2016 Percent Change	2014	2014/2015 Percent Change
ASSETS:					
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 28,394,314	\$ 26,628,401	6.63%	\$ 25,801,651	3.20%
Capital Assets	250,000	250,000	0.00%	250,000	0.00%
Total	28,644,314	26,878,401	6.57%	26,051,651	3.17%
LIABILITIES:					
Other Liabilities	70,727	160,912	-56.05%	101,680	58.25%
Loss Reserves	11,986,191	11,527,535	3.98%	10,688,038	7.85%
Total	12,056,918	11,688,447	3.15%	10,789,718	8.33%
NET POSITION:					
Invested in Capital Assets	250,000	250,000	0.00%	250,000	0.00%
Unrestricted	16,337,396	14,939,954	9.35%	15,011,933	-0.48%
NET POSITION	\$ 16,587,396	\$ 15,189,954	9.20%	\$ 15,261,933	-0.47%

SUMMARY OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION

	2016	2015	2015/2016 Percent Change	2014	2014/2015 Percent Change
Operating Revenue:					
Assessments from Members	\$ 4,269,535	\$ 4,279,984	-0.24%	\$ 4,205,532	1.77%
Total Operating Revenue	<u>4,269,535</u>	<u>4,279,984</u>	-0.24%	<u>4,205,532</u>	1.77%
Operating Expenses:					
Provision for Claims & Claims Expense	873,531	2,261,772	-61.38%	(759,085)	397.96%
Insurance Premiums	542,696	535,022	1.43%	391,568	36.64%
Administrative and Operating Expenses	<u>1,138,047</u>	<u>1,187,983</u>	-4.20%	<u>1,054,328</u>	12.68%
Total Operating Expenses	<u>2,554,274</u>	<u>3,984,777</u>	-35.90%	<u>686,811</u>	480.19%
Operating Income/(Loss)	1,715,261	295,207	481.04%	3,518,721	-91.61%
Non-Operating Revenue/(Expense):					
Investment Income	232,181	132,818	74.81%	188,124	-29.40%
Member Dividends	<u>(550,000)</u>	<u>(500,004)</u>	10.00%	<u>(475,001)</u>	5.26%
Change in Net Position	<u>\$ 1,397,442</u>	<u>\$ (71,979)</u>	2041.46%	<u>\$ 3,231,844</u>	-102.23%

The Fund's total assets increased by 6.57% and the liabilities increased by 3.15%, resulting in a 9.20% increase in net position.

Assessments decreased by 0.24% reflecting decreased claims projections in the 2016 budget.

Investment income increased by 74.81% as a result of an increase in the interest rate environment and the recognition of an unrealized gain on investments at year end.

Claims expense decreased from \$2,261,772 in 2015 to \$873,531 in 2016. This 61.38% decrease is mainly due to the decrease in prior year's claims during 2016.

The Fund returned \$550,000 to its members in dividends in 2016 and \$500,004 in dividends in 2015. This decision was based upon the Fund's continued conservative policy of building net position as part of its effort to further minimize the potential need to rely on excess insurance or other forms of outside financing of risk.

The Fund's financial position is impacted by regulatory decisions and guidelines established by the New Jersey Department of Environmental Protection. The Fund continues to closely monitor such regulatory developments to assure that it can measure the impact upon its own liabilities and to allow it to refine the services and guidelines offered to its membership.

BASIC FINANCIAL STATEMENTS

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATEMENT OF NET POSITION

	December 31,	
	2016	2015
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 9,666,002	\$ 2,161,520
Investments	18,656,979	24,408,501
Accrued Interest Receivable	71,333	58,380
Capital Assets:		
Sites (Land)	250,000	250,000
	28,644,314	26,878,401
Total Assets		
 <u>LIABILITIES:</u>		
Accounts Payable - Vendors	70,727	160,912
Loss Reserves	11,986,191	11,527,535
	12,056,918	11,688,447
Total Liabilities		
 <u>NET POSITION:</u>		
Invested in Capital Assets	250,000	250,000
Unrestricted	16,337,396	14,939,954
	\$ 16,587,396	\$ 15,189,954
Total Net Position		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	Year Ending December 31,	
	2016	2015
Operating Revenue:		
Assessments from Participating Members	\$ 4,269,535	\$ 4,279,984
Total Operating Revenue	<u>4,269,535</u>	<u>4,279,984</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense	873,531	2,261,772
Insurance Premiums	542,696	535,022
Claims Administration	25,168	24,897
Contractual Services	819,275	883,055
Non-Contractual Services	44,268	33,383
Administration	249,336	246,648
Total Operating Expenses	<u>2,554,274</u>	<u>3,984,777</u>
Operating Income	1,715,261	295,207
Non-operating Revenue:		
Investment Income	<u>232,181</u>	<u>132,818</u>
Income Before Other Revenue, Expenses, Gains, Losses and Transfers	1,947,442	428,025
Member Dividends	<u>(550,000)</u>	<u>(500,004)</u>
Change in Net Position	1,397,442	(71,979)
Net Position - Beginning of Year	<u>15,189,954</u>	<u>15,261,933</u>
Net Position - End of Year	<u>\$ 16,587,396</u>	<u>\$ 15,189,954</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATEMENT OF CASH FLOWS

	<u>Year Ending December 31,</u>	
	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Assessments Collected	\$ 4,269,535	\$ 4,279,984
Insurance Premiums Paid	(542,696)	(535,022)
Claims Paid	(414,875)	(1,422,275)
General and Administrative Expenses Paid	(1,228,232)	(1,128,751)
Net Cash Provided by Operating Activities	<u>2,083,732</u>	<u>1,193,936</u>
Cash Flows from Investing Activities:		
Maturity of Investment Securities	9,300,504	2,005,372
Purchase of Investment Securities	(3,552,227)	(3,639,721)
Investment Income	222,473	182,718
Net Cash Provided/(Used) by Investing Activities	<u>5,970,750</u>	<u>(1,451,631)</u>
Cash Flows from Noncapital Financing Activities:		
Dividends Distribution to Participating Members	(550,000)	(500,004)
Net Cash Used by Noncapital Financing Activities	<u>(550,000)</u>	<u>(500,004)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	7,504,482	(757,699)
Cash and Cash Equivalents - Beginning of Year	<u>2,161,520</u>	<u>2,919,219</u>
Cash and Cash Equivalents - End of Year	<u>\$ 9,666,002</u>	<u>\$ 2,161,520</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ 1,715,261	\$ 295,207
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Increase/(Decrease) in Liabilities:		
Accounts Payable	(90,185)	59,232
Loss Reserves	458,656	839,497
Net Cash Provided by Operating Activities	<u>\$ 2,083,732</u>	<u>\$ 1,193,936</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1: NATURE OF OPERATIONS

The New Jersey Municipal Environmental Risk Management Fund (the "Fund") was created and became operational on April 7, 1995, in accordance with P.L. 1983, C.372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey statutes." The Fund is both an insured and self-administered group of joint insurance funds established for the purpose of providing low cost insurance coverage for the member joint insurance funds in order to keep local premiums at a minimum.

The following coverages are offered by the Fund to its members:

- a) Non-Site Specific Incidents
- b) Site Specific Incidents
- c) Legal Defense
- d) Superfund Buyout

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

A participating member must remain in the Fund for the full term of membership unless terminated earlier by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws. The Fund has 13 members at December 31, 2016, all of which are joint insurance funds.

The Executive Director/Administrator is responsible for the overall administration of the Fund. Fees paid to the Executive Director encompass all administrative duties which are performed at the Executive Director's office. Accordingly, the Fund generally does not maintain any capital assets or incur any payroll expense.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the Fund's accounting policies are described below.

Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as their measurement focus.

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The Fund categorizes its fair value measurements 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 prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Income Taxes

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

Assessments

The gross claim fund assessment is determined by the Actuary and, when combined with expense and premium projections, constitutes the Fund's budget. Assessments for participating joint insurance funds are determined by underwriting criteria established by the Executive Committee.

Unpaid Claims Liabilities

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

Reinsurance

The Fund uses reinsurance agreements to reduce its exposure to large losses on certain types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Reinsurance premiums amounted to \$542,696 and \$535,022 for the years ended December 31, 2016 and 2015, respectively. The amount deducted from claims liabilities for reinsurance was \$-0- for the years ended December 31, 2016 and 2015.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: LOSS RESERVES

The liability for unpaid losses and loss adjustment expense represent an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2016 and 2015. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

Loss reserves at December 31, 2016 and 2015, which have been estimated by the Fund's Actuary and Claims Servicing Agent, are as follows:

	<u>2016</u>	<u>2015</u>
Case Reserves	\$ 5,507,985	\$ 5,105,849
Losses Incurred but not Reported	<u>6,478,206</u>	<u>6,421,686</u>
Total Loss Reserves	<u>\$ 11,986,191</u>	<u>\$ 11,527,535</u>
The following represents changes in the aggregate reserves for the Fund:		
	<u>2016</u>	<u>2015</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	<u>\$ 11,527,535</u>	<u>\$ 10,688,038</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	2,520,735	2,536,967
(Decrease) in Provision for Insured Events of Prior Years	<u>(1,647,204)</u>	<u>(275,195)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>873,531</u>	<u>2,261,772</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	104,992	43,462
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>309,883</u>	<u>1,378,813</u>
Total Payments	<u>414,875</u>	<u>1,422,275</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 11,986,191</u>	<u>\$ 11,527,535</u>

A contingent liability exists with respect to reinsurance coverage which would become an actual liability in the event the reinsuring company might be unable to meet its obligations to the Fund under existing reinsurance agreements.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE 4: CASH AND CASH EQUIVALENTS

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Fund in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the Fund ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The Fund limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in Note 5.

Custodial Credit Risk - The Fund's policy with respect to custodial credit risk requires that the Fund ensure that funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and, in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of December 31, 2016 and 2015, cash and cash equivalents of the Fund consisted of the following:

	2016	2015
Checking Accounts	\$ 7,748,188	\$ 133,975
Money Market Accounts	11,726	129,153
New Jersey Cash Management Fund	1,906,088	1,898,392
	\$ 9,666,002	\$ 2,161,520

The carrying amount of the Fund's cash at cost at December 31, 2016 was \$9,666,002, and the bank balance was \$9,756,135. The Fund had \$1,906,088 with the State of New Jersey Cash Management Fund that is not insured or registered.

The carrying amount of the Fund's cash at cost at December 31, 2015 was \$2,161,520, and the bank balance was \$2,172,855. The Fund had \$1,898,392 with the State of New Jersey Cash Management Fund that is not insured or registered.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE 5: INVESTMENTS

The Fund implemented Governmental Accounting Standards Board (“GASB”) Statement No. 72, *Fair Value Measurement and Application*, during the year ended December 31, 2016.

New Jersey statutes permit the Fund to purchase the following types of investments:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the State Division of Investment and are invested consistent with the rules and regulations of the State Investment Council.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE 5: INVESTMENTS (Cont'd)

All of the Fund's investments are recorded at fair value based on quoted market prices (Level 1 inputs). The investments are held by the Fund's custodial bank trust department in the Fund's name. The bank's trust department is also its agent in purchasing and selling the securities. The investments are uninsured and unregistered. All of the funds held by the custodial bank are held in a fiduciary account, in the Fund's name, and are backed by the full faith and credit of the U.S. Government. As such, they are protected in the event of bankruptcy of the bank. Investments at December 31, 2016 and 2015 consisted of the following recurring fair value measurements as Level 1 inputs:

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Weighted Average</u> <u>Maturity in Months</u>
United States Treasury Notes	\$ 18,656,979	55.72
Federal Agency Obligations	<u>\$ 18,656,979</u>	<u>55.72</u>
	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Weighted Average</u> <u>Maturity in Months</u>
Federal Home Loan Bank Notes	\$ 1,008,050	61.57
Federal National Mortgage Association Notes	500,040	37.50
United States Treasury Notes	<u>22,900,411</u>	48.47
Federal Agency Obligations	<u>\$ 24,408,501</u>	<u>48.79</u>

NOTE 6: NET POSITION

The State of New Jersey has no statutory minimum net position requirements.

The Fund has accumulated deficit net position accounts at December 31, 2016 as follows:

Fund Year 1997 - Site-Specific	\$ 34,302
Fund Year 1999 - Non-Site Specific	\$ 317,633
Fund Year 1999 - Site-Specific	\$ 236,101
Fund Year 1999 - Legal Defense	\$ 1,119,393
Fund Year 2003 - Non-Site Specific	\$ 284,121
Fund Year 2004 - Non-Site Specific	\$ 74,009
Fund Year 2004 - Site-Specific	\$ 213,807
Fund Year 2004 - Legal Defense	\$ 334,129
Fund Year 2004 - Superfund Buyout	\$ 220,082
Fund Year 2006 - Non-Site Specific	\$ 952,720
Fund Year 2006 - Legal Defense	\$ 1,748,598
Fund Year 2008 - Legal Defense	\$ 64,211

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE 6: NET POSITION (Cont'd)

Fund Year 2009 - Legal Defense	\$ 514,893
Fund Year 2009 - Superfund Buyout	\$ 32,927
Fund Year 2010 - Site-Specific	\$ 543,563
Fund Year 2012 - Non-Site Specific	\$ 98,839
Fund Year 2013 - Site-Specific	\$ 181,100
Fund Year 2013 - Legal Defense	\$ 127,538
Fund Year 2014 - Site-Specific	\$ 104,296
Fund Year 2015 - Non-Site Specific	\$ 2,292
Fund Year 2015 - Site-Specific	\$ 1,683
Fund Year 2015 - Legal Defense	\$ 6,556
Fund Year 2015 - Superfund Buyout	\$ 3,600
Fund Year 2015 - Reinsurance	\$ 10,352
Fund Year 2016 - Non-Site Specific	\$ 2,241
Fund Year 2016 - Site-Specific	\$ 1,959
Fund Year 2016 - Legal Defense	\$ 6,599
Fund Year 2016 - Superfund Buyout	\$ 3,769
Fund Year 2016 - Reinsurance	\$ 12,461

In addition, at December 31, 2016 the Fund had overall deficits in Fund Years 2004 and 2006 of \$836,450 and \$2,316,532; respectively.

NOTE 7: CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated:				
Sites (Land)	<u>\$ 250,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 250,000</u>

NOTE 8: CONTINGENT LIABILITIES

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

NOTE 9: RELATIONSHIP WITH STATE SCHEDULES

The information in the Fund's financial statements differs from the State Schedules listed in the supplementary data section as Schedules A through F. Specifically, the Schedules present historical information from the inception of each fund year.

REQUIRED SUPPLEMENTARY INFORMATION

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 COMPARATIVE RECONCILIATION OF CLAIMS LIABILITIES BY FUND
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
 (UNAUDITED)

	Non-Site Specific Fund		Site Specific Fund		Legal Defense Fund		Superfund Buyout Fund		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Unpaid claims and claim adjustment expenses at beginning of year	\$ 2,892,137	\$ 2,596,875	\$ 1,136,800	\$ 1,205,178	\$ 4,023,606	\$ 3,842,520	\$ 3,474,992	\$ 3,043,465	\$ 11,527,535	\$ 10,688,038
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current period	387,916	398,742	338,926	294,483	1,141,752	1,126,617	652,141	717,125	2,520,735	2,536,967
Increases/(decreases) in provision for insured events of prior years	(429,622)	(77,830)	(31,200)	76,737	(501,208)	(4,054)	(685,174)	(270,048)	(1,647,204)	(275,195)
Total incurred claims and claim adjustment expenses	(41,706)	320,912	307,726	371,220	640,544	1,122,563	(33,033)	447,077	873,531	2,261,772
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current period	10,266	16,489	42,930	23,486	51,298	3,487	498		104,992	43,462
Claims and claim adjustment expenses attributable to insured events of prior years	15,696	9,161	36,218	416,112	257,969	937,990		15,550	309,883	1,378,813
Total payments	25,962	25,650	79,148	439,598	309,267	941,477	498	15,550	414,875	1,422,275
Total unpaid claims and claim adjustment expenses at end of year	\$ 2,824,469	\$ 2,892,137	\$ 1,365,378	\$ 1,136,800	\$ 4,354,883	\$ 4,023,606	\$ 3,441,461	\$ 3,474,992	\$ 11,986,191	\$ 11,527,535

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
(UNAUDITED)

Year Ended December 31, 2016, and Policy Period Ended December 31,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Required contribution and investment revenue										
Earned	\$ 3,876,538	\$ 3,901,286	\$ 3,988,018	\$ 3,971,505	\$ 3,995,678	\$ 3,943,375	\$ 4,177,955	\$ 4,247,751	\$ 4,300,735	\$ 4,269,176
Ceded	364,075	392,009	355,530	363,654	366,063	347,971	366,830	391,568	535,022	542,696
	<u>3,512,463</u>	<u>3,509,277</u>	<u>3,632,488</u>	<u>3,607,851</u>	<u>3,629,615</u>	<u>3,595,404</u>	<u>3,811,125</u>	<u>3,856,183</u>	<u>3,765,713</u>	<u>3,726,480</u>
Unallocated expenses	<u>1,031,089</u>	<u>1,028,436</u>	<u>1,049,007</u>	<u>1,083,896</u>	<u>1,104,693</u>	<u>1,125,850</u>	<u>961,379</u>	<u>1,055,161</u>	<u>1,061,789</u>	<u>1,137,647</u>
Estimated claims and expenses, end of policy year										
Incurred	2,096,870	2,116,210	2,716,891	2,234,553	2,259,416	2,319,088	2,448,529	2,506,678	2,536,967	2,520,735
Ceded										
Net Incurred	<u>2,096,870</u>	<u>2,116,210</u>	<u>2,716,891</u>	<u>2,234,553</u>	<u>2,259,416</u>	<u>2,319,088</u>	<u>2,448,529</u>	<u>2,506,678</u>	<u>2,536,967</u>	<u>2,520,735</u>
Paid (cumulative) as of:										
End of policy year	97,436	70,434	149,231	180,292	65,160	34,884	63,718	48,104	43,462	104,992
One year later	185,226	233,074	415,787	541,263	117,892	140,881	481,378	183,775	103,248	
Two years later	202,982	472,733	623,409	593,539	152,912	319,559	1,399,882	200,499		
Three years later	224,301	576,064	892,356	624,408	206,291	443,992	1,444,240			
Four years later	224,405	757,408	1,059,046	653,554	210,896	512,800				
Five years later	225,987	841,274	1,924,087	654,556	211,964					
Six years later	225,987	1,138,126	2,015,384	654,939						
Seven years later	236,405	1,158,380	2,062,677							
Eight years later	236,405	1,213,004								
Nine years later	236,405									
Reestimated ceded claims and expenses	5,718			2,821						
Reestimated incurred claims and expenses:										
End of policy year	2,096,870	2,116,210	2,716,891	2,234,553	2,259,416	2,319,088	2,448,529	2,506,678	2,536,967	2,520,735
One year later	2,104,124	2,116,219	2,735,486	2,824,552	2,259,415	2,319,089	2,504,239	2,582,026	2,536,966	
Two years later	1,470,420	1,847,263	2,973,701	2,189,987	1,215,676	1,763,484	2,669,694	1,676,682		
Three years later	870,364	1,643,636	2,925,274	1,736,137	565,161	1,442,475	2,323,988			
Four years later	723,438	1,491,644	2,778,615	1,181,450	454,549	1,283,417				
Five years later	663,107	2,004,511	2,418,512	1,130,989	357,876					
Six years later	517,271	1,385,847	2,325,316	1,084,732						
Seven years later	236,405	1,376,304	2,299,526							
Eight years later	236,404	1,361,556								
Nine years later	236,405									
Increase/(decrease) in estimated incurred claims and expense from end of policy year	<u>\$(1,860,465)</u>	<u>\$ (754,654)</u>	<u>\$ (417,365)</u>	<u>\$(1,149,821)</u>	<u>\$(1,901,540)</u>	<u>\$(1,035,671)</u>	<u>\$ (124,541)</u>	<u>\$ (829,996)</u>	<u>\$ (1)</u>	<u>\$ -0-</u>

COMBINING SUPPLEMENTARY SCHEDULES

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2016

<u>ASSETS:</u>	Fund Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cash and Cash Equivalents	\$ 179,285	\$ 307,712	\$ 186,576	\$ 405,749	\$ 623,282	\$ 419,173	\$ 679,572	\$ 157,378	\$ 492,804	\$ (337,547)
Investments	346,688	595,029	360,787	784,606	1,205,255	810,565	1,314,105	304,326	952,945	(652,723)
Accrued Interest Receivable	1,214	1,958	(158)	1,348	4,687	2,664	5,479	1,623	3,291	1,537
Capital Assets:										
Sites (Land)							250,000			
Total Assets	527,187	904,699	547,205	1,191,703	1,833,224	1,232,402	2,249,156	463,327	1,449,040	(988,733)
 <u>LIABILITIES :</u>										
Accounts Payable										
Loss Reserves			139,392			146,070	8,290	1,299,777	127,748	1,327,799
Total Liabilities			139,392			146,070	8,290	1,299,777	127,748	1,327,799
 <u>NET POSITION:</u>										
Invested in Capital Assets							250,000			
Unrestricted/(Deficit)	527,187	904,699	407,813	1,191,703	1,833,224	1,086,332	1,990,866	(836,450)	1,321,292	(2,316,532)
	\$ 527,187	\$ 904,699	\$ 407,813	\$1,191,703	\$1,833,224	\$1,086,332	\$2,240,866	\$ (836,450)	\$1,321,292	\$ (2,316,532)

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2016
(Continued)

<u>ASSETS:</u>	Fund Year										Total All Fund Years
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Cash and Cash Equivalents	\$ 729,556	\$ 431,160	\$ 177,005	\$ 635,395	\$ 786,894	\$ 665,344	\$ 477,798	\$ 884,264	\$ 884,310	\$ 880,292	\$ 9,666,002
Investments	1,410,761	833,744	342,279	1,228,679	1,521,636	1,286,592	923,929	1,709,921	1,710,011	1,667,844	18,656,979
Accrued Interest Receivable	4,652	2,933	1,802	4,942	5,640	4,818	3,779	6,337	6,355	6,432	71,333
Capital Assets:											
Sites (Land)											250,000
Total Assets	2,144,969	1,267,837	521,086	1,869,016	2,314,170	1,956,754	1,405,506	2,600,522	2,600,676	2,554,568	28,644,314
 <u>LIABILITIES :</u>											
Accounts Payable										70,727	70,727
Loss Reserves		148,552	236,849	429,793	145,912	770,617	879,748	1,476,183	2,433,718	2,415,743	11,986,191
Total Liabilities		148,552	236,849	429,793	145,912	770,617	879,748	1,476,183	2,433,718	2,486,470	12,056,918
 <u>NET POSITION:</u>											
Invested in Capital Assets											250,000
Unrestricted/(Deficit)	2,144,969	1,119,285	284,237	1,439,223	2,168,258	1,186,137	525,758	1,124,339	166,958	68,098	16,337,396
	<u>\$2,144,969</u>	<u>\$1,119,285</u>	<u>\$ 284,237</u>	<u>\$1,439,223</u>	<u>\$2,168,258</u>	<u>\$1,186,137</u>	<u>\$ 525,758</u>	<u>\$1,124,339</u>	<u>\$ 166,958</u>	<u>\$ 68,098</u>	<u>\$16,587,396</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDING DECEMBER 31, 2016

	Fund Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue:										
Assessments from Participating Members										
Total Revenue										
Expenses:										
Provision for Claims and Claim Adjustment Expense			\$ (50,366)			\$ (541)	\$ (92)	\$ (362)		\$ (2,267)
Insurance Premiums										
Claims Administration										
Contractual Services										
Non-Contractual Services										
Administration										
Total Expenses			(50,366)			(541)	(92)	(362)		(2,267)
Operating Income/(Loss)			50,366			541	92	362		2,267
Non-operating Revenue:										
Investment Income	\$ 4,149	\$ 6,686	15,581	\$ 8,798	\$ 16,647	9,128	18,714	5,560	\$ 11,397	5,254
Income/(Loss) Before Other Revenue, Expenses, Gains, Losses and Transfers	4,149	6,686	65,947	8,798	16,647	9,669	18,806	5,922	11,397	7,521
Member Dividends					(450,000)				(100,000)	
Change in Net Position	4,149	6,686	65,947	8,798	(433,353)	9,669	18,806	5,922	(88,603)	7,521
Net Position/(Deficit) - Beginning of Year	523,038	898,013	341,866	1,182,905	2,266,577	1,076,663	2,222,060	(842,372)	1,409,895	(2,324,053)
Net Position/(Deficit) - End of Year	\$ 527,187	\$ 904,699	\$ 407,813	\$ 1,191,703	\$ 1,833,224	\$ 1,086,332	\$ 2,240,866	\$ (836,450)	\$ 1,321,292	\$ (2,316,532)

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDING DECEMBER 31, 2016
(Continued)

	Fund Year										Total All Fund Years
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Revenue:											
Assessments from Participating Members										\$ 4,269,535	\$ 4,269,535
Total Revenue										4,269,535	4,269,535
Expenses:											
Provision for Claims and Claim Adjustment Expense		\$ (14,748)	\$ (25,790)	\$ (46,257)	\$ (96,673)	\$ (159,057)	\$ (345,706)	\$ (905,342)	\$ (1)	2,520,733	873,531
Insurance Premiums										542,696	542,696
Claims Administration										25,168	25,168
Contractual Services										819,275	819,275
Non-Contractual Services Administration									400	43,868	44,268
										249,336	249,336
Total Expenses		(14,748)	(25,790)	(46,257)	(96,673)	(159,057)	(345,706)	(905,342)	399	4,201,076	2,554,274
Operating Income/(Loss)		14,748	25,790	46,257	96,673	159,057	345,706	905,342	(399)	68,459	1,715,261
Non-operating Revenue:											
Investment Income	\$ 15,851	9,860	6,151	14,990	17,109	14,996	11,649	19,323	20,699	(361)	232,181
Income/(Loss) Before Other Revenue, Expenses, Gains, Losses and Transfers	15,851	24,608	31,941	61,247	113,782	174,053	357,355	924,665	20,300	68,098	1,947,442
Member Dividends											(550,000)
Change in Net Position	15,851	24,608	31,941	61,247	113,782	174,053	357,355	924,665	20,300	68,098	1,397,442
Net Position/(Deficit) - Beginning of Year	2,129,118	1,094,677	252,296	1,377,976	2,054,476	1,012,084	168,403	199,674	146,658		15,189,954
Net Position/(Deficit) - End of Year	\$ 2,144,969	\$ 1,119,285	\$ 284,237	\$ 1,439,223	\$ 2,168,258	\$ 1,186,137	\$ 525,758	\$ 1,124,339	\$ 166,958	\$ 68,098	\$ 16,587,396

SUPPLEMENTARY DATA

Schedule A

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
HISTORICAL OPERATING RESULTS ANALYSIS
FUND YEARS - 1995 THROUGH 2016
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 73,887,495		
Supplemental Contributions			
Other Income (except investments)	10,324		
Total Income			\$ 73,897,819
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	23,234,457		
Case Reserves	5,507,985		
IBNR Reserve	6,478,206		
Subtotal		\$ 35,220,648	
Less Excess Insurance:			
Received	4,188,492		
Receivable			
Recoverable			
Subtotal		4,188,492	
Limited Incurred Claims (claims-excess)		31,032,156	
<u>Expenses:</u>			
Excess Insurance Premiums	6,350,153		
Administrative	18,647,537		
Subtotal Expenses		24,997,690	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			<u>56,029,846</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			17,867,973
4. <u>Investment Income (Earned)</u>			<u>8,294,428</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			26,162,401
6. <u>Return of Surplus:</u>			
Paid	9,575,005		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>9,575,005</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 16,587,396</u>

Schedule B

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
HISTORICAL BALANCE SHEET
FUND YEARS - 1995 THROUGH 2016
DECEMBER 31, 2016
(UNAUDITED)

1. Assets:

Cash and Investments (1)	\$ 28,322,981		
			\$ 28,322,981
<u>Receivables (1):</u>			
Excess Insurance			
Assessments			
Other	71,333		
Total Receivables			71,333
Prepaid Expenses (1)			
Other Assets (1)			
Capital Assets (Land)		250,000	
<u>Total Assets</u>			\$ 28,644,314

2. Liabilities:

<u>Claims:</u>			
Case Reserves	5,507,985		
IBNR Reserve (2)	6,478,206		
Subtotal Claims			11,986,191
<u>Expenses (unpaid) (1):</u>			
Excess Insurance			
Administrative	70,727		
Subtotal Expenses			70,727
<u>Other Liabilities:</u>			
Unearned Contributions			
Authorized Return of Surplus			
Deferred Revenue (1)			
Miscellaneous Liabilities (1)			
Subtotal			
<u>Total Liabilities</u>			12,056,918

NET CURRENT SURPLUS/(DEFICIT) = 1-2

\$ 16,587,396

Notes: (1) attach schedule itemizing these categories

(2) attach an opinion from the actuary

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1995
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,473,646		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,473,646
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	780,742		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 780,742	
Less Excess Insurance:			
Received	1,316		
Receivable			
Recoverable			
Subtotal		1,316	
Limited Incurred Claims (claims-excess)		779,426	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative	340,064		
Subtotal Expenses		340,064	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,119,490
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			354,156
4. <u>Investment Income (Earned)</u>			513,856
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			868,012
6. <u>Return of Surplus:</u>			
Paid	868,012		
Authorized and Unpaid			
Subtotal Return of Surplus			868,012
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ - 0 -

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1996
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,211,048		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,211,048
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	459,804		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 459,804	
Less Excess Insurance:			
Received	500		
Receivable			
Recoverable			
Subtotal		500	
Limited Incurred Claims (claims-excess)		459,304	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative	573,840		
Subtotal Expenses		573,840	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			1,033,144
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,177,904
4. <u>Investment Income (Earned)</u>			705,647
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,883,551
6. <u>Return of Surplus:</u>			
Paid	1,883,551		
Authorized and Unpaid			
Subtotal Return of Surplus			1,883,551
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ - 0 -

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1997
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,446,906		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,446,906
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,597,277		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 1,597,277	
Less Excess Insurance:			
Received	784,477		
Receivable			
Recoverable			
Subtotal		784,477	
Limited Incurred Claims (claims-excess)		812,800	
<u>Expenses:</u>			
Excess Insurance Premiums	147,742		
Administrative	572,165		
Subtotal Expenses		719,907	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			<u>1,532,707</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			914,199
4. <u>Investment Income (Earned)</u>			<u>779,045</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,693,244
6. <u>Return of Surplus:</u>			
Paid	1,166,057		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>1,166,057</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 527,187</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1998
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	2,539,054	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,539,054
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	166,939		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 166,939	
Less Excess Insurance:			
Received	16,780		
Receivable			
Recoverable			
Subtotal		16,780	
Limited Incurred Claims (claims-excess)		150,159	
<u>Expenses:</u>			
Excess Insurance Premiums	211,930		
Administrative	581,695		
Subtotal Expenses		793,625	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			943,784
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,595,270
4. <u>Investment Income (Earned)</u>			1,050,867
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,646,137
6. <u>Return of Surplus:</u>			
Paid	1,741,438		
Authorized and Unpaid			
Subtotal Return of Surplus			1,741,438
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 904,699

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,689,439		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,689,439
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	4,877,980		
Case Reserves	109,758		
IBNR Reserve	29,634		
Subtotal			\$ 5,017,372
Less Excess Insurance:			
Received	3,090,186		
Receivable			
Recoverable			
Subtotal			3,090,186
Limited Incurred Claims (claims-excess)			1,927,186
<u>Expenses:</u>			
Excess Insurance Premiums	201,857		
Administrative	653,098		
Subtotal Expenses			854,955
<u>Total Incurred Liabilities</u> (limited claims and expenses)			2,782,141
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(92,702)
4. <u>Investment Income (Earned)</u>			500,515
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			407,813
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 407,813

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2000
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,787,012		
Supplemental Contributions			
Other Income (except investments)	<u>8,830</u>		
Total Income			\$ 2,795,842
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	28,130		
Case Reserves			
IBNR Reserve			
Subtotal		<u>\$ 28,130</u>	
Less Excess Insurance:			
Received	13,388		
Receivable			
Recoverable			
Subtotal		<u>13,388</u>	
Limited Incurred Claims (claims-excess)			<u>14,742</u>
<u>Expenses:</u>			
Excess Insurance Premiums	188,236		
Administrative	<u>626,223</u>		
Subtotal Expenses		<u>814,459</u>	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			<u>829,201</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,966,641
4. <u>Investment Income (Earned)</u>			<u>913,012</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,879,653
6. <u>Return of Surplus:</u>			
Paid	1,687,950		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>1,687,950</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 1,191,703</u>

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2001
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,096,261	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,096,261
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	139,589		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 139,589	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		139,589	
<u>Expenses:</u>			
Excess Insurance Premiums	197,040		
Administrative	694,167		
Subtotal Expenses		891,207	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,030,796
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,065,465
4. <u>Investment Income (Earned)</u>			814,445
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,879,910
6. <u>Return of Surplus:</u>			
Paid	1,046,686		
Authorized and Unpaid			
Subtotal Return of Surplus			1,046,686
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,833,224

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2002
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,403,880	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,403,880
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,514,014		
Case Reserves	115,016		
IBNR Reserve	31,054		
Subtotal			\$ 1,660,084
Less Excess Insurance:			
Received	16,465		
Receivable			
Recoverable			
Subtotal			16,465
Limited Incurred Claims (claims-excess)			1,643,619
<u>Expenses:</u>			
Excess Insurance Premiums	254,065		
Administrative	713,048		
Subtotal Expenses			967,113
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,610,732
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			793,148
4. <u>Investment Income (Earned)</u>			526,166
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,319,314
6. <u>Return of Surplus:</u>			
Paid	232,982		
Authorized and Unpaid			
Subtotal Return of Surplus			232,982
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,086,332

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2003
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,497,779	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,497,779
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	841,865		
Case Reserves	6,528		
IBNR Reserve	1,762		
Subtotal			\$ 850,155
Less Excess Insurance:			
Received	253,167		
Receivable			
Recoverable			
Subtotal			253,167
Limited Incurred Claims (claims-excess)			596,988
<u>Expenses:</u>			
Excess Insurance Premiums	267,724		
Administrative	730,430		
Subtotal Expenses			998,154
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,595,142
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,902,637
4. <u>Investment Income (Earned)</u>			569,515
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,472,152
6. <u>Return of Surplus:</u>			
Paid	231,286		
Authorized and Unpaid			
Subtotal Return of Surplus			231,286
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 2,240,866

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2004
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,157,710	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,157,710
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,763,158		
Case Reserves	1,023,446		
IBNR Reserve	276,331		
Subtotal			\$ 3,062,935
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			3,062,935
<u>Expenses:</u>			
Excess Insurance Premiums	247,947		
Administrative	744,290		
Subtotal Expenses			992,237
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			4,055,172
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(897,462)
4. <u>Investment Income (Earned)</u>			319,845
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(577,617)
6. <u>Return of Surplus:</u>			
Paid	258,833		
Authorized and Unpaid			
Subtotal Return of Surplus			258,833
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (836,450)

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2005
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,261,312		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,261,312
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	785,016		
Case Reserves	100,589		
IBNR Reserve	27,159		
Subtotal			\$ 912,764
Less Excess Insurance:			
Received	3,645		
Receivable			
Recoverable			
Subtotal			3,645
Limited Incurred Claims (claims-excess)			909,119
<u>Expenses:</u>			
Excess Insurance Premiums	271,173		
Administrative	822,906		
Subtotal Expenses			1,094,079
<u>Total Incurred Liabilities</u> (limited claims and expenses)			2,003,198
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,258,114
4. <u>Investment Income (Earned)</u>			363,818
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,621,932
6. <u>Return of Surplus:</u>			
Paid	300,640		
Authorized and Unpaid			
Subtotal Return of Surplus			300,640
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,321,292

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2006
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,544,408	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,544,408
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	3,526,636		
Case Reserves	1,045,511		
IBNR Reserve	282,288		
Subtotal			\$ 4,854,435
Less Excess Insurance:			
Received	29		
Receivable			
Recoverable			
Subtotal			29
Limited Incurred Claims (claims-excess)			4,854,406
<u>Expenses:</u>			
Excess Insurance Premiums	337,021		
Administrative	956,663		
Subtotal Expenses			1,293,684
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			6,148,090
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(2,603,682)
4. <u>Investment Income (Earned)</u>			344,720
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(2,258,962)
6. <u>Return of Surplus:</u>			
Paid	57,570		
Authorized and Unpaid			
Subtotal Return of Surplus			57,570
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (2,316,532)

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,619,190	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,619,190
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	242,123		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 242,123	
Less Excess Insurance:			
Received	5,718		
Receivable			
Recoverable			
Subtotal		5,718	
Limited Incurred Claims (claims-excess)		236,405	
<u>Expenses:</u>			
Excess Insurance Premiums	364,075		
Administrative	1,031,089		
Subtotal Expenses		1,395,164	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			<u>1,631,569</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,987,621
4. <u>Investment Income (Earned)</u>			<u>257,348</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,244,969
6. <u>Return of Surplus:</u>			
Paid	100,000		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>100,000</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 2,144,969</u>

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2008
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,716,831		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,716,831
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,213,004		
Case Reserves	116,970		
IBNR Reserve	31,582		
Subtotal		\$ 1,361,556	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,361,556	
<u>Expenses:</u>			
Excess Insurance Premiums	392,009		
Administrative	1,028,436		
Subtotal Expenses		1,420,445	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,782,001
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			934,830
4. <u>Investment Income (Earned)</u>			184,455
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,119,285
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,119,285

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2009DECEMBER 31, 2016

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,874,501	
Supplemental Contributions			
Other Income (except investments)		282	
Total Income			\$ 3,874,783
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		2,062,677	
Case Reserves		186,495	
IBNR Reserve		50,354	
Subtotal			\$ 2,299,526
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			2,299,526
<u>Expenses:</u>			
Excess Insurance Premiums		355,530	
Administrative		1,049,007	
Subtotal Expenses			1,404,537
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			3,704,063
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			170,720
4. <u>Investment Income (Earned)</u>			113,517
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			284,237
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 284,237

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2010DECEMBER 31, 2016

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,879,579	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,879,579
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		657,760	
Case Reserves		334,590	
IBNR Reserve		95,203	
Subtotal			\$ 1,087,553
Less Excess Insurance:			
Received		2,821	
Receivable			
Recoverable			
Subtotal			2,821
Limited Incurred Claims (claims-excess)			1,084,732
<u>Expenses:</u>			
Excess Insurance Premiums		363,654	
Administrative		1,083,896	
Subtotal Expenses			1,447,550
<u>Total Incurred Liabilities</u> (limited claims and expenses)			2,532,282
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,347,297
4. <u>Investment Income (Earned)</u>			91,926
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,439,223
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,439,223

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2011
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,901,387	
Supplemental Contributions			
Other Income (except investments)		<u>1,212</u>	
Total Income	\$		<u>3,902,599</u>
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		211,964	
Case Reserves		99,448	
IBNR Reserve		<u>46,464</u>	
Subtotal	\$		<u>357,876</u>
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal		<u> </u>	
Limited Incurred Claims (claims-excess)			<u>357,876</u>
<u>Expenses:</u>			
Excess Insurance Premiums		366,063	
Administrative		<u>1,104,693</u>	
Subtotal Expenses			<u>1,470,756</u>
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			<u>1,828,632</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			<u>2,073,967</u>
4. <u>Investment Income (Earned)</u>			<u>94,291</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			<u>2,168,258</u>
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus		<u> </u>	<u> </u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u><u>2,168,258</u></u>

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,896,296	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,896,296
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	512,800		
Case Reserves	527,823		
IBNR Reserve	242,794		
Subtotal			\$ 1,283,417
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			1,283,417
<u>Expenses:</u>			
Excess Insurance Premiums	347,971		
Administrative	1,125,850		
Subtotal Expenses			1,473,821
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,757,238
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,139,058
4. <u>Investment Income (Earned)</u>			47,079
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,186,137
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,186,137

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	4,136,205	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 4,136,205
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,444,240		
Case Reserves	506,496		
IBNR Reserve	373,252		
Subtotal			\$ 2,323,988
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			2,323,988
<u>Expenses:</u>			
Excess Insurance Premiums	366,830		
Administrative	961,379		
Subtotal Expenses			1,328,209
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			3,652,197
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			484,008
4. <u>Investment Income (Earned)</u>			41,750
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			525,758
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 525,758

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2014
DECEMBER 31, 2016
(UNAUDITED)

1.	<u>Underwriting Income:</u>		
	Regular Contributions (earned)	\$ 4,205,532	
	Supplemental Contributions		
	Other Income (except investments)		
	Total Income		\$ 4,205,532
2.	<u>Incurred Liabilities:</u>		
	<u>Claims:</u>		
	Paid	200,499	
	Case Reserves	530,387	
	IBNR Reserve	945,796	
	Subtotal		\$ 1,676,682
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		1,676,682
	<u>Expenses:</u>		
	Excess Insurance Premiums	391,568	
	Administrative	1,055,162	
	Subtotal Expenses		1,446,730
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		3,123,412
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		1,082,120
4.	<u>Investment Income (Earned)</u>		42,219
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		1,124,339
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 1,124,339

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2015
DECEMBER 31, 2016
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	4,279,984	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 4,279,984
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	103,248		
Case Reserves	233,363		
IBNR Reserve	2,200,355		
Subtotal			\$ 2,536,966
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			2,536,966
<u>Expenses:</u>			
Excess Insurance Premiums	535,022		
Administrative	1,061,789		
Subtotal Expenses			1,596,811
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			4,133,777
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			146,207
4. <u>Investment Income (Earned)</u>			20,751
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			166,958
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 166,958

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2016

DECEMBER 31, 2016

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	4,269,535	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 4,269,535
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		104,992	
Case Reserves		571,565	
IBNR Reserve		1,844,178	
Subtotal			\$ 2,520,735
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			2,520,735
<u>Expenses:</u>			
Excess Insurance Premiums		542,696	
Administrative		1,137,647	
Subtotal Expenses			1,680,343
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			4,201,078
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			68,457
4. <u>Investment Income (Earned)</u>			(359)
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			68,098
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 68,098

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1995
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts					Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	
1. <u>Underwriting Income</u>						
Regular Contributions (earned)	\$ 91,241	\$ 86,853	\$ 413,287	\$ 287,675	\$ 594,590	\$ 1,473,646
Supplemental Contributions						
Other Income (except investments)						
Total Income	<u>91,241</u>	<u>86,853</u>	<u>413,287</u>	<u>287,675</u>	<u>594,590</u>	<u>1,473,646</u>
2. <u>Incurred Liabilities</u>						
Claims (limited incurred)	38,148	513,270	152,175	75,833		779,426
Expenses					340,064	340,064
Total Liabilities	<u>38,148</u>	<u>513,270</u>	<u>152,175</u>	<u>75,833</u>	<u>340,064</u>	<u>1,119,490</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>53,093</u>	<u>(426,417)</u>	<u>261,112</u>	<u>211,842</u>	<u>254,526</u>	<u>354,156</u>
4. <u>Adjustments</u>						
Investment Income	41,744	17,474	175,169	138,054	141,415	513,856
Transfers						
Total Adjustments	<u>41,744</u>	<u>17,474</u>	<u>175,169</u>	<u>138,054</u>	<u>141,415</u>	<u>513,856</u>
5. Gross Operating Surplus	<u>94,837</u>	<u>(408,943)</u>	<u>436,281</u>	<u>349,896</u>	<u>395,941</u>	<u>868,012</u>
6. Return of Surplus	<u>94,837</u>	<u>(408,943)</u>	<u>436,281</u>	<u>349,896</u>	<u>395,941</u>	<u>868,012</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1996
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages and Other Accounts</u>					<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>						
Regular Contributions (earned)	\$ 148,317	\$ 128,934	\$ 416,539	\$ 725,539	\$ 791,719	\$ 2,211,048
Supplemental Contributions						
Other Income (except investments)						
Total Income	<u>148,317</u>	<u>128,934</u>	<u>416,539</u>	<u>725,539</u>	<u>791,719</u>	<u>2,211,048</u>
2. <u>Incurred Liabilities</u>						
Claims (limited incurred)	70,724	56,569	305,853	26,158		459,304
Expenses					573,840	573,840
Total Liabilities	<u>70,724</u>	<u>56,569</u>	<u>305,853</u>	<u>26,158</u>	<u>573,840</u>	<u>1,033,144</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>77,593</u>	<u>72,365</u>	<u>110,686</u>	<u>699,381</u>	<u>217,879</u>	<u>1,177,904</u>
4. <u>Adjustments</u>						
Investment Income	54,428	42,773	126,158	387,636	94,652	705,647
Transfers						
Total Adjustments	<u>54,428</u>	<u>42,773</u>	<u>126,158</u>	<u>387,636</u>	<u>94,652</u>	<u>705,647</u>
5. Gross Operating Surplus	<u>132,021</u>	<u>115,138</u>	<u>236,844</u>	<u>1,087,017</u>	<u>312,531</u>	<u>1,883,551</u>
6. Return of Surplus	<u>132,021</u>	<u>115,138</u>	<u>236,844</u>	<u>1,087,017</u>	<u>312,531</u>	<u>1,883,551</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1997
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages and Other Accounts</u>					<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>						
Regular Contributions (earned)	\$ 124,677	\$ 208,711	\$ 544,357	\$ 698,271	\$ 870,890	\$ 2,446,906
Supplemental Contributions						
Other Income (except investments)						
Total Income	<u>124,677</u>	<u>208,711</u>	<u>544,357</u>	<u>698,271</u>	<u>870,890</u>	<u>2,446,906</u>
2. <u>Incurred Liabilities</u>						
Claims (limited incurred)	21,193	221,933	662,733	(93,059)		812,800
Expenses					719,907	719,907
Total Liabilities	<u>21,193</u>	<u>221,933</u>	<u>662,733</u>	<u>(93,059)</u>	<u>719,907</u>	<u>1,532,707</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>103,484</u>	<u>(13,222)</u>	<u>(118,376)</u>	<u>791,330</u>	<u>150,983</u>	<u>914,199</u>
4. <u>Adjustments</u>						
Investment Income	76,734	123,562	65,388	438,848	74,513	779,045
Transfers						
Total Adjustments	<u>76,734</u>	<u>123,562</u>	<u>65,388</u>	<u>438,848</u>	<u>74,513</u>	<u>779,045</u>
5. Gross Operating Surplus / (Deficit)	<u>180,218</u>	<u>110,340</u>	<u>(52,988)</u>	<u>1,230,178</u>	<u>225,496</u>	<u>1,693,244</u>
6. Return of Surplus	<u>121,117</u>	<u>144,642</u>	<u>(55,996)</u>	<u>730,829</u>	<u>225,465</u>	<u>1,166,057</u>
7. Net Current Surplus / (Deficit)	<u>\$ 59,101</u>	<u>\$ (34,302)</u>	<u>\$ 3,008</u>	<u>\$ 499,349</u>	<u>\$ 31</u>	<u>\$ 527,187</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1998
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 197,002	\$ 176,262	\$ 570,264	\$ 725,796	\$ 644,493	\$ 225,237	\$ 2,539,054
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>197,002</u>	<u>176,262</u>	<u>570,264</u>	<u>725,796</u>	<u>644,493</u>	<u>225,237</u>	<u>2,539,054</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	42,458		99,600	8,101			150,159
Expenses					581,695	211,930	793,625
Total Liabilities	<u>42,458</u>		<u>99,600</u>	<u>8,101</u>	<u>581,695</u>	<u>211,930</u>	<u>943,784</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>154,544</u>	<u>176,262</u>	<u>470,664</u>	<u>717,695</u>	<u>62,798</u>	<u>13,307</u>	<u>1,595,270</u>
4. <u>Adjustments</u>							
Investment Income	110,251	118,497	334,027	472,721	14,913	458	1,050,867
Transfers							
Total Adjustments	<u>110,251</u>	<u>118,497</u>	<u>334,027</u>	<u>472,721</u>	<u>14,913</u>	<u>458</u>	<u>1,050,867</u>
5. Gross Operating Surplus	<u>264,795</u>	<u>294,759</u>	<u>804,691</u>	<u>1,190,416</u>	<u>77,711</u>	<u>13,765</u>	<u>2,646,137</u>
6. Return of Surplus	<u>95,925</u>	<u>106,747</u>	<u>583,719</u>	<u>863,609</u>	<u>77,673</u>	<u>13,765</u>	<u>1,741,438</u>
7. Net Current Surplus	<u>\$ 168,870</u>	<u>\$ 188,012</u>	<u>\$ 220,972</u>	<u>\$ 326,807</u>	<u>\$ 38</u>	<u>\$ -0-</u>	<u>\$ 904,699</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 179,090	\$ 158,025	\$ 663,639	\$ 769,022	\$ 717,806	\$ 201,857	\$ 2,689,439
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>179,090</u>	<u>158,025</u>	<u>663,639</u>	<u>769,022</u>	<u>717,806</u>	<u>201,857</u>	<u>2,689,439</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	537,109	443,741	1,836,317	(889,981)			1,927,186
Expenses					653,098	201,857	854,955
Total Liabilities	<u>537,109</u>	<u>443,741</u>	<u>1,836,317</u>	<u>(889,981)</u>	<u>653,098</u>	<u>201,857</u>	<u>2,782,141</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(358,019)</u>	<u>(285,716)</u>	<u>(1,172,678)</u>	<u>1,659,003</u>	<u>64,708</u>		<u>(92,702)</u>
4. <u>Adjustments</u>							
Investment Income	40,386	49,615	53,285	318,514	38,715		500,515
Transfers							
Total Adjustments	<u>40,386</u>	<u>49,615</u>	<u>53,285</u>	<u>318,514</u>	<u>38,715</u>		<u>500,515</u>
5. Gross Operating Surplus	<u>(317,633)</u>	<u>(236,101)</u>	<u>(1,119,393)</u>	<u>1,977,517</u>	<u>103,423</u>		<u>407,813</u>
6. Return of Surplus							
7. Net Current Surplus	<u>\$ (317,633)</u>	<u>\$ (236,101)</u>	<u>\$ (1,119,393)</u>	<u>\$ 1,977,517</u>	<u>\$ 103,423</u>	<u>\$ -0-</u>	<u>\$ 407,813</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2000
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 189,347	\$ 167,784	\$ 715,283	\$ 815,212	\$ 709,664	\$ 189,722	\$ 2,787,012
Supplemental Contributions					8,830		8,830
Other Income (except investments)							
Total Income	<u>189,347</u>	<u>167,784</u>	<u>715,283</u>	<u>815,212</u>	<u>718,494</u>	<u>189,722</u>	<u>2,795,842</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	4,851	3,018	6,873				14,742
Expenses					626,223	188,236	814,459
Total Liabilities	<u>4,851</u>	<u>3,018</u>	<u>6,873</u>		<u>626,223</u>	<u>188,236</u>	<u>829,201</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>184,496</u>	<u>164,766</u>	<u>708,410</u>	<u>815,212</u>	<u>92,271</u>	<u>1,486</u>	<u>1,966,641</u>
4. <u>Adjustments</u>							
Investment Income	84,262	79,776	343,304	386,426	19,193	51	913,012
Transfers	(1,834)	1,834					
Total Adjustments	<u>82,428</u>	<u>81,610</u>	<u>343,304</u>	<u>386,426</u>	<u>19,193</u>	<u>51</u>	<u>913,012</u>
5. Gross Operating Surplus	<u>266,924</u>	<u>246,376</u>	<u>1,051,714</u>	<u>1,201,638</u>	<u>111,464</u>	<u>1,537</u>	<u>2,879,653</u>
6. Return of Surplus	<u>200,000</u>	<u>200,000</u>	<u>300,000</u>	<u>875,004</u>	<u>111,409</u>	<u>1,537</u>	<u>1,687,950</u>
7. Net Current Surplus	<u>\$ 66,924</u>	<u>\$ 46,376</u>	<u>\$ 751,714</u>	<u>\$ 326,634</u>	<u>\$ 55</u>	<u>\$ -0-</u>	<u>\$ 1,191,703</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2001
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 198,213	\$ 187,351	\$ 799,939	\$ 920,667	\$ 793,115	\$ 196,976	\$ 3,096,261
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>198,213</u>	<u>187,351</u>	<u>799,939</u>	<u>920,667</u>	<u>793,115</u>	<u>196,976</u>	<u>3,096,261</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	30,933	6,443	88,319	13,894			139,589
Expenses					694,167	197,040	891,207
Total Liabilities	<u>30,933</u>	<u>6,443</u>	<u>88,319</u>	<u>13,894</u>	<u>694,167</u>	<u>197,040</u>	<u>1,030,796</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>167,280</u>	<u>180,908</u>	<u>711,620</u>	<u>906,773</u>	<u>98,948</u>	<u>(64)</u>	<u>2,065,465</u>
4. <u>Adjustments</u>							
Investment Income	109,338	68,456	273,358	340,383	21,186	1,724	814,445
Transfers							
Total Adjustments	<u>109,338</u>	<u>68,456</u>	<u>273,358</u>	<u>340,383</u>	<u>21,186</u>	<u>1,724</u>	<u>814,445</u>
5. Gross Operating Surplus	<u>276,618</u>	<u>249,364</u>	<u>984,978</u>	<u>1,247,156</u>	<u>120,134</u>	<u>1,660</u>	<u>2,879,910</u>
6. Return of Surplus			475,001	450,000	120,025	1,660	1,046,686
7. Net Current Surplus	<u>\$ 276,618</u>	<u>\$ 249,364</u>	<u>\$ 509,977</u>	<u>\$ 797,156</u>	<u>\$ 109</u>	<u>\$ -0-</u>	<u>\$ 1,833,224</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2002
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 205,805	\$ 217,813	\$ 934,766	\$ 860,633	\$ 915,948	\$ 268,915	\$ 3,403,880
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>205,805</u>	<u>217,813</u>	<u>934,766</u>	<u>860,633</u>	<u>915,948</u>	<u>268,915</u>	<u>3,403,880</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	175,312	38,810	775,724	653,773			1,643,619
Expenses					713,048	254,065	967,113
Total Liabilities	<u>175,312</u>	<u>38,810</u>	<u>775,724</u>	<u>653,773</u>	<u>713,048</u>	<u>254,065</u>	<u>2,610,732</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>30,493</u>	<u>179,003</u>	<u>159,042</u>	<u>206,860</u>	<u>202,900</u>	<u>14,850</u>	<u>793,148</u>
4. <u>Adjustments</u>							
Investment Income	12,548	56,150	179,015	263,172	5,250	10,031	526,166
Transfers							
Total Adjustments	<u>12,548</u>	<u>56,150</u>	<u>179,015</u>	<u>263,172</u>	<u>5,250</u>	<u>10,031</u>	<u>526,166</u>
5. Gross Operating Surplus	<u>43,041</u>	<u>235,153</u>	<u>338,057</u>	<u>470,032</u>	<u>208,150</u>	<u>24,881</u>	<u>1,319,314</u>
6. Return of Surplus					208,101	24,881	232,982
7. Net Current Surplus	<u>\$ 43,041</u>	<u>\$ 235,153</u>	<u>\$ 338,057</u>	<u>\$ 470,032</u>	<u>\$ 49</u>	<u>\$ -0-</u>	<u>\$ 1,086,332</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2003
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 240,058	\$ 228,806	\$ 863,005	\$ 948,341	\$ 941,232	\$ 276,337	\$ 3,497,779
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>240,058</u>	<u>228,806</u>	<u>863,005</u>	<u>948,341</u>	<u>941,232</u>	<u>276,337</u>	<u>3,497,779</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	547,246	10,947	38,795				596,988
Expenses					730,430	267,724	998,154
Total Liabilities	<u>547,246</u>	<u>10,947</u>	<u>38,795</u>		<u>730,430</u>	<u>267,724</u>	<u>1,595,142</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(307,188)</u>	<u>217,859</u>	<u>824,210</u>	<u>948,341</u>	<u>210,802</u>	<u>8,613</u>	<u>1,902,637</u>
4. <u>Adjustments</u>							
Investment Income	23,067	57,552	225,790	251,134	9,961	2,011	569,515
Transfers							
Total Adjustments	<u>23,067</u>	<u>57,552</u>	<u>225,790</u>	<u>251,134</u>	<u>9,961</u>	<u>2,011</u>	<u>569,515</u>
5. Gross Operating Surplus / (Deficit)	<u>(284,121)</u>	<u>275,411</u>	<u>1,050,000</u>	<u>1,199,475</u>	<u>220,763</u>	<u>10,624</u>	<u>2,472,152</u>
6. Return of Surplus					220,662	10,624	231,286
7. Net Current Surplus / (Deficit)	<u>\$ (284,121)</u>	<u>\$ 275,411</u>	<u>\$ 1,050,000</u>	<u>\$ 1,199,475</u>	<u>\$ 101</u>	<u>\$ -0-</u>	<u>\$ 2,240,866</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2004
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 233,867	\$ 252,254	\$ 801,255	\$ 629,537	\$ 923,703	\$ 317,094	\$ 3,157,710
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>233,867</u>	<u>252,254</u>	<u>801,255</u>	<u>629,537</u>	<u>923,703</u>	<u>317,094</u>	<u>3,157,710</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	335,270	467,791	1,275,499	984,375			3,062,935
Expenses					744,290	247,947	992,237
Total Liabilities	<u>335,270</u>	<u>467,791</u>	<u>1,275,499</u>	<u>984,375</u>	<u>744,290</u>	<u>247,947</u>	<u>4,055,172</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(101,403)</u>	<u>(215,537)</u>	<u>(474,244)</u>	<u>(354,838)</u>	<u>179,413</u>	<u>69,147</u>	<u>(897,462)</u>
4. <u>Adjustments</u>							
Investment Income	27,394	1,730	142,919	137,482	9,823	497	319,845
Transfers					69,615	(69,615)	
Total Adjustments	<u>27,394</u>	<u>1,730</u>	<u>142,919</u>	<u>137,482</u>	<u>79,438</u>	<u>(69,118)</u>	<u>319,845</u>
5. Gross Operating Surplus / (Deficit)	<u>(74,009)</u>	<u>(213,807)</u>	<u>(331,325)</u>	<u>(217,356)</u>	<u>258,851</u>	<u>29</u>	<u>(577,617)</u>
6. Return of Surplus					258,804	29	258,833
7. Net Current Surplus / (Deficit)	<u>\$ (74,009)</u>	<u>\$ (213,807)</u>	<u>\$ (331,325)</u>	<u>\$ (217,356)</u>	<u>\$ 47</u>	<u>\$ -0-</u>	<u>\$ (836,450)</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2005
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 257,124	\$ 242,746	\$ 810,328	\$ 672,052	\$ 932,453	\$ 346,609	\$ 3,261,312
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>257,124</u>	<u>242,746</u>	<u>810,328</u>	<u>672,052</u>	<u>932,453</u>	<u>346,609</u>	<u>3,261,312</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	160,468	194,822	247,453	306,376			909,119
Expenses					822,906	271,173	1,094,079
Total Liabilities	<u>160,468</u>	<u>194,822</u>	<u>247,453</u>	<u>306,376</u>	<u>822,906</u>	<u>271,173</u>	<u>2,003,198</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>96,656</u>	<u>47,924</u>	<u>562,875</u>	<u>365,676</u>	<u>109,547</u>	<u>75,436</u>	<u>1,258,114</u>
4. <u>Adjustments</u>							
Investment Income	42,206	17,753	156,466	131,584	6,121	9,688	363,818
Transfers							
Total Adjustments	<u>42,206</u>	<u>17,753</u>	<u>156,466</u>	<u>131,584</u>	<u>6,121</u>	<u>9,688</u>	<u>363,818</u>
5. Gross Operating Surplus	<u>138,862</u>	<u>65,677</u>	<u>719,341</u>	<u>497,260</u>	<u>115,668</u>	<u>85,124</u>	<u>1,621,932</u>
6. Return of Surplus			<u>100,000</u>		<u>115,516</u>	<u>85,124</u>	<u>300,640</u>
7. Net Current Surplus	<u>\$ 138,862</u>	<u>\$ 65,677</u>	<u>\$ 619,341</u>	<u>\$ 497,260</u>	<u>\$ 152</u>	<u>\$ -0-</u>	<u>\$ 1,321,292</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2006
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages and Other Accounts</u>						<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	<u>General and Administrative</u>	<u>Reinsurance</u>	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 273,819	\$ 258,476	\$ 863,422	\$ 715,544	\$ 1,025,097	\$ 408,050	\$ 3,544,408
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>273,819</u>	<u>258,476</u>	<u>863,422</u>	<u>715,544</u>	<u>1,025,097</u>	<u>408,050</u>	<u>3,544,408</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	1,276,004	115,363	2,709,526	753,513			4,854,406
Expenses					956,663	337,021	1,293,684
Total Liabilities	<u>1,276,004</u>	<u>115,363</u>	<u>2,709,526</u>	<u>753,513</u>	<u>956,663</u>	<u>337,021</u>	<u>6,148,090</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(1,002,185)</u>	<u>143,113</u>	<u>(1,846,104)</u>	<u>(37,969)</u>	<u>68,434</u>	<u>71,029</u>	<u>(2,603,682)</u>
4. <u>Adjustments</u>							
Investment Income	51,758	36,340	98,106	124,064	21,208	13,244	344,720
Transfers			(600)	600			
Total Adjustments	<u>51,758</u>	<u>36,340</u>	<u>97,506</u>	<u>124,664</u>	<u>21,208</u>	<u>13,244</u>	<u>344,720</u>
5. Gross Operating Surplus / (Deficit)	<u>(950,427)</u>	<u>179,453</u>	<u>(1,748,598)</u>	<u>86,695</u>	<u>89,642</u>	<u>84,273</u>	<u>(2,258,962)</u>
6. Return of Surplus					57,570		57,570
7. Net Current Surplus / (Deficit)	<u>\$ (950,427)</u>	<u>\$ 179,453</u>	<u>\$ (1,748,598)</u>	<u>\$ 86,695</u>	<u>\$ 32,072</u>	<u>\$ 84,273</u>	<u>\$ (2,316,532)</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 319,141	\$ 273,756	\$ 790,886	\$ 723,113	\$ 1,081,588	\$ 430,706	\$ 3,619,190
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>319,141</u>	<u>273,756</u>	<u>790,886</u>	<u>723,113</u>	<u>1,081,588</u>	<u>430,706</u>	<u>3,619,190</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	28,171	140,328	67,906				236,405
Expenses					1,031,089	364,075	1,395,164
Total Liabilities	<u>28,171</u>	<u>140,328</u>	<u>67,906</u>		<u>1,031,089</u>	<u>364,075</u>	<u>1,631,569</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>290,970</u>	<u>133,428</u>	<u>722,980</u>	<u>723,113</u>	<u>50,499</u>	<u>66,631</u>	<u>1,987,621</u>
4. <u>Adjustments</u>							
Investment Income	36,804	20,598	95,209	91,494	7,252	5,991	257,348
Transfers							
Total Adjustments	<u>36,804</u>	<u>20,598</u>	<u>95,209</u>	<u>91,494</u>	<u>7,252</u>	<u>5,991</u>	<u>257,348</u>
5. Gross Operating Surplus	<u>327,774</u>	<u>154,026</u>	<u>818,189</u>	<u>814,607</u>	<u>57,751</u>	<u>72,622</u>	<u>2,244,969</u>
6. Return of Surplus					50,000	50,000	100,000
7. Net Current Surplus	<u>\$ 327,774</u>	<u>\$ 154,026</u>	<u>\$ 818,189</u>	<u>\$ 814,607</u>	<u>\$ 7,751</u>	<u>\$ 22,622</u>	<u>\$ 2,144,969</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2008
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 327,908	\$ 272,854	\$ 777,766	\$ 738,398	\$ 1,142,258	\$ 457,647	\$ 3,716,831
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>327,908</u>	<u>272,854</u>	<u>777,766</u>	<u>738,398</u>	<u>1,142,258</u>	<u>457,647</u>	<u>3,716,831</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	39,113	76,050	889,102	357,291			1,361,556
Expenses					1,028,436	392,009	1,420,445
Total Liabilities	<u>39,113</u>	<u>76,050</u>	<u>889,102</u>	<u>357,291</u>	<u>1,028,436</u>	<u>392,009</u>	<u>2,782,001</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>288,795</u>	<u>196,804</u>	<u>(111,336)</u>	<u>381,107</u>	<u>113,822</u>	<u>65,638</u>	<u>934,830</u>
4. <u>Adjustments</u>							
Investment Income	27,995	19,584	47,185	62,189	21,068	6,434	184,455
Transfers							
Total Adjustments	<u>27,995</u>	<u>19,584</u>	<u>47,185</u>	<u>62,189</u>	<u>21,068</u>	<u>6,434</u>	<u>184,455</u>
5. Gross Operating Surplus / (Deficit)	<u>316,790</u>	<u>216,388</u>	<u>(64,151)</u>	<u>443,296</u>	<u>134,890</u>	<u>72,072</u>	<u>1,119,285</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 316,790</u>	<u>\$ 216,388</u>	<u>\$ (64,151)</u>	<u>\$ 443,296</u>	<u>\$ 134,890</u>	<u>\$ 72,072</u>	<u>\$ 1,119,285</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2009
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 345,716	\$ 265,544	\$ 793,798	\$ 765,740	\$ 1,213,457	\$ 490,246	\$ 3,874,501
Supplemental Contributions							
Other Income (except investments)					282		282
Total Income	<u>345,716</u>	<u>265,544</u>	<u>793,798</u>	<u>765,740</u>	<u>1,213,739</u>	<u>490,246</u>	<u>3,874,783</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	57,131	75,805	1,334,324	832,266			2,299,526
Expenses					1,049,007	355,530	1,404,537
Total Liabilities	<u>57,131</u>	<u>75,805</u>	<u>1,334,324</u>	<u>832,266</u>	<u>1,049,007</u>	<u>355,530</u>	<u>3,704,063</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>288,585</u>	<u>189,739</u>	<u>(540,526)</u>	<u>(66,526)</u>	<u>164,732</u>	<u>134,716</u>	<u>170,720</u>
4. <u>Adjustments</u>							
Investment Income	18,224	12,159	25,633	33,599	16,359	7,543	113,517
Transfers							
Total Adjustments	<u>18,224</u>	<u>12,159</u>	<u>25,633</u>	<u>33,599</u>	<u>16,359</u>	<u>7,543</u>	<u>113,517</u>
5. Gross Operating Surplus / (Deficit)	<u>306,809</u>	<u>201,898</u>	<u>(514,893)</u>	<u>(32,927)</u>	<u>181,091</u>	<u>142,259</u>	<u>284,237</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 306,809</u>	<u>\$ 201,898</u>	<u>\$ (514,893)</u>	<u>\$ (32,927)</u>	<u>\$ 181,091</u>	<u>\$ 142,259</u>	<u>\$ 284,237</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2010
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 350,598	\$ 266,013	\$ 797,212	\$ 772,795	\$ 1,242,961	\$ 450,000	\$ 3,879,579
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>350,598</u>	<u>266,013</u>	<u>797,212</u>	<u>772,795</u>	<u>1,242,961</u>	<u>450,000</u>	<u>3,879,579</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	102,905	811,708	145,119	25,000			1,084,732
Expenses					1,083,896	363,654	1,447,550
Total Liabilities	<u>102,905</u>	<u>811,708</u>	<u>145,119</u>	<u>25,000</u>	<u>1,083,896</u>	<u>363,654</u>	<u>2,532,282</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>247,693</u>	<u>(545,695)</u>	<u>652,093</u>	<u>747,795</u>	<u>159,065</u>	<u>86,346</u>	<u>1,347,297</u>
4. <u>Adjustments</u>							
Investment Income	12,780	2,132	31,388	31,134	10,539	3,953	91,926
Transfers							
Total Adjustments	<u>12,780</u>	<u>2,132</u>	<u>31,388</u>	<u>31,134</u>	<u>10,539</u>	<u>3,953</u>	<u>91,926</u>
5. Gross Operating Surplus	<u>260,473</u>	<u>(543,563)</u>	<u>683,481</u>	<u>778,929</u>	<u>169,604</u>	<u>90,299</u>	<u>1,439,223</u>
6. Return of Surplus							
7. Net Current Surplus	<u>\$ 260,473</u>	<u>\$ (543,563)</u>	<u>\$ 683,481</u>	<u>\$ 778,929</u>	<u>\$ 169,604</u>	<u>\$ 90,299</u>	<u>\$ 1,439,223</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2011
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 338,115	\$ 265,711	\$ 898,656	\$ 757,002	\$ 1,191,903	\$ 450,000	\$ 3,901,387
Supplemental Contributions							
Other Income (except investments)					1,212		1,212
Total Income	<u>338,115</u>	<u>265,711</u>	<u>898,656</u>	<u>757,002</u>	<u>1,193,115</u>	<u>450,000</u>	<u>3,902,599</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	54,183	29,681	203,740	70,272			357,876
Expenses					1,104,693	366,063	1,470,756
Total Liabilities	<u>54,183</u>	<u>29,681</u>	<u>203,740</u>	<u>70,272</u>	<u>1,104,693</u>	<u>366,063</u>	<u>1,828,632</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>283,932</u>	<u>236,030</u>	<u>694,916</u>	<u>686,730</u>	<u>88,422</u>	<u>83,937</u>	<u>2,073,967</u>
4. <u>Adjustments</u>							
Investment Income	11,436	9,271	31,370	25,948	12,104	4,162	94,291
Transfers							
Total Adjustments	<u>11,436</u>	<u>9,271</u>	<u>31,370</u>	<u>25,948</u>	<u>12,104</u>	<u>4,162</u>	<u>94,291</u>
5. Gross Operating Surplus / (Deficit)	<u>295,368</u>	<u>245,301</u>	<u>726,286</u>	<u>712,678</u>	<u>100,526</u>	<u>88,099</u>	<u>2,168,258</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 295,368</u>	<u>\$ 245,301</u>	<u>\$ 726,286</u>	<u>\$ 712,678</u>	<u>\$ 100,526</u>	<u>\$ 88,099</u>	<u>\$ 2,168,258</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts				Contingency	General and Administrative	Reinsurance	Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout				
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 348,094	\$ 262,532	\$ 941,694	\$ 710,871	\$ 13,746	\$ 1,177,538	\$ 441,821	\$ 3,896,296
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>348,094</u>	<u>262,532</u>	<u>941,694</u>	<u>710,871</u>	<u>13,746</u>	<u>1,177,538</u>	<u>441,821</u>	<u>3,896,296</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	451,604	124,701	482,984	224,128				1,283,417
Expenses						1,125,850	347,971	1,473,821
Total Liabilities	<u>451,604</u>	<u>124,701</u>	<u>482,984</u>	<u>224,128</u>		<u>1,125,850</u>	<u>347,971</u>	<u>2,757,238</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(103,510)</u>	<u>137,831</u>	<u>458,710</u>	<u>486,743</u>	<u>13,746</u>	<u>51,688</u>	<u>93,850</u>	<u>1,139,058</u>
4. <u>Adjustments</u>								
Investment Income	7,082	3,531	15,644	12,968	260	5,725	1,869	47,079
Transfers								
Total Adjustments	<u>7,082</u>	<u>3,531</u>	<u>15,644</u>	<u>12,968</u>	<u>260</u>	<u>5,725</u>	<u>1,869</u>	<u>47,079</u>
5. Gross Operating Surplus / (Deficit)	<u>(96,428)</u>	<u>141,362</u>	<u>474,354</u>	<u>499,711</u>	<u>14,006</u>	<u>57,413</u>	<u>95,719</u>	<u>1,186,137</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ (96,428)</u>	<u>\$ 141,362</u>	<u>\$ 474,354</u>	<u>\$ 499,711</u>	<u>\$ 14,006</u>	<u>\$ 57,413</u>	<u>\$ 95,719</u>	<u>\$ 1,186,137</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2016
(UNAUDITED)

	Coverages and Other Accounts				Contingency	General and Administrative	Reinsurance	Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout				
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 381,778	\$ 291,639	\$ 1,039,129	\$ 716,760	\$ 14,616	\$ 1,316,445	\$ 375,838	\$ 4,136,205
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>381,778</u>	<u>291,639</u>	<u>1,039,129</u>	<u>716,760</u>	<u>14,616</u>	<u>1,316,445</u>	<u>375,838</u>	<u>4,136,205</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	173,636	474,946	1,175,808	499,598				2,323,988
Expenses						961,379	366,830	1,328,209
Total Liabilities	<u>173,636</u>	<u>474,946</u>	<u>1,175,808</u>	<u>499,598</u>		<u>961,379</u>	<u>366,830</u>	<u>3,652,197</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>208,142</u>	<u>(183,307)</u>	<u>(136,679)</u>	<u>217,162</u>	<u>14,616</u>	<u>355,066</u>	<u>9,008</u>	<u>484,008</u>
4. <u>Adjustments</u>								
Investment Income	7,059	2,207	9,567	12,519	266	9,911	221	41,750
Transfers								
Total Adjustments	<u>7,059</u>	<u>2,207</u>	<u>9,567</u>	<u>12,519</u>	<u>266</u>	<u>9,911</u>	<u>221</u>	<u>41,750</u>
5. Gross Operating Surplus / (Deficit)	<u>215,201</u>	<u>(181,100)</u>	<u>(127,112)</u>	<u>229,681</u>	<u>14,882</u>	<u>364,977</u>	<u>9,229</u>	<u>525,758</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ 215,201</u>	<u>\$ (181,100)</u>	<u>\$ (127,112)</u>	<u>\$ 229,681</u>	<u>\$ 14,882</u>	<u>\$ 364,977</u>	<u>\$ 9,229</u>	<u>\$ 525,758</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2014
 DECEMBER 31, 2016
 (UNAUDITED)

	Coverages and Other Accounts				Contingency	General and Administrative	Reinsurance	Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout				
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 391,218	\$ 290,120	\$ 1,106,319	\$ 704,452	\$ 14,569	\$ 1,288,227	\$ 410,627	\$ 4,205,532
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>391,218</u>	<u>290,120</u>	<u>1,106,319</u>	<u>704,452</u>	<u>14,569</u>	<u>1,288,227</u>	<u>410,627</u>	<u>4,205,532</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	189,223	396,461	774,896	316,102				1,676,682
Expenses						1,055,162	391,568	1,446,730
Total Liabilities	<u>189,223</u>	<u>396,461</u>	<u>774,896</u>	<u>316,102</u>		<u>1,055,162</u>	<u>391,568</u>	<u>3,123,412</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>201,995</u>	<u>(106,341)</u>	<u>331,423</u>	<u>388,350</u>	<u>14,569</u>	<u>233,065</u>	<u>19,059</u>	<u>1,082,120</u>
4. <u>Adjustments</u>								
Investment Income	5,889	3,057	16,354	10,845	173	5,632	269	42,219
Transfers								
Total Adjustments	<u>5,889</u>	<u>3,057</u>	<u>16,354</u>	<u>10,845</u>	<u>173</u>	<u>5,632</u>	<u>269</u>	<u>42,219</u>
5. Gross Operating Surplus / (Deficit)	<u>207,884</u>	<u>(103,284)</u>	<u>347,777</u>	<u>399,195</u>	<u>14,742</u>	<u>238,697</u>	<u>19,328</u>	<u>1,124,339</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ 207,884</u>	<u>\$ (103,284)</u>	<u>\$ 347,777</u>	<u>\$ 399,195</u>	<u>\$ 14,742</u>	<u>\$ 238,697</u>	<u>\$ 19,328</u>	<u>\$ 1,124,339</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2015
 DECEMBER 31, 2016
 (UNAUDITED)

	Coverages and Other Accounts				Contingency	General and Administrative	Reinsurance	Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout				
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 396,452	\$ 292,691	\$ 1,120,147	\$ 713,007	\$ 14,569	\$ 1,218,118	\$ 525,000	\$ 4,279,984
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>396,452</u>	<u>292,691</u>	<u>1,120,147</u>	<u>713,007</u>	<u>14,569</u>	<u>1,218,118</u>	<u>525,000</u>	<u>4,279,984</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	398,742	294,483	1,126,616	717,125				2,536,966
Expenses						1,061,789	535,022	1,596,811
Total Liabilities	<u>398,742</u>	<u>294,483</u>	<u>1,126,616</u>	<u>717,125</u>		<u>1,061,789</u>	<u>535,022</u>	<u>4,133,777</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(2,290)</u>	<u>(1,792)</u>	<u>(6,469)</u>	<u>(4,118)</u>	<u>14,569</u>	<u>156,329</u>	<u>(10,022)</u>	<u>146,207</u>
4. <u>Adjustments</u>								
Investment Income	3,014	2,176	8,388	6,189	116	1,198	(330)	20,751
Transfers								
Total Adjustments	<u>3,014</u>	<u>2,176</u>	<u>8,388</u>	<u>6,189</u>	<u>116</u>	<u>1,198</u>	<u>(330)</u>	<u>20,751</u>
5. Gross Operating Surplus / (Deficit)	<u>724</u>	<u>384</u>	<u>1,919</u>	<u>2,071</u>	<u>14,685</u>	<u>157,527</u>	<u>(10,352)</u>	<u>166,958</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ 724</u>	<u>\$ 384</u>	<u>\$ 1,919</u>	<u>\$ 2,071</u>	<u>\$ 14,685</u>	<u>\$ 157,527</u>	<u>\$ (10,352)</u>	<u>\$ 166,958</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2016
 DECEMBER 31, 2016
 (UNAUDITED)

	Coverages and Other Accounts				Contingency	General and Administrative	Reinsurance	Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout				
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 385,675	\$ 336,967	\$ 1,135,151	\$ 648,372	\$ 14,569	\$ 1,218,566	\$ 530,235	\$ 4,269,535
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>385,675</u>	<u>336,967</u>	<u>1,135,151</u>	<u>648,372</u>	<u>14,569</u>	<u>1,218,566</u>	<u>530,235</u>	<u>4,269,535</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	387,916	338,926	1,141,752	652,141				2,520,735
Expenses						1,137,647	542,696	1,680,343
Total Liabilities	<u>387,916</u>	<u>338,926</u>	<u>1,141,752</u>	<u>652,141</u>		<u>1,137,647</u>	<u>542,696</u>	<u>4,201,078</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(2,241)</u>	<u>(1,959)</u>	<u>(6,601)</u>	<u>(3,769)</u>	<u>14,569</u>	<u>80,919</u>	<u>(12,461)</u>	<u>68,457</u>
4. <u>Adjustments</u>								
Investment Income	(52)	(41)	(152)	(92)	(2)	(20)		(359)
Transfers								
Total Adjustments	<u>(52)</u>	<u>(41)</u>	<u>(152)</u>	<u>(92)</u>	<u>(2)</u>	<u>(20)</u>		<u>(359)</u>
5. Gross Operating Surplus / (Deficit)	<u>(2,293)</u>	<u>(2,000)</u>	<u>(6,753)</u>	<u>(3,861)</u>	<u>14,567</u>	<u>80,899</u>	<u>(12,461)</u>	<u>68,098</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ (2,293)</u>	<u>\$ (2,000)</u>	<u>\$ (6,753)</u>	<u>\$ (3,861)</u>	<u>\$ 14,567</u>	<u>\$ 80,899</u>	<u>\$ (12,461)</u>	<u>\$ 68,098</u>

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1995
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 38,444	\$ 514,290	\$ 152,175	\$ 75,833	\$ 780,742
Case Reserves					
IBNR Reserve					
Subtotal	<u>38,444</u>	<u>514,290</u>	<u>152,175</u>	<u>75,833</u>	<u>780,742</u>
Excess Insurance					
Received	296	1,020			1,316
Receivable					
Recoverable					
Subtotal	<u>296</u>	<u>1,020</u>			<u>1,316</u>
Incurred Claims	<u>38,148</u>	<u>513,270</u>	<u>152,175</u>	<u>75,833</u>	<u>\$ 779,426</u>
Number of Claims	7	2	15	6	
Cost/Claim	<u>\$ 5,450</u>	<u>\$ 256,635</u>	<u>\$ 10,145</u>	<u>\$ 12,639</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1996
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 70,724	\$ 56,569	\$ 305,853	\$ 26,658	\$ 459,804
Case Reserves					
IBNR Reserve					
Subtotal	<u>70,724</u>	<u>56,569</u>	<u>305,853</u>	<u>26,658</u>	<u>459,804</u>
Excess Insurance					
Received				500	500
Receivable					
Recoverable					
Subtotal				<u>500</u>	<u>500</u>
Incurred Claims	<u>70,724</u>	<u>56,569</u>	<u>305,853</u>	<u>26,158</u>	<u>\$ 459,304</u>
Number of Claims	18	8	31	5	
Cost/Claim	<u>\$ 3,929</u>	<u>\$ 7,071</u>	<u>\$ 9,866</u>	<u>\$ 5,232</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1997
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 21,193	\$ 221,933	\$ 662,733	\$ 691,418	\$ 1,597,277
Case Reserves					
IBNR Reserve					
Subtotal	<u>21,193</u>	<u>221,933</u>	<u>662,733</u>	<u>691,418</u>	<u>1,597,277</u>
Excess Insurance					
Received				784,477	784,477
Receivable					
Recoverable					
Subtotal				<u>784,477</u>	<u>784,477</u>
Incurred Claims	<u>21,193</u>	<u>221,933</u>	<u>662,733</u>	<u>(93,059)</u>	<u>\$ 812,800</u>
Number of Claims	16	2	25	7	
Cost/Claim	<u>\$ 1,325</u>	<u>\$ 110,967</u>	<u>\$ 26,509</u>	<u>\$ (13,294)</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1998
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 42,458		\$ 99,600	\$ 24,881	\$ 166,939
Case Reserves					
IBNR Reserve					
Subtotal	<u>42,458</u>		<u>99,600</u>	<u>24,881</u>	<u>166,939</u>
Excess Insurance					
Received				16,780	16,780
Receivable					
Recoverable					
Subtotal				<u>16,780</u>	<u>16,780</u>
Incurred Claims	<u>42,458</u>		<u>99,600</u>	<u>8,101</u>	<u>\$ 150,159</u>
Number of Claims	13	1	18	4	
Cost/Claim	<u>\$ 3,266</u>	<u>\$ -0-</u>	<u>\$ 5,533</u>	<u>\$ 2,025</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 537,109	\$ 338,011	\$ 1,827,143	\$ 2,175,717	\$ 4,877,980
Case Reserves		83,252	7,224	19,282	109,758
IBNR Reserve		22,478	1,950	5,206	29,634
Subtotal	<u>537,109</u>	<u>443,741</u>	<u>1,836,317</u>	<u>2,200,205</u>	<u>5,017,372</u>
Excess Insurance					
Received				3,090,186	3,090,186
Receivable					
Recoverable					
Subtotal				<u>3,090,186</u>	<u>3,090,186</u>
Incurred Claims	<u>537,109</u>	<u>443,741</u>	<u>1,836,317</u>	<u>(889,981)</u>	<u>\$ 1,927,186</u>
Number of Claims	12	4	18	2	
Cost/Claim	<u>\$ 44,759</u>	<u>\$ 110,935</u>	<u>\$ 102,018</u>	<u>\$ (444,991)</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2000
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 4,851	\$ 16,406	\$ 6,873		\$ 28,130
Case Reserves					
IBNR Reserve					
Subtotal	<u>4,851</u>	<u>16,406</u>	<u>6,873</u>		<u>28,130</u>
Excess Insurance					
Received		13,388			13,388
Receivable					
Recoverable					
Subtotal		<u>13,388</u>			<u>13,388</u>
Incurred Claims	<u>4,851</u>	<u>3,018</u>	<u>6,873</u>		<u>\$ 14,742</u>
Number of Claims	8	1	9		
Cost/Claim	<u>\$ 606</u>	<u>\$ 3,018</u>	<u>\$ 764</u>	<u>\$ -0-</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2001
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 30,933	\$ 6,443	\$ 88,319	\$ 13,894	\$ 139,589
Case Reserves					
IBNR Reserve					
Subtotal	<u>30,933</u>	<u>6,443</u>	<u>88,319</u>	<u>13,894</u>	<u>139,589</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>30,933</u>	<u>6,443</u>	<u>88,319</u>	<u>13,894</u>	<u>\$ 139,589</u>
Number of Claims	14	2	17	1	
Cost/Claim	<u>\$ 2,210</u>	<u>\$ 3,222</u>	<u>\$ 5,195</u>	<u>\$ 13,894</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2002DECEMBER 31, 2016

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 175,312	\$ 38,810	\$ 771,889	\$ 528,003	\$ 1,514,014
Case Reserves			3,020	111,996	115,016
IBNR Reserve			815	30,239	31,054
Subtotal	<u>175,312</u>	<u>38,810</u>	<u>775,724</u>	<u>670,238</u>	<u>1,660,084</u>
Excess Insurance					
Received				16,465	16,465
Receivable					
Recoverable					
Subtotal				<u>16,465</u>	<u>16,465</u>
Incurred Claims	<u>175,312</u>	<u>38,810</u>	<u>775,724</u>	<u>653,773</u>	<u>\$ 1,643,619</u>
Number of Claims	11	5	19	3	
Cost/Claim	<u>\$ 15,937</u>	<u>\$ 7,762</u>	<u>\$ 40,828</u>	<u>\$ 217,924</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2003
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 799,283	\$ 10,947	\$ 31,635		\$ 841,865
Case Reserves	890		5,638		6,528
IBNR Reserve	240		1,522		1,762
Subtotal	<u>800,413</u>	<u>10,947</u>	<u>38,795</u>		<u>850,155</u>
Excess Insurance					
Received	253,167				253,167
Receivable					
Recoverable					
Subtotal	<u>253,167</u>				<u>253,167</u>
Incurred Claims	<u>547,246</u>	<u>10,947</u>	<u>38,795</u>		<u>\$ 596,988</u>
Number of Claims	12	5	17		
Cost/Claim	<u>\$ 45,604</u>	<u>\$ 2,189</u>	<u>\$ 2,282</u>	<u>\$ -0-</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2004
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 335,270	\$ 467,764	\$ 563,322	\$ 396,802	\$ 1,763,158
Case Reserves		21	560,769	462,656	1,023,446
IBNR Reserve		<u>6</u>	<u>151,408</u>	<u>124,917</u>	<u>276,331</u>
Subtotal	<u>335,270</u>	<u>467,791</u>	<u>1,275,499</u>	<u>984,375</u>	<u>3,062,935</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>335,270</u>	<u>467,791</u>	<u>1,275,499</u>	<u>984,375</u>	<u>\$ 3,062,935</u>
Number of Claims	13	12	28	3	
Cost/Claim	<u>\$ 25,790</u>	<u>\$ 38,983</u>	<u>\$ 45,554</u>	<u>\$ 328,125</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2005DECEMBER 31, 2016

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 160,468	\$ 198,467	\$ 245,517	\$ 180,564	\$ 785,016
Case Reserves			1,524	99,065	100,589
IBNR Reserve			412	26,747	27,159
Subtotal	<u>160,468</u>	<u>198,467</u>	<u>247,453</u>	<u>306,376</u>	<u>912,764</u>
Excess Insurance					
Received		3,645			3,645
Receivable					
Recoverable					
Subtotal		<u>3,645</u>			<u>3,645</u>
Incurred Claims	<u>160,468</u>	<u>194,822</u>	<u>247,453</u>	<u>306,376</u>	<u>\$ 909,119</u>
Number of Claims	13	11	28	4	
Cost/Claim	<u>\$ 12,344</u>	<u>\$ 17,711</u>	<u>\$ 8,838</u>	<u>\$ 76,594</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2006
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 13,624	\$ 115,392	\$ 2,660,632	\$ 736,988	\$ 3,526,636
Case Reserves	994,000		38,499	13,012	1,045,511
IBNR Reserve	268,380		10,395	3,513	282,288
Subtotal	<u>1,276,004</u>	<u>115,392</u>	<u>2,709,526</u>	<u>753,513</u>	<u>4,854,435</u>
Excess Insurance					
Received		29			29
Receivable					
Recoverable					
Subtotal		<u>29</u>			<u>29</u>
Incurred Claims	<u>1,276,004</u>	<u>115,363</u>	<u>2,709,526</u>	<u>753,513</u>	<u>\$ 4,854,406</u>
Number of Claims	10	24	35	1	
Cost/Claim	<u>\$ 127,600</u>	<u>\$ 4,807</u>	<u>\$ 77,415</u>	<u>\$ 753,513</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 33,889	\$ 140,328	\$ 67,906		\$ 242,123
Case Reserves					
IBNR Reserve					
Subtotal	<u>33,889</u>	<u>140,328</u>	<u>67,906</u>		<u>242,123</u>
Excess Insurance					
Received	5,718				5,718
Receivable					
Recoverable					
Subtotal	<u>5,718</u>				<u>5,718</u>
Incurred Claims	<u>28,171</u>	<u>140,328</u>	<u>67,906</u>		<u>\$ 236,405</u>
Number of Claims	9	14	24	1	
Cost/Claim	<u>\$ 3,130</u>	<u>\$ 10,023</u>	<u>\$ 2,829</u>	<u>\$ -0-</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2008DECEMBER 31, 2016

(UNAUDITED)

	Coverages				Total
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 39,113	\$ 76,050	\$ 817,179	\$ 280,662	\$ 1,213,004
Case Reserves			56,632	60,338	116,970
IBNR Reserve			15,291	16,291	31,582
Subtotal	<u>39,113</u>	<u>76,050</u>	<u>889,102</u>	<u>357,291</u>	<u>1,361,556</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>39,113</u>	<u>76,050</u>	<u>889,102</u>	<u>357,291</u>	<u>\$ 1,361,556</u>
Number of Claims	12	15	31	4	
Cost/Claim	<u>\$ 3,259</u>	<u>\$ 5,070</u>	<u>\$ 28,681</u>	<u>\$ 89,323</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2009
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 57,131	\$ 75,805	\$ 1,098,726	\$ 831,015	\$ 2,062,677
Case Reserves			185,510	985	186,495
IBNR Reserve			50,088	266	50,354
Subtotal	<u>57,131</u>	<u>75,805</u>	<u>1,334,324</u>	<u>832,266</u>	<u>2,299,526</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>57,131</u>	<u>75,805</u>	<u>1,334,324</u>	<u>832,266</u>	<u>\$ 2,299,526</u>
Number of Claims	15	20	36	1	
Cost/Claim	<u>\$ 3,809</u>	<u>\$ 3,790</u>	<u>\$ 37,065</u>	<u>\$ 832,266</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2010
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 70,997	\$ 427,166	\$ 134,597	\$ 25,000	\$ 657,760
Case Reserves	27,036	299,363	8,191		334,590
IBNR Reserve	7,693	85,179	2,331		95,203
Subtotal	<u>105,726</u>	<u>811,708</u>	<u>145,119</u>	<u>25,000</u>	<u>1,087,553</u>
Excess Insurance					
Received	2,821				2,821
Receivable					
Recoverable					
Subtotal	<u>2,821</u>				<u>2,821</u>
Incurred Claims	<u>102,905</u>	<u>811,708</u>	<u>145,119</u>	<u>25,000</u>	<u>\$ 1,084,732</u>
Number of Claims	16	23	40	1	
Cost/Claim	<u>\$ 6,432</u>	<u>\$ 35,292</u>	<u>\$ 3,628</u>	<u>\$ 25,000</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2011
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 51,694	\$ 27,022	\$ 132,250	\$ 998	\$ 211,964
Case Reserves		541	49,905	49,002	99,448
IBNR Reserve	<u>2,489</u>	<u>2,118</u>	<u>21,585</u>	<u>20,272</u>	<u>46,464</u>
Subtotal	<u>54,183</u>	<u>29,681</u>	<u>203,740</u>	<u>70,272</u>	<u>357,876</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>54,183</u>	<u>29,681</u>	<u>203,740</u>	<u>70,272</u>	<u>\$ 357,876</u>
Number of Claims	24	18	44	2	
Cost/Claim	<u>\$ 2,258</u>	<u>\$ 1,649</u>	<u>\$ 4,630</u>	<u>\$ 35,136</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 38,863	\$ 89,495	\$ 382,571	\$ 1,871	\$ 512,800
Case Reserves	315,870	18,005	43,948	150,000	527,823
IBNR Reserve	<u>96,871</u>	<u>17,201</u>	<u>56,465</u>	<u>72,257</u>	<u>242,794</u>
Subtotal	<u>451,604</u>	<u>124,701</u>	<u>482,984</u>	<u>224,128</u>	<u>1,283,417</u>
Excess Insurance					
Received					
Receivable					
Recoverable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Incurred Claims	<u>451,604</u>	<u>124,701</u>	<u>482,984</u>	<u>224,128</u>	<u>\$ 1,283,417</u>
Number of Claims	14	24	40	2	
Cost/Claim	<u>\$ 32,257</u>	<u>\$ 5,196</u>	<u>\$ 12,075</u>	<u>\$ 112,064</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 7,649	\$ 435,681	\$ 991,861	\$ 9,049	\$ 1,444,240
Case Reserves	92,000	16,624	67,203	330,669	506,496
IBNR Reserve	<u>73,987</u>	<u>22,641</u>	<u>116,744</u>	<u>159,880</u>	<u>373,252</u>
Subtotal	<u>173,636</u>	<u>474,946</u>	<u>1,175,808</u>	<u>499,598</u>	<u>2,323,988</u>
Excess Insurance					
Received					
Receivable					
Recoverable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Incurred Claims	<u>173,636</u>	<u>474,946</u>	<u>1,175,808</u>	<u>499,598</u>	<u>\$ 2,323,988</u>
Number of Claims	17	23	43	3	
Cost/Claim	<u>\$ 10,214</u>	<u>\$ 20,650</u>	<u>\$ 27,344</u>	<u>\$ 166,533</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2014
DECEMBER 31, 2016
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 3,714	\$ 156,292	\$ 40,493		\$ 200,499
Case Reserves	14,025	200,296	316,066		530,387
IBNR Reserve	<u>171,484</u>	<u>39,873</u>	<u>418,337</u>	<u>\$ 316,102</u>	<u>945,796</u>
Subtotal	<u>189,223</u>	<u>396,461</u>	<u>774,896</u>	<u>316,102</u>	<u>1,676,682</u>
Excess Insurance					
Received					
Receivable					
Recoverable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Incurred Claims	<u>189,223</u>	<u>396,461</u>	<u>774,896</u>	<u>316,102</u>	<u>\$ 1,676,682</u>
Number of Claims	9	30	40	1	
Cost/Claim	<u>\$ 21,025</u>	<u>\$ 13,215</u>	<u>\$ 19,372</u>	<u>\$ 316,102</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2015DECEMBER 31, 2016

(UNAUDITED)

	Coverages				Total
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 16,890	\$ 32,700	\$ 53,658		\$ 103,248
Case Reserves	33,682	137,541	6,140	\$ 56,000	233,363
IBNR Reserve	<u>348,170</u>	<u>124,242</u>	<u>1,066,818</u>	<u>661,125</u>	<u>2,200,355</u>
Subtotal	<u>398,742</u>	<u>294,483</u>	<u>1,126,616</u>	<u>717,125</u>	<u>2,536,966</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>398,742</u>	<u>294,483</u>	<u>1,126,616</u>	<u>717,125</u>	<u>\$ 2,536,966</u>
Number of Claims	8	16	25	1	
Cost/Claim	<u>\$ 49,843</u>	<u>\$ 18,405</u>	<u>\$ 45,065</u>	<u>\$ 717,125</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2016
DECEMBER 31, 2016
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 10,266	\$ 42,930	\$ 51,298	\$ 498	\$ 104,992
Case Reserves	150,722	231,146	63,195	126,502	571,565
IBNR Reserve	<u>226,928</u>	<u>64,850</u>	<u>1,027,259</u>	<u>525,141</u>	<u>1,844,178</u>
Subtotal	<u>387,916</u>	<u>338,926</u>	<u>1,141,752</u>	<u>652,141</u>	<u>2,520,735</u>
Excess Insurance:					
Received					
Receivable					
Recoverable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Incurred Claims	<u>387,916</u>	<u>338,926</u>	<u>1,141,752</u>	<u>652,141</u>	<u>\$ 2,520,735</u>
Number of Claims	16	14	34	4	
Cost/Claim	<u>\$ 24,245</u>	<u>\$ 24,209</u>	<u>\$ 33,581</u>	<u>\$ 163,035</u>	

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 1995
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Administrative Expenses</u>			
Administrative Fees	\$ 49,770		\$ 49,770
Claims Adjuster	25,000		25,000
Legal	31,719		31,719
Treasurer	7,370		7,370
Other (Itemize):			
Actuary	50,000		50,000
Environmental Services	90,698		90,698
Underwriting Manager	54,607		54,607
Miscellaneous	23,100		23,100
External Auditor	7,800		7,800
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 340,064</u>	<u>\$ -0-</u>	<u>\$ 340,064</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 1996
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Administrative Expenses</u>			
Administrative Fees	\$ 84,661		\$ 84,661
Claims Adjuster	24,597		24,597
Legal	25,601		25,601
Treasurer	10,500		10,500
Other (Itemize):			
Actuary	65,000		65,000
Environmental Services	244,715		244,715
Underwriting Manager	77,261		77,261
Miscellaneous	32,705		32,705
External Auditor	8,800		8,800
	<u>8,800</u>		<u>8,800</u>
Total Expenses	<u>\$ 573,840</u>	<u>\$ -0-</u>	<u>\$ 573,840</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 1997
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 147,742		\$ 147,742
Subtotal Excess Insurance	<u>147,742</u>		<u>147,742</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	84,643		84,643
Claims Adjuster	14,750		14,750
Legal	34,619		34,619
Treasurer	11,000		11,000
Other (Itemize):			
Actuary	65,000		65,000
Environmental Services	250,000		250,000
Underwriting Manager	85,622		85,622
Miscellaneous	17,731		17,731
External Auditor	8,800		8,800
	<u>572,165</u>		<u>572,165</u>
Total Expenses	<u>\$ 719,907</u>	<u>\$ -0-</u>	<u>\$ 719,907</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 1998
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 211,930		\$ 211,930
Subtotal Excess Insurance	<u>211,930</u>		<u>211,930</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	89,953		89,953
Claims Adjuster	14,775		14,775
Legal	29,952		29,952
Treasurer	11,275		11,275
Other (Itemize):			
Actuary	65,000		65,000
Environmental Services	259,461		259,461
Underwriting Manager	89,868		89,868
Miscellaneous	12,611		12,611
External Auditor	8,800		8,800
	<u>581,695</u>		<u>581,695</u>
Total Expenses	<u>\$ 793,625</u>	<u>\$ -0-</u>	<u>\$ 793,625</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 201,857		\$ 201,857
Subtotal Excess Insurance	<u>201,857</u>		<u>201,857</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	95,257		95,257
Claims Adjuster	14,621		14,621
Legal	32,862		32,862
Treasurer	11,275		11,275
Other (Itemize):			
Actuary	65,000		65,000
Environmental Services	302,847		302,847
Underwriting Manager	94,612		94,612
Miscellaneous	19,552		19,552
External Auditor	17,072		17,072
	<u>653,098</u>		<u>653,098</u>
Total Expenses	<u>\$ 854,955</u>	<u>\$ -0-</u>	<u>\$ 854,955</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2000
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 188,236		\$ 188,236
Subtotal Excess Insurance	<u>188,236</u>		<u>188,236</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	106,880		106,880
Claims Adjuster	15,950		15,950
Legal	33,704		33,704
Treasurer	12,000		12,000
Other (Itemize):			
Actuary	50,000		50,000
Environmental Services	270,586		270,586
Underwriting Manager	101,104		101,104
Miscellaneous	26,979		26,979
External Auditor	9,020		9,020
	<u>626,223</u>		<u>626,223</u>
Total Expenses	<u>\$ 814,459</u>	<u>\$ -0-</u>	<u>\$ 814,459</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2001
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 197,040		\$ 197,040
Subtotal Excess Insurance	<u>197,040</u>		<u>197,040</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	123,361		123,361
Claims Adjuster	16,550		16,550
Legal	38,569		38,569
Treasurer	13,806		13,806
Other (Itemize):			
Actuary	50,000		50,000
Environmental Services	306,955		306,955
Underwriting Manager	115,800		115,800
Miscellaneous	18,750		18,750
External Auditor	10,376		10,376
	<u>694,167</u>		<u>694,167</u>
Total Expenses	<u>\$ 891,207</u>	<u>\$ -0-</u>	<u>\$ 891,207</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2002
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 254,065		\$ 254,065
Subtotal Excess Insurance	<u>254,065</u>		<u>254,065</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	139,932		139,932
Claims Adjuster	17,095		17,095
Legal	38,755		38,755
Treasurer	13,806		13,806
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	310,642		310,642
Underwriting Manager	119,274		119,274
Miscellaneous	10,357		10,357
External Auditor	10,687		10,687
	<u>713,048</u>		<u>713,048</u>
Total Expenses	<u>\$ 967,113</u>	<u>\$ -0-</u>	<u>\$ 967,113</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2003DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 267,724		\$ 267,724
Subtotal Excess Insurance	<u>267,724</u>		<u>267,724</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	148,786		148,786
Claims Adjuster	17,472		17,472
Legal	40,820		40,820
Treasurer	14,000		14,000
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	316,889		316,889
Underwriting Manager	119,566		119,566
Miscellaneous	9,417		9,417
External Auditor	10,980		10,980
	<u>730,430</u>		<u>730,430</u>
Total Expenses	<u>\$ 998,154</u>	<u>\$ -0-</u>	<u>\$ 998,154</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2004DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 247,947		\$ 247,947
Subtotal Excess Insurance	<u>247,947</u>		<u>247,947</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	152,666		152,666
Claims Adjuster	17,975		17,975
Legal	42,182		42,182
Treasurer	14,475		14,475
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	316,653		316,653
Underwriting Manager	122,845		122,845
Miscellaneous	13,044		13,044
External Auditor	11,950		11,950
	<u>744,290</u>		<u>744,290</u>
Total Expenses	<u>\$ 992,237</u>	<u>\$ -0-</u>	<u>\$ 992,237</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2005DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 271,173		\$ 271,173
Subtotal Excess Insurance	<u>271,173</u>		<u>271,173</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	162,137		162,137
Claims Adjuster	15,300		15,300
Legal	47,365		47,365
Treasurer	14,615		14,615
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	358,571		358,571
Underwriting Manager	128,466		128,466
Miscellaneous	31,763		31,763
External Auditor	12,189		12,189
	<u>822,906</u>		<u>822,906</u>
Total Expenses	<u>\$ 1,094,079</u>	<u>\$ -0-</u>	<u>\$ 1,094,079</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2006DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 337,021		\$ 337,021
Subtotal Excess Insurance	<u>337,021</u>		<u>337,021</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	186,102		186,102
Claims Adjuster	18,780		18,780
Legal	54,359		54,359
Treasurer	15,485		15,485
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	419,717		419,717
Underwriting Manager	158,959		158,959
Miscellaneous	38,206		38,206
External Auditor	12,555		12,555
	<u>956,663</u>		<u>956,663</u>
Total Expenses	<u>\$ 1,293,684</u>	<u>\$ -0-</u>	<u>\$ 1,293,684</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2007DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 364,075		\$ 364,075
Subtotal Excess Insurance	<u>364,075</u>		<u>364,075</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	192,600		192,600
Claims Adjuster	19,436		19,436
Legal	56,183		56,183
Treasurer	15,950		15,950
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	411,750		411,750
Underwriting Manager	164,511		164,511
Miscellaneous	105,227		105,227
External Auditor	12,932		12,932
	<u>1,031,089</u>		<u>1,031,089</u>
Total Expenses	<u>\$ 1,395,164</u>	<u>\$ -0-</u>	<u>\$ 1,395,164</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2008DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 392,009		\$ 392,009
Subtotal Excess Insurance	<u>392,009</u>		<u>392,009</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	204,224		204,224
Claims Adjuster	20,609		20,609
Legal	59,509		59,509
Treasurer	16,428		16,428
Other (Itemize):			
Actuary	52,500		52,500
Environmental Services	457,765		457,765
Underwriting Manager	174,437		174,437
Miscellaneous	29,644		29,644
External Auditor	13,320		13,320
	<u>1,028,436</u>		<u>1,028,436</u>
Total Expenses	<u>\$ 1,420,445</u>	<u>\$ -0-</u>	<u>\$ 1,420,445</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2009DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 355,530		\$ 355,530
Subtotal Excess Insurance	<u>355,530</u>		<u>355,530</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	215,533		215,533
Claims Adjuster	21,754		21,754
Legal	62,679		62,679
Treasurer	17,003		17,003
Other (Itemize):			
Actuary	57,617		57,617
Environmental Services	462,831		462,831
Underwriting Manager	184,083		184,083
Miscellaneous	13,721		13,721
External Auditor	13,786		13,786
	<u>1,049,007</u>		<u>1,049,007</u>
Total Expenses	<u>\$ 1,404,537</u>	<u>\$ -0-</u>	<u>\$ 1,404,537</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2010
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 363,654		\$ 363,654
Subtotal Excess Insurance	<u>363,654</u>		<u>363,654</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	222,085		222,085
Claims Adjuster	21,754		21,754
Legal	64,860		64,860
Treasurer	17,513		17,513
Other (Itemize):			
Actuary	59,376		59,376
Environmental Services	469,492		469,492
Underwriting Manager	197,051		197,051
Miscellaneous	17,566		17,566
External Auditor	14,199		14,199
	<u>1,083,896</u>		<u>1,083,896</u>
Total Expenses	<u>\$ 1,447,550</u>	<u>\$ -0-</u>	<u>\$ 1,447,550</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2011DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 366,063		\$ 366,063
Subtotal Excess Insurance	<u>366,063</u>		<u>366,063</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	224,329		224,329
Claims Adjuster	21,754		21,754
Legal	65,217		65,217
Treasurer	17,513		17,513
Other (Itemize):			
Actuary	59,376		59,376
Environmental Services	480,404		480,404
Underwriting Manager	191,033		191,033
Miscellaneous	30,868		30,868
External Auditor	14,199		14,199
	<u>1,104,693</u>		<u>1,104,693</u>
Total Expenses	<u>\$ 1,470,756</u>	<u>\$ -0-</u>	<u>\$ 1,470,756</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2012DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 347,971		\$ 347,971
Subtotal Excess Insurance	<u>347,971</u>		<u>347,971</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	223,959		223,959
Claims Adjuster	22,599		22,599
Legal	65,162		65,162
Treasurer	17,532		17,532
Other (Itemize):			
Actuary	59,440		59,440
Environmental Services	480,935		480,935
Underwriting Manager	191,238		191,238
Miscellaneous	50,770		50,770
External Auditor	14,215		14,215
	<u>1,125,850</u>		<u>1,125,850</u>
Total Expenses	<u>\$ 1,473,821</u>	<u>\$ -0-</u>	<u>\$ 1,473,821</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2013DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 366,830		\$ 366,830
Subtotal Excess Insurance	<u>366,830</u>		<u>366,830</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	238,445		238,445
Claims Adjuster	22,599		22,599
Legal	69,668		69,668
Treasurer	17,890		17,890
Other (Itemize):			
Actuary	60,652		60,652
Environmental Services	232,493		232,493
Underwriting Manager	203,723		203,723
Miscellaneous	101,405		101,405
External Auditor	14,504		14,504
	<u>961,379</u>		<u>961,379</u>
Total Expenses	<u>\$ 1,328,209</u>	<u>\$ -0-</u>	<u>\$ 1,328,209</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2014DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 391,568		\$ 391,568
Subtotal Excess Insurance	<u>391,568</u>		<u>391,568</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	241,956		241,956
Claims Adjuster	24,423		24,423
Legal	70,672		70,672
Treasurer	18,180		18,180
Other (Itemize):			
Actuary	61,654		61,654
Environmental Services	332,693		332,693
Underwriting Manager	206,666		206,666
Miscellaneous	84,174		84,174
External Auditor	14,744		14,744
	<u>1,055,162</u>		<u>1,055,162</u>
Total Expenses	<u>\$ 1,446,730</u>	<u>\$ -0-</u>	<u>\$ 1,446,730</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2015DECEMBER 31, 2016

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 535,022		\$ 535,022
Subtotal Excess Insurance	<u>535,022</u>		<u>535,022</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	246,648		246,648
Claims Adjuster	24,897		24,897
Legal	72,047		72,047
Treasurer	18,540		18,540
Other (Itemize):			
Actuary	61,702		61,702
Environmental Services	325,041		325,041
Underwriting Manager	210,669		210,669
Miscellaneous	87,207		87,207
External Auditor	15,038		15,038
	<u>1,061,789</u>		<u>1,061,789</u>
Total Expenses	<u>\$ 1,596,811</u>	<u>\$ -0-</u>	<u>\$ 1,596,811</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2016
DECEMBER 31, 2016
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 542,696		\$ 542,696
Subtotal Excess Insurance	<u>542,696</u>		<u>542,696</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	245,586	\$ 3,750	249,336
Claims Adjuster	25,168		25,168
Legal	72,828		72,828
Treasurer	18,924		18,924
Other (Itemize):			
Actuary	46,277	15,425	61,702
Environmental Services	356,396	36,117	392,513
Underwriting Manager	212,969		212,969
Miscellaneous	88,772	96	88,868
External Auditor		15,339	15,339
	<u>1,066,920</u>	<u>70,727</u>	<u>1,137,647</u>
Total Expenses	<u>\$ 1,609,616</u>	<u>\$ 70,727</u>	<u>\$ 1,680,343</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND
PROGRAM SUMMARY
FUND YEAR - 2016
DECEMBER 31, 2016
 (UNAUDITED)

	COVERAGES				
	A SITE SPECIFIC	B NON-SITE SPECIFIC	C SUPERFUND BUYOUT	D LEGAL DEFENSE	E TANK SYSTEMS
1.) <u>Limits</u>	\$1,000,000 per occurrence	\$1,000,000 per occurrence	\$50,000 per local unit	\$500,000 per occurrence	\$1,000,000 per occurrence
<p>Site Specific coverage has a \$50,000 sublimit with a \$1,000 deductible for emergency remediation. Superfund Buyout coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except Coverage C - Superfund Buyout which has a Legal Defense limit of \$500,000 per occurrence. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy. All members are specified in the annual budget.</p>					
2.) <u>Annual Aggregate Limits</u>	\$1,000,000 (B)	\$1,000,000 (B)	\$50,000 (B)	\$500,000 (B)	\$1,000,000 (B)
3.) <u>Excess Insurance</u>	<p>Fund purchased Excess Aggregate Insurance up to a total aggregate of \$8,000,000. This insurance does not increase the limits to individual members.</p>				
4.) <u>Number of Participants</u>	Based on Number of Endorsements	13 JIF's with 306 Municipalities and 72 Utility Authorities	13 JIF's with 306 Municipalities and 72 Utility Authorities	13 JIF's with 306 Municipalities and 72 Utility Authorities	13 JIF's with 306 Municipalities and 72 Utility Authorities
5.) <u>Incurred Liabilities</u>	\$338,926	\$387,916	\$652,141	\$1,141,750	-0-
6.) <u>Exposure Units</u>	199 Approved Recycling Centers	3,741,825 Population	306 Municipalities and 72 Utility Authorities	306 Municipalities and 72 Utility Authorities	186 Regulated UST's Unspecified number of AST's
7.) <u>Liabilities/Unit</u>	\$2,316	\$0.11	\$1,875	\$2,944	-0-
(B) - Subject to overall aggregate per member JIF"					
	Bergen - \$4,087,730	Camden - \$3,042,560	Central - \$3,543,810	Suburban Essex - \$1,326,960	Burlington - \$2,530,250
	Morris - \$4,818,040	Ocean - \$4,804,400	Monmouth - \$3,745,070	NJUA - \$2,500,000	
	PMM - \$1,170,240	So. Bergen - \$3,255,250	Suburban - \$1,350,500	TRICO JIF - \$3,743,440	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2016
 (UNAUDITED)

Bank	Amount
Wells Fargo Bank	\$ 1,463,261
Wells Fargo Investments - Money Market Account	11,726
Investors Savings Bank	6,375,061
US Treasury Notes	18,656,979
New Jersey Cash Management Fund	1,906,088
	28,413,115
Less: Outstanding Checks	90,134
	\$ 28,322,981

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF OTHER RECEIVABLES
DECEMBER 31, 2016
(UNAUDITED)

Accrued Interest Receivable

\$ 71,333

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ADMINISTRATIVE EXPENSES PAYABLE
DECEMBER 31, 2016
(UNAUDITED)

Fund Year 2016:

Administrative Fees	\$ 3,750
Actuary	15,425
Environmental Services	36,117
Miscellaneous	96
External Auditor	15,339
	<hr/>
	\$ 70,727
	<hr/> <hr/>

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS



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 Mt. Arlington, NJ 07856
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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 Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Jersey Municipal Environmental Risk Management Fund (the "Fund") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated April 14, 2017.

Internal Control Over Financial Reporting

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

The Honorable Chairperson and Members
of the Board of Fund Commissioners
New Jersey Municipal Environmental Risk Management Fund
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
April 14, 2017

Nivocia LLP

STATISTICAL SECTION

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND

NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

	December 31,				
	2007	2008	2009	2010	2011
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt				\$ 250,000	\$ 250,000
Unrestricted	\$ 11,203,465	\$ 11,830,229	\$ 9,211,158	11,142,916	9,482,336
Total Business-Type Activities Net Position	<u>\$ 11,203,465</u>	<u>\$ 11,830,229</u>	<u>\$ 9,211,158</u>	<u>\$ 11,392,916</u>	<u>\$ 9,732,336</u>

	December 31,				
	2012	2013	2014	2015	2016
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Unrestricted	10,047,892	11,780,089	15,011,933	14,939,954	16,337,396
Total Business-Type Activities Net Position	<u>\$ 10,297,892</u>	<u>\$ 12,030,089</u>	<u>\$ 15,261,933</u>	<u>\$ 15,189,954</u>	<u>\$ 16,587,396</u>

Source - Insurance Fund Financial Records.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
SCHEDULE OF CHANGE IN NET POSITION

LAST TEN YEARS

(Unaudited)

Year Ending December 31,

	2007	2008	2009	2010	2011
Revenue:					
Assessments from Participating Members	\$ 3,619,190	\$ 3,716,831	\$ 3,874,501	\$ 3,879,494	\$ 3,901,387
Investment Income	1,004,413	780,131	414,356	262,217	430,701
Other Income				282	1,212
Total Revenue	<u>4,623,603</u>	<u>4,496,962</u>	<u>4,288,857</u>	<u>4,141,993</u>	<u>4,333,300</u>
Expenses:					
Provision for Claims and Claim Adjustment Expense	2,076,722	1,966,703	4,984,378	(481,025)	3,767,523
Insurance Premiums	364,075	392,009	355,530	363,654	366,063
Claims Administration	19,436	20,609	21,754	21,754	21,754
Contractual Services	713,158	960,100	1,014,782	815,047	835,186
Non-Contractual Services	103,774	14,326	7,784	18,754	29,671
Administration	192,600	16,451	23,700	222,051	223,683
Total Expenses	<u>3,469,765</u>	<u>3,370,198</u>	<u>6,407,928</u>	<u>960,235</u>	<u>5,243,880</u>
Return of Member Dividends	<u>(1,000,001)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(1,000,000)</u>	<u>(750,000)</u>
Change in Net Position	<u>\$ 153,837</u>	<u>\$ 626,764</u>	<u>\$ (2,619,071)</u>	<u>\$ 2,181,758</u>	<u>\$ (1,660,580)</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
SCHEDULE OF CHANGE IN NET POSITION
LAST TEN YEARS
(Unaudited)

	Year Ending December 31,				
	2012	2013	2014	2015	2016
Revenue:					
Assessments from Participating Members	\$ 3,896,379	\$ 4,136,205	\$ 4,205,532	\$ 4,279,984	\$ 4,269,535
Investment Income	176,614	18,145	188,124	132,818	232,181
Other Income					
Total Revenue	<u>4,072,993</u>	<u>4,154,350</u>	<u>4,393,656</u>	<u>4,412,802</u>	<u>4,501,716</u>
Expenses:					
Provision for Claims and Claim Adjustment Expense	1,411,483	765,979	(759,085)	2,261,772	873,531
Insurance Premiums	347,971	366,830	391,568	535,022	542,696
Claims Administration	22,599	22,599	24,423	24,897	25,168
Contractual Services	828,522	530,538	754,063	883,055	819,275
Non-Contractual Services	47,978	47,762	33,886	33,383	44,268
Administration	223,884	238,445	241,956	246,648	249,336
Total Expenses	<u>2,882,437</u>	<u>1,972,153</u>	<u>686,811</u>	<u>3,984,777</u>	<u>2,554,274</u>
Return of Member Dividends	<u>(625,000)</u>	<u>(450,000)</u>	<u>(475,001)</u>	<u>(500,004)</u>	<u>(550,000)</u>
Change in Net Position	<u>\$ 565,556</u>	<u>\$ 1,732,197</u>	<u>\$ 3,231,844</u>	<u>\$ (71,979)</u>	<u>\$ 1,397,442</u>

Source - Insurance Fund Financial Records.

NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND
MEMBER GROWTH ANALYSIS - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2016
 (Unaudited)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total number of members	13	13	13	13	13	13	13	13	13	13
Total member assessments	\$ 3,619,190	\$ 3,716,831	\$ 3,874,501	\$ 3,879,579	\$ 3,901,387	\$ 3,896,379	\$ 4,136,205	\$ 4,205,532	\$ 4,279,984	\$ 4,269,535
Total number of claims	24	31	36	40	44	40	43	40	25	34
Total reported losses	236,405	1,329,974	2,249,172	989,529	311,412	1,040,623	1,950,736	730,886	336,611	676,557

Source: Joint Insurance Fund - Executive Director's Office and Third Party Claims Administrator

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
REPORTED LOSS HISTORY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2016
(Unaudited)

During its years of existence, the Fund has incurred the following reported losses (paid claims plus case reserves) from claims incurred by Fund members. The claims reflect the impact of the increase in membership, the delay in claims reaching the Fund's coverages, and the change in the average cost per claim. These figures do not include incurred but not reported ("IBNR") claim estimates.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Non-site Specific Fund	\$ 28,171	\$ 39,113	\$ 57,131	\$ 95,212	\$ 51,694	\$ 354,733	\$ 99,649	\$ 17,739	\$ 50,572	\$ 160,988
Site Specific Fund	140,328	76,050	75,805	726,529	27,563	107,500	452,305	356,588	170,241	274,076
Legal Defense Fund	67,906	873,811	1,284,236	142,788	182,155	426,519	1,059,064	356,559	59,798	114,493
Superfund Buyout Fund		341,000	832,000	25,000	50,000	151,871	339,718		56,000	127,000
Total	<u>\$ 236,405</u>	<u>\$ 1,329,974</u>	<u>\$ 2,249,172</u>	<u>\$ 989,529</u>	<u>\$ 311,412</u>	<u>\$ 1,040,623</u>	<u>\$ 1,950,736</u>	<u>\$ 730,886</u>	<u>\$ 336,611</u>	<u>\$ 676,557</u>
Total number of claims	<u>24</u>	<u>31</u>	<u>36</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>43</u>	<u>40</u>	<u>25</u>	<u>34</u>
Average cost per claim	<u>\$ 9,850</u>	<u>\$ 42,902</u>	<u>\$ 62,477</u>	<u>\$ 24,738</u>	<u>\$ 7,078</u>	<u>\$ 26,016</u>	<u>\$ 45,366</u>	<u>\$ 18,272</u>	<u>\$ 13,464</u>	<u>\$ 19,899</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
REPORTED CLAIM ACTIVITY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2016
(Unaudited)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Non-site Specific Fund	9	12	15	16	24	14	17	9	8	16
Site Specific Fund	14	15	20	23	18	24	23	30	16	14
Legal Defense Fund (A)	24	31	36	40	44	40	43	40	25	34
Superfund Buyout Fund	<u>1</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>4</u>
Total	<u>24</u>	<u>31</u>	<u>36</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>43</u>	<u>40</u>	<u>25</u>	<u>34</u>
Claims settled in full	24	29	35	38	41	32	27	26	16	7
Claims pending	<u> </u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>8</u>	<u>16</u>	<u>14</u>	<u>9</u>	<u>27</u>
Total	<u>24</u>	<u>31</u>	<u>36</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>43</u>	<u>40</u>	<u>25</u>	<u>34</u>

(A) - Not counted in totals, as this item is present for each claim.