

CAMDEN COUNTY INSURANCE COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

CAMDEN COUNTY INSURANCE COMMISSION

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards – Independent Auditor's Report	4
Management's Discussion and Analysis	6
 <u>Financial Statements</u>	
Exhibit A-1 Comparative Statements of Net Position	9
Exhibit A-2 Comparative Statements of Revenues, Expenses and Changes in Net Position	10
Exhibit A-3 Comparative Statements of Cash Flows	11
Notes to Financial Statements	12
 <u>Required Supplementary Information</u>	
Schedule 1 Reconciliation of Claims Liabilities by Fund	21
Schedule 2 Six-Year Claims Development Information	22
 <u>Supplementary Information</u>	
Schedule B Statement of Fund Year Account Operating Results Analysis	24
Schedule C Statement of Fund Year Claims Analysis	30
Schedule D Statements of Fund Year Program Summary	36
 <u>Schedule of Findings and Recommendations</u>	
Schedule of Findings and Recommendations	43
Schedule of Financial Statement Findings	43
Summary Schedule of Prior Year Audit Findings as Prepared by Management	43
Appreciation	43

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Camden 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 Camden County Insurance Commission (the "Commission") as of and for the years ended December 31, 2015 and 2014, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the 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 Camden County Insurance Commission as of December 31, 2015 and 2014 and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Camden 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.

Board of Commissioners
Camden County Insurance Commission

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2016 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,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 22, 2016

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Camden 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 Camden County Insurance Commission (the "Commission") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collective comprise the Commission's basic financial statements, and have issued our report thereon dated September 22, 2016.

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 opinion 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
September 22, 2016

CAMDEN COUNTY INSURANCE COMMISSION

Management's Discussion and Analysis **Unaudited**

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, 2015, 2014 and 2013. 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 Camden 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, 2015, 2014 and 2013.

Summary Statements of Net Position	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>2015 to 2014 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$23,016,617	\$ 16,367,632	\$ 10,088,987	\$ 6,648,985	40.6%
Investments in Joint Ventures	2,068,906	1,978,450	1,711,324	90,456	4.6%
Other Assets	2,461,400	2,408,471	1,692,128	52,929	2.2%
Total Assets	27,546,923	20,754,553	13,492,439	6,792,370	32.7%
Liabilities, Reserves & Net Position					
Liabilities					
Loss Reserves	15,058,770	11,627,370	6,798,541	3,431,400	29.5%
Other Liabilities & Reserves	253,959	264,443	143,245	(10,484)	-4.0%
Total Liabilities and Reserves	15,312,729	11,891,813	6,941,786	3,420,916	28.8%
Net Position - Unrestricted	\$12,234,194	\$ 8,862,740	\$ 6,550,653	\$ 3,371,454	38.0%

Summary Statements of Revenues, Expenses, and Changes in Net Position	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>2015 to 2014 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	\$16,786,617	\$ 16,651,833	\$ 14,475,499	\$ 134,784	0.8%
Operating Expenses:					
Provision for Claims and Claims Expense	6,836,315	7,906,553	4,006,609	(1,070,238)	-13.5%
Insurance Premiums	6,125,511	5,826,958	5,462,067	298,553	5.1%
Administrative and Operating	488,892	688,876	628,788	(199,984)	-29.0%
Total Operating Expenses	13,450,718	14,422,387	10,097,464	(971,669)	-6.7%
Operating Income	3,335,899	2,229,446	4,378,035	1,106,453	49.6%
Investment Income	46,146	28,031	20,180	18,115	64.6%
Change in Investment in Joint Venture	90,456	267,126	631,688	(176,670)	-66.1%
Distributions to Members	(101,047)	(212,516)	-	111,469	-52.5%
Change In Net Positon	\$ 3,371,454	\$ 2,312,087	\$ 5,029,903	\$ 1,059,367	45.8%

Financial Highlights Continued

On January 21, 2010, the Camden County Board of Chosen Freeholders adopted a resolution which authorized the establishment of the Camden 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 Camden County Insurance Commission's total assets at the end of the sixth year of operations were \$27,546,923 and total liabilities were \$15,312,729 resulting in a surplus in unrestricted net position of \$12,234,194. The Investment in Joint Ventures represents the Commission's share of net position 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 \$6,125,511. That Fund is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund, Atlantic County Insurance Commission, Burlington County Insurance 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 2015, investment income was \$46,146 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 Camden 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 Camden County Insurance Fund Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

CAMDEN COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 23,016,617	\$ 16,367,632
Investment in Joint Venture	2,068,906	1,978,450
Contributions Receivable	306,266	42,678
Reimbursements Receivable	1,964,167	2,365,793
CEL Dividend Receivable	101,047	
Prepaid Insurance	89,920	
	<hr/>	<hr/>
Total Assets	<u>27,546,923</u>	<u>20,754,553</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	134,394	234,483
Claims Payable	18,518	18,518
Authorized Return of Surplus	101,047	
Excess Insurance Payable		11,442
	<hr/>	<hr/>
Total Liabilities	<u>253,959</u>	<u>264,443</u>
Claims Reserves:		
Case Reserves	4,544,356	4,037,391
IBNR Reserves	10,860,735	8,329,108
Less Reserve Discount	<u>(346,321)</u>	<u>(739,129)</u>
	<hr/>	<hr/>
Total Reserves	<u>15,058,770</u>	<u>11,627,370</u>
Total Liabilities and Reserves	<u>15,312,729</u>	<u>11,891,813</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 12,234,194</u>	<u>\$ 8,862,740</u>

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

CAMDEN COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating Revenue:		
Regular Contributions	\$ 16,685,570	\$ 16,651,833
CEL Dividend	101,047	
	<hr/>	<hr/>
Total Operating Revenue	16,786,617	16,651,833
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	6,836,315	7,906,553
Premium for Excess Insurance	6,125,511	5,826,958
Administrative Expenses:		
Actuary	10,418	15,358
Attorney	(85,271)	107,545
Auditor	12,080	12,387
Claims Administrator	359,060	354,998
Fund Administrator	175,000	175,000
Miscellaneous Expenses	11,714	17,697
Risk Management Consultants	5,891	5,891
	<hr/>	<hr/>
Total Operating Expenses	13,450,718	14,422,387
	<hr/>	<hr/>
Operating Income	3,335,899	2,229,446
	<hr/>	<hr/>
Non-Operating Revenue:		
Change in Investment in Joint Venture	90,456	267,126
Investment Income	46,146	28,031
	<hr/>	<hr/>
Total Non-Operating Revenue	136,602	295,157
	<hr/>	<hr/>
Change in Net Position	3,472,501	2,524,603
Net Position - Beginning of Year	8,862,740	6,550,653
Distributions to Members	(101,047)	(212,516)
	<hr/>	<hr/>
Net Position - End of Year	\$ 12,234,194	\$ 8,862,740
	<hr/>	<hr/>

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

CAMDEN COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 16,421,982	\$ 16,668,745
Receipts from CEL Dividend		212,516
Payments for Claim Payments	(2,902,242)	(4,130,982)
Payments for Insurance Premiums	(6,136,953)	(5,815,516)
Payments to Professionals and Suppliers	<u>(678,901)</u>	<u>(471,633)</u>
Net Cash Flows Provided By Operating Activities	<u>6,703,886</u>	<u>6,463,130</u>
Cash Flows Provided By Investing Activities:		
Investment Income	<u>46,146</u>	<u>28,031</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(101,047)</u>	<u>(212,516)</u>
Net Increase in Cash and Cash Equivalents	6,648,985	6,278,645
Cash and Cash Equivalents - Beginning of Year	<u>16,367,632</u>	<u>10,088,987</u>
Cash and Cash Equivalents - End of Year	<u>\$ 23,016,617</u>	<u>\$ 16,367,632</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 3,335,899	\$ 2,229,446
Adjustments to Reconcile Operating Income to		
Net Cash Provided By Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(263,588)	16,912
Reimbursements Receivable	401,626	(1,052,756)
Surplus Dividend Receivable	(101,047)	212,516
Prepaid Insurance	(89,920)	106,985
Accrued Administrative Expenses	(100,089)	110,258
Claims Payable		(502)
Due to Member	101,047	
Excess Insurance Payable	(11,442)	11,442
Claims Reserves	<u>3,431,400</u>	<u>4,828,829</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 6,703,886</u>	<u>\$ 6,463,130</u>
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Venture	<u>\$ 90,456</u>	<u>\$ 267,126</u>

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

CAMDEN COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

On January 21, 2010, the Camden 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, 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 2015, members of the Commission included the Camden County, Camden County College, Camden County Board of Social Services, Camden County Utility Authority, Camden County Health Services, Camden County Pollution Control Financing Authority, Camden County Improvement Authority, and Camden County Department of Police 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.
- General Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Automobile Liability and damage.

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

- Public Officials Liability/School Board Legal/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability
- Privacy Liability

The Commission provides coverage on a self-insured basis and secures excess insurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

CAMDEN 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 Camden 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.

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.

CAMDEN COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the 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.

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.

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 Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

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 annual contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Commissioners.

CAMDEN COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Supplemental Contributions

The Board of 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 property and casualty 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, Amerihealth Casualty Services, Inc.

B. Claims Incurred But Not Reported (IBNR) Reserve

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

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, 2015. 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

CAMDEN COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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 year as certified by an actuary may be declared to be refundable by the Commission. A refund for any 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.

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.

CAMDEN COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Operating and Non-Operating Revenues and Expenses (Cont'd)

Operating expenses include expenses associated with the Commission 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 \$23,214,473 as of December 31, 2015, \$250,000 was insured while \$22,964,473 was collateralized under GUDPA.

Of the Commission's bank balance of \$16,558,671 as of December 31, 2014, \$250,000 was insured while \$16,308,671 was collateralized under GUDPA.

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, 2015 and 2014 was \$2,068,866 and \$1,978,450, respectively.

CAMDEN COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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 Commission during 2015 and 2014 for all open Fund years net of excess insurance recoveries:

	<u>2015</u>	<u>2014</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 11,627,370	\$ 6,798,541
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	8,113,902	7,358,622
Changes in provision for insured events of prior fund years	<u>(1,277,587)</u>	<u>547,931</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>18,463,685</u>	<u>14,705,094</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	866,956	1,058,986
Attributable to insured events of prior fund years	<u>2,537,959</u>	<u>2,018,738</u>
Total Payments all Fund years	<u>3,404,915</u>	<u>3,077,724</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	<u>\$ 15,058,770</u>	<u>\$ 11,627,370</u>

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

New Jersey Counties Excess Joint Insurance Fund

Effective March 1, 2010, 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. 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.

CAMDEN 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)

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, 2015 is as follows:

Total Assets	<u>\$ 17,253,582</u>
Total Liabilities	<u>\$ 11,389,410</u>
Net Position	<u>\$ 5,864,172</u>
Total Revenue	<u>\$ 21,274,942</u>
Total Expenses	<u>\$ 20,584,344</u>
Change in Net Position	<u>\$ 540,598</u>
Surplus Returned	<u>\$ 150,000</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

Note 7: RELATED PARTY TRANSACTIONS

As disclosed in note 6, the Commission is a member of the New Jersey Counties Excess Liability Joint Insurance Fund and accordingly has an ownership interest in the CEL. Excess insurance premiums paid to the CEL for the year ended December 31, 2015 and 2014 were \$4,787,136 and \$4,766,671, respectively.

Note 8: RETURN OF SURPLUS

During the 2015 and 2014, the Board of Commissioners approved dividends in the amount of \$101,047 and \$212,516, respectively.

CAMDEN COUNTY INSURANCE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN COUNTY INSURANCE COMMISSION
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Property	General Liability	Automobile	Workers' Compensation	POL/EPL	Total
Total unpaid claims and claim adjustment expenses - beginning of year	\$ 86,495	\$ 3,029,869	\$ 518,784	\$ 7,700,892	\$ 291,330	\$ 11,627,370
Incurred claims and claims adjustment expenses:						
Provision for insured events of current Fund year	129,868	2,037,370	241,135	5,460,354	244,175	8,112,902
Changes in provision for insured events of prior Fund years	(4,109)	(133,600)	(288,056)	(818,759)	(32,063)	(1,276,587)
Total incurred claims and claims adjustment expenses all Fund years	212,254	4,933,639	471,863	12,342,487	503,442	18,463,685
Payments:						
Claims and claims adjustment expenses:						
Attributable to insured events of current Fund year	52,399	507,993	109,965	1,957,927		2,628,284
Attributable to insured events of prior Fund years	102,313	467,203	(60,171)	267,286		776,631
Total payments all Fund years	154,712	975,196	49,794	2,225,213	-	3,404,915
Total unpaid claims and claim adjustment expenses - end of year	\$ 57,542	\$ 3,958,443	\$ 422,069	\$ 10,117,274	\$ 503,442	\$ 15,058,770

CAMDEN COUNTY INSURANCE COMMISSION
SIX-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2015

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net Earned Required Contribution and Investment Revenue:						
Earned	\$ 5,570,953	\$ 7,316,240	\$ 7,865,911	\$ 14,301,222	\$ 16,676,243	\$ 16,679,056
Ceded	2,771,983	3,952,287	4,261,935	5,462,067	5,826,958	5,826,958
	2,798,970	3,363,953	3,603,976	8,839,155	10,849,285	10,852,098
Unallocated Expenses	415,354	463,016	469,205	523,601	589,503	696,452
Estimated Claims and Expenses, End of Policy Year:						
Incurred	2,626,200	2,796,533	2,308,983	4,584,601	7,358,622	8,113,902
Ceded						
Net Incurred	2,626,200	2,796,533	2,308,983	4,584,601	7,358,622	8,113,902
Paid (Cumulative) as of:						
End of Policy Year	534,113	679,535	255,146	388,096	1,058,986	866,956
One Year Later	1,274,218	1,264,505	679,543	1,255,787	2,250,678	
Two Years Later	1,593,002	1,625,614	1,241,837	2,135,836		
Three Years Later	2,151,533	1,784,744	1,505,818			
Four Years Later	2,581,166	1,939,863				
Five Years Later	2,628,284					
Reestimated Incurred Claims and Expenses:						
End of Policy Year	2,626,200	2,796,533	2,308,983	4,584,601	7,358,622	8,113,902
One Year Later	2,597,543	2,682,830	1,953,868	4,872,925	6,738,466	
Two Years Later	2,644,915	2,342,949	2,066,105	4,502,206		
Three Years Later	2,761,919	2,364,375	1,979,921			
Four Years Later	2,793,493	2,264,446				
Five Years Later	2,787,264					
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 161,064	\$ (532,087)	\$ (329,062)	\$ (82,395)	\$ (620,156)	\$ -

CAMDEN COUNTY INSURANCE COMMISSION
SUPPLEMENTARY INFORMATION

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	Coverages and Other Accounts							
	Property	General Liability	Automobile	Workers' Compensation	CEL	POL/EPL	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 585,349	\$ 2,991,107	\$ 396,396	\$ 6,901,818	\$ 4,787,136	\$ 280,000	\$ 730,461	\$ 16,672,267
Total Income	585,349	2,991,107	396,396	6,901,818	4,787,136	280,000	730,461	16,672,267
Incurred Liabilities:								
Claims	129,868	2,038,370	241,135	5,460,354		244,175		8,113,902
Expenses		664,952	116,876	556,547	4,787,136		696,452	6,821,963
Total Liabilities	129,868	2,703,322	358,011	6,016,901	4,787,136	244,175	696,452	14,935,865
Underwriting Surplus	455,481	287,785	38,385	884,917		35,825	34,009	1,736,402
Adjustments:								
Investment Income	44	729	177	5,548			291	6,789
Permanent Transfers								-
Total Adjustments	44	729	177	5,548			291	6,789
Gross Surplus	455,525	288,514	38,562	890,465	-	35,825	34,300	1,743,191
Return of Surplus								-
Net Surplus								
Before Unallocated Investment	\$ 455,525	\$ 288,514	\$ 38,562	\$ 890,465	\$ -	\$ 35,825	\$ 34,300	\$ 1,743,191
Investment in Joint Venture								208,322
Net Position								\$ 1,951,513

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	Property	General Liability	Automobile	Workers' Compensation	CEL	POL/EPL	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 606,836	\$ 2,919,554	\$ 411,367	\$ 6,943,119	\$ 4,766,671	\$ 280,000	\$ 737,589	\$ 16,665,136
Total Income	606,836	2,919,554	411,367	6,943,119	4,766,671	280,000	737,589	16,665,136
Incurred Liabilities:								
Claims	211,157	1,600,355	106,688	4,644,460		175,806		6,738,466
Expenses	8,054	496,016	106,503	449,714	4,766,671		589,503	6,416,461
Total Liabilities	219,211	2,096,371	213,191	5,094,174	4,766,671	175,806	589,503	13,154,927
Underwriting Surplus	387,625	823,183	198,176	1,848,945	-	104,194	148,086	3,510,209
Adjustments:								
Investment Income	40	1,333	434	21,693			910	24,410
Permanent Transfers								-
Total Adjustments	40	1,333	434	21,693	-	-	910.00	24,410
Gross Surplus	387,665	824,516	198,610	1,870,638	-	104,194	148,996	3,534,619
Return of Surplus								-
Net Surplus								
Before Unallocated Investment	\$ 387,665	\$ 824,516	\$ 198,610	\$ 1,870,638	\$ -	\$ 104,194	\$ 148,996	\$ 3,534,619
Investment in Joint Venture								346,285
Net Position								\$ 3,880,904

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	Property	General Liability	Automobile	Workers' Compensation	CEL	POL/EPL	Expense & Contingency	Total
<u>Coverages and Other Accounts</u>								
Underwriting Income:								
Regular Contributions	\$ 463,332	\$ 2,329,796	\$ 352,642	\$ 5,610,744	\$ 4,577,037	\$ 205,589	\$ 723,843	\$ 14,262,983
Total Income	463,332	2,329,796	352,642	5,610,744	4,577,037	205,589	723,843	14,262,983
Incurred Liabilities:								
Claims	31,804	1,014,944	143,098	3,228,899		83,461		4,502,206
Expenses		381,648	89,636	413,741	4,577,042		523,601	5,985,668
Total Liabilities	31,804	1,396,592	232,734	3,642,640	4,577,042	83,461	523,601	10,487,874
Underwriting Surplus (Deficit)	431,528	933,204	119,908	1,968,104	(5)	122,128	200,242	3,775,109
Adjustments:								
Investment Income	356	4,198	1,135	30,154	565	-	1,831	38,239
Permanent Transfers								-
Total Adjustments	356	4,198	1,135	30,154	565.00	-	1,831	38,239
Gross Surplus	431,884	937,402	121,043	1,998,258	560	122,128	202,073	3,813,348
Return of Surplus								-
Net Surplus	\$ 431,884	\$ 937,402	\$ 121,043	\$ 1,998,258	\$ 560	\$ 122,128	\$ 202,073	\$ 3,813,348
Investment in Joint Venture								412,128
Net Position								\$ 4,225,476

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	CEL	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	\$ 68,108	\$ 700,360	\$ 190,391	\$ 2,015,620	\$ 4,261,935	\$ 559,353	\$ 7,795,767
CEL Dividend						47,474	47,474
Total Income	68,108	700,360	190,391	2,015,620	4,261,935	606,827	7,843,241
Incurred Liabilities:							
Claims		366,630	50,000	1,563,291	4,261,935	469,205	1,979,921
Expenses							4,731,140
Total Liabilities		366,630	50,000	1,563,291	4,261,935	469,205	6,711,061
Underwriting Surplus	68,108	333,730	140,391	452,329	-	137,622	1,132,180
Adjustments:							
Investment Income	790	7,624	2,033	10,415	-	1,808	22,670
Permanent Transfers							-
Total Adjustments	790	7,624	2,033	10,415	-	1,808	22,670
Gross Surplus	68,898	341,354	142,424	462,744	-	139,430	1,154,850
Return of Surplus						47,474	47,474
Net Surplus	\$ 68,898	\$ 341,354	\$ 142,424	\$ 462,744	\$ -	\$ 91,956	\$ 1,107,376
Before Unallocated Investment							
Investment in Joint Venture							171,204
Net Position							\$ 1,278,580

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	CEL	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	\$ 63,356	\$ 615,095	\$ 167,664	\$ 1,856,496	\$ 3,952,287	\$ 519,134	\$ 7,174,032
CEL Dividend						110,125	110,125
Total Income	63,356	615,095	167,664	1,856,496	3,952,287	629,259	7,284,157
Incurred Liabilities:							
Claims	33,320	317,399	29,968	1,883,759	3,952,287	463,016	2,264,446
Expenses						463,016	4,415,303
Total Liabilities	33,320	317,399	29,968	1,883,759	3,952,287	463,016	6,679,749
Underwriting Surplus (Deficit)	30,036	297,696	137,696	(27,263)	-	166,243	604,408
Adjustments:							
Investment Income	648	10,680	3,191	15,764	24	1,776	32,083
Permanent Transfers							-
Total Adjustments	648	10,680	3,191	15,764	24	1,776	32,083
Gross Surplus (Deficit)	30,684	308,376	140,887	(11,499)	24	168,019	636,491
Return of Surplus						110,125	110,125
Net Surplus (Deficit)	\$ 30,684	\$ 308,376	\$ 140,887	\$ (11,499)	\$ 24	\$ 57,894	\$ 526,366
Before Unallocated Investment							
Investment in Joint Venture							522,904
Net Position							\$ 1,049,270

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 21, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 41,724	\$ 485,231	\$ 135,280	\$ 1,534,766	\$ 2,771,983	\$ 416,405	\$ 5,385,389
CEL Dividend						155,964	155,964
Total Income	41,724	485,231	135,280	1,534,766	2,771,983	572,369	5,541,353
Incurred Liabilities:							
Claims	52,399	555,907	119,898	2,059,060	2,771,983	415,354	2,787,264
Expenses							3,187,337
Total Liabilities	52,399	555,907	119,898	2,059,060	2,771,983	415,354	5,974,601
Underwriting Surplus (Deficit)	(10,675)	(70,676)	15,382	(524,294)	-	157,015	(433,248)
Adjustments:							
Investment Income	232	10,524	2,973	12,848	425	2,598	29,600
Permanent Transfers							-
Total Adjustments	232	10,524	2,973	12,848	425	2,598	29,600
Gross Surplus (Deficit) Return of Surplus	(10,443)	(60,152)	18,355	(511,446)	425	159,613	(403,648)
Net Surplus (Deficit) Before Unallocated Investment	\$ (10,443)	\$ (60,152)	\$ 18,355	\$ (511,446)	\$ 425	\$ 3,649	\$ (559,612)
Investment in Joint Venture							408,063
Net Position							\$ (151,549)

CAMDEN COUNTY INSURANCE COMMISSION
 STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS
 FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>POL/EPL</u>	
Paid Claims (Net of Recoveries)	\$ 97,103	\$ 2,888	\$ 38,093	\$ 728,872	\$ -	\$ 866,956
Case Reserves	21,405	12,025	6,311	803,298	114	843,153
IBNR Reserves	11,400	2,069,763	201,175	4,042,673	249,886	6,574,897
Reserve Discount	(40)	(46,306)	(4,444)	(114,489)	(5,825)	(171,104)
Subtotal	129,868	2,038,370	241,135	5,460,354	244,175	8,113,902
Excess Insurance Received Recoverable	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 129,868	\$ 2,038,370	\$ 241,135	\$ 5,460,354	\$ 244,175	\$ 8,113,902
Number of Claims	42	188	55	297	18	600
Average Cost Per Claim	\$ 3,092	\$ 10,842	\$ 4,384	\$ 18,385	\$ 13,565	\$ 13,523

CAMDEN COUNTY INSURANCE COMMISSION
 STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS
 FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages</u>						<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>POL/EPL</u>		
Paid Claims (Net of Recoveries)	\$ 196,972	\$ 331,163	\$ 15,623	\$ 1,706,920	\$ -	\$ -	\$ 2,250,678
Case Reserves	12,890	399,154	12,366	1,452,081	1,000	-	1,877,491
IBNR Reserves	1,312	898,996	80,699	1,556,195	179,000	-	2,716,202
Reserve Discount	(17)	(28,958)	(2,000)	(70,736)	(4,194)	-	(105,905)
Subtotal	211,157	1,600,355	106,688	4,644,460	175,806	-	6,562,660
Excess Insurance Received	-	-	-	-	-	-	-
Recoverable	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Limited Incurred Claims	\$ 211,157	\$ 1,600,355	\$ 106,688	\$ 4,644,460	\$ 175,806	\$ -	\$ 6,738,466
Number of Claims	36	393	50	364	10	-	853
Average Cost Per Claim	\$ 5,865	\$ 4,072	\$ 2,134	\$ 12,760	\$ 17,581	\$ -	\$ 7,900

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>POL/EPL</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 21,212	\$ 584,040	\$ 27,664	\$ 1,502,920	\$ -	\$ 2,135,836
Case Reserves	10,100	72,490	106,413	948,797	200	1,138,000
IBNR Reserves	505	365,763	10,981	815,672	84,800	1,277,721
Reserve Discount	(13)	(7,349)	(1,960)	(38,490)	(1,539)	(49,351)
Subtotal	31,804	1,014,944	143,098	3,228,899	83,461.00	4,418,745
Excess Insurance Received						-
Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 31,804	\$ 1,014,944	\$ 143,098	\$ 3,228,899	\$ 83,461	\$ 4,502,206
Number of Claims	20	215	24	289	4	552
Average Cost Per Claim	\$ 1,590	\$ 4,721	\$ 5,962	\$ 11,173	\$ 20,865	\$ 8,156

CAMDEN COUNTY INSURANCE COMMISSION
 STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS
 FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<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)	\$ -	\$ 262,366	\$ 50,000	\$ 1,193,452	\$ 1,505,818
Case Reserves		24,331		314,648	338,979
IBNR Reserves		81,349		64,381	145,730
Reserve Discount		(1,416)		(9,190)	(10,606)
Subtotal	-	366,630	50,000	1,563,291	1,979,921
Excess Insurance Received Recoverable					-
Subtotal					-
Limited Incurred Claims	-	366,630	50,000	1,563,291	1,979,921
Number of Claims	14	172	26	197	409
Average Cost Per Claim	-	\$ 2,132	\$ 1,923	\$ 7,935	\$ 4,841

CAMDEN COUNTY INSURANCE COMMISSION
 STATEMENT OF FUND YEAR 2011 CLAIMS ANALYSIS
 FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>		
Paid Claims (Net of Recoveries)	\$ 33,320	\$ 246,712	\$ 27,373	\$ 1,632,458		\$ 1,939,863
Case Reserves		51,468	1,657	201,069		254,194
IBNR Reserves		20,011	970	56,247		77,228
Reserve Discount		(792)	(32)	(6,015)		(6,839)
Subtotal	33,320	317,399	29,968	1,883,759		2,264,446
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-		-
Limited Incurred Claims	\$ 33,320	\$ 317,399	\$ 29,968	\$ 1,883,759		\$ 2,264,446
Number of Claims	5	209	56	188		458
Average Cost Per Claim	\$ 6,664	\$ 1,519	\$ 535	\$ 10,020		\$ 4,944

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 21, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>		
Paid Claims (Net of Recoveries)	\$ 52,399	\$ 507,993	\$ 109,965	\$ 1,957,927	\$ 2,628,284	
Case Reserves		17,924	5,242	69,373	92,539	
IBNR Reserves		30,301	4,793	33,863	68,957	
Reserve Discount		(311)	(102)	(2,103)	(2,516)	
Subtotal	52,399	555,907	119,898	2,059,060	2,787,264	
Excess Insurance Received					-	
Recoverable					-	
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ 52,399	\$ 555,907	\$ 119,898	\$ 2,059,060	\$ 2,787,264	
Number of Claims	6	181	8	175	370	
Average Cost Per Claim	\$ 8,733	\$ 3,071	\$ 14,987	\$ 11,766	\$ 7,533	

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Property</u>	<u>Coverages</u>			<u>Workers Compensation</u>
		<u>General Liability</u>	<u>Auto</u>		
Limits					
Limits - CCPD	\$260,000,000 Included Above	\$20,500,000 \$11,000,000	\$20,500,000 \$11,000,000	STATUTORY \$27,000,000	
Fund Retention:					
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000	
CCC	\$100,000	\$250,000	\$250,000	\$0	
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000	
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000	
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000	
CCPD	\$100,000	\$1,000,000	\$1,000,000	\$1,000,000	
Excess Insurers	Zurich RSUI Scottsdale	CEL Underwriters at Lloyds National Casualty	CEL Underwriters at Lloyds National Casualty	CEL Wesco Safety National	
Number of Participants	8	8	8	8	
Incurred Liabilities:					
Claims (Schedule B-1a)	\$129,868	\$2,038,370	\$241,135	\$5,460,354	
Administrative Expenses (1)	42,749	834,835	137,290	1,019,953	
	\$172,617	\$2,873,205	\$378,425	\$6,480,307	

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

(2) CCPD policy period: 1/1/15 - 1/1/2016. CCPD Insurers are Greenwich Insurance Company (GL), Genesis Insurance Company (AL), Wesco Insurance Company / Arch Insurance Company (WC) and National Casualty Company (Excess Liability)

(3) Insurance coverages noted above are for 1/1/15-1/1/16. Coverage previously in place with CEL and National Casualty for Liability and Workers

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages</u>				<u>Workers Compensation</u>
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>		
Limits					
Limits - CCPD	\$260,000,000 Included Above	\$20,500,000 \$11,000,000	\$20,500,000 \$11,000,000	STATUTORY \$27,000,000	
Fund Retention:					
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000	
CCC	\$100,000	\$250,000	\$250,000	\$0	
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000	
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000	
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000	
CCPD	\$100,000	\$1,000,000	\$1,000,000	\$1,000,000	
Excess Insurers	Zurich RSUI Scottsdale	CEL Underwriters at Lloyds National Casualty	CEL Underwriters at Lloyds National Casualty	CEL Wesco Safety National	
Number of Participants	8	8	8	8	
Incurred Liabilities:					
Claims (Schedule B-1a)	\$211,157	\$1,600,355	\$106,688	\$4,644,460	
Administrative Expenses (1)	43,997	641,494	124,803	839,495	
	<u>\$255,154</u>	<u>\$2,241,849</u>	<u>\$231,491</u>	<u>\$5,483,955</u>	

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

(2) CCPD policy period: 1/1/14 - 1/1/2015. CCPD Insurers are Greenwich Insurance Company (GL), Genesis Insurance Company (AL), Wesco Insurance Company / Arch Insurance Company (WC) and National Casualty Company (Excess Liability)

(3) 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

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>	
Limits					
Limits - CCPD	\$260,000,000 Included Above	\$20,500,000 \$11,000,000	\$20,500,000 \$11,000,000	STATUTORY \$27,000,000	
Fund Retention:					
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000	
CCC	\$100,000	\$250,000	\$250,000	\$0	
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000	
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000	
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000	
CCPD	\$100,000	\$1,000,000	\$1,000,000	\$1,000,000	
Excess Insurers	Zurich RSUI	CEL Underwriters at Lloyds Starr Indemnity	CEL Underwriters at Lloyds Starr Indemnity	CEL Wesco Safety National	
Number of Participants	8	8	8	8	
Incurred Liabilities:					
Claims (Schedule B-1b)	\$31,804	\$1,014,944	\$143,098	\$3,228,899	
Administrative Expenses (1)	30,820	511,236	107,131	759,439	
	<u>\$62,624</u>	<u>\$1,526,180</u>	<u>\$250,229</u>	<u>\$3,988,338</u>	

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

(2) CCPD Insurers are Greenwich Insurance Company (GL), Genesis Insurance Company (AL), Wesco Insurance Company / Arch Insurance Company (WC) and National Casualty Company (Excess Liability)

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

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$20,750,000	\$20,750,000	STATUTORY
Fund Retention:				
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000
CCC	\$100,000	\$250,000	\$250,000	\$0
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	7	7	7	7
Incurred Liabilities:				
Claims (Schedule B-1c)		\$366,630	\$50,000	\$1,563,291
Administrative Expenses (1)	\$10,744	110,477	30,033	317,951
	\$10,744	\$477,107	\$80,033	\$1,881,242

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

CAMDEN COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<u>Property</u>	<u>General Liability</u>	<u>Coverages</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$20,750,000	\$20,750,000	\$20,750,000	STATUTORY
Fund Retention:					
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000	\$250,000
CCC	\$100,000	\$250,000	\$250,000	\$250,000	\$0
CCHSC	Retains First \$100,000	\$250,000	\$250,000	\$250,000	Retains First \$750,000
CCMUA	\$100,000	\$250,000	\$250,000	\$250,000	Retains First \$750,000
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star	CEL Star
Number of Participants	7	7	7	7	7
Incurred Liabilities:					
Claims (Schedule B-1d)	\$33,320	\$317,399	\$29,968	\$29,968	\$1,883,759
Administrative Expenses (1)	10,854	105,379	28,724	28,724	318,058
	\$44,174	\$422,778	\$58,692	\$58,692	\$2,201,817

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

CAMDEN COUNTY INSURANCE COMMISSION
 STATEMENT OF FUND YEAR 2010 PROGRAM SUMMARY
 FOR THE PERIOD JANUARY 21, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Property</u>	<u>General Liability</u>	<u>Coverages</u>		<u>Workers Compensation</u>
			<u>Auto</u>		
Limits	\$260,000,000	\$20,750,000	\$20,750,000	\$20,750,000	STATUTORY
Fund Retention:					
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000	\$250,000
CCC	\$100,000	\$250,000	\$250,000	\$250,000	\$0
CCHSC	Retains First \$100,000	\$250,000	\$250,000	\$250,000	Retains First \$750,000
CCMUA	\$100,000	\$250,000	\$250,000	\$250,000	Retains First \$750,000
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star	CEL Star
Number of Participants	6	6	6	6	6
Incurred Liabilities:					
Claims (Schedule B-1e)	\$52,399	\$555,907	\$119,898	\$119,898	\$2,059,060
Administrative Expenses (1)	7,888	91,735	25,575	25,575	290,155
	<u>\$60,287</u>	<u>\$647,642</u>	<u>\$145,473</u>	<u>\$145,473</u>	<u>\$2,349,215</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, 2015

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
Certified Public Accountants
& Consultants



James J. Miles, Jr.
Certified Public Accountant