

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2014 AND 2013**

BURLINGTON COUNTY INSURANCE COMMISSION

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## **INDEPENDENT AUDITORS' REPORT**

Board of Commissioners  
Burlington County Insurance Commission  
9 Campus Drive  
Suite 216  
Parsippany, NJ 07054

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Burlington County Insurance Commission (the "Commission") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Commission'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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Burlington County Insurance Commission as of December 31, 2014 and 2013 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

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

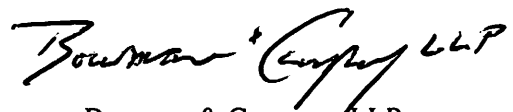
### ***Other Information***

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 14, 2015 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Woodbury, New Jersey  
August 14, 2015

**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**

Board of Commissioners  
Burlington County Insurance Commission  
9 Campus Drive  
Suite 216  
Parsippany, NJ 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Burlington County Insurance Commission (the "Commission") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collective comprise the Commission's basic financial statements, and have issued our report thereon dated August 14, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Woodbury, New Jersey  
August 14, 2015

# **BURLINGTON COUNTY INSURANCE COMMISSION**

## **Management's Discussion and Analysis**

This section of the annual financial report of the Commission presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2014, 2013 and 2012. Please read it in conjunction with the basic financial statements that follow this section.

### **Overview of Basic Financial Statements**

The Commission'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 Commission is to provide property and casualty insurance coverage for Burlington County Proper and its' inter-agencies that are members of the Commission. The Commission maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

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

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

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



## Financial Highlights

The following tables summarize the Net Position and results of operations for the Commission as of and for the years ended December 31, 2014, 2013 and 2012.

Summary Statements of Net Position	12/31/2014	12/31/2013	12/31/2012	2014 to 2013 Change	
				Amount	Percentage
<b>Assets</b>					
Cash & Cash Equivalents	\$3,687,873	\$3,246,577	\$1,833,966	\$ 441,296	13.6%
Contributions Receivable					
Investment in Joint Venture	435,135	315,011	144,782	120,124	38.1%
Other Assets	361,531	29,726	7,878	331,805	1116.2%
<b>Total Assets</b>	<b>4,484,539</b>	<b>3,591,314</b>	<b>1,986,626</b>	<b>893,225</b>	<b>24.9%</b>
<b>Liabilities &amp; Net Position</b>					
<b>Liabilities</b>					
Loss Reserves	3,455,628	3,126,031	1,329,972	329,597	10.5%
Other Liabilities	88,994	35,570	33,025	53,424	150.2%
<b>Total Liabilities</b>	<b>3,544,622</b>	<b>3,161,601</b>	<b>1,362,997</b>	<b>383,021</b>	<b>12.1%</b>
<b>Net Position - Unrestricted</b>	<b>\$ 939,917</b>	<b>\$ 429,713</b>	<b>\$ 623,629</b>	<b>\$ 510,204</b>	<b>118.7%</b>

Summary Statements of Revenues, Expenditures, and Changes in Net Position	12/31/2014	12/31/2013	12/31/2012	2014 to 2013 Change	
				Amount	Percentage
<b>Operating Revenue</b>					
Regular Contributions & Other Income	\$4,386,788	\$4,519,313	\$4,688,874	\$ (132,525)	-2.9%
<b>Operating Expenses:</b>					
Provision for Claims and Claims Expense	1,753,134	2,631,494	2,027,497	(878,360)	-33.4%
Insurance Premiums	1,912,552	1,907,280	1,758,713	5,272	0.3%
Administrative and Operating	344,257	348,562	426,462	(4,305)	-1.2%
<b>Total Operating Expenses</b>	<b>4,009,943</b>	<b>4,887,336</b>	<b>4,212,672</b>	<b>(877,393)</b>	<b>-18.0%</b>
<b>Operating Income (Loss)</b>	<b>376,845</b>	<b>(368,023)</b>	<b>476,202</b>	<b>744,868</b>	<b>202.4%</b>
<b>Non-Operating Revenue:</b>					
Investment Income	18,193	3,878	2,645	14,315	369.1%
Change in Investment in Joint Venture	120,124	170,229	144,782	(50,105)	-29.4%
<b>Distributions to Members</b>	<b>(4,958)</b>	<b>-</b>	<b>-</b>	<b>(4,958)</b>	<b>100.0%</b>
<b>Change In Net Position</b>	<b>\$ 510,204</b>	<b>\$ (193,916)</b>	<b>\$ 623,629</b>	<b>\$ 704,120</b>	<b>363.1%</b>

## **Financial Highlights Continued**

On November 23, 2011, the Burlington County Board of Chosen Freeholders adopted a resolution which authorized the establishment of the Burlington County Insurance Commission. The Commission was established under N.J.S.A. 40A:10-6 which authorizes a governing body of any local unit to establish an Insurance Commission for the purposes provided by law. This was based on the County's determination that cost savings and efficiencies can be achieved if the County Proper and its inter-agencies share the cost of insurance, claim management and services, a safety and loss control program and consolidation of insurance policies.

The Burlington County Insurance Commission's total assets at the end of the third year of operations were \$4,484,539 and total liabilities were \$3,544,622 resulting in a surplus in an unrestricted net position of \$939,917. The Investment in Joint Ventures represents the Commission's share of net assets in the New Jersey Counties Excess Joint Insurance Fund.

Insurance premiums represent the assessment paid to the New Jersey Counties Excess Joint Insurance Fund were \$1,912,552. That Fund is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund, the Camden County Insurance Fund Commission, Cumberland County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Mercer County Insurance Fund Commission, Ocean County, Salem County Insurance Fund Commission and Union County.

In 2014, investment income was \$18,193 during the reporting period.

## **Economic Conditions**

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

## **Contacting the Fund's Management**

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

BURLINGTON COUNTY INSURANCE COMMISSION  
COMPARATIVE STATEMENTS OF NET POSITION  
AS OF DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,687,873	\$ 3,246,577
Contributions Receivable	9,880	286
Surplus Dividend Receivable	-	4,958
Escrow Payment	-	24,482
Reimbursement Receivable	351,651	-
Investment in Joint Venture	435,135	315,011
	<hr/>	<hr/>
Total Assets	4,484,539	3,591,314
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	64,649	29,406
Excess Insurance Payable	24,345	6,164
	<hr/>	<hr/>
Total Liabilities	88,994	35,570
	<hr/>	<hr/>
Claims Reserves:		
Case Reserves	2,357,510	2,538,235
IBNR Reserves	1,338,478	779,995
Less Reserve Discount	(240,360)	(192,199)
	<hr/>	<hr/>
Total Reserves	3,455,628	3,126,031
	<hr/>	<hr/>
Total Liabilities and Reserves	3,544,622	3,161,601
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	\$ 939,917	\$ 429,713
	<hr/>	<hr/>

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

BURLINGTON COUNTY INSURANCE COMMISSION  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating Revenue:		
Regular Contributions	\$ 4,386,788	\$ 4,514,355
CEL Dividend	-	4,958
	<hr/>	<hr/>
Total Operating Revenue	4,386,788	4,519,313
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	1,753,134	2,631,494
Premium for Excess Insurance	1,912,552	1,907,280
Administrative Expenses:		
Actuary	7,500	7,500
Attorney	38,000	38,000
Auditor	6,100	6,100
Claims Administrator	114,000	118,875
Fund Administrator	167,558	167,559
Miscellaneous Expenses	3,718	3,150
Postage	12	9
Risk Management Consultants	7,369	7,369
	<hr/>	<hr/>
Total Operating Expenses	4,009,943	4,887,336
	<hr/>	<hr/>
Operating Income (Loss)	376,845	(368,023)
	<hr/>	<hr/>
Non-Operating Revenue:		
Change in Investment in Joint Venture	120,124	170,229
Investment Income	18,193	3,878
	<hr/>	<hr/>
Total Non-Operating Revenue	138,317	174,107
	<hr/>	<hr/>
Change in Net Position	515,162	(193,916)
	<hr/>	<hr/>
Net Position - Beginning of Year	429,713	623,629
	<hr/>	<hr/>
Distributions to Members	(4,958)	-
	<hr/>	<hr/>
Net Position - End of Year	\$ 939,917	\$ 429,713
	<hr/>	<hr/>

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

BURLINGTON COUNTY INSURANCE COMMISSION  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 4,377,194	\$ 4,506,171
Receipts From CEL Dividend	4,958	-
Payments for Claim Payments	(1,399,055)	(835,435)
Payments for Insurance Premiums	(1,894,371)	(1,893,238)
Payments to Professionals and Suppliers	<u>(660,665)</u>	<u>(368,765)</u>
Net Cash Flows Provided By Operating Activities	<u>428,061</u>	<u>1,408,733</u>
Cash Flows Provided By Investing Activities:		
Investment Income	<u>18,193</u>	<u>3,878</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(4,958)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	441,296	1,412,611
Cash and Cash Equivalents - Beginning of Year	<u>3,246,577</u>	<u>1,833,966</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,687,873</u>	<u>\$ 3,246,577</u>
Reconciliation of Operating Income (Loss) to		
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 376,845	\$ (368,023)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided By Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(9,594)	(286)
Surplus Dividend Receivable	4,958	(4,958)
Prepaid Expenses	-	7,878
Escrow Payment	24,482	(24,482)
Reimbursement Receivable	(351,651)	-
Accrued Administrative Expenses	35,243	4,279
Excess Insurance Payable	18,181	6,164
Contributions Payable	-	(7,898)
Claims Reserves	<u>329,597</u>	<u>1,796,059</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 428,061</u>	<u>\$ 1,408,733</u>
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Venture	<u>\$ 120,124</u>	<u>\$ 170,229</u>

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

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION**

On November 23, 2011, the Burlington County Insurance Commission (the "Commission") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A:10-6. The Commission is operated in accordance with regulations of the Division of Local Government Services of the Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

The Board of Commissioners of the Commission may approve subsequent membership by a majority vote of the commissioners or may terminate any member by a majority vote, after proper notice has been given. Early terminations require prior approval by the Commissioners.

During 2014, members of the Commission included Burlington County, Burlington County Bridge Commission, and Burlington County Board of Social Services.

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

The Commission offers the following primary insurance coverage to its members:

- Workers' Compensation including Employers' Liability (WC).
- General Liability other than motor vehicles (GL).
- Property damage other than motor vehicles (PR).
- Automobile Liability and damage (AL).

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "CEL"), the Commission offers the following ancillary insurance coverage to its members:

- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability

The Commission provides coverage on a self-insured basis and secures excess insurance through membership in the CEL for WC, GL and AL in a form and an amount from an insurance company acceptable to the Commissioner of Insurance. Insurance coverage is also provided by Lloyds for Public Officials Liability and Employment Practices Liability (POL/EPL) in excess of Burlington County's self-insured retention of \$500,000.

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant policies followed by the Burlington County Insurance Commission in the preparation of the accompanying financial statements:

**Component Unit**

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

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

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

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

**Basis of Presentation**

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

**Revenues - Exchange and Non-Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

**Expenses** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

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



**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Annual Contributions**

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

**Supplemental Contributions**

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

**Interest Income Allocation**

Interest income was allocated based on the ratio of monthly average invested cash balances by line of coverage to the total amount invested applied to interest income credited for the month.

**Unpaid Claims Liabilities**

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

A. Reported Claims Case Reserves

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, PMA Management Corp.

B. Claims Incurred But Not Reported (IBNR) Reserve

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

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Unpaid Claims Liabilities (Cont'd)**

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Commission plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Commission and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2014. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

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

**Excess Coverage**

Coverage in excess of the Commission's self-insured retention limit is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund as described in Note 6.

**Subrogation**

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

**Refunds**

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

**Administrative Expenses**

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

**Income Taxes**

The Commission is exempt from income taxes under Section 115 of the Internal Revenue Code.

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Net Position**

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Commission has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities and positive changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Operating expenses include expenses associated with the Commission's operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

**Use of Estimates**

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

**Note 3: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits**

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

Of the Commission's bank balance of \$3,699,207 as of December 31, 2014, \$250,000 was insured while \$2,449,207 was collateralized under GUDPA.

Of the Commission's bank balance of \$3,247,192 as of December 31, 2013, \$250,000 was insured while \$2,997,192 was collateralized under GUDPA.

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4: INVESTMENT IN JOINT VENTURE**

As discussed in Note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund. The CEL is carrying the individual fund year surplus as unrestricted net position on the Statement of Net Position. The allocations of those funds attributed to the CEL's individual members are based on the member's percentage of assessments. The Commission's allocated share of surplus as of December 31, 2014 and 2013 was \$435,135 and \$315,011, respectively.

**Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES**

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

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund during 2014 for all open Fund years net of excess insurance recoveries:

	<u>2014</u>	<u>2013</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 3,126,031	\$ 1,329,972
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	2,127,140	2,662,479
Changes in provision for insured events of prior fund years	<u>(374,006)</u>	<u>(30,985)</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>4,879,165</u>	<u>3,961,466</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	511,501	541,067
Attributable to insured events of prior fund years	<u>912,036</u>	<u>294,368</u>
Total Payments all Fund years	<u>1,423,537</u>	<u>835,435</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	<u>\$ 3,455,628</u>	<u>\$ 3,126,031</u>

**Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS**

**New Jersey Counties Excess Joint Insurance Fund**

Effective January 1, 2012, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund. The CEL is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating members.

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS (CONT'D)**

**New Jersey Counties Excess Joint Insurance Fund (Cont'd)**

Each member appoints an official to represent their respective insurance fund commission for the purpose of creating a governing body from which officers for the CEL are elected.

As a member of the CEL, the Commission could be subject to supplemental assessments in the event of deficiencies. If the assets of the CEL were to be exhausted, members would become jointly and severally liable for the CEL's liabilities.

The CEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

**Selected Financial Information**

Selected, summarized financial information for the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2014 is as follows:

Total Assets	<u>\$ 13,276,890</u>
Total Liabilities	<u>\$ 7,953,316</u>
Net Position	<u>\$ 5,323,574</u>
Total Revenue	<u>\$ 18,750,078</u>
Total Expenses	<u>\$ 17,212,883</u>
Change in Net Position	<u>\$ 1,537,195</u>
Surplus Returned	<u>\$ -</u>

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the Fund's Executive Director:

PERMA  
9 Campus Drive, Suite 216  
Parsippany, NJ 07054  
201-881-7632

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**

BURLINGTON COUNTY INSURANCE COMMISSION  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - beginning of year	\$ 20,039	\$ 945,971	\$ 28,987	\$ 2,131,034	\$ 3,126,031
Incurred claims and claims adjustment expenses:					
Provision for insured events of current Fund year	19,801	586,321	191,071	1,329,947	2,127,140
Changes in provision for insured events of prior Fund years	124,502	(473,359)	(12,595)	(12,554)	(374,006)
Total incurred claims and claims adjustment expenses all Fund years	164,342	1,058,933	207,463	3,448,427	4,879,165
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current Fund year	2,109	208,276	64,300	236,816	511,501
Attributable to insured events of prior Fund years	36,202	84,666	16,392	774,776	912,036
Total payments all Fund years	38,311	292,942	80,692	1,011,592	1,423,537
Total unpaid claims and claim adjustment expenses - end of year	\$ 126,031	\$ 765,991	\$ 126,771	\$ 2,436,835	\$ 3,455,628

BURLINGTON COUNTY INSURANCE COMMISSION  
THREE-YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF DECEMBER 31, 2014

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net Earned Required Contribution and Investment Revenue:			
Earned	\$ 4,705,702	\$ 4,522,194	\$ 4,391,796
Ceded	1,758,713	1,907,280	1,912,552
	<hr/> 2,946,989	<hr/> 2,614,914	<hr/> 2,479,244
Unallocated Expenses	<hr/> 427,937	<hr/> 347,099	<hr/> 344,246
Estimated Claims and Expenses, End of Policy Year:			
Incurred	2,027,497	2,662,479	2,127,140
Ceded			
Net Incurred	<hr/> 2,027,497	<hr/> 2,662,479	<hr/> 2,127,140
Paid (Cumulative) as of:			
End of Policy Year	697,525	541,067	511,501
One Year Later	991,893	1,217,371	
Two Years Later	<hr/> 1,227,625		
Reestimated Incurred Claims and Expenses:			
End of Policy Year	2,027,497	2,662,479	2,127,140
One Year Later	1,996,512	2,559,856	
Two Years Later	<hr/> 1,725,129		
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<hr/> <hr/> \$ (302,368)	<hr/> <hr/> \$ (102,623)	<hr/> <hr/> \$ -



**BURLINGTON COUNTY INSURANCE COMMISSION**  
**SUPPLEMENTARY INFORMATION**

**BURLINGTON COUNTY INSURANCE COMMISSION**  
**STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense &amp; Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 126,664	\$ 223,841	\$ 69,570	\$ 1,690,287	\$ 1,912,553	\$ 363,873	\$ 4,386,788
Total Income	126,664	223,841	69,570	1,690,287	1,912,553	363,873	4,386,788
Incurred Liabilities:							
Claims	19,801	586,321	191,071	1,329,947	1,912,552	344,246	2,127,140
Expenses							2,256,798
Total Liabilities	19,801	586,321	191,071	1,329,947	1,912,552	344,246	4,383,938
Underwriting Surplus (Deficit)	106,863	(362,480)	(121,501)	360,340	1	19,627	2,850
Adjustments:							
Investment Income	350	236	53	4,309	60		5,008
Permanent Transfers							-
Total Adjustments	350	236	53	4,309	60	-	5,008
Gross Surplus (Deficit)	107,213	(362,244)	(121,448)	364,649	61	19,627	7,858
Return of Surplus							-
Net Surplus (Deficit)	\$ 107,213	\$ (362,244)	\$ (121,448)	\$ 364,649	\$ 61	\$ 19,627	\$ 7,858
Investment in Joint Venture							136,563
Net Surplus							\$ 144,421

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Property	General Liability	Automobile	Workers' Compensation	CEL	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	\$ 126,664	\$ 223,841	\$ 69,570	\$ 1,804,203	\$ 1,907,280	\$ 382,797	\$ 4,514,355
Total Income	126,664	223,841	69,570	1,804,203	1,907,280	382,797	4,514,355
Incurred Liabilities:							
Claims		476,094	41,428	2,042,334			2,559,856
Expenses				1,907,280		347,099	2,254,379
Total Liabilities		476,094	41,428	2,042,334	1,907,280	347,099	4,814,235
Underwriting Surplus (Deficit)	126,664	(252,253)	28,142	(238,131)	-	35,698	(299,880)
Adjustments:							
Investment Income	721	402	190	6,303	127	96	7,839
Permanent Transfers							-
Total Adjustments	721	402	190	6,303	127	96	7,839
Gross Surplus (Deficit)	127,385	(251,851)	28,332	(231,828)	127	35,794	(292,041)
Return of Surplus							-
Net Surplus (Deficit)	\$ 127,385	\$ (251,851)	\$ 28,332	\$ (231,828)	\$ 127	\$ 35,794	(292,041)
Investment in Joint Venture							176,010
Net Deficit							\$ (116,031)

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Property	General Liability	Automobile	Workers' Compensation	CEL	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	\$ 124,180	\$ 219,452	\$ 68,206	\$ 2,058,826	\$ 1,758,713	\$ 459,497	\$ 4,688,874
CEL Dividend				4,958			4,958
Total Income	124,180	219,452	68,206	2,058,826	1,763,671	459,497	4,688,874
Incurred Liabilities:							
Claims	42,202	364,529	7,877	1,310,521			1,725,129
Expenses				1,758,713		427,937	2,186,650
Total Liabilities	42,202	364,529	7,877	1,310,521	1,758,713	427,937	3,911,779
Underwriting Surplus (Deficit)	81,978	(145,077)	60,329	748,305	4,958	31,560	782,053
Adjustments:							
Investment Income	778	478	466	9,776	116	256	11,870
Permanent Transfers							-
Total Adjustments	778	478	466	9,776	116	256	11,870
Gross Surplus (Deficit)	82,756	(144,599)	60,795	758,081	5,074	31,816	793,923
Return of Surplus				4,958			4,958
Net Surplus (Deficit)	\$ 82,756	\$ (144,599)	\$ 60,795	\$ 758,081	\$ 116	\$ 31,816	\$ 788,965
Before Unallocated Investment							
Investment in Joint Venture							122,562
Net Surplus							\$ 911,527

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 2,109	\$ 208,276	\$ 64,300	\$ 236,816	\$ 511,501
Case Reserves	15,000	303,385	84,464	400,241	803,090
IBNR Reserves	2,891	108,339	51,236	761,675	924,141
Reserve Discount	(199)	(33,679)	(8,929)	(68,785)	(111,592)
Subtotal	19,801	586,321	191,071	1,329,947	2,127,140
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 19,801</u>	<u>\$ 586,321</u>	<u>\$ 191,071</u>	<u>\$ 1,329,947</u>	<u>\$ 2,127,140</u>
Number of Claims	<u>2</u>	<u>104</u>	<u>37</u>	<u>152</u>	<u>295</u>
Average Cost Per Claim	<u>\$ 9,901</u>	<u>\$ 5,638</u>	<u>\$ 5,164</u>	<u>\$ 8,750</u>	<u>\$ 7,211</u>

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ 119,933	\$ 41,428	\$ 1,056,010	\$ 1,217,371
Case Reserves		199,104		950,787	1,149,891
IBNR Reserves		180,963		103,203	284,166
Reserve Discount		(23,906)		(67,666)	(91,572)
Subtotal		476,094	41,428	2,042,334	2,559,856
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ -</u>	<u>\$ 476,094</u>	<u>\$ 41,428</u>	<u>\$ 2,042,334</u>	<u>\$ 2,559,856</u>
Number of Claims	-	106	15	151	272
Average Cost Per Claim	<u>\$ -</u>	<u>\$ 4,491</u>	<u>\$ 2,762</u>	<u>\$ 13,525</u>	<u>\$ 9,411</u>

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 42,202	\$ 224,405	\$ 7,877	\$ 953,141	\$ 1,227,625
Case Reserves		85,759		318,770	404,529
IBNR Reserves		62,082		68,089	130,171
Reserve Discount		(7,717)		(29,479)	(37,196)
Subtotal	42,202	364,529	7,877	1,310,521	1,725,129
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 42,202</u>	<u>\$ 364,529</u>	<u>\$ 7,877</u>	<u>\$ 1,310,521</u>	<u>\$ 1,725,129</u>
Number of Claims	<u>10</u>	<u>80</u>	<u>14</u>	<u>204</u>	<u>308</u>
Average Cost Per Claim	<u>\$ 4,220</u>	<u>\$ 4,557</u>	<u>\$ 563</u>	<u>\$ 6,424</u>	<u>\$ 5,601</u>

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Property</u>	<u>General Liability</u>	<u>Coverages</u>		<u>Workers Compensation</u>
			<u>Auto</u>		
Limits	\$260,000,000	\$15,250,000	\$15,250,000		STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000		\$250,000
Excess Insurers	Zurich RSUI Scottsdale	CEL Underwriters at Lloyds National Casualty	CEL Underwriters at Lloyds National Casualty	CEL Wesco Safety National	
Number of Participants	3	3	3	3	3
Incurred Liabilities:					
Claims (Schedule B-1a)	\$ 19,801	\$ 586,321	\$ 191,071	\$ 1,329,947	
Administrative Expenses (1)	20,662	36,513	11,348	275,723	
	<u>\$ 40,463</u>	<u>\$ 622,834</u>	<u>\$ 202,419</u>	<u>\$ 1,605,670</u>	

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

(2) Insurance coverages noted above are for 1/1/14 - 1/1/15. Coverage previously in place with CEL and National Casualty for liability and Workers Compensation.



BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 PROGRAM SUMMARY  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Property</u>	<u>General Liability</u>	<u>Coverages</u>		<u>Workers Compensation</u>
			<u>Auto</u>		
Limits	\$260,000,000	\$15,250,000	\$15,250,000		STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000		\$250,000
Excess Insurers	Zurich RSUI	CEL Underwriters at Lloyds Starr Indemnity	CEL Underwriters at Lloyds Starr Indemnity	CEL Wesco Safety National	
Number of Participants	3	3	3		3
Incurring Liabilities:					
Claims (Schedule B-1b)	\$	\$ 476,094	\$ 41,428	\$ 2,042,334	
Administrative Expenses (1)	\$ 19,766	34,930	10,856	281,546	
	<u>\$ 19,766</u>	<u>\$ 511,024</u>	<u>\$ 52,284</u>	<u>\$ 2,323,880</u>	

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

(2) Insurance coverages noted above are for 7/1/13 - 1/1/15. Coverage previously in place with CEL and Star for liability and Workers Compensation.

BURLINGTON COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Property</u>	<u>General Liability</u>	<u>Coverages</u>		<u>Workers Compensation</u>
			<u>Auto</u>		
Limits	\$260,000,000	\$15,250,000	\$15,250,000		STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000		\$250,000
Excess Insurers	Zurich RSUI	CEL Star	CEL Star		CEL Star
Number of Participants	3	3	3		3
Incurred Liabilities:					
Claims (Schedule B-1c)	\$ 42,202	\$ 364,529	\$ 7,877	\$ 1,310,521	
Administrative Expenses (1)	21,509	38,011	11,814	356,604	
	<u>\$ 63,711</u>	<u>\$ 402,540</u>	<u>\$ 19,691</u>	<u>\$ 1,667,125</u>	

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

None.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no findings in the prior year.

**APPRECIATION**

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,  
BOWMAN & COMPANY LLP



James J. Miles, Jr.  
Certified Public Accountant