

**New Jersey Municipal Environmental
Risk Management Fund**

Parsippany, New Jersey

Comprehensive Annual Financial Report
For the Years Ended December 31, 2017 and 2016

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
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INTRODUCTORY SECTION



**New Jersey Municipal Environmental
Risk Management Fund**

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May 18, 2018

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

Dear Executive Committee Members:

The Comprehensive Annual Financial Report (CAFR) of the New Jersey Municipal Environmental Risk Management Fund (EJIF) for the year ended December 31, 2017 is hereby respectfully submitted. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the EJIF. We believe the data, as presented, are accurate in all material respects; that they are presented in a manner designed to fairly set forth the financial position and results of the operations of the EJIF as measured by the financial activity of its various membership years; and that all disclosures necessary to enable the reader to gain the maximum understanding of the EJIF's financial affairs have been included.

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

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

Economic Conditions and Outlook

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

EJIF Initiatives

Starting in 2013, the EJIF became proactive with the Administrative and Legislative branches of the State Government with respect to specific large cases affecting the members of the EJIF. The EJIF issued a Request for Qualifications (RFQ) for the retention of a legislative agent. As a result of the RFQ, the EJIF awarded a contract to a legislative agent to educate the administration and the legislators on the facts of the Newark Bay case and advocate for an indemnification agreement. Further, in order not to have a repeat on other river basins, the legislative agent will continue to work with the EJIF on new legislation to effectively indemnify the municipalities in the future on similar litigation. The EJIF's legislative agent is the Princeton Public Affairs Group. They remained active throughout 2013-, 2015, 2016 and continued their efforts in fund year 2017.

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

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

In 2014 the EJIF distributed a copy of an Environmental Alert which deals with the hidden costs and potential exposures of acquiring properties through foreclosure and/or donations. Since the E-JIF's Environmental Engineers provide assistance in evaluating and inspecting potential acquisitions, the E-JIF addressed additional funding to do so. The E-JIF averaged 2-3 requests from our membership per year. However, given the struggling economy and the alert issued to membership, this number greatly increased in the short term. The E-JIF authorized additional funding for the Environmental Engineers to provide this service to our members for 2017.

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

In September of 2015, the professionals of the E-JIF started to negotiate for a possible increase in excess coverage concerning the 2016 budget. Additional limits were purchased in 2017 of \$9 Million; and change to the Fund's retention to \$3 Million. The third and final year of membership population based on the 2010 census, on which the excess premium is rated on, was phased in as per the Fund's agreement with the excess carrier in 2016.

The EJIF Professionals met to discuss the potential expansion of coverage to include coverage for the transport of environmental pollutants. The consensus was to include a \$250,000 sublimit for this coverage and the appropriate policy language will be developed for consideration by the EJIF Coverage Committee. The E-Jif Executive Committee approved a new Storage Tank Form, the \$250,000 Transit Coverage sublimit to the EIL Policy and a revised Risk Management Plan. All these changes are effective January 1, 2018.

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 Local Government Services. 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 Wilmington Trust, 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, 2017, the EJIF's portfolio consisted of the following:

Checking Accounts	\$ 10,754,741	35.30%
Money Market Accounts	58,604	0.20%
New Jersey Cash Management	1,922,282	6.31%
Investments	<u>17,727,081</u>	<u>58.19%</u>
	<u>\$ 30,462,708</u>	<u>100.00%</u>

Independent Audit

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

Acknowledgments

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

Respectfully submitted,

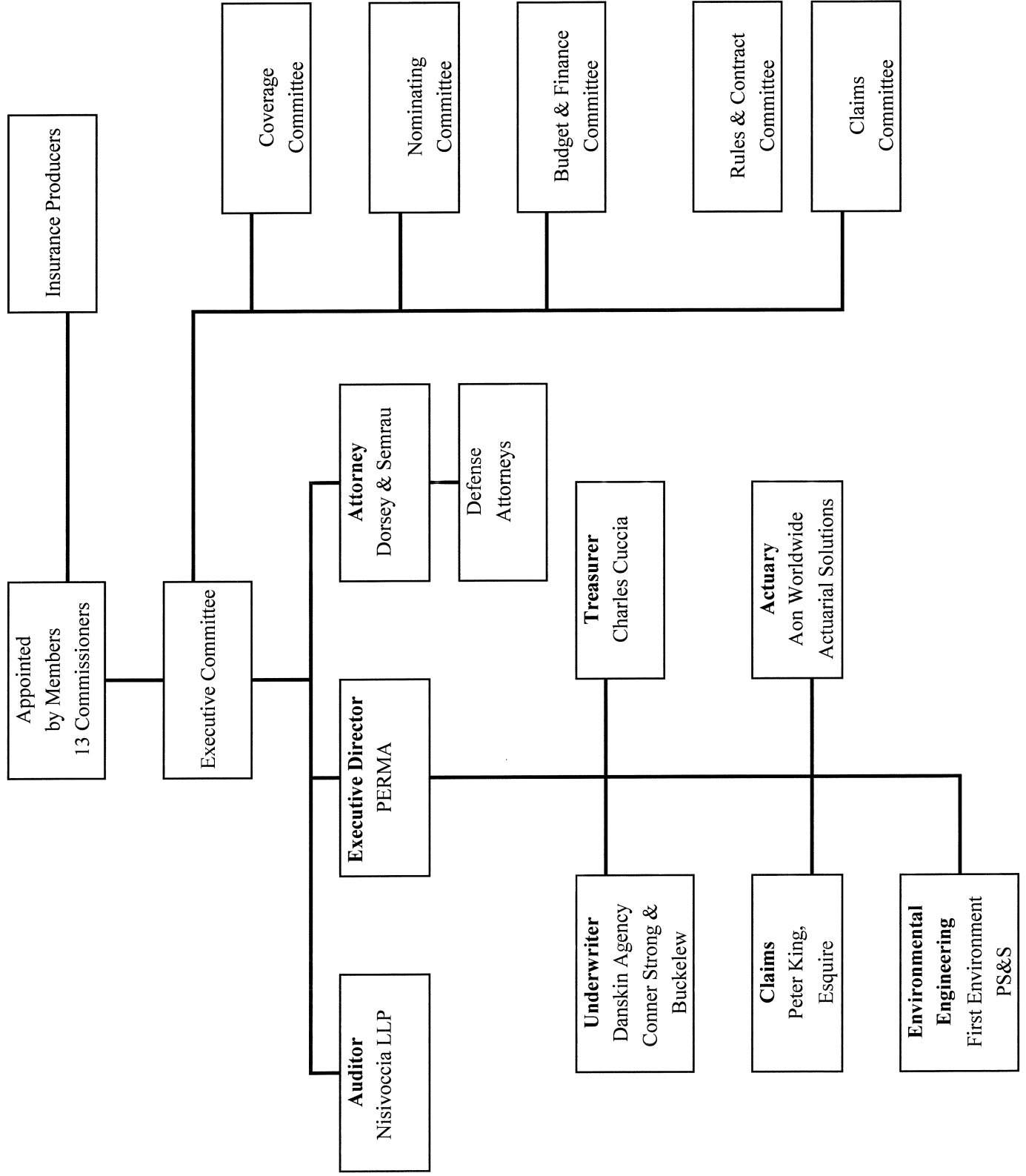
Stephen Sacco

Stephen Sacco, Executive Director

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2017

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
2017 ORGANIZATIONAL CHART



NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
MEMBERSHIP LISTING
DECEMBER 31, 2017

Camden County Municipal Joint Insurance Fund

South Bergen Municipal Joint Insurance Fund

Morris County Municipal Joint Insurance Fund

Ocean County Municipal Joint Insurance Fund

Professional Municipal Management Joint Insurance Fund

Bergen County Municipal Joint Insurance Fund

Monmouth County Joint Insurance Fund

Suburban Essex Joint Insurance Fund

Suburban Municipal Joint Insurance Fund

Central Jersey Joint Insurance Fund

New Jersey Utility Authorities Joint Insurance Fund

TRICO Joint Insurance Fund

Burlington County (BURLCO) Joint Insurance Fund

FINANCIAL SECTION



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 Mt. Arlington, NJ 07856
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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, 2017 and 2016, 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, 2017 and 2016, 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 May 18, 2018 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
May 18, 2018

Ninivica 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, 2017 and 2016. 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, 2017, 2016 and 2015.

SUMMARY OF STATEMENT OF NET POSITION

	2017	2016	2016/2017 Percent Change	2015	2015/2016 Percent Change
ASSETS:					
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 30,539,643	\$ 28,394,314	7.56%	\$ 26,628,401	6.63%
Capital Assets	250,000	250,000	0.00%	250,000	0.00%
Total	30,789,643	28,644,314	7.49%	26,878,401	6.57%
LIABILITIES:					
Other Liabilities	327,419	70,727	362.93%	160,912	-56.05%
Loss Reserves	10,656,687	11,986,191	-11.09%	11,527,535	3.98%
Total	10,984,106	12,056,918	-8.90%	11,688,447	3.15%
NET POSITION:					
Invested in Capital Assets	250,000	250,000	0.00%	250,000	0.00%
Unrestricted	19,555,537	16,337,396	19.70%	14,939,954	9.35%
NET POSITION	\$ 19,805,537	\$ 16,587,396	19.40%	\$ 15,189,954	9.20%

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

	2017	2016	2016/2017 Percent Change	2015	2015/2016 Percent Change
Operating Revenue:					
Assessments from Members	\$ 4,351,055	\$ 4,269,535	1.91%	\$ 4,279,984	-0.24%
Total Operating Revenue	<u>4,351,055</u>	<u>4,269,535</u>	1.91%	<u>4,279,984</u>	-0.24%
Operating Expenses:					
Provision for Claims & Claims Expense	(1,326,965)	873,531	-251.91%	2,261,772	-61.38%
Insurance Premiums	541,069	542,696	-0.30%	535,022	1.43%
Administrative and Operating Expenses	<u>1,148,832</u>	<u>1,138,047</u>	0.95%	<u>1,187,983</u>	-4.20%
Total Operating Expenses	<u>362,936</u>	<u>2,554,274</u>	-85.79%	<u>3,984,777</u>	-35.90%
Operating Income/(Loss)	3,988,119	1,715,261	132.51%	295,207	481.04%
Non-Operating Revenue/(Expense):					
Investment Income	230,022	232,181	-0.93%	132,818	74.81%
Member Dividends	<u>(1,000,000)</u>	<u>(550,000)</u>	81.82%	<u>(500,004)</u>	10.00%
Change in Net Position	<u>\$ 3,218,141</u>	<u>\$ 1,397,442</u>	130.29%	<u>\$ (71,979)</u>	2041.46%

The Fund's total assets increased by 7.49% and the liabilities decreased by 8.90%, resulting in a 19.40% increase in net position.

Assessments increased by 1.91% reflecting consistent claims projections in the 2017 budget.

Investment income decreased by .93% as a result of the recognition of an unrealized loss on investments at year end.

Claims expense decreased from \$873,531 in 2016 to \$(1,326,965) in 2017. This 251.91% decrease is mainly due to the decrease in prior years' claims during 2017.

The Fund returned \$1,000,000 to its members in dividends in 2017 and \$550,000 in dividends in 2016. This decision was based upon the Fund's continued conservative policy of building net position as part of its effort to further minimize the potential need to rely on excess insurance or other forms of outside financing of risk.

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

BASIC FINANCIAL STATEMENTS

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATEMENT OF NET POSITION

	December 31,	
	2017	2016
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 12,735,627	\$ 9,666,002
Investments	17,727,081	18,656,979
Accrued Interest Receivable	76,935	71,333
Capital Assets:		
Sites (Land)	250,000	250,000
Total Assets	30,789,643	28,644,314
 <u>LIABILITIES:</u>		
Accounts Payable - Vendors	123,403	70,727
Unearned Assessments	204,016	
Loss Reserves	10,656,687	11,986,191
Total Liabilities	10,984,106	12,056,918
 <u>NET POSITION:</u>		
Invested in Capital Assets	250,000	250,000
Unrestricted	19,555,537	16,337,396
Total Net Position	\$ 19,805,537	\$ 16,587,396

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,	
	2017	2016
Operating Revenue:		
Assessments from Participating Members	\$ 4,351,055	\$ 4,269,535
Total Operating Revenue	<u>4,351,055</u>	<u>4,269,535</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense	(1,326,965)	873,531
Insurance Premiums	541,069	542,696
Claims Administration	25,942	25,168
Contractual Services	824,134	819,275
Non-Contractual Services	41,776	44,268
Administration	256,980	249,336
Total Operating Expenses	<u>362,936</u>	<u>2,554,274</u>
Operating Income	3,988,119	1,715,261
Non-operating Revenue:		
Investment Income	<u>230,022</u>	<u>232,181</u>
Income Before Other Revenue, Expenses, Gains, Losses and Transfers	4,218,141	1,947,442
Member Dividends	<u>(1,000,000)</u>	<u>(550,000)</u>
Change in Net Position	3,218,141	1,397,442
Net Position - Beginning of Year	<u>16,587,396</u>	<u>15,189,954</u>
Net Position - End of Year	<u>\$ 19,805,537</u>	<u>\$ 16,587,396</u>

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATEMENT OF CASH FLOWS

	<u>Year Ending December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Assessments Collected	\$ 4,555,071	\$ 4,269,535
Insurance Premiums Paid	(541,069)	(542,696)
Claims Paid	(2,539)	(414,875)
General and Administrative Expenses Paid	(1,096,156)	(1,228,232)
Net Cash Provided by Operating Activities	<u>2,915,307</u>	<u>2,083,732</u>
Cash Flows from Investing Activities:		
Maturity of Investment Securities	1,009,378	9,300,504
Purchase of Investment Securities	(188,699)	(3,552,227)
Investment Income	333,639	222,473
Net Cash Provided/(Used) by Investing Activities	<u>1,154,318</u>	<u>5,970,750</u>
Cash Flows from Noncapital Financing Activities:		
Dividends Distribution to Participating Members	(1,000,000)	(550,000)
Net Cash Used by Noncapital Financing Activities	<u>(1,000,000)</u>	<u>(550,000)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,069,625	7,504,482
Cash and Cash Equivalents - Beginning of Year	9,666,002	2,161,520
Cash and Cash Equivalents - End of Year	<u>\$ 12,735,627</u>	<u>\$ 9,666,002</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ 3,988,119	\$ 1,715,261
Changes in Assets and Liabilities:		
Increase/(Decrease) in Liabilities:		
Accounts Payable	52,676	(90,185)
Unearned Assessments	204,016	
Loss Reserves	(1,329,504)	458,656
Net Cash Provided by Operating Activities	<u>\$ 2,915,307</u>	<u>\$ 2,083,732</u>

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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) Third Party
- b) On Site Cleanup Costs Liability
- c) Public Officials Pollution Liability
- d) De Minimis Abandoned Waste Sites Liability
- e) Tank Systems

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, 2017, all of which are joint insurance funds.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

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

received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

Basis of Accounting

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

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Income Taxes

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

Assessments

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

Unpaid Claims Liabilities

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

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

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 \$541,069 and \$542,696 for the years ended December 31, 2017 and 2016, respectively. The amount deducted from claims liabilities for reinsurance was \$-0- for the years ended December 31, 2017 and 2016.

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, 2017 and 2016. 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.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE 3: LOSS RESERVES (Cont'd)

Loss reserves at December 31, 2017 and 2016, which have been estimated by the Fund's Actuary and Claims Servicing Agent, are as follows:

	<u>2017</u>	<u>2016</u>
Case Reserves	\$ 5,213,367	\$ 5,507,985
Losses Incurred but not Reported	5,443,320	6,478,206
Total Loss Reserves	<u>\$ 10,656,687</u>	<u>\$ 11,986,191</u>

The following represents changes in the aggregate reserves for the Fund:

	<u>2017</u>	<u>2016</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	\$ 11,986,191	\$ 11,527,535
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	2,541,573	2,520,735
(Decrease) in Provision for Insured Events of Prior Years	(3,868,538)	(1,647,204)
Total Incurred Claims and Claim Adjustment Expenses	<u>(1,326,965)</u>	<u>873,531</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	84,341	104,992
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	(81,802)	309,883
Total Payments	<u>2,539</u>	<u>414,875</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 10,656,687</u>	<u>\$ 11,986,191</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.

NOTE 4: CASH AND CASH EQUIVALENTS

GASB, requires disclosure of the level of custodial credit risk assumed by the Fund in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE 4: CASH AND CASH EQUIVALENTS (Cont'd)

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, 2017 and 2016, cash and cash equivalents of the Fund consisted of the following:

	2017	2016
Checking Accounts	\$ 10,754,741	\$ 7,748,188
Money Market Accounts	58,604	11,726
New Jersey Cash Management Fund	1,922,282	1,906,088
	\$ 12,735,627	\$ 9,666,002

The carrying amount of the Fund's cash at cost at December 31, 2017 was \$12,735,627, and the bank balance was \$12,806,617. The Fund had \$1,922,282 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, 2016 was \$9,666,002, and the bank balance was \$9,756,135. The Fund had \$1,906,088 with the State of New Jersey Cash Management Fund that is not insured or registered.

NOTE 5: INVESTMENTS

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

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE 5: INVESTMENTS (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the State Division of Investment and are invested consistent with the rules and regulations of the State Investment Council.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE 5: INVESTMENTS (Cont'd)

All of the Fund's investments are recorded at fair value based on quoted market prices (Level 1 inputs). The investments are held by the Fund's custodial bank trust department in the Fund's name. The bank's trust department is also its agent in purchasing and selling the securities. The investments are uninsured and unregistered. All of the funds held by the custodial bank are held in a fiduciary account, in the Fund's name, and are backed by the full faith and credit of the U.S. Government. As such, they are protected in the event of bankruptcy of the bank. Investments at December 31, 2017 and 2016 consisted of the following recurring fair value measurements as Level 1 inputs:

	Balance Dec. 31, 2017	Weighted Average Maturity in Months
United States Treasury Notes	\$ 17,727,081	58.97
Federal Agency Obligations	\$ 17,727,081	58.97
	Balance Dec. 31, 2016	Weighted Average Maturity in Months
United States Treasury Notes	18,656,979	55.72
Federal Agency Obligations	\$ 18,656,979	55.72

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, 2017 as follows:

Fund Year 1997 - Site-Specific	\$ 34,302
Fund Year 1999 - Non-Site Specific	\$ 317,633
Fund Year 1999 - Site-Specific	\$ 233,187
Fund Year 1999 - Legal Defense	\$ 1,119,696
Fund Year 2003 - Non-Site Specific	\$ 284,090
Fund Year 2004 - Non-Site Specific	\$ 74,008
Fund Year 2004 - Site-Specific	\$ 213,775
Fund Year 2006 - Non-Site Specific	\$ 912,935
Fund Year 2006 - Legal Defense	\$ 1,745,430
Fund Year 2008 - Legal Defense	\$ 56,407
Fund Year 2009 - Legal Defense	\$ 505,570
Fund Year 2009 - Superfund Buyout	\$ 32,892
Fund Year 2010 - Site-Specific	\$ 528,735
Fund Year 2013 - Site-Specific	\$ 171,457
Fund Year 2013 - Legal Defense	\$ 69,304

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE 6: NET POSITION (Cont'd)

Fund Year 2014 - Site-Specific	\$ 122,724
Fund Year 2015 - Reinsurance	\$ 10,352
Fund Year 2016 - Site-Specific	\$ 142
Fund Year 2016 - Reinsurance	\$ 12,461
Fund Year 2017 - Non-Site Specific	\$ 924
Fund Year 2017 - Site Specific	\$ 1,056
Fund Year 2017 - Legal Defense	\$ 3,148
Fund Year 2017 - Superfund Buyout	\$ 1,814

In addition, at December 31, 2017 the Fund had an overall deficit in Fund Year 2006 of \$2,008,593.

NOTE 7: CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2017 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, 2017 AND 2016
 (UNAUDITED)

	Non-Site Specific Fund		Site Specific Fund		Legal Defense Fund		Superfund Buyout Fund		Totals	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Unpaid claims and claim adjustment expenses at beginning of year	\$ 2,824,469	\$ 2,892,137	\$ 1,365,378	\$ 1,136,800	\$ 4,354,883	\$ 4,023,606	\$ 3,441,461	\$ 3,474,992	\$ 11,986,191	\$ 11,527,535
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current period	347,274	387,916	382,526	338,926	1,148,751	1,141,752	663,022	652,141	2,541,573	2,520,735
Increases/(decreases) in provision for insured events of prior years	(633,566)	(429,622)	(55,148)	(31,200)	(1,660,819)	(501,208)	(1,519,005)	(685,174)	(3,868,538)	(1,647,204)
Total incurred claims and claim adjustment expenses	(286,292)	(41,706)	327,378	307,726	(512,068)	640,544	(855,983)	(33,033)	(1,326,965)	873,531
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current period	51,539	10,266	17,454	42,930	15,348	51,298		498	84,341	104,992
Claims and claim adjustment expenses attributable to insured events of prior years	29,285	15,696	22,122	36,218	129,686	257,969	(262,895)		(81,802)	309,883
Total payments	80,824	25,962	39,576	79,148	145,034	309,267	(262,895)	498	2,539	414,875
Total unpaid claims and claim adjustment expenses at end of year	\$ 2,457,353	\$ 2,824,469	\$ 1,653,180	\$ 1,365,378	\$ 3,697,781	\$ 4,354,883	\$ 2,848,373	\$ 3,441,461	\$ 10,656,687	\$ 11,986,191

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

	Year Ended December 31, 2017, and Policy Period Ended December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Required contribution and investment revenue										
Earned	\$ 3,909,675	\$ 3,993,549	\$ 3,984,987	\$ 4,011,060	\$ 3,956,314	\$ 4,188,219	\$ 4,265,029	\$ 4,318,041	\$ 4,285,625	\$ 4,360,877
Ceded	392,009	355,530	363,654	366,063	347,971	366,830	391,568	535,022	542,696	541,069
	<u>3,517,666</u>	<u>3,638,019</u>	<u>3,621,333</u>	<u>3,644,997</u>	<u>3,608,343</u>	<u>3,821,389</u>	<u>3,873,461</u>	<u>3,783,019</u>	<u>3,742,929</u>	<u>3,819,808</u>
Unallocated expenses	1,028,436	1,049,007	1,083,896	1,104,693	1,125,850	961,379	1,055,162	1,061,789	1,137,383	1,148,646
Estimated claims and expenses, end of policy year	2,116,210	2,716,891	2,234,553	2,259,416	2,319,088	2,448,529	2,506,678	2,536,967	2,520,735	2,541,573
Incurred										
Ceded										
Net Incurred	<u>2,116,210</u>	<u>2,716,891</u>	<u>2,234,553</u>	<u>2,259,416</u>	<u>2,319,088</u>	<u>2,448,529</u>	<u>2,506,678</u>	<u>2,536,967</u>	<u>2,520,735</u>	<u>2,541,573</u>
Paid (cumulative) as of:										
End of policy year	70,434	149,231	180,292	65,160	34,884	63,718	48,104	43,462	104,992	84,341
One year later	233,074	415,787	541,263	117,892	140,881	481,378	183,775	103,248	190,878	
Two years later	472,733	623,409	593,539	152,912	319,559	1,399,882	200,499	123,100		
Three years later	576,064	892,356	624,408	206,291	443,992	1,444,240	202,821			
Four years later	757,408	1,059,046	653,554	210,896	512,800	1,452,531				
Five years later	841,274	1,924,087	654,556	211,964	531,878					
Six years later	1,138,126	2,015,384	654,939	212,797						
Seven years later	1,158,380	2,062,677	656,682							
Eight years later	1,213,004	2,074,718								
Nine years later	1,237,460									
Reestimated ceded claims and expenses										
								2,821		
Reestimated incurred claims and expenses:										
End of policy year	2,116,210	2,716,891	2,234,553	2,259,416	2,319,088	2,448,529	2,506,678	2,536,967	2,520,735	2,541,573
One year later	2,116,219	2,735,486	2,824,552	2,259,415	2,319,089	2,504,239	2,582,026	2,536,966	2,520,734	
Two years later	1,847,263	2,973,701	2,189,987	1,215,676	1,763,484	2,669,694	1,676,682	1,365,351		
Three years later	1,643,636	2,925,274	1,736,137	565,161	1,442,475	2,323,988	1,167,799			
Four years later	1,491,644	2,778,615	1,181,450	454,549	1,283,417	2,167,203				
Five years later	2,004,511	2,418,512	1,130,989	357,876	925,021					
Six years later	1,385,847	2,325,316	1,084,732	336,245						
Seven years later	1,376,304	2,299,526	1,067,751							
Eight years later	1,361,556	2,290,168								
Nine years later	1,351,715									
Increase/(decrease) in estimated incurred claims and expense from end of policy year	\$ (764,495)	\$ (426,723)	\$ (1,166,802)	\$ (1,923,171)	\$ (1,394,067)	\$ (281,326)	\$ (1,338,879)	\$ (1,171,616)	\$ (1)	\$ -0-

COMBINING SUPPLEMENTARY SCHEDULES

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2017

	Fund Year										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ASSETS:											
Cash and Cash Equivalents	\$ 203,046	\$ 348,343	\$ 212,268	\$ 458,853	\$ 476,149	\$ 473,444	\$ 770,245	\$ 178,657	\$ 404,623	\$ (276,490)	\$ 825,893
Investments	326,655	560,404	341,493	738,190	766,016	761,665	1,239,150	287,419	650,946	(444,811)	1,328,675
Accrued Interest Receivable	1,220	1,966	4,557	2,585	3,272	2,674	5,499	1,631	2,672	2,095	4,660
Capital Assets:											
Sites (Land)				250,000							
Total Assets	530,921	910,713	558,318	1,199,628	1,245,437	1,237,783	2,264,894	467,707	1,058,241	(719,206)	2,159,228
LIABILITIES:											
Accounts Payable											
Unearned Assessments											
Loss Reserves			131,980			138,581	6,715		123,671	1,289,387	
Total Liabilities			131,980			138,581	6,715		123,671	1,289,387	
NET POSITION:											
Invested in Capital Assets							250,000				
Unrestricted/(Deficit)	530,921	910,713	426,338	1,199,628	1,245,437	1,099,202	2,008,179	467,707	934,570	(2,008,593)	2,159,228
Total	\$ 530,921	\$ 910,713	\$ 426,338	\$ 1,199,628	\$ 1,245,437	\$ 1,099,202	\$ 2,258,179	\$ 467,707	\$ 934,570	\$ (2,008,593)	\$ 2,159,228

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2017
 (CONTINUED)

	Fund Year										Total All Fund Years
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
ASSETS:											
Cash and Cash Equivalents	\$ 478,781	\$ 196,555	\$ 719,245	\$ 890,721	\$ 746,098	\$ 538,062	\$ 1,000,405	\$ 993,759	\$ 923,574	\$ 2,173,396	\$ 12,735,627
Investments	770,251	316,213	1,157,103	1,432,969	1,200,303	865,619	1,609,425	1,598,734	1,485,822	734,840	17,727,081
Accrued Interest Receivable	2,739	1,808	4,407	5,029	4,214	3,348	5,647	5,637	5,271	6,004	76,935
Capital Assets:											
Sites (Land)											250,000
Total Assets	1,251,771	514,576	1,880,755	2,328,719	1,950,615	1,407,029	2,615,477	2,598,130	2,414,667	2,914,240	30,789,643
LIABILITIES:											
Accounts Payable										123,403	123,403
Unearned Assessments										204,016	204,016
Loss Reserves	114,256	215,450	411,069	123,448	393,143	714,672	964,978	1,242,251	2,329,855	2,457,231	10,656,687
Total Liabilities	114,256	215,450	411,069	123,448	393,143	714,672	964,978	1,242,251	2,329,855	2,784,650	10,984,106
NET POSITION:											
Invested in Capital Assets											250,000
Unrestricted/(Deficit)	1,137,515	299,126	1,469,686	2,205,271	1,557,472	692,357	1,650,500	1,355,879	84,812	129,589	19,555,537
	\$ 1,137,515	\$ 299,126	\$ 1,469,686	\$ 2,205,271	\$ 1,557,472	\$ 692,357	\$ 1,650,500	\$ 1,355,879	\$ 84,812	\$ 129,589	\$ 19,805,537

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDING DECEMBER 31, 2017

	Fund Year										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenue:											
Assessments from Participating Members											
Total Revenue											
Expenses:											
Provision for Claims and Claim Adjustment Expense			\$ (4,521)			\$ (4,684)	\$ (484)	\$ (1,299,165)	\$ (3,627)	\$ (302,568)	
Insurance Premiums											
Claims Administration											
Contractual Services											
Non-Contractual Services											
Administration											
Total Expenses			(4,521)			(4,684)	(484)	(1,299,165)	(3,627)	(302,568)	
Operating Income/(Loss)			4,521			4,684	484	1,299,165	3,627	302,568	
Non-operating Revenue:											
Investment Income	\$ 3,734	\$ 6,014	\$ 14,004	\$ 7,925	\$ 12,213	\$ 8,186	\$ 16,829	\$ 4,992	\$ 9,651	\$ 5,371	\$ 14,259
Income/(Loss) Before Other Revenue, Expenses, Gains, Losses and Transfers	3,734	6,014	18,525	7,925	12,213	12,870	17,313	1,304,157	13,278	307,939	14,259
Member Dividends					(600,000)				(400,000)		
Change in Net Position	3,734	6,014	18,525	7,925	(587,787)	12,870	17,313	1,304,157	(386,722)	307,939	14,259
Net Position/(Deficit) - Beginning of Year	527,187	904,699	407,813	1,191,703	1,833,224	1,086,332	2,240,866	(836,450)	1,321,292	(2,316,532)	2,144,969
Net Position/(Deficit) - End of Year	\$ 530,921	\$ 910,713	\$ 426,338	\$ 1,199,628	\$ 1,245,437	\$ 1,099,202	\$ 2,258,179	\$ 467,707	\$ 934,570	\$ (2,008,593)	\$ 2,159,228

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDING DECEMBER 31, 2017
 (CONTINUED)

	Fund Year										Total All Fund Years		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017			
Revenue:													
Assessments from Participating Members												\$ 4,351,055	\$ 4,351,055
Total Revenue												4,351,055	4,351,055
Expenses:													
Provision for Claims and Claim Adjustment Expense	\$ (9,841)	\$ (9,358)	\$ (16,981)	\$ (21,631)	\$ (358,396)	\$ (156,785)	\$ (508,883)	\$ (1,171,615)	\$ 1	2,541,573	(1,326,965)	541,069	(1,326,965)
Insurance Premiums										541,069	25,942	541,069	541,069
Claims Administration										824,134	824,134	824,134	824,134
Contractual Services												41,776	41,776
Non-Contractual Services Administration					450				(264)	256,980	256,980	256,980	256,980
Total Expenses	(9,841)	(9,358)	(16,981)	(21,631)	(358,396)	(156,335)	(508,883)	(1,171,615)	(263)	4,231,288	362,936	362,936	362,936
Operating Income/(Loss)	9,841	9,358	16,981	21,631	358,396	156,335	508,883	1,171,615	263	119,767	3,988,119	3,988,119	3,988,119
Non-operating Revenue:													
Investment Income	8,389	5,531	13,482	15,382	12,939	10,264	17,278	17,306	16,451	9,822	230,022	230,022	230,022
Income/(Loss) Before Other Revenue, Expenses, Gains, Losses and Transfers	18,230	14,889	30,463	37,013	371,335	166,599	526,161	1,188,921	16,714	129,589	4,218,141	4,218,141	4,218,141
Member Dividends											(1,000,000)	(1,000,000)	(1,000,000)
Change in Net Position	18,230	14,889	30,463	37,013	371,335	166,599	526,161	1,188,921	16,714	129,589	3,218,141	3,218,141	3,218,141
Net Position/(Deficit) - Beginning of Year	1,119,285	284,237	1,439,223	2,168,258	1,186,137	525,758	1,124,339	166,958	68,098	16,587,396		16,587,396	16,587,396
Net Position/(Deficit) - End of Year	\$ 1,137,515	\$ 299,126	\$ 1,469,686	\$ 2,205,271	\$ 1,557,472	\$ 692,357	\$ 1,650,500	\$ 1,355,879	\$ 84,812	\$ 129,589	\$ 19,805,537	\$ 19,805,537	\$ 19,805,537

SUPPLEMENTARY DATA

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
HISTORICAL OPERATING RESULTS ANALYSIS
FUND YEARS - 1995 THROUGH 2017
DECEMBER 31, 2017
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 78,238,550		
Supplemental Contributions			
Other Income (except investments)	10,324		
Total Income			\$ 78,248,874
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	23,236,995		
Case Reserves	5,213,367		
IBNR Reserve	5,443,320		
Subtotal		\$ 33,893,682	
Less Excess Insurance:			
Received	4,188,492		
Receivable			
Recoverable			
Subtotal		4,188,492	
Limited Incurred Claims (claims-excess)		29,705,190	
<u>Expenses:</u>			
Excess Insurance Premiums	6,891,222		
Administrative	19,796,369		
Subtotal Expenses		26,687,591	
<u>Total Incurred Liabilities</u> (limited claims and expenses)			<u>56,392,781</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			21,856,093
4. <u>Investment Income (Earned)</u>			<u>8,524,449</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			30,380,542
6. <u>Return of Surplus:</u>			
Paid	10,575,005		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>10,575,005</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 19,805,537</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
HISTORICAL BALANCE SHEET
FUND YEARS - 1995 THROUGH 2017
DECEMBER 31, 2017
(UNAUDITED)

1. <u>Assets:</u>			
Cash and Investments (1)	<u>\$ 30,462,708</u>		\$ 30,462,708
<u>Receivables (1):</u>			
Excess Insurance			
Assessments			
Other	<u>76,935</u>		
Total Receivables		76,935	
Prepaid Expenses (1)			
Other Assets (1)			
Capital Assets (Land)		<u>250,000</u>	
<u>Total Assets</u>			<u>\$ 30,789,643</u>
2. <u>Liabilities:</u>			
<u>Claims:</u>			
Case Reserves	5,213,367		
IBNR Reserve (2)	<u>5,443,320</u>		
Subtotal Claims		10,656,687	
<u>Expenses (unpaid) (1):</u>			
Excess Insurance			
Administrative	<u>123,403</u>		
Subtotal Expenses		123,403	
<u>Other Liabilities:</u>			
Unearned Contributions	204,016		
Authorized Return of Surplus			
Deferred Revenue (1)			
Miscellaneous Liabilities (1)			
Subtotal		<u>204,016</u>	
<u>Total Liabilities</u>			<u>10,984,106</u>
NET CURRENT SURPLUS/(DEFICIT) = 1-2			<u><u>\$ 19,805,537</u></u>

Notes: (1) attach schedule itemizing these categories

(2) attach an opinion from the actuary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 1997DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	2,446,906	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,446,906
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		1,597,277	
Case Reserves			
IBNR Reserve			
Subtotal			\$ 1,597,277
Less Excess Insurance:			
Received		784,477	
Receivable			
Recoverable			
Subtotal			784,477
Limited Incurred Claims (claims-excess)			812,800
<u>Expenses:</u>			
Excess Insurance Premiums		147,742	
Administrative		572,165	
Subtotal Expenses			719,907
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,532,707
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			914,199
4. <u>Investment Income (Earned)</u>			782,779
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,696,978
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>			\$ 530,921

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 1998DECEMBER 31, 2017

(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>			1,056,881
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,652,151
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>			\$ 910,713

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1999
DECEMBER 31, 2017
(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	4,880,872		
Case Reserves	106,866		
IBNR Reserve	25,113		
Subtotal		\$ 5,012,851	
Less Excess Insurance:			
Received	3,090,186		
Receivable			
Recoverable			
Subtotal		3,090,186	
Limited Incurred Claims (claims-excess)			1,922,665
<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>2,777,620</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(88,181)
4. <u>Investment Income (Earned)</u>			<u>514,519</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			426,338
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 426,338</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2000DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	2,787,012	
Supplemental Contributions			
Other Income (except investments)		8,830	
Total Income			\$ 2,795,842
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		28,130	
Case Reserves			
IBNR Reserve			
Subtotal			\$ 28,130
Less Excess Insurance:			
Received		13,388	
Receivable			
Recoverable			
Subtotal			13,388
Limited Incurred Claims (claims-excess)			14,742
<u>Expenses:</u>			
Excess Insurance Premiums		188,236	
Administrative		626,223	
Subtotal Expenses			814,459
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			829,201
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,966,641
4. <u>Investment Income (Earned)</u>			920,937
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,887,578
6. <u>Return of Surplus:</u>			
Paid		1,687,950	
Authorized and Unpaid			
Subtotal Return of Surplus			1,687,950
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,199,628

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2001DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,096,261	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,096,261
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		139,589	
Case Reserves			
IBNR Reserve			
Subtotal			\$ 139,589
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			139,589
<u>Expenses:</u>			
Excess Insurance Premiums		197,040	
Administrative		694,167	
Subtotal Expenses			891,207
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,030,796
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,065,465
4. <u>Investment Income (Earned)</u>			826,658
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,892,123
6. <u>Return of Surplus:</u>			
Paid		1,646,686	
Authorized and Unpaid			
Subtotal Return of Surplus			1,646,686
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,245,437

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2002
DECEMBER 31, 2017
(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	1,516,819		
Case Reserves	112,211		
IBNR Reserve	26,370		
Subtotal		\$ 1,655,400	
Less Excess Insurance:			
Received	16,465		
Receivable			
Recoverable			
Subtotal		16,465	
Limited Incurred Claims (claims-excess)		1,638,935	
<u>Expenses:</u>			
Excess Insurance Premiums	254,065		
Administrative	713,048		
Subtotal Expenses		967,113	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,606,048
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			797,832
4. <u>Investment Income (Earned)</u>			534,352
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,332,184
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>			\$ 1,099,202

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2003DECEMBER 31, 2017

(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		842,956	
Case Reserves		5,437	
IBNR Reserve		1,278	
Subtotal			\$ 849,671
Less Excess Insurance:			
Received		253,167	
Receivable			
Recoverable			
Subtotal			253,167
Limited Incurred Claims (claims-excess)			596,504
<u>Expenses:</u>			
Excess Insurance Premiums		267,724	
Administrative		730,430	
Subtotal Expenses			998,154
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,594,658
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,903,121
4. <u>Investment Income (Earned)</u>			586,344
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,489,465
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>			\$ 2,258,179

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

FUND YEAR - 2004
DECEMBER 31, 2017
(UNAUDITED)

1.	<u>Underwriting Income:</u>		
	Regular Contributions (earned)	\$ 3,157,710	
	Supplemental Contributions		
	Other Income (except investments)		
	Total Income		\$ 3,157,710
2.	<u>Incurred Liabilities:</u>		
	<u>Claims:</u>		
	Paid	1,763,770	
	Case Reserves		
	IBNR Reserve		
	Subtotal		\$ 1,763,770
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		1,763,770
	<u>Expenses:</u>		
	Excess Insurance Premiums	247,947	
	Administrative	744,290	
	Subtotal Expenses		992,237
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		2,756,007
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		401,703
4.	<u>Investment Income (Earned)</u>		324,837
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		726,540
6.	<u>Return of Surplus:</u>		
	Paid	258,833	
	Authorized and Unpaid		
	Subtotal Return of Surplus		258,833
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 467,707

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2005DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,261,312	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,261,312
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		785,466	
Case Reserves		100,139	
IBNR Reserve		23,532	
Subtotal			\$ 909,137
Less Excess Insurance:			
Received		3,645	
Receivable			
Recoverable			
Subtotal			3,645
Limited Incurred Claims (claims-excess)			905,492
<u>Expenses:</u>			
Excess Insurance Premiums		271,173	
Administrative		822,906	
Subtotal Expenses			1,094,079
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,999,571
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,261,741
4. <u>Investment Income (Earned)</u>			373,469
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,635,210
6. <u>Return of Surplus:</u>			
Paid		700,640	
Authorized and Unpaid			
Subtotal Return of Surplus			700,640
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 934,570

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2006DECEMBER 31, 2017

(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		3,262,481	
Case Reserves		1,044,038	
IBNR Reserve		245,349	
Subtotal			\$ 4,551,868
Less Excess Insurance:			
Received		29	
Receivable			
Recoverable			
Subtotal			29
Limited Incurred Claims (claims-excess)			4,551,839
<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)			5,845,523
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(2,301,115)
4. <u>Investment Income (Earned)</u>			350,092
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(1,951,023)
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>			\$ (2,008,593)

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2007DECEMBER 31, 2017

(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>			271,607
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,259,228
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>			\$ 2,159,228

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

FUND YEAR - 2008

DECEMBER 31, 2017

(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	1,237,460	
	Case Reserves	92,514	
	IBNR Reserve	21,741	
	Subtotal		\$ 1,351,715
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		1,351,715
	<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)		2,772,160
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		944,671
4.	<u>Investment Income (Earned)</u>		192,844
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		1,137,515
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 1,137,515

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2009DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	3,874,501	
Supplemental Contributions			
Other Income (except investments)		282	
Total Income			\$ 3,874,783
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		2,074,718	
Case Reserves		174,454	
IBNR Reserve		40,996	
Subtotal			\$ 2,290,168
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			2,290,168
<u>Expenses:</u>			
Excess Insurance Premiums		355,530	
Administrative		1,049,007	
Subtotal Expenses			1,404,537
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			3,694,705
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			180,078
4. <u>Investment Income (Earned)</u>			119,048
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			299,126
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 299,126

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

FUND YEAR - 2010
DECEMBER 31, 2017
(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		659,503	
Case Reserves		332,848	
IBNR Reserve		78,221	
Subtotal			\$ 1,070,572
Less Excess Insurance:			
Received		2,821	
Receivable			
Recoverable			
Subtotal			2,821
Limited Incurred Claims (claims-excess)			1,067,751
<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)			2,515,301
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			
			1,364,278
4. <u>Investment Income (Earned)</u>			
			105,408
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			
			1,469,686
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			
			\$ 1,469,686

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

FUND YEAR - 2011
DECEMBER 31, 2017
(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	212,797		
Case Reserves	98,615		
IBNR Reserve	24,833		
Subtotal		\$ 336,245	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		336,245	
<u>Expenses:</u>			
Excess Insurance Premiums	366,063		
Administrative	1,104,693		
Subtotal Expenses		1,470,756	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			1,807,001
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,095,598
4. <u>Investment Income (Earned)</u>			109,673
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,205,271
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 2,205,271

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

FUND YEAR - 2012
DECEMBER 31, 2017
(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	531,878		
Case Reserves	298,516		
IBNR Reserve	94,627		
Subtotal		\$ 925,021	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		925,021	
<u>Expenses:</u>			
Excess Insurance Premiums	347,971		
Administrative	1,125,850		
Subtotal Expenses		1,473,821	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,398,842
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,497,454
4. <u>Investment Income (Earned)</u>			60,018
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,557,472
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,557,472

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2017
(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	4,136,205	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 4,136,205
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,452,531		
Case Reserves	497,069		
IBNR Reserve	217,603		
Subtotal		\$ 2,167,203	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		2,167,203	
<u>Expenses:</u>			
Excess Insurance Premiums	366,830		
Administrative	961,829		
Subtotal Expenses		1,328,659	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			3,495,862
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			640,343
4. <u>Investment Income (Earned)</u>			52,014
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			692,357
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 692,357

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

FUND YEAR - 2014
DECEMBER 31, 2017
(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	202,821		
Case Reserves	527,609		
IBNR Reserve	437,369		
Subtotal			\$ 1,167,799
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,167,799	
<u>Expenses:</u>			
Excess Insurance Premiums	391,568		
Administrative	1,055,162		
Subtotal Expenses			1,446,730
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,614,529
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,591,003
4. <u>Investment Income (Earned)</u>			59,497
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,650,500
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,650,500

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2015DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	4,279,984	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 4,279,984
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		123,100	
Case Reserves		213,260	
IBNR Reserve		1,028,991	
Subtotal			\$ 1,365,351
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			1,365,351
<u>Expenses:</u>			
Excess Insurance Premiums		535,022	
Administrative		1,061,789	
Subtotal Expenses			1,596,811
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			2,962,162
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,317,822
4. <u>Investment Income (Earned)</u>			38,057
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,355,879
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,355,879

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2016DECEMBER 31, 2017

(UNAUDITED)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	4,269,535	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 4,269,535
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		190,878	
Case Reserves		1,349,132	
IBNR Reserve		980,724	
Subtotal			\$ 2,520,734
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			2,520,734
<u>Expenses:</u>			
Excess Insurance Premiums		542,696	
Administrative		1,137,383	
Subtotal Expenses			1,680,079
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			4,200,813
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			68,722
4. <u>Investment Income (Earned)</u>			16,090
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			84,812
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>	\$		84,812

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

FUND YEAR - 2017

DECEMBER 31, 2017

(UNAUDITED)

1.	<u>Underwriting Income:</u>		
	Regular Contributions (earned)	\$ 4,351,055	
	Supplemental Contributions		
	Other Income (except investments)		
	Total Income		\$ 4,351,055
2.	<u>Incurred Liabilities:</u>		
	<u>Claims:</u>		
	Paid	84,341	
	Case Reserves	260,659	
	IBNR Reserve	2,196,573	
	Subtotal		\$ 2,541,573
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		2,541,573
	<u>Expenses:</u>		
	Excess Insurance Premiums	541,069	
	Administrative	1,148,646	
	Subtotal Expenses		1,689,715
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		4,231,288
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		119,767
4.	<u>Investment Income (Earned)</u>		9,822
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		129,589
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 129,589

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

FUND YEAR - 1997

DECEMBER 31, 2017

(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)	\$ 124,677	\$ 208,711	\$ 544,357	\$ 698,271	\$ 870,890	\$ 2,446,906
Supplemental Contributions	124,677	208,711	544,357	698,271	870,890	2,446,906
Other Income (except investments)						
Total Income	124,677	208,711	544,357	698,271	870,890	2,446,906
2. <u>Incurred Liabilities</u>						
Claims (limited incurred)	21,193	221,933	662,733	(93,059)	719,907	812,800
Expenses					719,907	719,907
Total Liabilities	21,193	221,933	662,733	(93,059)	719,907	1,532,707
3. <u>Underwriting Surplus/(Deficit)</u>	103,484	(13,222)	(118,376)	791,330	150,983	914,199
4. <u>Adjustments</u>						
Investment Income	77,127	123,562	65,408	442,168	74,514	782,779
Transfers						
Total Adjustments	77,127	123,562	65,408	442,168	74,514	782,779
5. <u>Gross Operating Surplus / (Deficit)</u>	180,611	110,340	(52,968)	1,233,498	225,497	1,696,978
6. <u>Return of Surplus</u>	121,117	144,642	(55,996)	730,829	225,465	1,166,057
7. <u>Net Current Surplus / (Deficit)</u>	\$ 59,494	\$ (34,302)	\$ 3,028	\$ 502,669	\$ 32	\$ 530,921

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

FUND YEAR - 1998
DECEMBER 31, 2017
(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	581,695	211,930	150,159
Expenses							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	111,373	119,747	335,496	474,893	14,914	458	1,056,881
Transfers							
Total Adjustments	<u>111,373</u>	<u>119,747</u>	<u>335,496</u>	<u>474,893</u>	<u>14,914</u>	<u>458</u>	<u>1,056,881</u>
5. <u>Gross Operating Surplus</u>	<u>265,917</u>	<u>296,009</u>	<u>806,160</u>	<u>1,192,588</u>	<u>77,712</u>	<u>13,765</u>	<u>2,652,151</u>
6. <u>Return of Surplus</u>	<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. <u>Net Current Surplus</u>	<u>\$ 169,992</u>	<u>\$ 189,262</u>	<u>\$ 222,441</u>	<u>\$ 328,979</u>	<u>\$ 39</u>	<u>\$ -0-</u>	<u>\$ 910,713</u>

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

FUND YEAR - 1999

DECEMBER 31, 2017
(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 179,090	\$ 158,025	\$ 663,639	\$ 769,022	\$ 717,806	\$ 201,857	\$ 2,689,439
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>179,090</u>	<u>158,025</u>	<u>663,639</u>	<u>769,022</u>	<u>717,806</u>	<u>201,857</u>	<u>2,689,439</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	537,109	440,827	1,836,620	(891,891)	653,098	201,857	1,922,665
Expenses							854,955
Total Liabilities	<u>537,109</u>	<u>440,827</u>	<u>1,836,620</u>	<u>(891,891)</u>	<u>653,098</u>	<u>201,857</u>	<u>2,777,620</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(358,019)</u>	<u>(282,802)</u>	<u>(1,172,981)</u>	<u>1,660,913</u>	<u>64,708</u>		<u>(88,181)</u>
4. <u>Adjustments</u>							
Investment Income	40,386	49,615	53,285	331,830	39,403		514,519
Transfers							
Total Adjustments	<u>40,386</u>	<u>49,615</u>	<u>53,285</u>	<u>331,830</u>	<u>39,403</u>		<u>514,519</u>
5. Gross Operating Surplus	<u>(317,633)</u>	<u>(233,187)</u>	<u>(1,119,696)</u>	<u>1,992,743</u>	<u>104,111</u>		<u>426,338</u>
6. Return of Surplus							
7. Net Current Surplus	<u>\$ (317,633)</u>	<u>\$ (233,187)</u>	<u>\$ (1,119,696)</u>	<u>\$ 1,992,743</u>	<u>\$ 104,111</u>	<u>\$ -0-</u>	<u>\$ 426,338</u>

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

FUND YEAR - 2000

DECEMBER 31, 2017

(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	84,706	80,085	348,303	388,598	19,194	51	920,937
Transfers	(1,834)	1,834					
Total Adjustments	<u>82,872</u>	<u>81,919</u>	<u>348,303</u>	<u>388,598</u>	<u>19,194</u>	<u>51</u>	<u>920,937</u>
5. Gross Operating Surplus	<u>267,368</u>	<u>246,685</u>	<u>1,056,713</u>	<u>1,203,810</u>	<u>111,465</u>	<u>1,537</u>	<u>2,887,578</u>
6. Return of Surplus	<u>200,000</u>	<u>200,000</u>	<u>300,000</u>	<u>875,004</u>	<u>111,409</u>	<u>1,537</u>	<u>1,687,950</u>
7. Net Current Surplus	<u>\$ 67,368</u>	<u>\$ 46,685</u>	<u>\$ 756,713</u>	<u>\$ 328,806</u>	<u>\$ 56</u>	<u>\$ -0-</u>	<u>\$ 1,199,628</u>

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

FUND YEAR - 2001

DECEMBER 31, 2017

(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	198,213	187,351	799,939	920,667	793,115	196,976	3,096,261
Other Income (except investments)							
Total Income							
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	30,933	6,443	88,319	13,894	694,167	197,040	139,589
Expenses	30,933	6,443	88,319	13,894	694,167	197,040	891,207
Total Liabilities							1,030,796
3. <u>Underwriting Surplus/(Deficit)</u>	167,280	180,908	711,620	906,773	98,948	(64)	2,065,465
4. <u>Adjustments</u>							
Investment Income	111,187	70,122	276,756	345,682	21,187	1,724	826,658
Transfers							
Total Adjustments	111,187	70,122	276,756	345,682	21,187	1,724	826,658
5. <u>Gross Operating Surplus</u>	278,467	251,030	988,376	1,252,455	120,135	1,660	2,892,123
6. <u>Return of Surplus</u>	200,000	200,000	675,001	450,000	120,025	1,660	1,646,686
7. <u>Net Current Surplus</u>	\$ 78,467	\$ 51,030	\$ 313,375	\$ 802,455	\$ 110	\$ -0-	\$ 1,245,437

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

FUND YEAR - 2002

DECEMBER 31, 2017

(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	774,960	649,853	713,048	254,065	1,638,935
Expenses							
Total Liabilities	<u>175,312</u>	<u>38,810</u>	<u>774,960</u>	<u>649,853</u>	<u>713,048</u>	<u>254,065</u>	<u>2,606,048</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>30,493</u>	<u>179,003</u>	<u>159,806</u>	<u>210,780</u>	<u>202,900</u>	<u>14,850</u>	<u>797,832</u>
4. <u>Adjustments</u>							
Investment Income	12,835	57,713	181,281	267,242	5,250	10,031	534,352
Transfers							
Total Adjustments	<u>12,835</u>	<u>57,713</u>	<u>181,281</u>	<u>267,242</u>	<u>5,250</u>	<u>10,031</u>	<u>534,352</u>
5. Gross Operating Surplus	<u>43,328</u>	<u>236,716</u>	<u>341,087</u>	<u>478,022</u>	<u>208,150</u>	<u>24,881</u>	<u>1,332,184</u>
6. Return of Surplus					<u>208,101</u>	<u>24,881</u>	<u>232,982</u>
7. Net Current Surplus	<u>\$ 43,328</u>	<u>\$ 236,716</u>	<u>\$ 341,087</u>	<u>\$ 478,022</u>	<u>\$ 49</u>	<u>\$ -0-</u>	<u>\$ 1,099,202</u>

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

FUND YEAR - 2003

DECEMBER 31, 2017

(UNAUDITED)

	Coverages and Other Accounts						Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>							
Regular Contributions (earned)	\$ 240,058	\$ 228,806	\$ 863,005	\$ 948,341	\$ 941,232	\$ 276,337	\$ 3,497,779
Supplemental Contributions							
Other Income (except investments)							
Total Income	<u>240,058</u>	<u>228,806</u>	<u>863,005</u>	<u>948,341</u>	<u>941,232</u>	<u>276,337</u>	<u>3,497,779</u>
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	547,215	10,947	38,342		730,430	267,724	596,504
Expenses							998,154
Total Liabilities	<u>547,215</u>	<u>10,947</u>	<u>38,342</u>		<u>730,430</u>	<u>267,724</u>	<u>1,594,658</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(307,157)</u>	<u>217,859</u>	<u>824,663</u>	<u>948,341</u>	<u>210,802</u>	<u>8,613</u>	<u>1,903,121</u>
4. <u>Adjustments</u>							
Investment Income	23,067	59,383	232,813	259,108	9,962	2,011	586,344
Transfers							
Total Adjustments	<u>23,067</u>	<u>59,383</u>	<u>232,813</u>	<u>259,108</u>	<u>9,962</u>	<u>2,011</u>	<u>586,344</u>
5. Gross Operating Surplus / (Deficit)	<u>(284,090)</u>	<u>277,242</u>	<u>1,057,476</u>	<u>1,207,449</u>	<u>220,764</u>	<u>10,624</u>	<u>2,489,465</u>
6. Return of Surplus					220,662	10,624	231,286
7. Net Current Surplus / (Deficit)	<u>\$ (284,090)</u>	<u>\$ 277,242</u>	<u>\$ 1,057,476</u>	<u>\$ 1,207,449</u>	<u>\$ 102</u>	<u>\$ -0-</u>	<u>\$ 2,258,179</u>

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

FUND YEAR - 2004
DECEMBER 31, 2017
 (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	233,867	252,254	801,255	629,537	923,703	317,094	3,157,710
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	335,270	467,759	563,934	396,807	744,290	247,947	1,763,770
Expenses							
Total Liabilities	335,270	467,759	563,934	396,807	744,290	247,947	2,756,007
3. <u>Underwriting Surplus/(Deficit)</u>	(101,403)	(215,505)	237,321	232,730	179,413	69,147	401,703
4. <u>Adjustments</u>							
Investment Income	27,395	1,730	145,449	139,943	9,823	497	324,837
Transfers					69,615	(69,615)	
Total Adjustments	27,395	1,730	145,449	139,943	79,438	(69,118)	324,837
5. Gross Operating Surplus / (Deficit)	(74,008)	(213,775)	382,770	372,673	258,851	29	726,540
6. Return of Surplus					258,804	29	258,833
7. Net Current Surplus / (Deficit)	\$ (74,008)	\$ (213,775)	\$ 382,770	\$ 372,673	\$ 47	\$ -0-	\$ 467,707

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

FUND YEAR - 2005

DECEMBER 31, 2017

(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	257,124	242,746	810,328	672,052	932,453	346,609	3,261,312
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	160,468	194,822	247,293	302,909	822,906	271,173	905,492
Expenses							
Total Liabilities	160,468	194,822	247,293	302,909	822,906	271,173	1,094,079
3. <u>Underwriting Surplus/(Deficit)</u>	96,656	47,924	563,035	369,143	109,547	75,436	1,261,741
4. <u>Adjustments</u>							
Investment Income	43,129	18,190	160,613	135,727	6,122	9,688	373,469
Transfers							
Total Adjustments	43,129	18,190	160,613	135,727	6,122	9,688	373,469
5. Gross Operating Surplus	139,785	66,114	723,648	504,870	115,669	85,124	1,635,210
6. Return of Surplus			500,000		115,516	85,124	700,640
7. Net Current Surplus	\$ 139,785	\$ 66,114	\$ 223,648	\$ 504,870	\$ 153	\$ -0-	\$ 934,570

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

FUND YEAR - 2006

DECEMBER 31, 2017

(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)	1,240,585	116,836	2,706,359	488,059	956,663	337,021	4,551,839
Expenses							
Total Liabilities	<u>1,240,585</u>	<u>116,836</u>	<u>2,706,359</u>	<u>488,059</u>	<u>956,663</u>	<u>337,021</u>	<u>5,845,523</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(966,766)</u>	<u>141,640</u>	<u>(1,842,937)</u>	<u>227,485</u>	<u>68,434</u>	<u>71,029</u>	<u>(2,301,115)</u>
4. <u>Adjustments</u>							
Investment Income	53,831	37,534	98,107	125,394	21,422	13,804	350,092
Transfers			(600)	600			
Total Adjustments	<u>53,831</u>	<u>37,534</u>	<u>97,507</u>	<u>125,994</u>	<u>21,422</u>	<u>13,804</u>	<u>350,092</u>
5. Gross Operating Surplus / (Deficit)	<u>(912,935)</u>	<u>179,174</u>	<u>(1,745,430)</u>	<u>353,479</u>	<u>89,856</u>	<u>84,833</u>	<u>(1,951,023)</u>
6. Return of Surplus					57,570		57,570
7. Net Current Surplus / (Deficit)	<u>\$ (912,935)</u>	<u>\$ 179,174</u>	<u>\$ (1,745,430)</u>	<u>\$ 353,479</u>	<u>\$ 32,286</u>	<u>\$ 84,833</u>	<u>\$ (2,008,593)</u>

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

FUND YEAR - 2007

DECEMBER 31, 2017

(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	319,141	273,756	790,886	723,113	1,081,588	430,706	3,619,190
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	28,171	140,328	67,906		1,031,089	364,075	236,405
Expenses							1,395,164
Total Liabilities	28,171	140,328	67,906		1,031,089	364,075	1,631,569
3. <u>Underwriting Surplus/(Deficit)</u>	290,970	133,428	722,980	723,113	50,499	66,631	1,987,621
4. <u>Adjustments</u>							
Investment Income	38,983	21,622	100,648	96,909	7,304	6,141	271,607
Transfers							
Total Adjustments	38,983	21,622	100,648	96,909	7,304	6,141	271,607
5. Gross Operating Surplus	329,953	155,050	823,628	820,022	57,803	72,772	2,259,228
6. Return of Surplus					50,000	50,000	100,000
7. Net Current Surplus	\$ 329,953	\$ 155,050	\$ 823,628	\$ 820,022	\$ 7,803	\$ 22,772	\$ 2,159,228

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

FUND YEAR - 2008

DECEMBER 31, 2017

(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	881,372	355,180	1,028,436	392,009	1,351,715
Expenses							
Total Liabilities	<u>39,113</u>	<u>76,050</u>	<u>881,372</u>	<u>355,180</u>	<u>1,028,436</u>	<u>392,009</u>	<u>2,772,160</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>288,795</u>	<u>196,804</u>	<u>(103,606)</u>	<u>383,218</u>	<u>113,822</u>	<u>65,638</u>	<u>944,671</u>
4. <u>Adjustments</u>							
Investment Income	30,101	21,022	47,199	65,645	21,964	6,913	192,844
Transfers							
Total Adjustments	<u>30,101</u>	<u>21,022</u>	<u>47,199</u>	<u>65,645</u>	<u>21,964</u>	<u>6,913</u>	<u>192,844</u>
5. <u>Gross Operating Surplus / (Deficit)</u>	<u>318,896</u>	<u>217,826</u>	<u>(56,407)</u>	<u>448,863</u>	<u>135,786</u>	<u>72,551</u>	<u>1,137,515</u>
6. <u>Return of Surplus</u>							
7. <u>Net Current Surplus / (Deficit)</u>	<u>\$ 318,896</u>	<u>\$ 217,826</u>	<u>\$ (56,407)</u>	<u>\$ 448,863</u>	<u>\$ 135,786</u>	<u>\$ 72,551</u>	<u>\$ 1,137,515</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2009
DECEMBER 31, 2017
 (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					282		282
Other Income (except investments)					1,213,739	490,246	3,874,783
Total Income	345,716	265,544	793,798	765,740	1,213,739	490,246	3,874,783
2. <u>Incurred Liabilities</u>							
Claims (limited incurred)	57,131	75,805	1,325,001	832,231	1,049,007	355,530	2,290,168
Expenses					1,049,007		1,404,537
Total Liabilities	57,131	75,805	1,325,001	832,231	1,049,007	355,530	3,694,705
3. <u>Underwriting Surplus/(Deficit)</u>	288,585	189,739	(531,203)	(66,491)	164,732	134,716	180,078
4. <u>Adjustments</u>							
Investment Income	20,264	13,501	25,633	33,599	17,562	8,489	119,048
Transfers							
Total Adjustments	20,264	13,501	25,633	33,599	17,562	8,489	119,048
5. <u>Gross Operating Surplus / (Deficit)</u>	308,849	203,240	(505,570)	(32,892)	182,294	143,205	299,126
6. <u>Return of Surplus</u>							
7. <u>Net Current Surplus / (Deficit)</u>	\$ 308,849	\$ 203,240	\$ (505,570)	\$ (32,892)	\$ 182,294	\$ 143,205	\$ 299,126

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

FUND YEAR - 2010
DECEMBER 31, 2017
 (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)	101,566	796,880	144,305	25,000	1,083,896	363,654	1,067,751
Expenses							
Total Liabilities	<u>101,566</u>	<u>796,880</u>	<u>144,305</u>	<u>25,000</u>	<u>1,083,896</u>	<u>363,654</u>	<u>2,515,301</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>249,032</u>	<u>(530,867)</u>	<u>652,907</u>	<u>747,795</u>	<u>159,065</u>	<u>86,346</u>	<u>1,364,278</u>
4. <u>Adjustments</u>							
Investment Income	14,742	2,132	36,001	36,312	11,667	4,554	105,408
Transfers							
Total Adjustments	<u>14,742</u>	<u>2,132</u>	<u>36,001</u>	<u>36,312</u>	<u>11,667</u>	<u>4,554</u>	<u>105,408</u>
5. Gross Operating Surplus	<u>263,774</u>	<u>(528,735)</u>	<u>688,908</u>	<u>784,107</u>	<u>170,732</u>	<u>90,900</u>	<u>1,469,686</u>
6. Return of Surplus							
7. Net Current Surplus	<u>\$ 263,774</u>	<u>\$ (528,735)</u>	<u>\$ 688,908</u>	<u>\$ 784,107</u>	<u>\$ 170,732</u>	<u>\$ 90,900</u>	<u>\$ 1,469,686</u>

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

FUND YEAR - 2011

DECEMBER 31, 2017

(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					1,212		1,212
Other Income (except investments)					1,193,115	450,000	3,902,599
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)	51,694	27,699	194,512	62,340	1,104,693	366,063	336,245
Expenses							1,470,756
Total Liabilities	<u>51,694</u>	<u>27,699</u>	<u>194,512</u>	<u>62,340</u>	<u>1,104,693</u>	<u>366,063</u>	<u>1,807,001</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>286,421</u>	<u>238,012</u>	<u>704,144</u>	<u>694,662</u>	<u>88,422</u>	<u>83,937</u>	<u>2,095,598</u>
4. <u>Adjustments</u>							
Investment Income	13,416	10,919	36,673	31,322	12,772	4,571	109,673
Transfers							
Total Adjustments	<u>13,416</u>	<u>10,919</u>	<u>36,673</u>	<u>31,322</u>	<u>12,772</u>	<u>4,571</u>	<u>109,673</u>
5. Gross Operating Surplus / (Deficit)	<u>299,837</u>	<u>248,931</u>	<u>740,817</u>	<u>725,984</u>	<u>101,194</u>	<u>88,508</u>	<u>2,205,271</u>
6. Return of Surplus							
7. Net Current Surplus / (Deficit)	<u>\$ 299,837</u>	<u>\$ 248,931</u>	<u>\$ 740,817</u>	<u>\$ 725,984</u>	<u>\$ 101,194</u>	<u>\$ 88,508</u>	<u>\$ 2,205,271</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2017
 (UNAUDITED)

	Coverages and Other Accounts							Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	Contingency	General and Administrative	Reinsurance	
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	348,094	262,532	941,694	710,871	13,746	1,177,538	441,821	3,896,296
Other Income (except investments)								
Total Income	348,094	262,532	941,694	710,871	13,746	1,177,538	441,821	3,896,296
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	202,832	113,372	412,100	196,717		1,125,850	347,971	925,021
Expenses								1,473,821
Total Liabilities	202,832	113,372	412,100	196,717		1,125,850	347,971	2,398,842
3. <u>Underwriting Surplus/(Deficit)</u>	145,262	149,160	529,594	514,154	13,746	51,688	93,850	1,497,454
4. <u>Adjustments</u>								
Investment Income	9,179	4,705	19,399	17,770	353	6,107	2,505	60,018
Transfers								
Total Adjustments	9,179	4,705	19,399	17,770	353	6,107	2,505	60,018
5. <u>Gross Operating Surplus / (Deficit)</u>	154,441	153,865	548,993	531,924	14,099	57,795	96,355	1,557,472
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus / (Deficit)</u>	\$ 154,441	\$ 153,865	\$ 548,993	\$ 531,924	\$ 14,099	\$ 57,795	\$ 96,355	\$ 1,557,472

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2017
 (UNAUDITED)

	Coverages and Other Accounts							Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	Contingency	General and Administrative	Reinsurance	
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)	137,058	465,304	1,118,353	446,488		961,829	366,830	2,167,203
Expenses								1,328,659
Total Liabilities	<u>137,058</u>	<u>465,304</u>	<u>1,118,353</u>	<u>446,488</u>		<u>961,829</u>	<u>366,830</u>	<u>3,495,862</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>244,720</u>	<u>(173,665)</u>	<u>(79,224)</u>	<u>270,272</u>	<u>14,616</u>	<u>354,616</u>	<u>9,008</u>	<u>640,343</u>
4. <u>Adjustments</u>								
Investment Income	9,593	2,208	9,920	17,307	365	12,338	283	52,014
Transfers								
Total Adjustments	<u>9,593</u>	<u>2,208</u>	<u>9,920</u>	<u>17,307</u>	<u>365</u>	<u>12,338</u>	<u>283</u>	<u>52,014</u>
5. Gross Operating Surplus / (Deficit)	<u>254,313</u>	<u>(171,457)</u>	<u>(69,304)</u>	<u>287,579</u>	<u>14,981</u>	<u>366,954</u>	<u>9,291</u>	<u>692,357</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ 254,313</u>	<u>\$ (171,457)</u>	<u>\$ (69,304)</u>	<u>\$ 287,579</u>	<u>\$ 14,981</u>	<u>\$ 366,954</u>	<u>\$ 9,291</u>	<u>\$ 692,357</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2014
DECEMBER 31, 2017
 (UNAUDITED)

	Coverages and Other Accounts							Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	Contingency	General and Administrative	Reinsurance	
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)	79,419	416,808	563,071	108,501		1,055,162	391,568	1,167,799
Expenses								
Total Liabilities	<u>79,419</u>	<u>416,808</u>	<u>563,071</u>	<u>108,501</u>		<u>1,055,162</u>	<u>391,568</u>	<u>2,614,529</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>311,799</u>	<u>(126,688)</u>	<u>543,248</u>	<u>595,951</u>	<u>14,569</u>	<u>233,065</u>	<u>19,059</u>	<u>1,591,003</u>
4. <u>Adjustments</u>								
Investment Income	8,505	3,964	23,541	15,600	271	7,218	398	59,497
Transfers								
Total Adjustments	<u>8,505</u>	<u>3,964</u>	<u>23,541</u>	<u>15,600</u>	<u>271</u>	<u>7,218</u>	<u>398</u>	<u>59,497</u>
5. Gross Operating Surplus / (Deficit)	<u>320,304</u>	<u>(122,724)</u>	<u>566,789</u>	<u>611,551</u>	<u>14,840</u>	<u>240,283</u>	<u>19,457</u>	<u>1,650,500</u>
6. Return of Surplus								
7. Net Current Surplus / (Deficit)	<u>\$ 320,304</u>	<u>\$ (122,724)</u>	<u>\$ 566,789</u>	<u>\$ 611,551</u>	<u>\$ 14,840</u>	<u>\$ 240,283</u>	<u>\$ 19,457</u>	<u>\$ 1,650,500</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2015
 DECEMBER 31, 2017
 (UNAUDITED)

	Coverages and Other Accounts							Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	Contingency	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 396,452	\$ 292,691	\$ 1,120,147	\$ 713,007	\$ 14,569	\$ 1,218,118	\$ 525,000	\$ 4,279,984
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>396,452</u>	<u>292,691</u>	<u>1,120,147</u>	<u>713,007</u>	<u>14,569</u>	<u>1,218,118</u>	<u>525,000</u>	<u>4,279,984</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	199,608	258,242	548,862	358,639		1,061,789	535,022	1,365,351
Expenses								
Total Liabilities	<u>199,608</u>	<u>258,242</u>	<u>548,862</u>	<u>358,639</u>		<u>1,061,789</u>	<u>535,022</u>	<u>2,962,162</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>196,844</u>	<u>34,449</u>	<u>571,285</u>	<u>354,368</u>	<u>14,569</u>	<u>156,329</u>	<u>(10,022)</u>	<u>1,317,822</u>
4. <u>Adjustments</u>								
Investment Income	5,558	3,917	15,484	10,970	213	2,245	(330)	38,057
Transfers								
Total Adjustments	<u>5,558</u>	<u>3,917</u>	<u>15,484</u>	<u>10,970</u>	<u>213</u>	<u>2,245</u>	<u>(330)</u>	<u>38,057</u>
5. <u>Gross Operating Surplus / (Deficit)</u>	<u>202,402</u>	<u>38,366</u>	<u>586,769</u>	<u>365,338</u>	<u>14,782</u>	<u>158,574</u>	<u>(10,352)</u>	<u>1,355,879</u>
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus / (Deficit)</u>	<u>\$ 202,402</u>	<u>\$ 38,366</u>	<u>\$ 586,769</u>	<u>\$ 365,338</u>	<u>\$ 14,782</u>	<u>\$ 158,574</u>	<u>\$ (10,352)</u>	<u>\$ 1,355,879</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
 FUND YEAR - 2016
 DECEMBER 31, 2017
 (UNAUDITED)

	Coverages and Other Accounts							Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	Contingency	General and Administrative	Reinsurance	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 385,675	\$ 336,967	\$ 1,135,151	\$ 648,372	\$ 14,569	\$ 1,218,566	\$ 530,235	\$ 4,269,535
Supplemental Contributions								
Other Income (except investments)								
Total Income	<u>385,675</u>	<u>336,967</u>	<u>1,135,151</u>	<u>648,372</u>	<u>14,569</u>	<u>1,218,566</u>	<u>530,235</u>	<u>4,269,535</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	387,915	338,926	1,141,752	652,141		1,137,383	542,696	2,520,734
Expenses								1,680,079
Total Liabilities	<u>387,915</u>	<u>338,926</u>	<u>1,141,752</u>	<u>652,141</u>		<u>1,137,383</u>	<u>542,696</u>	<u>4,200,813</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(2,240)</u>	<u>(1,959)</u>	<u>(6,601)</u>	<u>(3,769)</u>	<u>14,569</u>	<u>81,183</u>	<u>(12,461)</u>	<u>68,722</u>
4. <u>Adjustments</u>								
Investment Income	2,351	1,817	6,980	4,206	95	641		16,090
Transfers								
Total Adjustments	<u>2,351</u>	<u>1,817</u>	<u>6,980</u>	<u>4,206</u>	<u>95</u>	<u>641</u>		<u>16,090</u>
5. <u>Gross Operating Surplus / (Deficit)</u>	<u>111</u>	<u>(142)</u>	<u>379</u>	<u>437</u>	<u>14,664</u>	<u>81,824</u>	<u>(12,461)</u>	<u>84,812</u>
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus / (Deficit)</u>	<u>\$ 111</u>	<u>\$ (142)</u>	<u>\$ 379</u>	<u>\$ 437</u>	<u>\$ 14,664</u>	<u>\$ 81,824</u>	<u>\$ (12,461)</u>	<u>\$ 84,812</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1997
DECEMBER 31, 2017
(UNAUDITED)

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 1998DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
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>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 1999DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 537,109	\$ 338,011	\$ 1,830,035	\$ 2,175,717	\$ 4,880,872
Case Reserves		83,252	5,332	18,282	106,866
IBNR Reserve		19,564	1,253	4,296	25,113
Subtotal	<u>537,109</u>	<u>440,827</u>	<u>1,836,620</u>	<u>2,198,295</u>	<u>5,012,851</u>
Excess Insurance					
Received				3,090,186	3,090,186
Receivable					
Recoverable					
Subtotal				<u>3,090,186</u>	<u>3,090,186</u>
Incurred Claims	<u>537,109</u>	<u>440,827</u>	<u>1,836,620</u>	<u>(891,891)</u>	<u>\$ 1,922,665</u>
Number of Claims	12	4	18	2	
Cost/Claim	<u>\$ 44,759</u>	<u>\$ 110,207</u>	<u>\$ 102,034</u>	<u>\$ (445,946)</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2000DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
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>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2001DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
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>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2002DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 175,312	\$ 38,810	\$ 774,694	\$ 528,003	\$ 1,516,819
Case Reserves			215	111,996	112,211
IBNR Reserve			51	26,319	26,370
Subtotal	<u>175,312</u>	<u>38,810</u>	<u>774,960</u>	<u>666,318</u>	<u>1,655,400</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>774,960</u>	<u>649,853</u>	<u>\$ 1,638,935</u>
Number of Claims	11	5	19	3	
Cost/Claim	<u>\$ 15,937</u>	<u>\$ 7,762</u>	<u>\$ 40,787</u>	<u>\$ 216,618</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2003DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 799,283	\$ 10,947	\$ 32,726		\$ 842,956
Case Reserves	890		4,547		5,437
IBNR Reserve	209		1,069		1,278
Subtotal	<u>800,382</u>	<u>10,947</u>	<u>38,342</u>		<u>849,671</u>
Excess Insurance					
Received	253,167				253,167
Receivable					
Recoverable					
Subtotal	<u>253,167</u>				<u>253,167</u>
Incurred Claims	<u>547,215</u>	<u>10,947</u>	<u>38,342</u>		<u>\$ 596,504</u>
Number of Claims	12	5	17		
Cost/Claim	<u>\$ 45,601</u>	<u>\$ 2,189</u>	<u>\$ 2,255</u>	<u>\$ -0-</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2004DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 335,270	\$ 467,764	\$ 563,934	\$ 396,802	\$ 1,763,770
Case Reserves					
IBNR Reserve		(5)		5	
Subtotal	<u>335,270</u>	<u>467,759</u>	<u>563,934</u>	<u>396,807</u>	<u>1,763,770</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>335,270</u>	<u>467,759</u>	<u>563,934</u>	<u>396,807</u>	<u>\$ 1,763,770</u>
Number of Claims	13	12	28	3	
Cost/Claim	<u>\$ 25,790</u>	<u>\$ 38,980</u>	<u>\$ 20,141</u>	<u>\$ 132,269</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2005DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 160,468	\$ 198,467	\$ 245,967	\$ 180,564	\$ 785,466
Case Reserves			1,074	99,065	100,139
IBNR Reserve			252	23,280	23,532
Subtotal	<u>160,468</u>	<u>198,467</u>	<u>247,293</u>	<u>302,909</u>	<u>909,137</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>247,293</u>	<u>302,909</u>	<u>\$ 905,492</u>
Number of Claims	13	11	28	4	
Cost/Claim	<u>\$ 12,344</u>	<u>\$ 17,711</u>	<u>\$ 8,832</u>	<u>\$ 75,727</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2006DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 12,995	\$ 116,865	\$ 2,660,632	\$ 471,989	\$ 3,262,481
Case Reserves	994,000		37,026	13,012	1,044,038
IBNR Reserve	<u>233,590</u>		<u>8,701</u>	<u>3,058</u>	<u>245,349</u>
Subtotal	<u>1,240,585</u>	<u>116,865</u>	<u>2,706,359</u>	<u>488,059</u>	<u>4,551,868</u>
Excess Insurance					
Received		29			29
Receivable					
Recoverable					
Subtotal		<u>29</u>			<u>29</u>
Incurred Claims	<u>1,240,585</u>	<u>116,836</u>	<u>2,706,359</u>	<u>488,059</u>	<u>\$ 4,551,839</u>
Number of Claims	10	24	35	1	
Cost/Claim	<u>\$ 124,059</u>	<u>\$ 4,868</u>	<u>\$ 77,325</u>	<u>\$ 488,059</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2007DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
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>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2008DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 39,113	\$ 76,050	\$ 841,635	\$ 280,662	\$ 1,237,460
Case Reserves			32,176	60,338	92,514
IBNR Reserve			7,561	14,180	21,741
Subtotal	<u>39,113</u>	<u>76,050</u>	<u>881,372</u>	<u>355,180</u>	<u>1,351,715</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>39,113</u>	<u>76,050</u>	<u>881,372</u>	<u>355,180</u>	<u>\$ 1,351,715</u>
Number of Claims	12	15	31	4	
Cost/Claim	<u>\$ 3,259</u>	<u>\$ 5,070</u>	<u>\$ 28,431</u>	<u>\$ 88,795</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2009DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 57,131	\$ 75,805	\$ 1,110,767	\$ 831,015	\$ 2,074,718
Case Reserves			173,469	985	174,454
IBNR Reserve			40,765	231	40,996
Subtotal	<u>57,131</u>	<u>75,805</u>	<u>1,325,001</u>	<u>832,231</u>	<u>2,290,168</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>57,131</u>	<u>75,805</u>	<u>1,325,001</u>	<u>832,231</u>	<u>\$ 2,290,168</u>
Number of Claims	15	20	36	1	
Cost/Claim	<u>\$ 3,809</u>	<u>\$ 3,790</u>	<u>\$ 36,806</u>	<u>\$ 832,231</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR CLAIMS ANALYSISFUND YEAR - 2010DECEMBER 31, 2017

(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 70,997	\$ 427,166	\$ 136,340	\$ 25,000	\$ 659,503
Case Reserves	27,036	299,363	6,449		332,848
IBNR Reserve	6,354	70,351	1,516		78,221
Subtotal	<u>104,387</u>	<u>796,880</u>	<u>144,305</u>	<u>25,000</u>	<u>1,070,572</u>
Excess Insurance					
Received	2,821				2,821
Receivable					
Recoverable					
Subtotal	<u>2,821</u>				<u>2,821</u>
Incurred Claims	<u>101,566</u>	<u>796,880</u>	<u>144,305</u>	<u>25,000</u>	<u>\$ 1,067,751</u>
Number of Claims	16	23	40	1	
Cost/Claim	<u>\$ 6,348</u>	<u>\$ 34,647</u>	<u>\$ 3,608</u>	<u>\$ 25,000</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2011
DECEMBER 31, 2017
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 51,694	\$ 27,022	\$ 133,083	\$ 998	\$ 212,797
Case Reserves		541	49,072	49,002	98,615
IBNR Reserve		136	12,357	12,340	24,833
Subtotal	<u>51,694</u>	<u>27,699</u>	<u>194,512</u>	<u>62,340</u>	<u>336,245</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>51,694</u>	<u>27,699</u>	<u>194,512</u>	<u>62,340</u>	<u>\$ 336,245</u>
Number of Claims	24	18	44	2	
Cost/Claim	<u>\$ 2,154</u>	<u>\$ 1,539</u>	<u>\$ 4,421</u>	<u>\$ 31,170</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2017
(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	\$ 41,460	\$ 89,495	\$ 399,052	\$ 1,871	\$ 531,878
Case Reserves	125,433	17,505	5,578	150,000	298,516
IBNR Reserve	35,939	6,372	7,470	44,846	94,627
Subtotal	<u>202,832</u>	<u>113,372</u>	<u>412,100</u>	<u>196,717</u>	<u>925,021</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>202,832</u>	<u>113,372</u>	<u>412,100</u>	<u>196,717</u>	<u>\$ 925,021</u>
Number of Claims	14	24	40	2	
Cost/Claim	<u>\$ 14,488</u>	<u>\$ 4,724</u>	<u>\$ 10,303</u>	<u>\$ 98,359</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2013
DECEMBER 31, 2017
(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	\$ 7,649	\$ 435,681	\$ 1,000,152	\$ 9,049	\$ 1,452,531
Case Reserves	92,000	14,053	60,347	330,669	497,069
IBNR Reserve	<u>37,409</u>	<u>15,570</u>	<u>57,854</u>	<u>106,770</u>	<u>217,603</u>
Subtotal	<u>137,058</u>	<u>465,304</u>	<u>1,118,353</u>	<u>446,488</u>	<u>2,167,203</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>137,058</u>	<u>465,304</u>	<u>1,118,353</u>	<u>446,488</u>	<u>\$ 2,167,203</u>
Number of Claims	17	23	43	3	
Cost/Claim	<u>\$ 8,062</u>	<u>\$ 20,231</u>	<u>\$ 26,008</u>	<u>\$ 148,829</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2014
DECEMBER 31, 2017
(UNAUDITED)

	<u>Coverages</u>				<u>Total</u>
	<u>Non-Site Specific</u>	<u>Site Specific</u>	<u>Legal Defense</u>	<u>Superfund Buyout</u>	
Paid Claims	\$ 3,714	\$ 156,292	\$ 42,815		\$ 202,821
Case Reserves	14,025	198,272	315,312		527,609
IBNR Reserve	<u>61,680</u>	<u>62,244</u>	<u>204,944</u>	<u>\$ 108,501</u>	<u>437,369</u>
Subtotal	<u>79,419</u>	<u>416,808</u>	<u>563,071</u>	<u>108,501</u>	<u>1,167,799</u>
Excess Insurance					
Received					
Receivable					
Recoverable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Incurred Claims	<u>79,419</u>	<u>416,808</u>	<u>563,071</u>	<u>108,501</u>	<u>\$ 1,167,799</u>
Number of Claims	9	30	40	1	
Cost/Claim	<u>\$ 8,824</u>	<u>\$ 13,894</u>	<u>\$ 14,077</u>	<u>\$ 108,501</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2015
DECEMBER 31, 2017
(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	\$ 16,890	\$ 32,700	\$ 73,510		\$ 123,100
Case Reserves	16,682	135,029	5,549	\$ 56,000	213,260
IBNR Reserve	<u>166,036</u>	<u>90,513</u>	<u>469,803</u>	<u>302,639</u>	<u>1,028,991</u>
Subtotal	<u>199,608</u>	<u>258,242</u>	<u>548,862</u>	<u>358,639</u>	<u>1,365,351</u>
Excess Insurance					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>199,608</u>	<u>258,242</u>	<u>548,862</u>	<u>358,639</u>	<u>\$ 1,365,351</u>
Number of Claims	8	16	25	1	
Cost/Claim	<u>\$ 24,951</u>	<u>\$ 16,140</u>	<u>\$ 21,954</u>	<u>\$ 358,639</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2016
DECEMBER 31, 2017
(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	\$ 37,582	\$ 63,579	\$ 87,115	\$ 2,602	\$ 190,878
Case Reserves	161,595	222,093	542,046	423,398	1,349,132
IBNR Reserve	<u>188,738</u>	<u>53,254</u>	<u>512,591</u>	<u>226,141</u>	<u>980,724</u>
Subtotal	<u>387,915</u>	<u>338,926</u>	<u>1,141,752</u>	<u>652,141</u>	<u>2,520,734</u>
Excess Insurance:					
Received					
Receivable					
Recoverable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Incurred Claims	<u>387,915</u>	<u>338,926</u>	<u>1,141,752</u>	<u>652,141</u>	<u>\$ 2,520,734</u>
Number of Claims	17	14	35	4	
Cost/Claim	<u>\$ 22,819</u>	<u>\$ 24,209</u>	<u>\$ 32,621</u>	<u>\$ 163,035</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2017
DECEMBER 31, 2017
(UNAUDITED)

	Coverages				Total
	Non-Site Specific	Site Specific	Legal Defense	Superfund Buyout	
Paid Claims	\$ 51,539	\$ 17,454	\$ 15,348		\$ 84,341
Case Reserves	70,961	182,396	7,302		260,659
IBNR Reserve	<u>224,774</u>	<u>182,676</u>	<u>1,126,101</u>	<u>\$ 663,022</u>	<u>2,196,573</u>
Subtotal	<u>347,274</u>	<u>382,526</u>	<u>1,148,751</u>	<u>663,022</u>	<u>2,541,573</u>
Excess Insurance:					
Received					
Receivable					
Recoverable					
Subtotal					
Incurred Claims	<u>347,274</u>	<u>382,526</u>	<u>1,148,751</u>	<u>663,022</u>	<u>\$ 2,541,573</u>
Number of Claims	8	14	22	0	
Cost/Claim	<u>\$ 43,409</u>	<u>\$ 27,323</u>	<u>\$ 52,216</u>	<u>\$ -0-</u>	

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 1997DECEMBER 31, 2017

(UNAUDITED)

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1998

DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 1999DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2000DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2001DECEMBER 31, 2017

(UNAUDITED)

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2002DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2003DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2004DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2005DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2006DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2007DECEMBER 31, 2017

(UNAUDITED)

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2008DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2009DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2010DECEMBER 31, 2017

(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2011
DECEMBER 31, 2017
(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2012
DECEMBER 31, 2017
(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>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2013DECEMBER 31, 2017

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 366,830		\$ 366,830
Subtotal Excess Insurance	<u>366,830</u>		<u>366,830</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	238,445		238,445
Claims Adjuster	22,599		22,599
Legal	69,668		69,668
Treasurer	17,890		17,890
Other (Itemize):			
Actuary	60,652		60,652
Environmental Services	232,493		232,493
Underwriting Manager	203,723		203,723
Miscellaneous	101,855		101,855
External Auditor	14,504		14,504
	<u>961,829</u>		<u>961,829</u>
Total Expenses	<u>\$ 1,328,659</u>	<u>\$ -0-</u>	<u>\$ 1,328,659</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2014
DECEMBER 31, 2017
(UNAUDITED)

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2015DECEMBER 31, 2017

(UNAUDITED)

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

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2016DECEMBER 31, 2017

(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 542,696		\$ 542,696
Subtotal Excess Insurance	542,696		542,696
2. <u>Administrative Expenses</u>			
Administrative Fees	249,336		249,336
Claims Adjuster	25,168		25,168
Legal	72,828		72,828
Treasurer	18,924		18,924
Other (Itemize):			
Actuary	61,702		61,702
Environmental Services	392,513		392,513
Underwriting Manager	212,969		212,969
Miscellaneous	88,604		88,604
External Auditor	15,339		15,339
	<u>1,137,383</u>		<u>1,137,383</u>
Total Expenses	<u>\$ 1,680,079</u>	<u>\$ -0-</u>	<u>\$ 1,680,079</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2017
DECEMBER 31, 2017
(UNAUDITED)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums	\$ 541,069		\$ 541,069
Subtotal Excess Insurance	<u>541,069</u>		<u>541,069</u>
2. <u>Administrative Expenses</u>			
Administrative Fees	160,473	\$ 96,507	256,980
Claims Adjuster	25,942		25,942
Legal	75,061		75,061
Treasurer	19,296		19,296
Other (Itemize):			
Actuary	61,701		61,701
Environmental Services	387,928		387,928
Underwriting Manager	219,502		219,502
Miscellaneous	75,340	11,250	86,590
External Auditor		15,646	15,646
	<u>1,025,243</u>	<u>123,403</u>	<u>1,148,646</u>
Total Expenses	<u>\$ 1,566,312</u>	<u>\$ 123,403</u>	<u>\$ 1,689,715</u>

NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND
PROGRAM SUMMARY
FUND YEAR - 2017
DECEMBER 31, 2017
(UNAUDITED)

Prior Terminology	COVERAGES				
	A NON SITE	B SITE	C NON SITE/SITE	D SUPER FUND BUYOUT	E NON SITE/SITE
	THIRD PARTY	ON SITE CLEANUP COSTS LIABILITY	PUBLIC OFFICIALS POLLUTION LIABILITY	DE MINIMUS ABANDONED WASTE SITES LIABILITY	TANK SYSTEMS
1.) <u>Limits</u>	\$1,000,000 per claim	\$50,000 per claim	\$1,000,000 per claim	\$50,000 per claim	\$1,000,000 per claim

De Minimus Abandoned Waste Sites Liability coverage is an aggregate amount that includes legal defense, which is subject to \$50,000 per local unit limit. Legal Defense erodes policy limits except Coverage D - De Minimus Abandoned Waste Sites Liability which has an aggregate Legal Defense cost limit of \$500,000. Storage Tank coverage is a separate coverage requiring scheduling of tanks onto policy. Members are subject to \$2,500 deductible per claim under the EIL policy and subject to a \$5,000 deductible each incident under the Tank policy. All members are specified in the annual budget.

2.) <u>Annual Aggregate Limits</u>	\$1,000,000 (B)	\$100,000 (B)	\$1,000,000 (B)	\$50,000 (B)	\$1,000,000 (B)
3.) <u>Excess Insurance</u>	Fund purchased Excess Aggregate Insurance up to a total aggregate of \$9,000,000. This insurance does not increase the limits to individual members.				
4.) <u>Number of Participants</u>	13 JIF's with 305 Municipalities and 72 Utility Authorities	13 JIF's with 305 Municipalities and 72 Utility Authorities	13 JIF's with 305 Municipalities and 72 Utility Authorities	13 JIF's with 305 Municipalities and 72 Utility Authorities	13 JIF's with 305 Municipalities and 72 Utility Authorities
5.) <u>Incurred Liabilities</u>	\$655,881	\$239,224	\$102,151	\$1,294,835	\$249,482
6.) <u>Exposure Units</u>	3,756,257 Population	3,756,257 Population	3,756,257 Population	3,756,257 Population	192 Regulated UST's Unspecified number of AST's
7.) <u>Liabilities/Unit</u>	\$0.175	\$0.064	\$0.027	\$0.345	\$1,299.39

(B) - Subject to overall aggregate per member JIF
 Bergen - \$4,087,730 Camden - \$3,042,560
 Morris - \$4,818,040 Ocean - \$4,804,400
 PMM - \$1,170,240 So. Bergen - \$3,255,250
 Suburban Essex - \$1,471,280 Burlington - \$2,530,250
 NJUA - \$2,500,000
 TRICO JIF - \$3,743,440

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2017
 (UNAUDITED)

Bank	Amount
Investors Savings Bank	\$ 10,825,731
US Treasury Notes	
Investments	17,727,081
Money Market	58,605
New Jersey Cash Management Fund	1,922,282
	30,533,699
 Less: Outstanding Checks	 70,991
	\$ 30,462,708

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF OTHER RECEIVABLES
DECEMBER 31, 2017
(UNAUDITED)

Accrued Interest Receivable

\$ 76,932

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ADMINISTRATIVE EXPENSES PAYABLE
DECEMBER 31, 2017
(UNAUDITED)

Fund Year 2017:

Administrative Fees	\$ 96,507
Miscellaneous	11,250
External Auditor	<u>15,646</u>
	<u>\$ 123,403</u>

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS



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 Mt. Arlington, NJ 07856
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based
 on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Jersey Municipal Environmental Risk Management Fund (the "Fund") as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated May 18, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
May 18, 2018

Niswocin LLP

STATISTICAL SECTION

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND

NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

	December 31,				
	2008	2009	2010	2011	2012
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt			\$ 250,000	\$ 250,000	\$ 250,000
Unrestricted	\$ 11,830,229	\$ 9,211,158	\$ 11,142,916	9,482,336	10,047,892
Total Business-Type Activities Net Position	\$ 11,830,229	\$ 9,211,158	\$ 11,392,916	\$ 9,732,336	\$ 10,297,892

	December 31,				
	2013	2014	2015	2016	2017
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Unrestricted	11,780,089	15,011,933	14,939,954	16,337,396	19,555,537
Total Business-Type Activities Net Position	\$ 12,030,089	\$ 15,261,933	\$ 15,189,954	\$ 16,587,396	\$ 19,805,537

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

LAST TEN YEARS
(Unaudited)

	Year Ending December 31,			
	2008	2009	2010	2011
Revenue:				2012
Assessments from Participating Members	\$ 3,716,831	\$ 3,874,501	\$ 3,879,494	\$ 3,901,387
Investment Income	780,131	414,356	262,217	430,701
Other Income			282	1,212
Total Revenue	4,496,962	4,288,857	4,141,993	4,333,300
Expenses:				
Provision for Claims and Claim Adjustment Expense	1,966,703	4,984,378	(481,025)	3,767,523
Insurance Premiums	392,009	355,530	363,654	366,063
Claims Administration	20,609	21,754	21,754	21,754
Contractual Services	960,100	1,014,782	815,047	835,186
Non-Contractual Services	14,326	7,784	18,754	29,671
Administration	16,451	23,700	222,051	223,683
Total Expenses	3,370,198	6,407,928	960,235	5,243,880
Return of Member Dividends	(500,000)	(500,000)	(1,000,000)	(750,000)
Change in Net Position	\$ 626,764	\$ (2,619,071)	\$ 2,181,758	\$ (1,660,580)
				\$ 565,556

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

LAST TEN YEARS
(Unaudited)

	Year Ending December 31,				
	2013	2014	2015	2016	2017
Revenue:					
Assessments from Participating Members	\$ 4,136,205	\$ 4,205,532	\$ 4,279,984	\$ 4,269,535	\$ 4,351,055
Investment Income	18,145	188,124	132,818	232,181	230,022
Other Income					
Total Revenue	4,154,350	4,393,656	4,412,802	4,501,716	4,581,077
Expenses:					
Provision for Claims and Claim Adjustment Expense	765,979	(759,085)	2,261,772	873,531	(1,326,965)
Insurance Premiums	366,830	391,568	535,022	542,696	541,069
Claims Administration	22,599	24,423	24,897	25,168	25,942
Contractual Services	530,538	754,063	883,055	819,275	824,134
Non-Contractual Services	47,762	33,886	33,383	44,268	41,776
Administration	238,445	241,956	246,648	249,336	256,980
Total Expenses	1,972,153	686,811	3,984,777	2,554,274	362,936
Return of Member Dividends	(450,000)	(475,001)	(500,004)	(550,000)	(1,000,000)
Change in Net Position	\$ 1,732,197	\$ 3,231,844	\$ (71,979)	\$ 1,397,442	\$ 3,218,141

NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND
MEMBER GROWTH ANALYSIS - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2017
 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total number of members	13	13	13	13	13	13	13	13	13	13
Total member assessments	\$ 3,716,831	\$ 3,874,501	\$ 3,879,579	\$ 3,901,387	\$ 3,896,296	\$ 4,136,205	\$ 4,205,532	\$ 4,279,984	\$ 4,269,535	\$ 4,351,055
Total number of claims	31	36	40	44	40	43	40	25	35	22
Total reported losses	1,329,974	2,249,172	989,530	311,412	830,394	1,949,600	730,430	336,360	1,540,010	345,000

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, 2017
(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.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Non-site Specific Fund	\$ 39,113	\$ 57,131	\$ 95,212	\$ 51,694	\$ 166,893	\$ 99,649	\$ 17,739	\$ 33,572	\$ 199,177	\$ 122,500
Site Specific Fund	76,050	75,805	726,529	27,563	107,000	449,734	354,564	167,729	285,672	199,850
Legal Defense Fund	873,811	1,284,236	142,789	182,155	404,630	1,060,499	358,127	79,059	629,161	22,650
Superfund Buyout Fund	341,000	832,000	25,000	50,000	151,871	339,718		56,000	426,000	
Total	\$ 1,329,974	\$ 2,249,172	\$ 989,530	\$ 311,412	\$ 830,394	\$ 1,949,600	\$ 730,430	\$ 336,360	\$ 1,540,010	\$ 345,000
Total number of claims	31	36	40	44	40	43	40	25	35	22
Average cost per claim	\$ 42,902	\$ 62,477	\$ 24,738	\$ 7,078	\$ 20,760	\$ 45,340	\$ 18,261	\$ 13,454	\$ 44,000	\$ 15,682

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
REPORTED CLAIM ACTIVITY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2017
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Non-site Specific Fund	12	15	16	24	14	17	9	8	17	8
Site Specific Fund	15	20	23	18	24	23	30	16	14	14
Legal Defense Fund (A)	31	36	40	44	40	43	40	25	35	22
Superfund Buyout Fund	4	1	1	2	2	3	1	1	4	
Total	<u>31</u>	<u>36</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>43</u>	<u>40</u>	<u>25</u>	<u>35</u>	<u>22</u>
Claims settled in full	29	35	38	41	32	27	26	16	7	7
Claims pending	2	1	2	3	8	16	14	9	28	15
Total	<u>31</u>	<u>36</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>43</u>	<u>40</u>	<u>25</u>	<u>35</u>	<u>22</u>

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