

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

Comprehensive Annual Financial Report
For the Years Ended December 31, 2014 and 2013

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 3, 2015

Executive Committee
New Jersey Municipal Environmental Risk Management Fund
9 Campus Drive, Suite 16
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, 2014 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 and continued their efforts in fund year 2014.

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 2014 and is still being pursued in fund year 2015.

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 Engineer's provide assistant in evaluating and inspecting potential acquisition, 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.

In 2014, the E-JIF issued RFQ's for all professional positions except the Environmental Engineer. These positions were published based on the prior established criteria pursuant to a Fair and Open process. The Rules and Contracts committee was convened to review the responses and offer recommendations to the full Board for consideration.

Also in 2014, 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.

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, 2014, the EJIF's portfolio consisted of the following:

Checking Accounts	\$ 5,404	0.02%
Money Market Accounts	1,017,358	3.95%
New Jersey Cash Management	1,896,457	7.36%
Investments	<u>22,830,838</u>	<u>88.66%</u>
	<u>\$ 25,750,057</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,

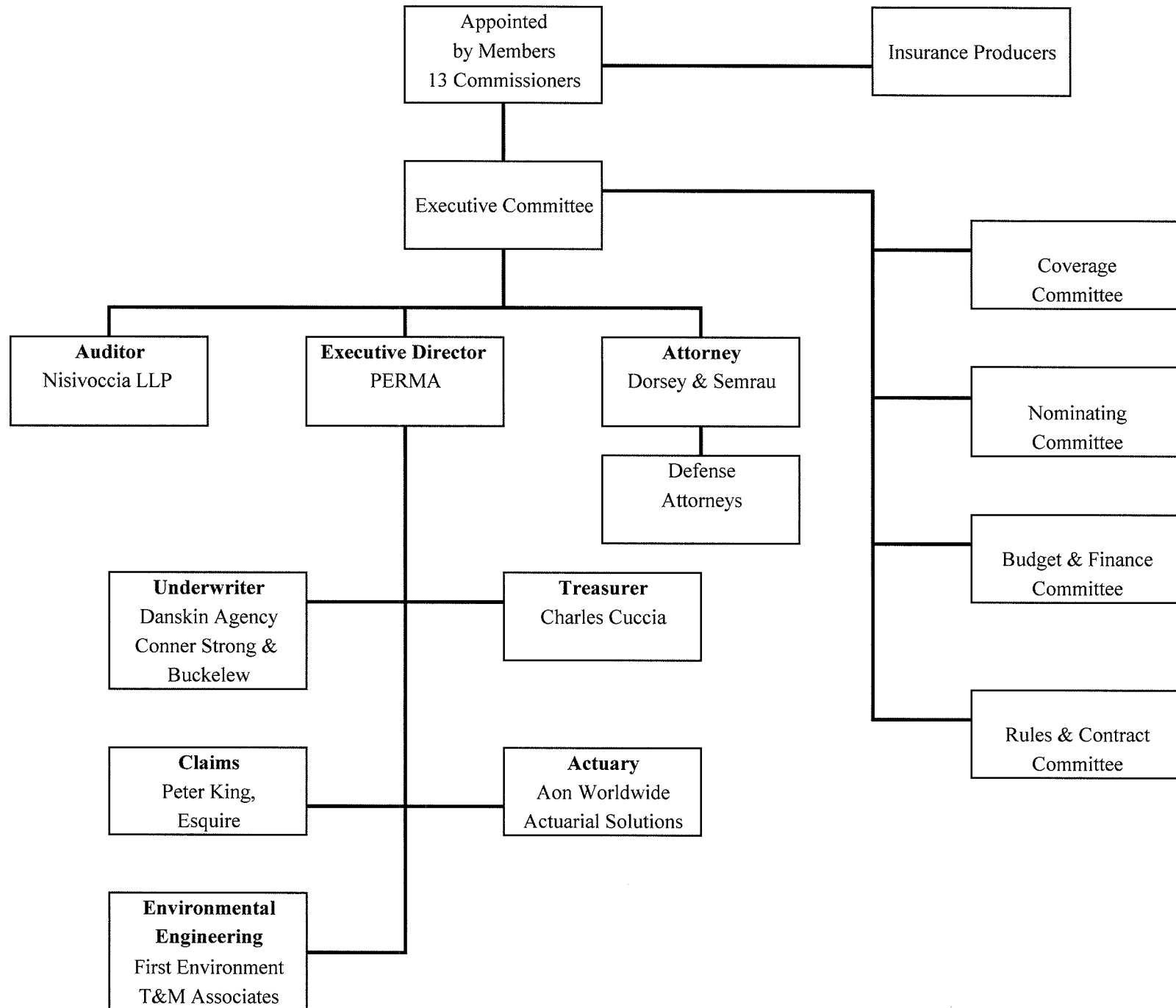
James J. Kickham

James J. Kickham, Executive Director

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2014

Joseph Wolk	Chairperson - Executive Committee
Jerry Cevetello	Secretary - Executive Committee
Frank Wilpert	Executive Committee
Paul Shives	Executive Committee
Richard Brook	Executive Committee
Robert Landolfi	Executive Committee
Joseph Catenero	Executive Committee
Thomas Nolan	Executive Committee
Jim Gildea	Executive Committee
Scott Carew	Executive Committee
Robert Law	Executive Committee
Gregory Franz	Executive Committee
Paul Tomasko	Executive Committee
Perma Risk Management Services	Administrator
James J. Kickham	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
First Environment	Environmental Engineering Services
T&M Associates	Environmental Engineering Services

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
2014 ORGANIZATIONAL CHART



NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
MEMBERSHIP LISTING
DECEMBER 31, 2014

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



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
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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, 2014 and 2013, 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, 2014 and 2013, 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 3, 2015 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.

Mount Arlington, New Jersey
April 3, 2015

Nisivocia LLP

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, 2014 and 2013. 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, 2014, 2013 and 2012.

SUMMARY OF STATEMENT OF NET POSITION

	2014	2013	2013/2014 Percent Change	2012	2012/2013 Percent Change
ASSETS:					
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 25,801,651	\$ 25,908,723	-0.41%	\$ 24,736,865	4.74%
Assessments Receivable			0.00%	1,515	-100.00%
Prepaid Expenses			0.00%	138	-100.00%
Capital Assets	250,000	250,000	0.00%	250,000	0.00%
Total	26,051,651	26,158,723	-0.41%	24,988,518	4.68%
LIABILITIES:					
Other Liabilities	101,680	166,519	-38.94%	71,416	133.17%
Member Dividends Payable			0.00%	625,000	-100.00%
Loss Reserves	10,688,038	13,962,115	-23.45%	13,994,210	-0.23%
Total	10,789,718	14,128,634	-23.63%	14,690,626	-3.83%
NET POSITION:					
Invested in Capital Assets	250,000	250,000	0.00%	250,000	0.00%
Unrestricted	15,011,933	11,780,089	27.43%	10,047,892	17.24%
NET POSITION	\$ 15,261,933	\$ 12,030,089	26.86%	\$ 10,297,892	16.82%

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

	2014	2013	2013/2014 Percent Change	2012	2012/2013 Percent Change
Operating Revenue:					
Assessments from Members	\$ 4,205,532	\$ 4,136,205	1.68%	\$ 3,896,379	6.16%
Total Operating Revenue	4,205,532	4,136,205	1.68%	3,896,379	6.16%
Operating Expenses:					
Provision for Claims & Claims Expense	(759,085)	765,979	-199.10%	1,411,483	-45.73%
Insurance Premiums	391,568	366,830	6.74%	347,971	5.42%
Administrative and Operating Expenses	1,054,328	839,344	25.61%	1,122,983	-25.26%
Total Operating Expenses	686,811	1,972,153	-65.17%	2,882,437	-31.58%
Operating Income/(Loss)	3,518,721	2,164,052	62.60%	1,013,942	113.43%
Non-Operating Revenue/(Expense):					
Investment Income	188,124	18,145	936.78%	176,614	-89.73%
Member Dividends	(475,001)	(450,000)	5.56%	(625,000)	-28.00%
Change in Net Position	\$ 3,231,844	\$ 1,732,197	86.57%	\$ 565,556	206.28%

The Fund's total assets decreased by 0.41% and the liabilities decreased by 23.63%, resulting in a 26.86% increase in net position.

Assessments increased by 1.68% reflecting increased claims projections in the 2014 budget.

Investment income increased by 936.78% as a result of a slight increase in the interest rate environment and the recognition of an unrealized gain on investments at year end.

Claims expense decreased from \$765,979 in 2013 to (\$759,085) in 2014. This 199.10% decrease is largely due to the decrease in large claims during 2014.

The Fund returned \$475,001 to its members in dividends in 2014 and \$450,000 in dividends in 2013. This decision was based upon the Fund's continued policy of building surplus 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,	
	2014	2013
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 2,919,219	\$ 3,626,515
Investments	22,830,838	22,226,850
Accrued Interest Receivable	51,594	55,358
Capital Assets:		
Sites (Land)	250,000	250,000
Total Assets	26,051,651	26,158,723
 <u>LIABILITIES:</u>		
Accounts Payable - Vendors	101,680	166,519
Loss Reserves	10,688,038	13,962,115
Total Liabilities	10,789,718	14,128,634
 <u>NET POSITION:</u>		
Invested in Capital Assets	250,000	250,000
Unrestricted	15,011,933	11,780,089
Total Net Position	\$ 15,261,933	\$ 12,030,089

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,	
	2014	2013
Operating Revenue:		
Assessments from Participating Members	\$ 4,205,532	\$ 4,136,205
Total Operating Revenue	<u>4,205,532</u>	<u>4,136,205</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense	(759,085)	765,979
Insurance Premiums	391,568	366,830
Claims Administration	24,423	22,599
Contractual Services	754,063	530,538
Non-Contractual Services	33,886	47,762
Administration	241,956	238,445
Total Operating Expenses	<u>686,811</u>	<u>1,972,153</u>
Operating Income	3,518,721	2,164,052
Non-operating Revenue:		
Investment Income	<u>188,124</u>	<u>18,145</u>
Income Before Other Revenue, Expenses, Gains, Losses and Transfers	3,706,845	2,182,197
Member Dividends	<u>(475,001)</u>	<u>(450,000)</u>
Change in Net Position	3,231,844	1,732,197
Net Position - Beginning of Year	<u>12,030,089</u>	<u>10,297,892</u>
Net Position - End of Year	<u>\$ 15,261,933</u>	<u>\$ 12,030,089</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

	Year Ending December 31,	
	2014	2013
Cash Flows from Operating Activities:		
Assessments Collected	\$ 4,205,532	\$ 4,137,720
Refunds Received	57	19,400
Insurance Premiums Paid	(391,568)	(366,830)
Claims Paid	(2,515,049)	(817,474)
General and Administrative Expenses Paid	(1,119,167)	(744,103)
Net Cash Provided by Operating Activities	179,805	2,228,713
Cash Flows from Investing Activities:		
Maturity of Investment Securities	1,712,737	15,459,246
Purchase of Investment Securities	(2,280,673)	(24,708,019)
Investment Income	155,836	135,243
Net Cash Used by Investing Activities	(412,100)	(9,113,530)
Cash Flows from Noncapital Financing Activities:		
Dividends Distribution to Participating Members	(475,001)	(1,075,000)
Net Cash Used by Noncapital Financing Activities	(475,001)	(1,075,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	(707,296)	(7,959,817)
Cash and Cash Equivalents - Beginning of Year	3,626,515	11,586,332
Cash and Cash Equivalents - End of Year	\$ 2,919,219	\$ 3,626,515
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ 3,518,721	\$ 2,164,052
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Assets:		
Prepaid Expenses		138
Assessments Receivable		1,515
Increase/(Decrease) in Liabilities:		
Accounts Payable	(64,839)	95,103
Loss Reserves	(3,274,077)	(32,095)
Net Cash Provided by Operating Activities	\$ 179,805	\$ 2,228,713

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, 2014

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, 2014, 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

Government 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. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government and financial accountability. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the Fund over which the Fund exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Fund is not includable in any other reporting entity on the basis of such criteria.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(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 a part of investment income. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties.

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 \$391,568 and \$366,830 for the years ended December 31, 2014 and 2013, respectively. The amount deducted from claims liabilities for reinsurance was \$-0- for the years ended December 31, 2014 and 2013.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(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, 2014 and 2013. 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, 2014 and 2013, which have been estimated by the Fund's Actuary and Claims Servicing Agent, are as follows:

	<u>2014</u>	<u>2013</u>
Case Reserves	\$ 5,055,063	\$ 8,187,160
Losses Incurred but not Reported	<u>5,632,975</u>	<u>5,774,955</u>
Total Loss Reserves	<u>\$ 10,688,038</u>	<u>\$ 13,962,115</u>
The following represents changes in the aggregate reserves for the Fund:		
	<u>2014</u>	<u>2013</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	<u>\$ 13,962,115</u>	<u>\$ 13,994,210</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	2,506,678	2,448,529
(Decrease)/Increase in Provision for Insured Events of Prior Years	<u>(3,265,763)</u>	<u>(1,682,550)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>(759,085)</u>	<u>765,979</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	48,104	63,718
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>2,466,888</u>	<u>734,356</u>
Total Payments	<u>2,514,992</u>	<u>798,074</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 10,688,038</u>	<u>\$ 13,962,115</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, 2014
 (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.

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, 2014 and 2013, cash and cash equivalents of the Fund consisted of the following:

	2014	2013
Checking Accounts	\$ 5,404	\$ 594,985
Money Market Accounts	1,017,358	1,136,166
New Jersey Cash Management Fund	1,896,457	1,895,364
	\$ 2,919,219	\$ 3,626,515

The carrying amount of the Fund's cash at cost at December 31, 2014 was \$2,919,219, and the bank balance was \$3,496,620. The Fund had \$1,896,457 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, 2013 was \$3,626,515, and the bank balance was \$3,646,260. The Fund had \$1,895,364 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, 2014
(Continued)

NOTE 5: INVESTMENTS

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

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or 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 local units or bonds or other obligations of school districts of which the local units are 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 Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; 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 statute; 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, 2014
(Continued)

NOTE 5: INVESTMENTS (Cont'd)

All of the Fund's investments are recorded at fair value based on quoted market prices. 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, 2014 and 2013 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Weighted Average</u> <u>Maturity in Months</u>
Federal Home Loan Bank Notes	\$ 1,499,605	12.00
Fedreal Home Loan Mortgage Corporation Notes	1,000,950	37.87
Federal National Mortgage Association Notes	2,525,155	55.52
Local Note - Marlboro Township BOE	501,020	27.63
United States Treasury Notes	<u>17,304,108</u>	44.73
Federal Agency Obligations	<u>\$ 22,830,838</u>	<u>43.09</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Weighted Average</u> <u>Maturity in Months</u>
Federal Home Loan Bank Notes	\$ 999,990	12.00
Fedreal Home Loan Mortgage Corporation Notes	2,003,360	42.93
Federal National Mortgage Association Notes	3,551,220	56.84
Local Note - Marlboro Township BOE	496,715	27.63
United States Treasury Notes	<u>15,175,565</u>	43.30
Federal Agency Obligations	<u>\$ 22,226,850</u>	<u>43.67</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, 2014 as follows:

Fund Year 1997 - Site-Specific	\$ 34,302
Fund Year 1999 - Non-Site Specific	\$ 317,633
Fund Year 1999 - Site-Specific	\$ 218,623
Fund Year 1999 - Legal Defense	\$ 1,137,443
Fund Year 2003 - Non-Site Specific	\$ 282,881
Fund Year 2004 - Non-Site Specific	\$ 74,010
Fund Year 2004 - Site-Specific	\$ 213,805
Fund Year 2004 - Legal Defense	\$ 320,614
Fund Year 2004 - Superfund Buyout	\$ 207,811
Fund Year 2006 - Non-Site Specific	\$ 936,036

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

NOTE 6: NET POSITION (Cont'd)

Fund Year 2006 - Legal Defense	\$ 1,744,655
Fund Year 2008 - Legal Defense	\$ 87,400
Fund Year 2009 - Legal Defense	\$ 566,892
Fund Year 2009 - Superfund Buyout	\$ 38,158
Fund Year 2010 - Site-Specific	\$ 543,380
Fund Year 2012 - Non-Site Specific	\$ 118,284
Fund Year 2013 - Site-Specific	\$ 60,582
Fund Year 2013 - Legal Defense	\$ 137
Fund Year 2013 - Superfund Buyout	\$ 391
Fund Year 2014 - Non-Site Specific	\$ 1,017
Fund Year 2014 - Site-Specific	\$ 849
Fund Year 2014 - Legal Defense	\$ 2,968
Fund Year 2014 - Superfund Buyout	\$ 1,625

In addition, at December 31, 2014 the following Fund years have overall deficits:

Fund Year 2004	\$ 816,223
Fund Year 2006	\$ 2,302,500

The Fund has no current plans to assess the membership to eliminate these deficit balances.

NOTE 7: CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2014 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, 2014 AND 2013
(UNAUDITED)

	Non-Site Specific Fund		Site Specific Fund		Legal Defense Fund		Superfund Buyout Fund		Totals	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Unpaid claims and claim adjustment expenses at beginning of year	\$ 2,523,926	\$ 2,568,690	\$ 1,414,958	\$ 1,478,759	\$ 4,971,497	\$ 4,734,393	\$ 5,051,734	\$ 5,212,368	\$ 13,962,115	\$ 13,994,210
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current period	393,505	384,075	291,816	298,000	1,112,787	1,045,382	708,570	721,072	2,506,678	2,448,529
Increases/(decreases) in provision for insured events of prior years	(308,037)	(404,751)	(324,464)	(319,342)	(1,492,748)	(77,181)	(1,140,514)	(881,276)	(3,265,763)	(1,682,550)
Total incurred claims and claim adjustment expenses	85,468	(20,676)	(32,648)	(21,342)	(379,961)	968,201	(431,944)	(160,204)	(759,085)	765,979
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current period	3,714	1,500	37,747	17,772	6,643	44,446			48,104	63,718
Claims and claim adjustment expenses attributable to insured events of prior years	8,805	22,588	139,385	24,687	742,373	686,651	1,576,325	430	2,466,888	734,356
Total payments	12,519	24,088	177,132	42,459	749,016	731,097	1,576,325	430	2,514,992	798,074
Total unpaid claims and claim adjustment expenses at end of year	\$ 2,596,875	\$ 2,523,926	\$ 1,205,178	\$ 1,414,958	\$ 3,842,520	\$ 4,971,497	\$ 3,043,465	\$ 5,051,734	\$ 10,688,038	\$ 13,962,115

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

Year Ended December 31, 2014, and Policy Period Ended December 31,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Required contribution and investment revenue										
Earned	\$ 3,606,977	\$ 3,880,787	\$ 3,851,365	\$ 3,885,594	\$ 3,978,247	\$ 3,947,696	\$ 3,969,698	\$ 3,919,005	\$ 4,155,491	\$ 4,215,912
Ceded	271,173	337,021	364,075	392,009	355,530	363,654	366,063	347,971	366,830	391,568
	<u>3,335,804</u>	<u>3,543,766</u>	<u>3,487,290</u>	<u>3,493,585</u>	<u>3,622,717</u>	<u>3,584,042</u>	<u>3,603,635</u>	<u>3,571,034</u>	<u>3,788,661</u>	<u>3,824,344</u>
Unallocated expenses	822,906	956,663	1,031,089	1,028,436	1,049,007	1,083,896	1,104,693	1,125,850	847,854	1,042,093
Estimated claims and expenses, end of policy year										
Incurred	1,980,806	2,111,675	2,096,870	2,116,210	2,716,891	2,234,553	2,259,416	2,319,088	2,448,529	2,506,678
Ceded										
Net Incurred	<u>1,980,806</u>	<u>2,111,675</u>	<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>
Paid (cumulative) as of:										
End of policy year	148,333	16,659	97,436	70,434	149,231	180,292	65,160	34,884	63,718	48,104
One year later	367,335	248,281	185,226	233,074	415,787	541,263	117,892	140,881	481,378	
Two years later	454,322	477,969	202,982	472,733	623,409	593,539	152,912	319,559		
Three years later	460,987	819,034	224,301	576,064	892,356	624,408	206,291			
Four years later	525,426	1,371,582	224,405	757,408	1,059,046	653,554				
Five years later	594,412	2,169,625	225,987	841,274	1,924,087					
Six years later	640,880	2,733,975	225,987	1,138,126						
Seven years later	669,938	2,949,246	236,405							
Eight years later	724,543	3,489,142								
Nine years later	777,087									
Reestimated ceded claims and expenses	3,645	29	5,718			2,821				
Reestimated incurred claims and expenses:										
End of policy year	1,980,806	2,111,675	2,096,870	2,116,210	2,716,891	2,234,553	2,259,416	2,319,088	2,448,529	2,506,678
One year later	1,979,822	2,111,260	2,104,124	2,116,219	2,735,486	2,824,552	2,259,415	2,319,089	2,504,239	
Two years later	1,311,282	1,544,592	1,470,420	1,847,263	2,973,701	2,189,987	1,215,676	1,763,484		
Three years later	1,020,441	3,481,916	870,364	1,643,636	2,925,274	1,736,137	565,161			
Four years later	1,032,425	3,773,330	723,438	1,491,644	2,778,615	1,181,450				
Five years later	914,118	4,887,777	663,107	2,004,511	2,418,512					
Six years later	919,876	5,081,199	517,271	1,385,847						
Seven years later	927,331	4,866,693	236,405							
Eight years later	999,600	4,832,033								
Nine years later	907,130									
Increase/(decrease) in estimated incurred claims and expense from end of policy year	<u>\$(1,073,676)</u>	<u>\$ 2,720,358</u>	<u>\$(1,860,465)</u>	<u>\$ (730,363)</u>	<u>\$ (298,379)</u>	<u>\$(1,053,103)</u>	<u>\$(1,694,255)</u>	<u>\$ (555,604)</u>	<u>\$ 55,710</u>	<u>\$ -0-</u>

COMBINING SUPPLEMENTARY SCHEDULES

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2014

<u>ASSETS:</u>	Fund Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Current Assets:										
Cash and Cash Equivalents	\$ 38,376	\$ 65,915	\$ 41,630	\$ 123,526	\$ 166,305	\$ 90,433	\$ 145,304	\$ 33,964	\$ 113,178	\$ (70,978)
Investments	481,208	826,534	522,020	1,548,947	2,085,371	1,133,976	1,822,026	425,886	1,419,181	(890,018)
Accrued Interest Receivable	1,012	1,632	(1,061)	3,068	4,981	2,240	4,571	1,377	2,812	1,387
Capital Assets:										
Sites (Land)							250,000			
Total Assets	520,596	894,081	562,589	1,675,541	2,256,657	1,226,649	2,221,901	461,227	1,535,171	(959,609)
 <u>LIABILITIES :</u>										
Current Liabilities:										
Accounts Payable										
Loss Reserves			229,886			153,496		1,277,450	130,043	1,342,891
Total Liabilities			229,886			153,496		1,277,450	130,043	1,342,891
 <u>NET POSITION:</u>										
Invested in Capital Assets							250,000			
Unrestricted/(Deficit)	520,596	894,081	332,703	1,675,541	2,256,657	1,073,153	1,971,901	(816,223)	1,405,128	(2,302,500)
Total	\$ 520,596	\$ 894,081	\$ 332,703	\$ 1,675,541	\$ 2,256,657	\$ 1,073,153	\$ 2,221,901	\$ (816,223)	\$ 1,405,128	\$ (2,302,500)

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2014
(Continued)

<u>ASSETS:</u>	Fund Year								Total All Fund Years
	2007	2008	2009	2010	2011	2012	2013	2014	
Current Assets:									
Cash and Cash Equivalents	\$ 156,278	\$ 97,828	\$ 47,887	\$ 136,116	\$ 169,022	\$ 156,704	\$ 181,297	\$ 1,226,434	\$ 2,919,219
Investments	1,959,639	1,226,709	600,471	1,706,812	2,119,433	1,964,970	2,273,361	1,604,312	22,830,838
Accrued Interest Receivable	3,879	2,486	1,547	3,664	4,196	3,951	4,771	5,081	51,594
Capital Assets:									
Sites (Land)									250,000
Total Assets	2,119,796	1,327,023	649,905	1,846,592	2,292,651	2,125,625	2,459,429	2,835,827	26,051,651
 <u>LIABILITIES :</u>									
Current Liabilities:									
Accounts Payable								101,680	101,680
Loss Reserves		247,721	494,425	527,896	358,870	1,443,925	2,022,861	2,458,574	10,688,038
Total Liabilities		247,721	494,425	527,896	358,870	1,443,925	2,022,861	2,560,254	10,789,718
 <u>NET POSITION:</u>									
Invested in Capital Assets									250,000
Unrestricted/(Deficit)	2,119,796	1,079,302	155,480	1,318,696	1,933,781	681,700	436,568	275,573	15,011,933
	\$ 2,119,796	\$ 1,079,302	\$ 155,480	\$ 1,318,696	\$ 1,933,781	\$ 681,700	\$ 436,568	\$ 275,573	\$ 15,261,933

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDING DECEMBER 31, 2014

	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	\$ (26,440)		\$ 2		\$ (191,705)	\$ 7,090		\$ 37,148	\$ (92,470)	\$ (34,660)
Insurance Premiums										
Claims Administration										
Contractual Services										
Non-Contractual Services Administration										
Total Expenses	(26,440)		2		(191,705)	7,090		37,148	(92,470)	(34,660)
Operating Income/(Loss)	26,440		(2)		191,705	(7,090)		(37,148)	92,470	34,660
Non-operating Revenue:										
Investment Income	3,381	\$ 5,449	12,699	\$ 10,210	16,653	7,488	\$ 15,266	4,655	9,502	5,830
Income/(Loss) Before Other Revenue, Expenses, Gains, Losses and Transfers	29,821	5,449	12,697	10,210	208,358	398	15,266	(32,493)	101,972	40,490
Member Dividends					(475,001)					
Change in Net Position	29,821	5,449	12,697	10,210	(266,643)	398	15,266	(32,493)	101,972	40,490
Net Position/(Deficit) - Beginning of Year	490,775	888,632	320,006	1,665,331	2,523,300	1,072,755	2,206,635	(783,730)	1,303,156	(2,342,990)
Net Position/(Deficit) - End of Year	\$ 520,596	\$ 894,081	\$ 332,703	\$ 1,675,541	\$ 2,256,657	\$ 1,073,153	\$ 2,221,901	\$ (816,223)	\$ 1,405,128	\$ (2,302,500)

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDING DECEMBER 31, 2014
(Continued)

	Fund Year							Total All Fund Years	
	2007	2008	2009	2010	2011	2012	2013		2014
Revenue:									
Assessments from Participating Members								\$ 4,205,532	\$ 4,205,532
Total Revenue								4,205,532	4,205,532
Expenses:									
Provision for Claims and Claim Adjustment Expense	\$ (280,864)	\$ (618,665)	\$ (360,103)	\$ (554,687)	\$ (650,514)	\$ (555,605)	\$ 55,710	2,506,678	(759,085)
Insurance Premiums								391,568	391,568
Claims Administration								24,423	24,423
Contractual Services						439	8,708	744,916	754,063
Non-Contractual Services Administration							3,088	30,798	33,886
								241,956	241,956
Total Expenses	(280,864)	(618,665)	(360,103)	(554,687)	(650,514)	(555,166)	67,506	3,940,339	686,811
Operating Income/(Loss)	280,864	618,665	360,103	554,687	650,514	555,166	(67,506)	265,193	3,518,721
Non-operating Revenue:									
Investment Income	12,985	9,243	7,146	12,277	14,150	13,635	17,175	10,380	188,124
Income/(Loss) Before Other Revenue, Expenses, Gains, Losses and Transfers	293,849	627,908	367,249	566,964	664,664	568,801	(50,331)	275,573	3,706,845
Member Dividends									(475,001)
Change in Net Position	293,849	627,908	367,249	566,964	664,664	568,801	(50,331)	275,573	3,231,844
Net Position/(Deficit) - Beginning of Year	1,825,947	451,394	(211,769)	751,732	1,269,117	112,899	486,899		12,030,089
Net Position/(Deficit) - End of Year	\$ 2,119,796	\$ 1,079,302	\$ 155,480	\$ 1,318,696	\$ 1,933,781	\$ 681,700	\$ 436,568	\$ 275,573	\$ 15,261,933

SUPPLEMENTARY DATA

Schedule A

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
HISTORICAL OPERATING RESULTS ANALYSIS
FUND YEARS - 1995 THROUGH 2014
DECEMBER 31, 2014
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 65,337,976		
Supplemental Contributions			
Other Income (except investments)	10,324		
Total Income			\$ 65,348,300
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	21,397,307		
Case Reserves	5,055,063		
IBNR Reserve	5,632,975		
Subtotal		\$ 32,085,345	
Less Excess Insurance:			
Received	4,188,493		
Receivable			
Recoverable			
Subtotal		4,188,493	
Limited Incurred Claims (claims-excess)		27,896,852	
<u>Expenses:</u>			
Excess Insurance Premiums	5,272,435		
Administrative	16,321,507		
Subtotal Expenses		21,593,942	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			49,490,794
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			15,857,506
4. <u>Investment Income (Earned)</u>			7,929,428
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			23,786,934
6. <u>Return of Surplus:</u>			
Paid	8,525,001		
Authorized and Unpaid			
Subtotal Return of Surplus			8,525,001
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 15,261,933

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
HISTORICAL BALANCE SHEET
FUND YEARS - 1995 THROUGH 2014
DECEMBER 31, 2014
(UNAUDITED)

1. Assets:

Cash and Investments (1)	<u>\$ 25,750,057</u>		
		\$ 25,750,057	
<u>Receivables (1):</u>			
Excess Insurance			
Assessments			
Other	51,594		
Total Receivables		51,594	
Prepaid Expenses (1)			
Other Assets (1)			
Capital Assets (Land)		250,000	
<u>Total Assets</u>			<u>\$ 26,051,651</u>

2. Liabilities:

<u>Claims:</u>			
Case Reserves	5,055,063		
IBNR Reserve (2)	5,632,975		
Subtotal Claims		10,688,038	
<u>Expenses (unpaid) (1):</u>			
Excess Insurance			
Administrative	101,680		
Subtotal Expenses		101,680	
<u>Other Liabilities:</u>			
Unearned Contributions			
Authorized Return of Surplus			
Deferred Revenue (1)			
Miscellaneous Liabilities (1)			
Subtotal			
<u>Total Liabilities</u>			<u>10,789,718</u>
 NET CURRENT SURPLUS/(DEFICIT) = 1-2			 <u><u>\$ 15,261,933</u></u>

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, 2014
(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 -

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

FUND YEAR - 1996
DECEMBER 31, 2014
(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 -

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

FUND YEAR - 1997
DECEMBER 31, 2014
(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	1,597,271		
Case Reserves			
IBNR Reserve			
Subtotal		\$ 1,597,271	
Less Excess Insurance:			
Received	784,477		
Receivable			
Recoverable			
Subtotal		784,477	
Limited Incurred Claims (claims-excess)		812,794	
<u>Expenses:</u>			
Excess Insurance Premiums	147,742		
Administrative	572,165		
Subtotal Expenses		719,907	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,532,701
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			914,205
4. <u>Investment Income (Earned)</u>			772,448
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,686,653
6. <u>Return of Surplus:</u>			
Paid	1,166,057		
Authorized and Unpaid			
Subtotal Return of Surplus			1,166,057
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 520,596

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

FUND YEAR - 1998

DECEMBER 31, 2014

(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>		1,040,249
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		2,635,519
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>		\$ 894,081

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

FUND YEAR - 1999
DECEMBER 31, 2014
(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	4,837,853	
	Case Reserves	149,886	
	IBNR Reserve	80,000	
	Subtotal		\$ 5,067,739
	Less Excess Insurance:		
	Received	3,090,187	
	Receivable		
	Recoverable		
	Subtotal		3,090,187
	Limited Incurred Claims (claims-excess)		1,977,552
	<u>Expenses:</u>		
	Excess Insurance Premiums	201,857	
	Administrative	653,098	
	Subtotal Expenses		854,955
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		<u>2,832,507</u>
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		(143,068)
4.	<u>Investment Income (Earned)</u>		<u>475,771</u>
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		332,703
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		<u>\$ 332,703</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2000DECEMBER 31, 2014

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	2,787,012	
Supplemental Contributions			
Other Income (except investments)		<u>8,830</u>	
Total Income	\$		<u>2,795,842</u>
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		28,130	
Case Reserves			
IBNR Reserve			
Subtotal		<u>28,130</u>	\$ 28,130
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>			<u>1,966,641</u>
4. <u>Investment Income (Earned)</u>			<u>896,846</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			<u>2,863,487</u>
6. <u>Return of Surplus:</u>			
Paid		1,187,946	
Authorized and Unpaid			
Subtotal Return of Surplus		<u>1,187,946</u>	<u>1,187,946</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u><u>1,675,541</u></u>

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

FUND YEAR - 2001
DECEMBER 31, 2014
(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>			<u>1,030,796</u>
(limited claims and expenses)			
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,065,465
4. <u>Investment Income (Earned)</u>			<u>787,878</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,853,343
6. <u>Return of Surplus:</u>			
Paid	596,686		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>596,686</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 2,256,657</u>

Schedule C

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

FUND YEAR - 2002
DECEMBER 31, 2014
(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	1,505,243	
	Case Reserves	123,787	
	IBNR Reserve	29,709	
	Subtotal		\$ 1,658,739
	Less Excess Insurance:		
	Received	16,465	
	Receivable		
	Recoverable		
	Subtotal		16,465
	Limited Incurred Claims (claims-excess)		1,642,274
	<u>Expenses:</u>		
	Excess Insurance Premiums	254,065	
	Administrative	713,048	
	Subtotal Expenses		967,113
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		2,609,387
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		794,493
4.	<u>Investment Income (Earned)</u>		511,642
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		1,306,135
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>		\$ 1,073,153

Schedule C

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

FUND YEAR - 2003

DECEMBER 31, 2014

(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		839,387	
Case Reserves			
IBNR Reserve			
Subtotal			\$ 839,387
Less Excess Insurance:			
Received		253,167	
Receivable			
Recoverable			
Subtotal			253,167
Limited Incurred Claims (claims-excess)			586,220
<u>Expenses:</u>			
Excess Insurance Premiums		267,724	
Administrative		730,430	
Subtotal Expenses			998,154
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,584,374
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,913,405
4. <u>Investment Income (Earned)</u>			539,782
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,453,187
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>			\$ 2,221,901

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2004
DECEMBER 31, 2014
(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	1,756,403		
Case Reserves	1,030,202		
IBNR Reserve	247,248		
Subtotal		\$ 3,033,853	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		3,033,853	
<u>Expenses:</u>			
Excess Insurance Premiums	247,947		
Administrative	744,290		
Subtotal Expenses		992,237	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			<u>4,026,090</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(868,380)
4. <u>Investment Income (Earned)</u>			<u>310,990</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(557,390)
6. <u>Return of Surplus:</u>			
Paid	258,833		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>258,833</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ (816,223)</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2005
DECEMBER 31, 2014
(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	780,732		
Case Reserves	104,873		
IBNR Reserve	25,170		
Subtotal		\$ 910,775	
Less Excess Insurance:			
Received	3,645		
Receivable			
Recoverable			
Subtotal		3,645	
Limited Incurred Claims (claims-excess)		907,130	
<u>Expenses:</u>			
Excess Insurance Premiums	271,173		
Administrative	822,906		
Subtotal Expenses		1,094,079	
<u>Total Incurred Liabilities</u>			<u>2,001,209</u>
(limited claims and expenses)			
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,260,103
4. <u>Investment Income (Earned)</u>			<u>345,665</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,605,768
6. <u>Return of Surplus:</u>			
Paid	200,640		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>200,640</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 1,405,128</u>

Schedule C

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2006
DECEMBER 31, 2014
(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	3,489,171		
Case Reserves	1,082,977		
IBNR Reserve	259,914		
Subtotal		\$ 4,832,062	
Less Excess Insurance:			
Received	29		
Receivable			
Recoverable			
Subtotal		29	
Limited Incurred Claims (claims-excess)		4,832,033	
<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)			6,125,717
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(2,581,309)
4. <u>Investment Income (Earned)</u>			336,379
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(2,244,930)
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>			\$ (2,302,500)

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2014
(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)			1,631,569
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,987,621
4. <u>Investment Income (Earned)</u>			232,175
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,219,796
6. <u>Return of Surplus:</u>			
Paid	100,000		
Authorized and Unpaid			
Subtotal Return of Surplus			100,000
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 2,119,796

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

FUND YEAR - 2008
DECEMBER 31, 2014
(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	1,138,126		
Case Reserves	191,412		
IBNR Reserve	56,309		
Subtotal			\$ 1,385,847
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			1,385,847
<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)			2,806,292
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			910,539
4. <u>Investment Income (Earned)</u>			168,763
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,079,302
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,079,302

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2009DECEMBER 31, 2014

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,874,501	
Supplemental Contributions			
Other Income (except investments)		<u>282</u>	
Total Income	\$		<u>3,874,783</u>
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		1,924,087	
Case Reserves		368,600	
IBNR Reserve		<u>125,825</u>	
Subtotal	\$		<u>2,418,512</u>
Less Excess Insurance:			
Received			
Receivable			
Recoverable		<u> </u>	
Subtotal			<u> </u>
Limited Incurred Claims (claims-excess)			<u>2,418,512</u>
<u>Expenses:</u>			
Excess Insurance Premiums		355,530	
Administrative		<u>1,049,007</u>	
Subtotal Expenses			<u>1,404,537</u>
<u>Total Incurred Liabilities</u>			<u>3,823,049</u>
(limited claims and expenses)			
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			<u>51,734</u>
4. <u>Investment Income (Earned)</u>			<u>103,746</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			<u>155,480</u>
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid		<u> </u>	
Subtotal Return of Surplus			<u> </u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		<u><u>155,480</u></u>

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

FUND YEAR - 2010
DECEMBER 31, 2014
(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	656,375		
Case Reserves	348,251		
IBNR Reserve	179,645		
Subtotal		\$ 1,184,271	
Less Excess Insurance:			
Received	2,821		
Receivable			
Recoverable			
Subtotal		2,821	
Limited Incurred Claims (claims-excess)		1,181,450	
<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)			2,629,000
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,250,579
4. <u>Investment Income (Earned)</u>			68,117
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,318,696
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,318,696

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

FUND YEAR - 2011
DECEMBER 31, 2014
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,901,387		
Supplemental Contributions			
Other Income (except investments)	1,212		
Total Income			\$ 3,902,599
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	206,291		
Case Reserves	29,977		
IBNR Reserve	328,893		
Subtotal		\$ 565,161	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		565,161	
<u>Expenses:</u>			
Excess Insurance Premiums	366,063		
Administrative	1,104,693		
Subtotal Expenses		1,470,756	
<u>Total Incurred Liabilities</u>			<u>2,035,917</u>
(limited claims and expenses)			
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,866,682
4. <u>Investment Income (Earned)</u>			<u>67,099</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,933,781
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 1,933,781</u>

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

FUND YEAR - 2012
DECEMBER 31, 2014
(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	319,559	
	Case Reserves	702,721	
	IBNR Reserve	741,204	
	Subtotal	\$ 1,763,484	
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)	1,763,484	
	<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)		3,237,305
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		658,991
4.	<u>Investment Income (Earned)</u>		22,709
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		681,700
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 681,700

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2014
(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	481,378		
Case Reserves	883,903		
IBNR Reserve	1,138,958		
Subtotal		\$ 2,504,239	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		2,504,239	
<u>Expenses:</u>			
Excess Insurance Premiums	366,830		
Administrative	847,854		
Subtotal Expenses		1,214,684	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			3,718,923
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			417,282
4. <u>Investment Income (Earned)</u>			19,286
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			436,568
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 436,568

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

FUND YEAR - 2014

DECEMBER 31, 2014

(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	48,104	
	Case Reserves	38,474	
	IBNR Reserve	2,420,100	
	Subtotal		\$ 2,506,678
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		2,506,678
	<u>Expenses:</u>		
	Excess Insurance Premiums	391,568	
	Administrative	1,042,093	
	Subtotal Expenses		1,433,661
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		<u>3,940,339</u>
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		265,193
4.	<u>Investment Income (Earned)</u>		<u>10,380</u>
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		275,573
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		<u>\$ 275,573</u>

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

FUND YEAR - 1995
DECEMBER 31, 2014
(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, 2014
(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)	\$ 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, 2014
(UNAUDITED)

	<u>Coverages and Other Accounts</u>				<u>General and Administrative</u>	<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</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)	21,190	221,933	662,730	(93,059)		812,794
Expenses					719,907	719,907
Total Liabilities	<u>21,190</u>	<u>221,933</u>	<u>662,730</u>	<u>(93,059)</u>	<u>719,907</u>	<u>1,532,701</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>103,487</u>	<u>(13,222)</u>	<u>(118,373)</u>	<u>791,330</u>	<u>150,983</u>	<u>914,205</u>
4. <u>Adjustments</u>						
Investment Income	76,046	123,562	65,350	433,005	74,485	772,448
Transfers						
Total Adjustments	<u>76,046</u>	<u>123,562</u>	<u>65,350</u>	<u>433,005</u>	<u>74,485</u>	<u>772,448</u>
5. Gross Operating Surplus / (Deficit)	<u>179,533</u>	<u>110,340</u>	<u>(53,023)</u>	<u>1,224,335</u>	<u>225,468</u>	<u>1,686,653</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>\$ 58,416</u>	<u>\$ (34,302)</u>	<u>\$ 2,973</u>	<u>\$ 493,506</u>	<u>\$ 3</u>	<u>\$ 520,596</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1998
DECEMBER 31, 2014
(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	108,276	116,297	331,442	468,898	14,878	458	1,040,249
Transfers							
Total Adjustments	<u>108,276</u>	<u>116,297</u>	<u>331,442</u>	<u>468,898</u>	<u>14,878</u>	<u>458</u>	<u>1,040,249</u>
5. Gross Operating Surplus	<u>262,820</u>	<u>292,559</u>	<u>802,106</u>	<u>1,186,593</u>	<u>77,676</u>	<u>13,765</u>	<u>2,635,519</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>\$ 166,895</u>	<u>\$ 185,812</u>	<u>\$ 218,387</u>	<u>\$ 322,984</u>	<u>\$ 3</u>	<u>\$ -0-</u>	<u>\$ 894,081</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2014
(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)	\$ 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	426,263	1,854,367	(840,187)			1,977,552
Expenses					653,098	201,857	854,955
Total Liabilities	<u>537,109</u>	<u>426,263</u>	<u>1,854,367</u>	<u>(840,187)</u>	<u>653,098</u>	<u>201,857</u>	<u>2,832,507</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(358,019)</u>	<u>(268,238)</u>	<u>(1,190,728)</u>	<u>1,609,209</u>	<u>64,708</u>		<u>(143,068)</u>
4. <u>Adjustments</u>							
Investment Income	40,386	49,615	53,285	295,094	37,391		475,771
Transfers							
Total Adjustments	<u>40,386</u>	<u>49,615</u>	<u>53,285</u>	<u>295,094</u>	<u>37,391</u>		<u>475,771</u>
5. Gross Operating Surplus	<u>(317,633)</u>	<u>(218,623)</u>	<u>(1,137,443)</u>	<u>1,904,303</u>	<u>102,099</u>		<u>332,703</u>
6. Return of Surplus							
7. Net Current Surplus	<u>\$ (317,633)</u>	<u>\$ (218,623)</u>	<u>\$ (1,137,443)</u>	<u>\$ 1,904,303</u>	<u>\$ 102,099</u>	<u>\$ -0-</u>	<u>\$ 332,703</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2000
DECEMBER 31, 2014
(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							
Other Income (except investments)					8,830		8,830
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	82,604	78,359	334,522	382,172	19,138	51	896,846
Transfers	(1,834)	1,834					
Total Adjustments	<u>80,770</u>	<u>80,193</u>	<u>334,522</u>	<u>382,172</u>	<u>19,138</u>	<u>51</u>	<u>896,846</u>
5. Gross Operating Surplus	<u>265,266</u>	<u>244,959</u>	<u>1,042,932</u>	<u>1,197,384</u>	<u>111,409</u>	<u>1,537</u>	<u>2,863,487</u>
6. Return of Surplus			<u>300,000</u>	<u>775,000</u>	<u>111,409</u>	<u>1,537</u>	<u>1,187,946</u>
7. Net Current Surplus	<u>\$ 265,266</u>	<u>\$ 244,959</u>	<u>\$ 742,932</u>	<u>\$ 422,384</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,675,541</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2001
DECEMBER 31, 2014
(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	105,643	65,124	266,548	327,762	21,077	1,724	787,878
Transfers							
Total Adjustments	<u>105,643</u>	<u>65,124</u>	<u>266,548</u>	<u>327,762</u>	<u>21,077</u>	<u>1,724</u>	<u>787,878</u>
5. Gross Operating Surplus	<u>272,923</u>	<u>246,032</u>	<u>978,168</u>	<u>1,234,535</u>	<u>120,025</u>	<u>1,660</u>	<u>2,853,343</u>
6. Return of Surplus			<u>475,001</u>		<u>120,025</u>	<u>1,660</u>	<u>596,686</u>
7. Net Current Surplus	<u>\$ 272,923</u>	<u>\$ 246,032</u>	<u>\$ 503,167</u>	<u>\$ 1,234,535</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,256,657</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2002
 DECEMBER 31, 2014
 (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	765,339	662,813			1,642,274
Expenses					713,048	254,065	967,113
Total Liabilities	<u>175,312</u>	<u>38,810</u>	<u>765,339</u>	<u>662,813</u>	<u>713,048</u>	<u>254,065</u>	<u>2,609,387</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>30,493</u>	<u>179,003</u>	<u>169,427</u>	<u>197,820</u>	<u>202,900</u>	<u>14,850</u>	<u>794,493</u>
4. <u>Adjustments</u>							
Investment Income	12,044	53,396	174,969	256,000	5,202	10,031	511,642
Transfers							
Total Adjustments	<u>12,044</u>	<u>53,396</u>	<u>174,969</u>	<u>256,000</u>	<u>5,202</u>	<u>10,031</u>	<u>511,642</u>
5. Gross Operating Surplus	<u>42,537</u>	<u>232,399</u>	<u>344,396</u>	<u>453,820</u>	<u>208,102</u>	<u>24,881</u>	<u>1,306,135</u>
6. Return of Surplus					<u>208,101</u>	<u>24,881</u>	<u>232,982</u>
7. Net Current Surplus	<u>\$ 42,537</u>	<u>\$ 232,399</u>	<u>\$ 344,396</u>	<u>\$ 453,820</u>	<u>\$ 1</u>	<u>\$ -0-</u>	<u>\$ 1,073,153</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2003
DECEMBER 31, 2014
(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)	546,006	10,947	29,267				586,220
Expenses					730,430	267,724	998,154
Total Liabilities	<u>546,006</u>	<u>10,947</u>	<u>29,267</u>		<u>730,430</u>	<u>267,724</u>	<u>1,584,374</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(305,948)</u>	<u>217,859</u>	<u>833,738</u>	<u>948,341</u>	<u>210,802</u>	<u>8,613</u>	<u>1,913,405</u>
4. <u>Adjustments</u>							
Investment Income	23,067	54,330	213,409	237,102	9,863	2,011	539,782
Transfers							
Total Adjustments	<u>23,067</u>	<u>54,330</u>	<u>213,409</u>	<u>237,102</u>	<u>9,863</u>	<u>2,011</u>	<u>539,782</u>
5. Gross Operating Surplus / (Deficit)	<u>(282,881)</u>	<u>272,189</u>	<u>1,047,147</u>	<u>1,185,443</u>	<u>220,665</u>	<u>10,624</u>	<u>2,453,187</u>
6. Return of Surplus					220,662	10,624	231,286
7. Net Current Surplus / (Deficit)	<u>\$ (282,881)</u>	<u>\$ 272,189</u>	<u>\$ 1,047,147</u>	<u>\$ 1,185,443</u>	<u>\$ 3</u>	<u>\$ -0-</u>	<u>\$ 2,221,901</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2004
DECEMBER 31, 2014
(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	467,790	1,260,298	970,495			3,033,853
Expenses					744,290	247,947	992,237
Total Liabilities	<u>335,270</u>	<u>467,790</u>	<u>1,260,298</u>	<u>970,495</u>	<u>744,290</u>	<u>247,947</u>	<u>4,026,090</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(101,403)</u>	<u>(215,536)</u>	<u>(459,043)</u>	<u>(340,958)</u>	<u>179,413</u>	<u>69,147</u>	<u>(868,380)</u>
4. <u>Adjustments</u>							
Investment Income	27,393	1,731	138,429	133,147	9,793	497	310,990
Transfers					69,615	(69,615)	
Total Adjustments	<u>27,393</u>	<u>1,731</u>	<u>138,429</u>	<u>133,147</u>	<u>79,408</u>	<u>(69,118)</u>	<u>310,990</u>
5. Gross Operating Surplus / (Deficit)	<u>(74,010)</u>	<u>(213,805)</u>	<u>(320,614)</u>	<u>(207,811)</u>	<u>258,821</u>	<u>29</u>	<u>(557,390)</u>
6. Return of Surplus					258,804	29	258,833
7. Net Current Surplus / (Deficit)	<u>\$ (74,010)</u>	<u>\$ (213,805)</u>	<u>\$ (320,614)</u>	<u>\$ (207,811)</u>	<u>\$ 17</u>	<u>\$ -0-</u>	<u>\$ (816,223)</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2005
DECEMBER 31, 2014
(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	247,595	304,245			907,130
Expenses					822,906	271,173	1,094,079
Total Liabilities	<u>160,468</u>	<u>194,822</u>	<u>247,595</u>	<u>304,245</u>	<u>822,906</u>	<u>271,173</u>	<u>2,001,209</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>96,656</u>	<u>47,924</u>	<u>562,733</u>	<u>367,807</u>	<u>109,547</u>	<u>75,436</u>	<u>1,260,103</u>
4. <u>Adjustments</u>							
Investment Income	40,518	16,954	148,464	123,986	6,055	9,688	345,665
Transfers							
Total Adjustments	<u>40,518</u>	<u>16,954</u>	<u>148,464</u>	<u>123,986</u>	<u>6,055</u>	<u>9,688</u>	<u>345,665</u>
5. Gross Operating Surplus	<u>137,174</u>	<u>64,878</u>	<u>711,197</u>	<u>491,793</u>	<u>115,602</u>	<u>85,124</u>	<u>1,605,768</u>
6. Return of Surplus					115,516	85,124	200,640
7. Net Current Surplus	<u>\$ 137,174</u>	<u>\$ 64,878</u>	<u>\$ 711,197</u>	<u>\$ 491,793</u>	<u>\$ 86</u>	<u>\$ -0-</u>	<u>\$ 1,405,128</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2006
DECEMBER 31, 2014
(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)	\$ 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)	1,257,964	115,363	2,705,583	753,123			4,832,033
Expenses					956,663	337,021	1,293,684
Total Liabilities	<u>1,257,964</u>	<u>115,363</u>	<u>2,705,583</u>	<u>753,123</u>	<u>956,663</u>	<u>337,021</u>	<u>6,125,717</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(984,145)</u>	<u>143,113</u>	<u>(1,842,161)</u>	<u>(37,579)</u>	<u>68,434</u>	<u>71,029</u>	<u>(2,581,309)</u>
4. <u>Adjustments</u>							
Investment Income	48,109	34,241	98,106	122,857	20,806	12,260	336,379
Transfers			(600)	600			
Total Adjustments	<u>48,109</u>	<u>34,241</u>	<u>97,506</u>	<u>123,457</u>	<u>20,806</u>	<u>12,260</u>	<u>336,379</u>
5. Gross Operating Surplus / (Deficit)	<u>(936,036)</u>	<u>177,354</u>	<u>(1,744,655)</u>	<u>85,878</u>	<u>89,240</u>	<u>83,289</u>	<u>(2,244,930)</u>
6. Return of Surplus					57,570		57,570
7. Net Current Surplus / (Deficit)	<u>\$ (936,036)</u>	<u>\$ 177,354</u>	<u>\$ (1,744,655)</u>	<u>\$ 85,878</u>	<u>\$ 31,670</u>	<u>\$ 83,289</u>	<u>\$ (2,302,500)</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2014
(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	32,969	18,797	85,638	81,965	7,079	5,727	232,175
Transfers							
Total Adjustments	<u>32,969</u>	<u>18,797</u>	<u>85,638</u>	<u>81,965</u>	<u>7,079</u>	<u>5,727</u>	<u>232,175</u>
5. Gross Operating Surplus	<u>323,939</u>	<u>152,225</u>	<u>808,618</u>	<u>805,078</u>	<u>57,578</u>	<u>72,358</u>	<u>2,219,796</u>
6. Return of Surplus					50,000	50,000	100,000
7. Net Current Surplus	<u>\$ 323,939</u>	<u>\$ 152,225</u>	<u>\$ 808,618</u>	<u>\$ 805,078</u>	<u>\$ 7,578</u>	<u>\$ 22,358</u>	<u>\$ 2,119,796</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2008
DECEMBER 31, 2014
(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	911,934	358,750			1,385,847
Expenses					1,028,436	392,009	1,420,445
Total Liabilities	<u>39,113</u>	<u>76,050</u>	<u>911,934</u>	<u>358,750</u>	<u>1,028,436</u>	<u>392,009</u>	<u>2,806,292</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>288,795</u>	<u>196,804</u>	<u>(134,168)</u>	<u>379,648</u>	<u>113,822</u>	<u>65,638</u>	<u>910,539</u>
4. <u>Adjustments</u>							
Investment Income	24,168	16,970	46,768	55,905	19,388	5,564	168,763
Transfers							
Total Adjustments	<u>24,168</u>	<u>16,970</u>	<u>46,768</u>	<u>55,905</u>	<u>19,388</u>	<u>5,564</u>	<u>168,763</u>
5. Gross Operating Surplus / (Deficit)	<u>312,963</u>	<u>213,774</u>	<u>(87,400)</u>	<u>435,553</u>	<u>133,210</u>	<u>71,202</u>	<u>1,079,302</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 312,963</u>	<u>\$ 213,774</u>	<u>\$ (87,400)</u>	<u>\$ 435,553</u>	<u>\$ 133,210</u>	<u>\$ 71,202</u>	<u>\$ 1,079,302</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2009
 DECEMBER 31, 2014
 (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)	59,478	135,217	1,386,322	837,495			2,418,512
Expenses					1,049,007	355,530	1,404,537
Total Liabilities	<u>59,478</u>	<u>135,217</u>	<u>1,386,322</u>	<u>837,495</u>	<u>1,049,007</u>	<u>355,530</u>	<u>3,823,049</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>286,238</u>	<u>130,327</u>	<u>(592,524)</u>	<u>(71,755)</u>	<u>164,732</u>	<u>134,716</u>	<u>51,734</u>
4. <u>Adjustments</u>							
Investment Income	14,635	9,796	25,632	33,597	14,207	5,879	103,746
Transfers							
Total Adjustments	<u>14,635</u>	<u>9,796</u>	<u>25,632</u>	<u>33,597</u>	<u>14,207</u>	<u>5,879</u>	<u>103,746</u>
5. Gross Operating Surplus / (Deficit)	<u>300,873</u>	<u>140,123</u>	<u>(566,892)</u>	<u>(38,158)</u>	<u>178,939</u>	<u>140,595</u>	<u>155,480</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 300,873</u>	<u>\$ 140,123</u>	<u>\$ (566,892)</u>	<u>\$ (38,158)</u>	<u>\$ 178,939</u>	<u>\$ 140,595</u>	<u>\$ 155,480</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2010
DECEMBER 31, 2014
(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)	132,802	811,525	178,872	58,251			1,181,450
Expenses					1,083,896	363,654	1,447,550
Total Liabilities	<u>132,802</u>	<u>811,525</u>	<u>178,872</u>	<u>58,251</u>	<u>1,083,896</u>	<u>363,654</u>	<u>2,629,000</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>217,796</u>	<u>(545,512)</u>	<u>618,340</u>	<u>714,544</u>	<u>159,065</u>	<u>86,346</u>	<u>1,250,579</u>
4. <u>Adjustments</u>							
Investment Income	9,326	2,132	23,261	22,023	8,478	2,897	68,117
Transfers							
Total Adjustments	<u>9,326</u>	<u>2,132</u>	<u>23,261</u>	<u>22,023</u>	<u>8,478</u>	<u>2,897</u>	<u>68,117</u>
5. Gross Operating Surplus	<u>227,122</u>	<u>(543,380)</u>	<u>641,601</u>	<u>736,567</u>	<u>167,543</u>	<u>89,243</u>	<u>1,318,696</u>
6. Return of Surplus							
7. Net Current Surplus	<u>\$ 227,122</u>	<u>\$ (543,380)</u>	<u>\$ 641,601</u>	<u>\$ 736,567</u>	<u>\$ 167,543</u>	<u>\$ 89,243</u>	<u>\$ 1,318,696</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2011
DECEMBER 31, 2014
(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)	115,970	65,722	269,186	114,283			565,161
Expenses					1,104,693	366,063	1,470,756
Total Liabilities	<u>115,970</u>	<u>65,722</u>	<u>269,186</u>	<u>114,283</u>	<u>1,104,693</u>	<u>366,063</u>	<u>2,035,917</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>222,145</u>	<u>199,989</u>	<u>629,470</u>	<u>642,719</u>	<u>88,422</u>	<u>83,937</u>	<u>1,866,682</u>
4. <u>Adjustments</u>							
Investment Income	7,950	6,369	22,008	16,801	10,840	3,131	67,099
Transfers							
Total Adjustments	<u>7,950</u>	<u>6,369</u>	<u>22,008</u>	<u>16,801</u>	<u>10,840</u>	<u>3,131</u>	<u>67,099</u>
5. Gross Operating Surplus / (Deficit)	<u>230,095</u>	<u>206,358</u>	<u>651,478</u>	<u>659,520</u>	<u>99,262</u>	<u>87,068</u>	<u>1,933,781</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 230,095</u>	<u>\$ 206,358</u>	<u>\$ 651,478</u>	<u>\$ 659,520</u>	<u>\$ 99,262</u>	<u>\$ 87,068</u>	<u>\$ 1,933,781</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2014
(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)	469,586	227,254	627,619	439,025				1,763,484
Expenses						1,125,850	347,971	1,473,821
Total Liabilities	<u>469,586</u>	<u>227,254</u>	<u>627,619</u>	<u>439,025</u>		<u>1,125,850</u>	<u>347,971</u>	<u>3,237,305</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(121,492)</u>	<u>35,278</u>	<u>314,075</u>	<u>271,846</u>	<u>13,746</u>	<u>51,688</u>	<u>93,850</u>	<u>658,991</u>
4. <u>Adjustments</u>								
Investment Income	3,208	1,316	8,080	4,332	92	4,957	724	22,709
Transfers								
Total Adjustments	<u>3,208</u>	<u>1,316</u>	<u>8,080</u>	<u>4,332</u>	<u>92</u>	<u>4,957</u>	<u>724</u>	<u>22,709</u>
5. Gross Operating Surplus / (Deficit)	<u>(118,284)</u>	<u>36,594</u>	<u>322,155</u>	<u>276,178</u>	<u>13,838</u>	<u>56,645</u>	<u>94,574</u>	<u>681,700</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ (118,284)</u>	<u>\$ 36,594</u>	<u>\$ 322,155</u>	<u>\$ 276,178</u>	<u>\$ 13,838</u>	<u>\$ 56,645</u>	<u>\$ 94,574</u>	<u>\$ 681,700</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2014
(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)	384,075	353,710	1,045,382	721,072				2,504,239
Expenses						847,854	366,830	1,214,684
Total Liabilities	<u>384,075</u>	<u>353,710</u>	<u>1,045,382</u>	<u>721,072</u>		<u>847,854</u>	<u>366,830</u>	<u>3,718,923</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(2,297)</u>	<u>(62,071)</u>	<u>(6,253)</u>	<u>(4,312)</u>	<u>14,616</u>	<u>468,591</u>	<u>9,008</u>	<u>417,282</u>
4. <u>Adjustments</u>								
Investment Income	2,523	1,489	6,116	3,921	90	5,034	113	19,286
Transfers								
Total Adjustments	<u>2,523</u>	<u>1,489</u>	<u>6,116</u>	<u>3,921</u>	<u>90</u>	<u>5,034</u>	<u>113</u>	<u>19,286</u>
5. Gross Operating Surplus / (Deficit)	<u>226</u>	<u>(60,582)</u>	<u>(137)</u>	<u>(391)</u>	<u>14,706</u>	<u>473,625</u>	<u>9,121</u>	<u>436,568</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ 226</u>	<u>\$ (60,582)</u>	<u>\$ (137)</u>	<u>\$ (391)</u>	<u>\$ 14,706</u>	<u>\$ 473,625</u>	<u>\$ 9,121</u>	<u>\$ 436,568</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2014
DECEMBER 31, 2014
(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)	393,505	291,816	1,112,787	708,570				2,506,678
Expenses						1,042,093	391,568	1,433,661
Total Liabilities	<u>393,505</u>	<u>291,816</u>	<u>1,112,787</u>	<u>708,570</u>		<u>1,042,093</u>	<u>391,568</u>	<u>3,940,339</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(2,287)</u>	<u>(1,696)</u>	<u>(6,468)</u>	<u>(4,118)</u>	<u>14,569</u>	<u>246,134</u>	<u>19,059</u>	<u>265,193</u>
4. <u>Adjustments</u>								
Investment Income	1,270	847	3,500	2,493		2,228	42	10,380
Transfers								
Total Adjustments	<u>1,270</u>	<u>847</u>	<u>3,500</u>	<u>2,493</u>		<u>2,228</u>	<u>42</u>	<u>10,380</u>
5. Gross Operating Surplus / (Deficit)	<u>(1,017)</u>	<u>(849)</u>	<u>(2,968)</u>	<u>(1,625)</u>	<u>14,569</u>	<u>248,362</u>	<u>19,101</u>	<u>275,573</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ (1,017)</u>	<u>\$ (849)</u>	<u>\$ (2,968)</u>	<u>\$ (1,625)</u>	<u>\$ 14,569</u>	<u>\$ 248,362</u>	<u>\$ 19,101</u>	<u>\$ 275,573</u>

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1995
DECEMBER 31, 2014
(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 FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 1996DECEMBER 31, 2014

(UNAUDITED)

	Coverages				Total
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
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, 2014
(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	\$ 21,190	\$ 221,933	\$ 662,730	\$ 691,418	\$ 1,597,271
Case Reserves					
IBNR Reserve					
Subtotal	<u>21,190</u>	<u>221,933</u>	<u>662,730</u>	<u>691,418</u>	<u>1,597,271</u>
Excess Insurance					
Received				784,477	784,477
Receivable					
Recoverable					
Subtotal				<u>784,477</u>	<u>784,477</u>
Incurred Claims	<u>21,190</u>	<u>221,933</u>	<u>662,730</u>	<u>(93,059)</u>	<u>\$ 812,794</u>
Number of Claims	16	2	25	7	
Cost/Claim	<u>\$ 1,324</u>	<u>\$ 110,967</u>	<u>\$ 26,509</u>	<u>\$ (13,294)</u>	

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1998
DECEMBER 31, 2014
(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>	

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2014
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 537,109	\$ 324,452	\$ 1,803,575	\$ 2,172,717	\$ 4,837,853
Case Reserves		96,811	25,792	27,283	149,886
IBNR Reserve		5,000	25,000	50,000	80,000
Subtotal	<u>537,109</u>	<u>426,263</u>	<u>1,854,367</u>	<u>2,250,000</u>	<u>5,067,739</u>
Excess Insurance					
Received				3,090,187	3,090,187
Receivable					
Recoverable					
Subtotal				<u>3,090,187</u>	<u>3,090,187</u>
Incurred Claims	<u>537,109</u>	<u>426,263</u>	<u>1,854,367</u>	<u>(840,187)</u>	<u>\$ 1,977,552</u>
Number of Claims	12	4	18	2	
Cost/Claim	<u>\$ 44,759</u>	<u>\$ 106,566</u>	<u>\$ 103,020</u>	<u>\$ (420,094)</u>	

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2000
DECEMBER 31, 2014
(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, 2014
(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 FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2002
DECEMBER 31, 2014
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 175,312	\$ 38,810	\$ 763,118	\$ 528,003	\$ 1,505,243
Case Reserves			1,791	121,996	123,787
IBNR Reserve			430	29,279	29,709
Subtotal	<u>175,312</u>	<u>38,810</u>	<u>765,339</u>	<u>679,278</u>	<u>1,658,739</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>765,339</u>	<u>662,813</u>	<u>\$ 1,642,274</u>
Number of Claims	11	5	19	3	
Cost/Claim	<u>\$ 15,937</u>	<u>\$ 7,762</u>	<u>\$ 40,281</u>	<u>\$ 220,938</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2003
DECEMBER 31, 2014
 (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	\$ 799,173	\$ 10,947	\$ 29,267		\$ 839,387
Case Reserves					
IBNR Reserve					
Subtotal	<u>799,173</u>	<u>10,947</u>	<u>29,267</u>		<u>839,387</u>
Excess Insurance					
Received	253,167				253,167
Receivable					
Recoverable					
Subtotal	<u>253,167</u>				<u>253,167</u>
Incurred Claims	<u>546,006</u>	<u>10,947</u>	<u>29,267</u>		<u>\$ 586,220</u>
Number of Claims	12	5	17		
Cost/Claim	<u>\$ 45,501</u>	<u>\$ 2,189</u>	<u>\$ 1,722</u>	<u>\$ -0-</u>	

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NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2004
DECEMBER 31, 2014
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 335,270	\$ 467,764	\$ 556,567	\$ 396,802	\$ 1,756,403
Case Reserves		21	567,525	462,656	1,030,202
IBNR Reserve		5	136,206	111,037	247,248
Subtotal	<u>335,270</u>	<u>467,790</u>	<u>1,260,298</u>	<u>970,495</u>	<u>3,033,853</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>335,270</u>	<u>467,790</u>	<u>1,260,298</u>	<u>970,495</u>	<u>\$ 3,033,853</u>
Number of Claims	13	12	28	3	
Cost/Claim	<u>\$ 25,790</u>	<u>\$ 38,983</u>	<u>\$ 45,011</u>	<u>\$ 323,498</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2005
DECEMBER 31, 2014
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 160,468	\$ 198,467	\$ 244,733	\$ 177,064	\$ 780,732
Case Reserves			2,308	102,565	104,873
IBNR Reserve			554	24,616	25,170
Subtotal	<u>160,468</u>	<u>198,467</u>	<u>247,595</u>	<u>304,245</u>	<u>910,775</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>247,595</u>	<u>304,245</u>	<u>\$ 907,130</u>
Number of Claims	13	11	28	4	
Cost/Claim	<u>\$ 12,344</u>	<u>\$ 17,711</u>	<u>\$ 8,843</u>	<u>\$ 76,061</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2006DECEMBER 31, 2014

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 13,624	\$ 115,392	\$ 2,623,167	\$ 736,988	\$ 3,489,171
Case Reserves	1,003,500		66,465	13,012	1,082,977
IBNR Reserve	240,840		15,951	3,123	259,914
Subtotal	<u>1,257,964</u>	<u>115,392</u>	<u>2,705,583</u>	<u>753,123</u>	<u>4,832,062</u>
Excess Insurance					
Received		29			29
Receivable					
Recoverable					
Subtotal		<u>29</u>			<u>29</u>
Incurred Claims	<u>1,257,964</u>	<u>115,363</u>	<u>2,705,583</u>	<u>753,123</u>	<u>\$ 4,832,033</u>
Number of Claims	10	24	35	1	
Cost/Claim	<u>\$ 125,796</u>	<u>\$ 4,807</u>	<u>\$ 77,302</u>	<u>\$ 753,123</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2014
(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, 2014

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 39,113	\$ 76,050	\$ 742,301	\$ 280,662	\$ 1,138,126
Case Reserves			131,074	60,338	191,412
IBNR Reserve			38,559	17,750	56,309
Subtotal	<u>39,113</u>	<u>76,050</u>	<u>911,934</u>	<u>358,750</u>	<u>1,385,847</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>39,113</u>	<u>76,050</u>	<u>911,934</u>	<u>358,750</u>	<u>\$ 1,385,847</u>
Number of Claims	12	15	31	4	
Cost/Claim	<u>\$ 3,259</u>	<u>\$ 5,070</u>	<u>\$ 29,417</u>	<u>\$ 89,688</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2009
DECEMBER 31, 2014
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 57,131	\$ 75,805	\$ 960,136	\$ 831,015	\$ 1,924,087
Case Reserves		44,268	323,347	985	368,600
IBNR Reserve	2,347	15,144	102,839	5,495	125,825
Subtotal	<u>59,478</u>	<u>135,217</u>	<u>1,386,322</u>	<u>837,495</u>	<u>2,418,512</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>59,478</u>	<u>135,217</u>	<u>1,386,322</u>	<u>837,495</u>	<u>\$ 2,418,512</u>
Number of Claims	15	20	36	1	
Cost/Claim	<u>\$ 3,965</u>	<u>\$ 6,761</u>	<u>\$ 38,509</u>	<u>\$ 837,495</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2010DECEMBER 31, 2014

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 70,997	\$ 427,166	\$ 133,212	\$ 25,000	\$ 656,375
Case Reserves	39,770	299,363	9,118		348,251
IBNR Reserve	24,856	84,996	36,542	33,251	179,645
Subtotal	135,623	811,525	178,872	58,251	1,184,271
Excess Insurance					
Received	2,821				2,821
Receivable					
Recoverable					
Subtotal	2,821				2,821
Incurred Claims	132,802	811,525	178,872	58,251	\$ 1,181,450
Number of Claims	16	23	40	1	
Cost/Claim	\$ 8,300	\$ 35,284	\$ 4,472	\$ 58,251	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2011
DECEMBER 31, 2014
(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	\$ 51,694	\$ 27,022	\$ 126,577	\$ 998	\$ 206,291
Case Reserves	15,129	541	14,307		29,977
IBNR Reserve	49,147	38,159	128,302	113,285	328,893
Subtotal	<u>115,970</u>	<u>65,722</u>	<u>269,186</u>	<u>114,283</u>	<u>565,161</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>115,970</u>	<u>65,722</u>	<u>269,186</u>	<u>114,283</u>	<u>\$ 565,161</u>
Number of Claims	24	18	44	2	
Cost/Claim	<u>\$ 4,832</u>	<u>\$ 3,651</u>	<u>\$ 6,118</u>	<u>\$ 57,142</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2014
(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	\$ 18,716	\$ 69,495	\$ 229,477	\$ 1,871	\$ 319,559
Case Reserves	376,692	83,828	77,201	165,000	702,721
IBNR Reserve	74,178	73,931	320,941	272,154	741,204
Subtotal	<u>469,586</u>	<u>227,254</u>	<u>627,619</u>	<u>439,025</u>	<u>1,763,484</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>469,586</u>	<u>227,254</u>	<u>627,619</u>	<u>439,025</u>	<u>\$ 1,763,484</u>
Number of Claims	14	24	40	2	
Cost/Claim	<u>\$ 33,542</u>	<u>\$ 9,469</u>	<u>\$ 15,690</u>	<u>\$ 219,513</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2014
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 3,452	\$ 144,669	\$ 333,257		\$ 481,378
Case Reserves	230,500	209,041	103,362	\$ 341,000	883,903
IBNR Reserve	150,123		608,763	380,072	1,138,958
Subtotal	<u>384,075</u>	<u>353,710</u>	<u>1,045,382</u>	<u>721,072</u>	<u>2,504,239</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>384,075</u>	<u>353,710</u>	<u>1,045,382</u>	<u>721,072</u>	<u>\$ 2,504,239</u>
Number of Claims	17	23	43	3	
Cost/Claim	<u>\$ 22,593</u>	<u>\$ 15,379</u>	<u>\$ 24,311</u>	<u>\$ 240,357</u>	

Schedule E

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2014
DECEMBER 31, 2014
(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	\$ 37,747	\$ 6,643		\$ 48,104
Case Reserves	12,286	23,936	2,252		38,474
IBNR Reserve	<u>377,505</u>	<u>230,133</u>	<u>1,103,892</u>	<u>\$ 708,570</u>	<u>2,420,100</u>
Subtotal	<u>393,505</u>	<u>291,816</u>	<u>1,112,787</u>	<u>708,570</u>	<u>2,506,678</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>393,505</u>	<u>291,816</u>	<u>1,112,787</u>	<u>708,570</u>	<u>\$ 2,506,678</u>
Number of Claims	9	30	40	1	
Cost/Claim	<u>\$ 43,723</u>	<u>\$ 9,727</u>	<u>\$ 27,820</u>	<u>\$ 708,570</u>	

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 1995DECEMBER 31, 2014

(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
Total Expenses	<u>\$ 340,064</u>	<u>\$ -0-</u>	<u>\$ 340,064</u>

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 1996DECEMBER 31, 2014

(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>573,840</u>	<u>-0-</u>	<u>573,840</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, 2014
(UNAUDITED)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 147,742		\$ 147,742
Subtotal Excess Insurance	147,742		147,742
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
	572,165		572,165
Total Expenses	\$ 719,907	\$ -0-	\$ 719,907

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 1998DECEMBER 31, 2014

(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 FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 1999DECEMBER 31, 2014

(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, 2014
(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, 2014
(UNAUDITED)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 197,040		\$ 197,040
Subtotal Excess Insurance	197,040		197,040
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
	694,167		694,167
Total Expenses	\$ 891,207	\$ -0-	\$ 891,207

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2002DECEMBER 31, 2014

(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, 2014

(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, 2014

(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, 2014

(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, 2014

(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 FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2007
DECEMBER 31, 2014
(UNAUDITED)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 364,075		\$ 364,075
Subtotal Excess Insurance	364,075		364,075
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
	1,031,089		1,031,089
Total Expenses	\$ 1,395,164	\$ -0-	\$ 1,395,164

Schedule F

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2008DECEMBER 31, 2014

(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, 2014

(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 FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2010DECEMBER 31, 2014

(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, 2014

(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, 2014

(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, 2014

(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	118,968		118,968
Underwriting Manager	203,723		203,723
Miscellaneous	101,405		101,405
External Auditor	14,504		14,504
	<u>847,854</u>		<u>847,854</u>
Total Expenses	<u>\$ 1,214,684</u>	<u>\$ -0-</u>	<u>\$ 1,214,684</u>

Schedule F

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

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 391,568		\$ 391,568
Subtotal Excess Insurance	391,568		391,568
2. <u>Administrative Expenses</u>			
Administrative Fees	235,307	\$ 6,649	241,956
Claims Adjuster		24,423	24,423
Legal	70,672		70,672
Treasurer	18,180		18,180
Other (Itemize):			
Actuary	46,240	15,414	61,654
Environmental Services	278,967	40,033	319,000
Underwriting Manager	206,666		206,666
Miscellaneous	84,381	417	84,798
External Auditor		14,744	14,744
	940,413	101,680	1,042,093
Total Expenses	\$ 1,331,981	\$ 101,680	\$ 1,433,661

NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND
PROGRAM SUMMARY
FUND YEAR - 2014
DECEMBER 31, 2014
(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
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. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy. All members are specified in the annual budget.					
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>	Fund purchased Excess Aggregate Insurance that supports Legal Defense Excess of 1.25% up to a total aggregate of \$5,000,000. This insurance does not increase the limits to individual members.				
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>	\$291,816	\$393,505	\$708,570	\$1,112,787	-0-
6.) <u>Exposure Units</u>	126 Approved Recycling Centers	3,729,849 Population	306 Municipalities and 72 Utility Authorities	306 Municipalities and 72 Utility Authorities	198 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 - \$4,062,480	Camden - \$3,021,120	Central - \$4,534,190	Suburban Essex - \$1,482,840	Burlington - \$2,452,070
Morris - \$4,405,910	Ocean - \$4,644,320	Monmouth - \$3,356,740	NJUA - \$2,500,000	
PMM - \$1,158,090	So. Bergen - \$3,223,590	Suburban - \$1,333,610	TRICO JIF - \$3,623,530	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2014
 (UNAUDITED)

Bank	Amount
Wells Fargo Bank	582,805
Wells Fargo Investments - Money Market Account	1,017,358
Serial Bond - Marlboro Township BOE	501,020
Federal Home Loan Bank Notes	1,499,605
Federal Home Loan Mortgage Corporation Notes	1,000,950
Federal National Mortgage Association Notes	2,525,155
US Treasury Notes	17,304,108
New Jersey Cash Management Fund	1,896,457
	26,327,458
Less: Outstanding Checks	577,401
	\$ 25,750,057

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ADMINISTRATIVE EXPENSES PAYABLE
DECEMBER 31, 2014
(UNAUDITED)

Fund Year 2014:

Administrative Fees	\$ 6,649
Claims Adjuster	24,423
Actuary	15,414
Environmental Services	40,033
Miscellaneous	417
External Auditor	14,744
	<hr/>
	\$ 101,680
	<hr/> <hr/>

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 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, 2014 and 2013, 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 3, 2015.

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 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*. However, we noted certain matters that we reported to management in the *Auditors' Management Report on Administrative Findings – Financial Compliance and Performance* dated April 3, 2015.

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 3, 2015

Nisirovia hhp

STATISTICAL SECTION

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND

NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

	December 31,				
	2005	2006	2007	2008	2009
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt					
Unrestricted	\$ 10,441,278	\$ 11,049,628	\$ 11,203,465	\$ 11,830,229	\$ 9,211,158
Total Business-Type Activities Net Position	<u>\$ 10,441,278</u>	<u>\$ 11,049,628</u>	<u>\$ 11,203,465</u>	<u>\$ 11,830,229</u>	<u>\$ 9,211,158</u>

	December 31,				
	2010	2011	2012	2013	2014
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Unrestricted	11,142,916	9,482,336	10,047,892	11,780,089	15,011,933
Total Business-Type Activities Net Position	<u>\$ 11,392,916</u>	<u>\$ 9,732,336</u>	<u>\$ 10,297,892</u>	<u>\$ 12,030,089</u>	<u>\$ 15,261,933</u>

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

	Year Ending December 31,				
	2005	2006	2007	2008	2009
Revenue:					
Assessments from Participating Members	\$ 3,261,312	\$ 3,544,408	\$ 3,619,190	\$ 3,716,831	\$ 3,874,501
Investment Income	405,797	799,741	1,004,413	780,131	414,356
Other Income					
Total Revenue	<u>3,667,109</u>	<u>4,344,149</u>	<u>4,623,603</u>	<u>4,496,962</u>	<u>4,288,857</u>
Expenses:					
Provision for Claims and Claim Adjustment Expense	98,555	1,532,585	2,076,722	1,966,703	4,984,378
Insurance Premiums	271,173	337,021	364,075	392,009	355,530
Claims Administration	18,360	15,720	19,436	20,609	21,754
Contractual Services	611,989	715,246	713,158	960,100	1,014,782
Non-Contractual Services	21,939	49,125	103,774	14,326	7,784
Administration	162,137	186,102	192,600	16,451	23,700
Total Expenses	<u>1,184,153</u>	<u>2,835,799</u>	<u>3,469,765</u>	<u>3,370,198</u>	<u>6,407,928</u>
Return of Member Dividends	<u>(700,000)</u>	<u>(900,000)</u>	<u>(1,000,001)</u>	<u>(500,000)</u>	<u>(500,000)</u>
Change in Net Position	<u>\$ 1,782,956</u>	<u>\$ 608,350</u>	<u>\$ 153,837</u>	<u>\$ 626,764</u>	<u>\$ (2,619,071)</u>

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

	Year Ending December 31,				
	2010	2011	2012	2013	2014
Revenue:					
Assessments from Participating Members	\$ 3,879,494	\$ 3,901,387	\$ 3,896,379	\$ 4,136,205	\$ 4,205,532
Investment Income	262,217	430,701	176,614	18,145	188,124
Other Income	282	1,212			
Total Revenue	4,141,993	4,333,300	4,072,993	4,154,350	4,393,656
Expenses:					
Provision for Claims and Claim Adjustment Expense	(481,025)	3,767,523	1,411,483	765,979	(759,085)
Insurance Premiums	363,654	366,063	347,971	366,830	391,568
Claims Administration	21,754	21,754	22,599	22,599	24,423
Contractual Services	815,047	835,186	828,522	530,538	754,063
Non-Contractual Services	18,754	29,671	47,978	47,762	33,886
Administration	222,051	223,683	223,884	238,445	241,956
Total Expenses	960,235	5,243,880	2,882,437	1,972,153	686,811
Return of Member Dividends	(1,000,000)	(750,000)	(625,000)	(450,000)	(475,001)
Change in Net Position	\$ 2,181,758	\$ (1,660,580)	\$ 565,556	\$ 1,732,197	\$ 3,231,844

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, 2014
 (Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total number of members	12	13	13	13	13	13	13	13	13	13
Total member assessments	\$ 3,261,312	\$ 3,544,408	\$ 3,619,190	\$ 3,716,831	\$ 3,874,501	\$ 3,879,579	\$ 3,901,387	\$ 3,896,379	\$ 4,136,205	\$ 4,205,532
Total number of claims	28	35	24	31	36	40	44	40	43	40
Total reported losses	881,960	4,572,119	236,405	1,329,538	2,292,687	1,001,805	236,268	1,022,280	1,365,281	86,578

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, 2014
(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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Non-site Specific Fund	\$ 160,468	\$ 1,017,124	\$ 28,171	\$ 39,113	\$ 57,131	\$ 107,946	\$ 66,823	\$ 395,408	\$ 233,952	\$ 16,000
Site Specific Fund	194,822	115,363	140,328	76,050	120,073	726,529	27,563	153,323	353,710	61,683
Legal Defense Fund	247,041	2,689,632	67,906	873,375	1,283,483	142,330	140,884	306,678	436,619	8,895
Superfund Buyout Fund	279,629	750,000		341,000	832,000	25,000	998	166,871	341,000	
Total	<u>\$ 881,960</u>	<u>\$ 4,572,119</u>	<u>\$ 236,405</u>	<u>\$ 1,329,538</u>	<u>\$ 2,292,687</u>	<u>\$ 1,001,805</u>	<u>\$ 236,268</u>	<u>\$ 1,022,280</u>	<u>\$ 1,365,281</u>	<u>\$ 86,578</u>
Total number of claims	<u>28</u>	<u>35</u>	<u>24</u>	<u>31</u>	<u>36</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>43</u>	<u>40</u>
Average cost per claim	<u>\$ 31,499</u>	<u>\$ 130,632</u>	<u>\$ 9,850</u>	<u>\$ 42,888</u>	<u>\$ 63,686</u>	<u>\$ 25,045</u>	<u>\$ 5,370</u>	<u>\$ 25,557</u>	<u>\$ 31,751</u>	<u>\$ 2,164</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
REPORTED CLAIM ACTIVITY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2014
(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Non-site Specific Fund	13	10	9	12	15	16	24	14	17	9
Site Specific Fund	11	24	14	15	20	23	18	24	23	30
Legal Defense Fund (A)	28	35	24	31	36	40	44	40	43	40
Superfund Buyout Fund	<u>4</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>
Total	<u><u>28</u></u>	<u><u>35</u></u>	<u><u>24</u></u>	<u><u>31</u></u>	<u><u>36</u></u>	<u><u>40</u></u>	<u><u>44</u></u>	<u><u>40</u></u>	<u><u>43</u></u>	<u><u>40</u></u>
Claims settled in full	26	33	24	29	34	37	38	16	10	7
Claims pending	<u>2</u>	<u>2</u>		<u>2</u>	<u>2</u>	<u>3</u>	<u>6</u>	<u>24</u>	<u>33</u>	<u>33</u>
Total	<u><u>28</u></u>	<u><u>35</u></u>	<u><u>24</u></u>	<u><u>31</u></u>	<u><u>36</u></u>	<u><u>40</u></u>	<u><u>44</u></u>	<u><u>40</u></u>	<u><u>43</u></u>	<u><u>40</u></u>

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