



New Jersey Schools Insurance Group

450 Veterans Drive
Burlington, New Jersey 08016
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

Board of Trustees Meeting of September 16, 2015 Comptroller/Financial Reporting Report

The following are updates to and/or new accounting issues (if applicable) since the last Board Package.

➤ **ACCOUNTING DEPARTMENT PROCESSES:**

- (1) **Billing & Accounts Receivable Processes:** The NJSIG Accounting Department has processed \$119.8 million of 2015/2016 renewal gross premiums, endorsements, and Workers' Compensation audits in our Billing Module as of the date of this report (09/10/2015). The Accounting Department is current with all business that has been bound and exported from the Underwriting system. In addition, the Accounting Department continues to invoice our customers in our Billing system for monthly Workers' Compensation installments, 2015/2016 Renewals (off 07/01/2015), miscellaneous endorsements, and any Workers' Compensation audits as we receive the billing data from the Underwriting Department. The Accounting Department has collected and applied \$28.5 million of premium deposits (to date) for the 2015/2016 fiscal year. Collections of NJSIG premiums are kept current with the Accounting Department's issuance of our color-coded NJSIG Customer Statements on the 15th of each month. We also recently implemented the new agent commission collections processes.
- (2) **Accounts Payable:** All Accounts Payable vouchers and payments are current. The Accounting Department has processed \$2.6 million of broker commissions as part of the Direct Bill procedures. The Accounting Department is also currently working on processing the 06/30/2014 Safety Grant checks to all qualifying districts.

➤ **FINANCIAL REPORTING ISSUES 2015/2016:**

Please find the attached final financial reports for 05/2015 and the draft financial reports for 06/2015. I have also included the most current Investment/Cash report. I have completed the monthly reconciliations for 05/2015 and 06/2015 and there are no material reconciling items to report.



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Comptroller's Report – September 16, 2015

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➤ **FISCAL YEAR-END AUDIT 2014/2015:**

I have reviewed the draft of Nisivoccia's audit report based on the attached financial statements. The current net revenue for fiscal year 2014/2015 is \$5,311,932. This includes net investment income of \$931,483. The underwriting surplus and amount eligible for a safety grant is \$4,308,448 (\$5,311,932 - \$931,483). Please note that there is also a pending adjustment related to the implementation of GASB Statement No. 68 and NJSIG's resulting obligation for PERS funding. The value of this adjustment is assigned by the state and NJSIG has not received this data. The state has indicated a mid-October delivery of the data needed to make this adjustment which could impact the finalization and issuance of a non-qualified audit report for our October meeting. There has been no indication from the state regarding the value of this adjustment. However, it will directly impact the Group's surplus. Currently, the 2014/2015 surplus is \$71,481,694.86. This amount will directly be reduced by the amount of the 2015 safety grant and the amount of the GASB Statement No. 68 adjustment. The favorable results this year were primarily the result of overall favorable claims experience, as per the Towers Watson reserving study. Stacy Mina, from Towers Watson will be at our meeting to present these results and answer any of your questions.

➤ **DEPARTMENT OF BANKING AND INSURANCE (DOBI) AUDIT:**

The Department of Banking and Insurance (DOBI) also initiated an operational audit of NJSIG (as of 06/30/14). They started this audit in July and expect to continue working on it through October. I have been providing work papers, schedules, and financial reports for them as it relates to this audit. I have also coordinated the collection of any requested administrative information with Renee's assistance. The DOBI auditors have not provided me with any feedback at this point. I will keep you informed via my communications with Bill about any potential audit findings.

If you have any questions or concerns, please call me at ext. 3017 and/or email me at mcarosi@njsig.org.

Michele Carosi

Michele Carosi, Comptroller

Revised: 9.11.15

N J S I G

DATE 9/10/2015

U.S. TREASURIES & AGENCIES

DATE ACQUIRED	MATURITY DATE	NO OF DAYS	PURCHASE PRICE	INTEREST RATE @ PURCHASE	VALUE AT MATURITY	INVESTMENT TYPE	DAYS TO MATURITY
TOTAL				<u>0</u>	<u>0</u>		

CERTIFICATES OF DEPOSIT

DATE ACQUIRED	MATURITY DATE	NO OF DAYS	AMOUNT	INTEREST RATE	DAYS TO MATURITY	NAME OF BANK	money from
10/28/13	10/28/15	730	20,000,000	0.34%	48	TD Bank 4738093866	From Concentration Acct
12/05/13	12/07/15	732	10,042,122	0.34%	88	TD Bank 4736656484	Rollover of old TD Banks CI
01/16/13	01/16/16	1095	10,000,000	0.43%	128	TD Bank 4738201352	From Concentration Acct
04/02/13	4/2/2016	1096	29,707,711	0.50%	205	NJ Inv Fund 47376082	From NJ Inv Fund
04/14/14	4/14/2016	731	24,500,000	0.37%	217	TD Bank 5112	From Concentration Acct
04/14/14	4/14/2016	731	24,500,000	0.37%	217	TD Bank 5146	From Concentration Acct
04/27/13	4/27/2016	1096	12,104,493	0.28%	230	TD Bank	From Maturity of CD #47359
04/28/14	4/28/2016	731	12,070,049	0.42%	231	TD Bank 8751	From Concentration Acct
08/06/14	8/5/2016	730	20,000,000	0.61%	330	TD Bank 7637	From Concentration Acct
09/09/14	9/9/2016	731	20,000,000	0.67%	365	TD Bank 5589	From Concentration Acct
Total			182,924,375				

**WITH DEAN WITTER
LIMITED PARTNERSHIPS
& STOCK**

LATEST QUOTE	SHARES OR UNITS	VALUE	NAME OF PARTNERSHIP
	60	1	CEN PEN INC XXIV
	878	1	D W REALTY III
TOTAL		2	

GRAND TOTAL 182,924,377

N J S I G
SUMMARY OF CASH AND INVESTMENTS

AS OF	CASH 6/30/2015	
CASH MGT STATE	322,999	
CLAIMS TD BANK	(3,836,020)	
TD WEALHT MGT - NJ Trst Fnd	8,199,552	
LOCK BOX TD BANK	(794,024)	
PAYROLL TD BANK	0	
OPERATING #2 TD BANK	(277,383)	
FSA/DCA TD BANK	0	
Concentratio TD BANK	101,133,782	
Petty Cash	111	
TOTAL CASH AS OF	6/30/2015	<u>104,749,016</u>

CERTIFICATES OF DEPOSIT & U.S. TREASURIES AND AGENCIES
AS OF 9/10/15

	MATURITY		CLAIM PAYOUT	
	<u>AMOUNT</u>	<u>% OF INVESTMENTS</u>	PATTERN	
0 TO 12 MONTHS	183,739,944	100.00%	100%	
12 TO 24 MONTHS	0	0.00%	0%	
24 TO 36 MONTHS	0	0.00%	0%	
36 TO 48 MONTHS	0	0.00%	0%	
48 TO 60 MONTHS	0	0.00%	0%	
OTHER	2	0.00%	0%	
TOTAL OF CD'S & U.S. TREAS. AND AGENCIES				
AS OF	9/10/15	<u>183,739,946</u>	100.00%	100%

TOTAL CASH AS OF	6/30/2015 =	104,749,016
TOTAL CD'S & US TREAS/AGENCIES AS OF	9/10/15 =	183,739,946
	TOTAL =	<u>288,488,962</u>



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NJSIG
Income Statement
For the Period Ending 6/30/2015

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>Actuals Month</u>	<u>Budget Month</u>	<u>Variance</u>
Income:						
4103 Workman's Compensation	64,512,337.93	66,744,662.00	(2,232,324.07)	(20,845.17)	0.00	(20,845.17)
4104 Property	18,886,995.01	18,170,480.00	716,515.01	0.00	0.00	0.00
4105 Automobile Liability	7,088,622.05	6,872,319.00	216,303.05	0.00	0.00	0.00
4106 Automobile Phys. Damage	1,032,699.33	1,005,850.00	26,849.33	0.00	0.00	0.00
4107 General Liability	9,952,930.04	9,731,402.00	221,528.04	0.00	0.00	0.00
4108 Boiler	1,055,165.88	1,009,383.00	45,782.88	0.00	0.00	0.00
4109 Errors & Omissions	12,727,029.50	12,474,393.00	252,636.50	0.00	0.00	0.00
4110 Umbrella	4,711,185.72	4,614,377.00	96,808.72	0.00	0.00	0.00
4111 Crime	601,312.49	573,390.00	27,922.49	0.00	0.00	0.00
4113 Pollution Liability Income	52,416.54	0.00	52,416.54	0.00	0.00	0.00
4114 E.D.P.	872,291.46	852,590.00	19,701.46	0.00	0.00	0.00
4117 Retro Accounts Income	31,056.61	0.00	31,056.61	2,214.35	0.00	2,214.35
4118 Change in Unrnd Premium	156,026.10	0.00	156,026.10	156,026.10	0.00	156,026.10
4122 Supplemental Indemnity	1,183,685.62	1,140,624.00	43,061.62	0.00	0.00	0.00
4123 Bond Premium	294,017.82	291,364.00	2,653.82	0.00	0.00	0.00
Premium Income	<u>123,157,772.10</u>	<u>123,480,834.00</u>	<u>(323,061.90)</u>	<u>137,395.28</u>	<u>0.00</u>	<u>137,395.28</u>
Retro Accounts Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Income	<u>123,157,772.10</u>	<u>123,480,834.00</u>	<u>(323,061.90)</u>	<u>137,395.28</u>	<u>0.00</u>	<u>137,395.28</u>
Adjustments:						
4301 Reinsurance Recoveries	12,954,141.75	0.00	12,954,141.75	1,251,495.95	0.00	1,251,495.95
4302 Reins Recovery W/C 85/86	(34,329.65)	0.00	(34,329.65)	(34,329.65)	0.00	(34,329.65)
4303 Accrued Reins Recoveries	1,892,475.39	0.00	1,892,475.39	1,892,475.39	0.00	1,892,475.39
4304 Subrogation Income	1,127,723.08	0.00	1,127,723.08	213,966.61	0.00	213,966.61
Recoveries & Subro Income	<u>15,940,010.57</u>	<u>0.00</u>	<u>15,940,010.57</u>	<u>3,323,608.30</u>	<u>0.00</u>	<u>3,323,608.30</u>
Revenue	<u>139,097,782.67</u>	<u>123,480,834.00</u>	<u>15,616,948.67</u>	<u>3,461,003.58</u>	<u>0.00</u>	<u>3,461,003.58</u>



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NJSIG
Income Statement
For the Period Ending 6/30/2015

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>Actuals Month</u>	<u>Budget Month</u>	<u>Variance</u>
Expenses:						
5102 Salaries-Temporary Employees	253,864.98	120,000.00	133,864.98	34,116.50	10,000.00	24,116.50
5103 Salaries	5,472,796.80	5,770,300.00	(297,503.20)	467,500.24	480,858.33	(13,358.09)
5104 Salaries-Overtime	20,195.37	500.00	19,695.37	803.50	41.67	761.83
5108 Payroll Tax Expenses	451,129.41	484,525.00	(33,395.59)	36,858.01	40,377.08	(3,519.07)
5109 Pension Expense	551,767.00	570,000.00	(18,233.00)	0.00	47,500.00	(47,500.00)
5110 Employee Benefits Expense	(1,268.41)	0.00	(1,268.41)	0.00	0.00	0.00
5111 Recruiting Costs	5,447.45	8,500.00	(3,052.55)	0.00	708.33	(708.33)
5112 Post Retirement Bene Exp	77,943.00	78,000.00	(57.00)	77,943.00	6,500.00	71,443.00
5113 Employee Medical Benefits	859,315.26	905,000.00	(45,684.74)	63,834.96	75,416.67	(11,581.71)
5114 Employee Dental Benefits	51,577.18	52,000.00	(422.82)	4,048.93	4,333.33	(284.40)
5115 Employee Vision Benefits	21,131.34	24,000.00	(2,868.66)	1,696.29	2,000.00	(303.71)
5116 EE HRA Benefits	204,229.21	340,000.00	(135,770.79)	109,722.49	28,333.33	81,389.16
5117 Employee FSA Benefits	45,182.58	36,000.00	9,182.58	14,034.40	3,000.00	11,034.40
5118 Employee ST Disab & Other Ins	57,283.57	75,000.00	(17,716.43)	19,770.96	6,250.00	13,520.96
Personnel Expenses	<u>8,070,594.74</u>	<u>8,463,824.99</u>	<u>(393,230.25)</u>	<u>830,329.28</u>	<u>705,318.75</u>	<u>125,010.53</u>
5202 Newsletter Expenses	3,348.23	5,000.00	(1,651.77)	0.00	416.67	(416.67)
5203 Marketing Expenses	25,677.09	49,500.00	(23,822.91)	271.93	4,125.00	(3,853.07)
Member Services Dept Expenses	<u>29,025.32</u>	<u>54,500.00</u>	<u>(25,474.68)</u>	<u>271.93</u>	<u>4,541.67</u>	<u>(4,269.74)</u>
5227 Loss Prevention	153,669.54	161,200.00	(7,530.46)	2,659.93	13,433.33	(10,773.40)
Loss Control Dept Expenses	<u>153,669.54</u>	<u>161,200.00</u>	<u>(7,530.46)</u>	<u>2,659.93</u>	<u>13,433.33</u>	<u>(10,773.40)</u>
5252 Claims Audit Expense	8,471.18	50,000.00	(41,528.82)	0.00	4,166.67	(4,166.67)
5253 Claims Admin. Expenses	0.00	1,000.00	(1,000.00)	0.00	83.33	(83.33)
Claims Dept Expenses	<u>8,471.18</u>	<u>51,000.00</u>	<u>(42,528.82)</u>	<u>0.00</u>	<u>4,250.00</u>	<u>(4,250.00)</u>
5301 Accounting Fees	1,210.00	1,300.00	(90.00)	800.00	108.33	691.67
5303 Actuary Fees	148,269.66	135,000.00	13,269.66	61,195.31	11,250.00	49,945.31
5305 Mngmt Maintenance Syst Expense	54,470.76	30,000.00	24,470.76	0.00	2,500.00	(2,500.00)
5306 Legal & Professional Fees	179,710.86	275,000.00	(95,289.14)	65,718.59	22,916.67	42,801.92
5310 Third Party Admin.-Willis	506,250.00	675,000.00	(168,750.00)	56,250.00	56,250.00	0.00
Outside Service Fees	<u>889,911.28</u>	<u>1,116,300.00</u>	<u>(226,388.72)</u>	<u>183,963.90</u>	<u>93,025.00</u>	<u>90,938.90</u>
5309 MOCSSIF Agent Commission Exp.	344,570.00	444,442.00	(99,872.00)	344,570.00	444,442.00	(99,872.00)
5311 Agent Commission Exp	12,825,878.22	12,669,812.00	156,066.22	(0.49)	1,055,817.67	(1,055,818.16)
5312 NJEIF Agent Commission Exp.	456,864.00	443,386.00	13,478.00	456,864.00	443,386.00	13,478.00
5315 ERIC North Agent Comm. Exp.	500,000.00	500,000.00	0.00	0.00	500,000.00	(500,000.00)



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Income Statement
For the Period Ending 6/30/2015

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>Actuals Month</u>	<u>Budget Month</u>	<u>Variance</u>
5316 ERIC South Agent Comm Exp	239,872.00	252,806.00	(12,934.00)	239,872.00	252,806.00	(12,934.00)
5318 ERIC West Agent Comm Exp	371,535.00	323,269.00	48,266.00	371,535.00	323,269.00	48,266.00
5319 BACCEIC Agent Commission Exp	201,505.00	204,383.00	(2,878.00)	201,505.00	204,383.00	(2,878.00)
5320 CAIP Agent Commission Expense	168,022.56	128,228.00	39,794.56	129,082.00	128,228.00	854.00
Total Agent Commission Expense	15,108,246.78	14,966,326.00	141,920.78	1,743,427.51	3,352,331.67	(1,608,904.16)
5401 Claims Expense	79,557,899.87	68,110,411.00	11,447,488.87	7,227,451.27	5,675,867.58	1,551,583.69
5402 Change in Claims Reserves	(184,000.00)	0.00	(184,000.00)	(184,000.00)	0.00	(184,000.00)
5403 Change in Rsrv for ULAG	(66,496.62)	0.00	(66,496.62)	(66,496.62)	0.00	(66,496.62)
Claims Expenses	79,307,403.25	68,110,411.00	11,196,992.25	6,976,954.65	5,675,867.58	1,301,087.07
5505 Reinsurance Exp-District Bill	29,021,094.05	28,130,596.00	890,498.05	0.00	2,344,216.33	(2,344,216.33)
Reinsurance Expenses	29,021,094.05	28,130,596.00	890,498.05	0.00	2,344,216.33	(2,344,216.33)
5352 IT - Office Equipment Supplies	11,672.12	22,000.00	(10,327.88)	725.77	1,833.33	(1,107.56)
5353 Office Equipment Maintenance	15,192.00	36,100.00	(20,908.00)	0.00	3,008.33	(3,008.33)
5354 Computer Software Maintenance	195,587.00	207,500.00	(11,913.00)	19,630.84	17,291.67	2,339.17
Information Technology Dept Expenses	222,451.12	265,600.00	(43,148.88)	20,356.61	22,133.33	(1,776.72)
5702 Depreciation Expense	369,371.35	454,000.00	(84,628.65)	37,279.62	37,833.33	(553.71)
5703 Dues & Subscriptions	28,172.17	34,500.00	(6,327.83)	3,238.78	2,875.00	363.78
5704 Misc. Bank Fees	3,232.36	3,500.00	(267.64)	291.67	291.67	0.00
5705 IRS Penalty Fees	291.67	0.00	291.67	0.00	0.00	0.00
5708 Rent Expense	193,191.29	195,000.00	(1,808.71)	16,854.16	16,250.00	604.16
5709 Office Supplies	29,630.80	42,126.00	(12,495.20)	1,762.21	3,510.50	(1,748.29)
5710 Office Operating Expenses	85,515.03	105,499.99	(19,984.96)	9,252.90	8,791.67	461.23
5711 Office Leased Expenses	31,599.87	29,500.00	2,099.87	4,073.77	2,458.33	1,615.44
5712 Telephone Expense	(2,735.59)	2,500.00	(5,235.59)	0.00	208.33	(208.33)
5713 Employee Internet Reimbursmt	1,839.03	0.00	1,839.03	0.00	0.00	0.00
5714 Utilities	31,071.52	45,000.00	(13,928.48)	2,798.36	3,750.00	(951.64)
5715 Group's Insurance Expense	194,352.20	215,000.00	(20,647.80)	15,963.71	17,916.67	(1,952.96)
5716 Group's Crime Insurance Exp.	35,832.04	47,000.00	(11,167.96)	2,994.17	3,916.67	(922.50)
5723 Postage	59,908.79	61,000.00	(1,091.21)	10,997.75	5,083.33	5,914.42
5727 Employee Seminar Expenses	23,427.84	74,749.99	(51,322.15)	5,449.00	6,229.17	(780.17)
5728 Insurance Course Fees	1,087.24	4,200.00	(3,112.76)	0.00	350.00	(350.00)
5729 Tuition Reimbursement	3,930.00	12,000.00	(8,070.00)	1,310.00	1,000.00	310.00
5730 Audit Fees	119,927.00	44,225.00	75,702.00	57,287.00	44,225.00	13,062.00
5731 Consulting Fees	284,114.83	273,500.00	10,614.83	13,764.87	22,791.67	(9,026.80)
5732 Miscellaneous Expenses	33,550.19	33,750.00	(199.81)	8,603.12	2,812.50	5,790.62
5733 Disaster Recovery Expenses	40,756.37	53,600.00	(12,843.63)	7,512.13	4,466.67	3,045.46
5737 Cell Phone Expense	13,864.00	17,000.00	(3,136.00)	1,391.09	1,416.67	(25.58)



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Income Statement
For the Period Ending 6/30/2015

	Actuals YTD	Budget YTD	Variance	Actuals Month	Budget Month	Variance
Business Operating Expenses	1,581,930.00	1,747,650.99	(165,720.99)	200,824.31	186,177.17	14,647.14
5201 Travel & Related Expenses	156,150.99	301,324.99	(145,174.00)	15,859.46	25,110.42	(9,250.96)
5851 Annual Meeting	63,783.93	88,100.00	(24,316.07)	3,107.24	0.00	3,107.24
5852 Trustee Meeting Expense	16,283.91	24,000.00	(7,716.09)	3,506.51	2,000.00	1,506.51
Conferences & Meeting Expenses	236,218.83	413,424.99	(177,206.16)	22,473.21	27,110.42	(4,637.21)
Total Expenses	134,629,016.09	123,480,833.96	11,148,182.13	9,981,261.33	12,428,405.25	(2,447,143.92)



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NJSIG
Income Statement
For the Period Ending 6/30/2015

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>Actuals Month</u>	<u>Budget Month</u>	<u>Variance</u>
Other Revenue and Expenses:						
4413 Interest-NJ St Inv Fund	148,514.08	316,110.00	(167,595.92)	42.45	26,342.50	(26,300.05)
4414 Interest-NJ Cash Mgmt Fund	206.25	17.00	189.25	21.34	1.42	19.92
4415 Interest-Commerce Concentr	162,758.69	30,949.00	131,809.69	13,353.25	2,579.08	10,774.17
4420 Interest - Certificate of Dep	762,608.96	142,189.00	620,419.96	1,133,389.51	11,849.08	1,121,540.43
4421 Interest - Tri-State Capital	0.61	0.00	0.61	0.00	0.00	0.00
Investment Income	<u>1,074,088.59</u>	<u>489,265.00</u>	<u>584,823.59</u>	<u>1,146,806.55</u>	<u>40,772.08</u>	<u>1,106,034.47</u>
4501 Gain on Securities	(109,794.40)	0.00	(109,794.40)	0.00	0.00	0.00
Financial Income	<u>(109,794.40)</u>	<u>0.00</u>	<u>(109,794.40)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
4603 Miscellaneous Income	11,438.56	0.00	11,438.56	100.00	0.00	100.00
4605 Seminar Income	3,865.00	0.00	3,865.00	110.00	0.00	110.00
4609 Change in Unrnd Ag Comm	(24,791.50)	0.00	(24,791.50)	(24,791.50)	0.00	(24,791.50)
4610 Change in Unrnd Reins	(78,830.10)	0.00	(78,830.10)	(78,830.10)	0.00	(78,830.10)
Other Revenues	<u>(88,318.04)</u>	<u>0.00</u>	<u>(88,318.04)</u>	<u>(103,411.60)</u>	<u>0.00</u>	<u>(103,411.60)</u>
5901 Amortization of Inv. Premiums	32,810.60	0.00	32,810.60	0.00	0.00	0.00
Investment Expenses	<u>32,810.60</u>	<u>0.00</u>	<u>32,810.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Other Revenue and Expenses	<u>843,165.55</u>	<u>489,265.00</u>	<u>353,900.55</u>	<u>1,043,394.95</u>	<u>40,772.08</u>	<u>1,002,622.87</u>
Net Revenue	<u>5,311,932.13</u>	<u>489,265.03</u>	<u>4,822,667.10</u>	<u>(5,476,862.80)</u>	<u>(12,387,633.16)</u>	<u>6,910,770.36</u>

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NJSIG
Balance Sheet
For the Period Ended 6/30/2015

	<u>Current Balance</u>	<u>Prior Year</u>
<u>Current Assets:</u>		
D.W. Active Assets	0.00	0.00
Petty Cash	110.56	200.78
Cash Mgmt. Fund - N.J. State	322,998.56	322,792.31
Operating Account (1st Union)	0.00	0.00
Concentration (1st Union)	0.00	0.00
Payroll (1st Union)	0.00	0.00
Claims (1st Union)	0.00	0.00
Legal Account (1st Union)	0.00	0.00
A.G. Edwards Cash	0.00	0.00
Concentration Acct (TD Bank)	101,133,781.74	101,450,273.02
Operating Acct (TD Bank)	0.00	0.00
Payroll Acct (TD Bank)	0.00	58.72
Claims Acct (TD Bank)	(3,836,020.15)	(2,052,276.65)
FSA/DCA Acct (TD Bank)	0.00	0.00
Lock Box Account(TD Bank)	(794,023.96)	(791,792.97)
Willis/NJSBAIG Cash (Commerce)	0.00	0.00
Cash Suspense	0.00	0.00
Tri-State Capital Bank Account	0.00	1,692.65
Beneficial Bank Account	0.00	0.00
Operating Account (TD Bank2)	(277,383.11)	(198,203.19)
CASH IN BANKS	<u>96,549,463.64</u>	<u>98,732,744.67</u>
Certificates of Deposit	182,924,375.18	148,924,375.18
Partnership Interests	2.00	2.00
U.S. Treasury Bills (A.G. Edw)	0.00	0.00
N.J. State Investment Fund	8,199,552.40	22,917,076.00
Investment Premiums (NJ Inv F)	0.00	36,034.33
Market Value Adjust (NJ Inv F)	(0.02)	106,570.65
Certificates of Deposit Suspns	0.00	0.00
MARKETABLE SECURITIES	<u>191,123,929.56</u>	<u>171,984,058.16</u>
Reinsurance Rebate Receivable	0.00	0.00
Reinsurance Recoverables	0.00	0.00
Reins. Recovery Receivable	2,093,979.39	16,747,606.01
Reins. Recovery 85/86 Recvb'l	(34,858.95)	(529.30)
REINSURANCE RECEIVABLES	<u>2,059,120.44</u>	<u>16,747,076.71</u>
Interest/Divid Recvb'l-AG Ewds	0.00	0.00
Interest/Divid. Recvb'l-NJ Inv	0.02	123,962.34

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NJSIG
Balance Sheet
For the Period Ended 6/30/2015

	<u>Current Balance</u>	<u>Prior Year</u>
Interest/Divid Recvb'l-CD's	1,105,728.57	370,780.55
Interest/Divid Recvb'l-Ptnr Dst	0.00	0.00
INTEREST/DIVIDENDS RECEIVABLES	<u>1,105,728.59</u>	<u>494,742.89</u>
Misc. Accounts Receivable	0.00	0.00
Assessments Receivable	0.00	0.00
Legal Settlement Recvb'l	100.00	100.00
Seminar/Training Academy Rec	0.00	0.00
Retro Premium/Service Recvb'l	0.00	0.00
Retro Audit Receivable	0.00	0.00
Retro Endorsement Receivable	0.00	0.00
Retro Add'l Servcs Recvb'l	0.00	0.00
MISC ACCOUNTS RECEIVABLES	<u>100.00</u>	<u>100.00</u>
Audit Premium Receivable	0.00	0.00
Premium Recvb'l Installments	175,840.76	438,782.82
Premium Recvb'l Prebill	0.00	0.00
Premium Receivable	2,193,994.62	3,795,781.28
Commission Recvb'l Control Acct	0.00	0.00
Allowance of Doubtful Accts	0.00	0.00
A/R Maintenance Control Acct.	(186.02)	(186.02)
Asset Transfer Control Acct.	0.00	0.00
Agent Commission Receivable	0.00	0.00
PREMIUM RECEIVABLES	<u>2,369,649.36</u>	<u>4,234,378.08</u>
TOTAL Current Assets	<u>293,207,991.59</u>	<u>292,193,100.51</u>
F&F Original Value	967,520.29	1,676,451.46
Accumulated Depreciation	(661,537.63)	(1,296,558.90)
Leasehold Improvements	0.00	0.00
Accumulated Amortization	0.00	0.00
TOTAL FIXED ASSETS	<u>305,982.66</u>	<u>379,892.56</u>
<u>Other Assets:</u>		
Prepaid General Insurance	102,527.07	66,652.97
Prepaid Crime Insurance	23,920.37	3,902.41
Prepaid General Expenses	40,975.46	103,724.65
Prepaid TPA Expenses	168,749.88	168,749.88
PREPAID ASSETS	<u>336,172.78</u>	<u>343,029.91</u>

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NJSIG
Balance Sheet
For the Period Ended 6/30/2015

	<u>Current Balance</u>	<u>Prior Year</u>
Unearned M&M Fees	0.00	0.00
Unearned Marsh Reins Exp	0.00	0.00
Unearned Marsh Ag Comm	0.00	0.00
Unearned Willis Fees	0.00	0.00
Unearned Reins Exp	578,013.38	656,843.48
Unearned Agent Comm.	197,928.47	222,719.97
Unrn'd Cigna/Fireman's Reins.	0.00	0.00
Unrnd Cigna/Fireman's Ag. Comm	0.00	0.00
Retro Reinsurance Unearned	0.00	0.00
Retro Agent Comm Unearned	0.00	0.00
Retro M&M Fee Unearned	0.00	0.00
UNEARNED EXPENSES	<u>775,941.85</u>	<u>879,563.45</u>
Travel Advance	0.00	100.00
Deposits	0.00	0.00
OTHER ASSETS	<u>0.00</u>	<u>100.00</u>
TOTAL OTHER ASSETS	<u>1,112,114.63</u>	<u>1,222,693.36</u>
TOTAL ASSETS	<u>294,626,088.88</u>	<u>293,795,686.43</u>
A/P Module ADM01	0.00	0.00
Notes Payable	0.00	0.00
Accrued Expenses Payable	2,204,631.76	555,440.99
A/P Module INS01	(56,850.23)	0.00
Safety Grant Payable	2,602,362.07	6,816,220.78
Reins Recov Paybl- XL Reins	(593,456.81)	477,884.40
Mngmt Maintenance Syst Paybl	129.79	8,375.81
Broker Refund Payable	0.00	0.00
Federal Income Tax W/H	0.00	0.00
FICA W/H Employee	0.00	0.00
FICA W/H Employer	0.00	0.00
FUI Taxes Payable	0.00	0.00
SUI Payable	0.00	0.00
State Income W/H-NJ	0.00	0.00
State Income W/H-PA	0.00	0.00
Garnishment Payable	0.00	0.00
Medicare - Employee	0.00	0.00
Medicare - Employer	0.00	0.00

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NJSIG
Balance Sheet
For the Period Ended 6/30/2015

	<u>Current Balance</u>	<u>Prior Year</u>
Employee Savings Payable	0.02	0.02
Local Income W/H-Phila	0.03	0.03
Group Term Life Payable	0.00	0.00
TOTAL CURRENT LIABILITIES	<u>4,156,816.63</u>	<u>7,857,922.03</u>
Estimated Unpaid Losses	213,198,000.00	213,382,000.00
Reserve-Unalloc Loss Adjust	1,721,588.39	1,788,085.01
Unearned Premiums-Marsh	0.00	0.00
Aggregate Contingency Fund	0.00	0.00
Unearned Premiums	1,555,470.06	1,711,496.16
Unrn'd Cigna/Fireman's Premium	0.00	0.00
Unernd Willis Mgt Fees/Ret Prm	0.00	0.00
Post Retirement Bene Paybl	905,018.19	829,584.78
Mngmt Maintenance Syst Paybl	0.00	0.00
Rate Stabilization-ERIC North	593,362.40	272,847.36
Rate Stabilization-ERIC South	377,053.53	377,053.53
Rate Stabilization - ERIC West	242,760.85	277,760.85
Rate Stabilization - BACCCEIC	290,564.19	290,564.19
Rate Stabilization - MOCSSIF	215,463.00	215,463.00
Rate Stabilization - NJEIF	704,753.39	1,004,423.26
TOTAL LONG TERM LIABILITIES	<u>219,804,034.00</u>	<u>220,149,278.14</u>
Employee Benefits Payable	0.00	0.00
Pensions Payable	36,967.89	34,020.58
Dividend Payable	0.00	0.00
403B/T. Rowe Price Payable	4,411.70	4,219.05
Colonial Life Payable	0.00	0.00
Retro Claims (Cash)	265,502.49	329,669.38
STARS Recon/Claims Liability	0.00	0.00
Return of excess subrogation	0.00	0.00
AFLAC Payable	(1,982.62)	(1,982.62)
Group Term Life Payable	3,638.61	1,895.21
Due to Retro Reinsurer	0.00	0.00
Retro Agent Comm Payable	0.00	0.00
M&M Retro Fee Payable	0.00	0.00
Retro Unearned Prem/Service	0.00	0.00
Marsh Due to Reinsurers	0.00	0.00
Marsh Ag. Comm. Payable	0.00	0.00
Due to Reinsurers	(1,297,439.86)	(765,065.95)
Agent Comm. Payable	172,445.18	15,967.88
Due To Reinsurers Installments	0.00	0.00
Due To Reinsurers Prebill	0.00	0.00
Ag Comm Paybl Installments	0.00	0.00
Ag Comm Paybl Prebill	0.00	0.00

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NJSIG
Balance Sheet
For the Period Ended 6/30/2015

	<u>Current Balance</u>	<u>Prior Year</u>
TOTAL OTHER LIABILITIES	(816,456.61)	(381,276.47)
TOTAL LIABILITIES	<u>223,144,394.02</u>	<u>227,625,923.70</u>
Retained Earnings Fund Balance	66,169,762.73	65,389,323.18
Year-to-Date Earnings	5,311,932.13	780,439.55
Total Capital	<u>71,481,694.86</u>	<u>66,169,762.73</u>
Total Liabilities and Capital	<u>294,626,088.88</u>	<u>293,795,686.43</u>



NJSBAIG
Balance Sheet
For the Period Ended 5/31/2015

	<u>Current Balance</u>	<u>Prior Year</u>
<u>Current Assets:</u>		
D.W. Active Assets	0.00	0.00
Petty Cash	92.23	226.75
Cash Mgmt. Fund - N.J. State	322,977.22	322,778.27
Operating Account (1st Union)	0.00	0.00
Concentration (1st Union)	0.00	0.00
Payroll (1st Union)	0.00	0.00
Claims (1st Union)	0.00	0.00
Legal Account (1st Union)	0.00	0.00
A.G. Edwards Cash	0.00	0.00
Concentration Acct (TD Bank)	99,597,536.62	89,694,789.71
Operating Acct (TD Bank)	0.00	0.00
Payroll Acct (TD Bank)	58.72	58.72
Claims Acct (TD Bank)	(3,649,215.68)	(2,673,834.68)
FSA/DCA Acct (TD Bank)	0.00	0.00
Lock Box Account(TD Bank)	(103,628.98)	(211,257.41)
Willis/NJSBAIG Cash (Commerce)	0.00	0.00
Cash Suspense	0.00	0.00
Tri-State Capital Bank Account	0.00	1,692.65
Beneficial Bank Account	0.00	0.00
Operating Account (TD Bank2)	(198,650.04)	(1,106,289.67)
CASH IN BANKS	<u>95,969,170.09</u>	<u>86,028,164.34</u>
Certificates of Deposit	188,924,375.18	159,364,425.97
Partnership Interests	2.00	2.00
U.S. Treasury Bills (A.G. Edw)	0.00	0.00
N.J. State Investment Fund	8,199,509.95	28,801,433.91
Investment Premiums (NJ Inv F)	0.00	42,103.18
Market Value Adjust (NJ Inv F)	(0.02)	141,426.80
Certificates of Deposit Suspns	0.00	0.00
MARKETABLE SECURITIES	<u>197,123,887.11</u>	<u>188,349,391.86</u>
Reinsurance Rebate Receivable	0.00	0.00
Reinsurance Recoverables	0.00	0.00
Reins. Recovery Receivable	0.00	0.00
Reins. Recovery 85/86 Recvb'l	(529.30)	(14,678.00)
REINSURANCE RECEIVABLES	<u>(529.30)</u>	<u>(14,678.00)</u>
Interest/Divid Recvb'l-AG Ewds	0.00	0.00
Interest/Divid. Recvb'l-NJ Inv	0.02	189,318.50
Interest/Divid Recvb'l-CD's	0.00	0.00
Interest/Divid Recvb'l-Ptrn Dst	0.00	0.00
INTEREST/DIVIDENDS RECEIVABLES	<u>0.02</u>	<u>189,318.50</u>



NJSBAIG
Balance Sheet
For the Period Ended 5/31/2015

	<u>Current Balance</u>	<u>Prior Year</u>
Misc. Accounts Receivable	0.00	0.00
Assessments Receivable	0.00	0.00
Legal Settlement Recvb'l	100.00	100.00
Seminar/Training Academy Rec	0.00	0.00
Retro Premium/Service Recvbl	0.00	0.00
Retro Audit Receivable	0.00	0.00
Retro Endorsement Receivable	0.00	0.00
Retro Add'l Servcs Recvb'l	0.00	0.00
MISC ACCOUNTS RECEIVABLES	<u>100.00</u>	<u>100.00</u>
Audit Premium Receivable	0.00	0.00
Premium Recvb'l Installments	2,978,789.71	3,007,169.78
Premium Recvb'l Prebill	0.00	0.00
Premium Receivable	1,661,140.06	3,584,135.98
Commission Recvbl Control Acct	0.00	0.00
Allowance of Doubtful Accts	0.00	0.00
A/R Maintenance Control Acct.	(186.02)	(186.02)
Asset Transfer Control Acct.	0.00	0.00
Agent Commission Receivable	0.00	0.00
PREMIUM RECEIVABLES	<u>4,639,743.75</u>	<u>6,591,119.74</u>
TOTAL Current Assets	<u>297,732,371.67</u>	<u>281,143,416.44</u>
F&F Original Value	1,938,579.68	1,665,243.52
Accumulated Depreciation	(1,628,650.63)	(1,269,362.77)
Leasehold Improvements	0.00	0.00
Accumulated Amortization	0.00	0.00
TOTAL FIXED ASSETS	<u>309,929.05</u>	<u>395,880.75</u>
Other Assets:		
Prepaid General Insurance	78,079.78	82,162.75
Prepaid Crime Insurance	6,994.54	10,588.83
Prepaid General Expenses	57,243.75	14,068.08
Prepaid TPA Expenses	56,249.88	224,999.88
PREPAID ASSETS	<u>198,567.95</u>	<u>331,819.54</u>
Unearned M&M Fees	0.00	0.00
Unearned Marsh Reins Exp	0.00	0.00
Unearned Marsh Ag Comm	0.00	0.00
Unearned Willis Fees	0.00	0.00
Unearned Reins Exp	656,843.48	713,582.42
Unearned Agent Comm.	222,719.97	222,227.55
Unrn'd Cigna/Fireman's Reins.	0.00	0.00
Unrnd Cigna/Fireman's Ag. Comm	0.00	0.00
Retro Reinsurance Unearned	0.00	0.00



NJSBAIG
Balance Sheet
For the Period Ended 5/31/2015

	<u>Current Balance</u>	<u>Prior Year</u>
Retro Agent Comm Unearned	0.00	0.00
Retro M&M Fee Unearned	0.00	0.00
UNEARNED EXPENSES	<u>879,563.45</u>	<u>935,809.97</u>
Travel Advance	0.00	1,900.00
Deposits	0.00	15,750.00
OTHER ASSETS	<u>0.00</u>	<u>17,650.00</u>
TOTAL OTHER ASSETS	<u>1,078,131.40</u>	<u>1,285,279.51</u>
TOTAL ASSETS	<u><u>299,120,432.12</u></u>	<u><u>282,824,576.70</u></u>
A/P Module ADM01	0.00	0.00
Notes Payable	0.00	0.00
Accrued Expenses Payable	135,533.93	135,533.94
A/P Module INS01	(84,609.14)	0.00
Safety Grant Payable	2,602,362.07	5,116,220.78
Reins Recov Paybl- XL Reins	0.00	0.00
Mngmt Maintenance Syst Paybl	129.79	8,632.95
Broker Refund Payable	0.00	0.00
Federal Income Tax W/H	0.00	0.00
FICA W/H Employee	0.00	0.00
FICA W/H Employer	0.00	0.00
FUI Taxes Payable	0.00	0.00
SUI Payable	0.00	0.00
State Income W/H-NJ	0.00	0.00
State Income W/H-PA	0.00	0.00
Garnishment Payable	0.00	0.00
Medicare - Employee	0.00	0.00
Medicare - Employer	0.00	0.00
Employee Savings Payable	0.02	0.02
Local Income W/H-Phila	0.03	0.03
Group Term Life Payable	0.00	0.00
TOTAL CURRENT LIABILITIES	<u>2,653,416.70</u>	<u>5,260,387.72</u>
Estimated Unpaid Losses	213,382,000.00	198,995,000.00
Reserve-Unalloc Loss Adjust	1,788,085.01	1,737,422.66
Unearned Premiums-Marsh	0.00	0.00
Aggregate Contingency Fund	0.00	0.00
Unearned Premiums	1,711,496.16	1,830,369.27
Unrn'd Cigna/Fireman's Premium	0.00	0.00
Unernd Willis Mgt Fees/Ret Prm	0.00	0.00
Post Retirement Bene Paybl	827,615.25	751,641.78
Mngmt Maintenance Syst Paybl	0.00	0.00
Rate Stabilization-ERIC North	272,847.36	272,847.36
Rate Stabilization-ERIC South	377,053.53	495,301.01



NJSBAIG
Balance Sheet
For the Period Ended 5/31/2015

	<u>Current Balance</u>	<u>Prior Year</u>
Rate Stabilization - ERIC West	242,760.85	277,760.85
Rate Stabilization - BACCEIC	290,564.19	290,564.19
Rate Stabilization - MOCSSIF	215,463.00	215,463.00
Rate Stabilization - NJEIF	1,004,423.26	1,004,423.26
TOTAL LONG TERM LIABILITIES	<u>220,112,308.61</u>	<u>205,870,793.38</u>
Employee Benefits Payable	0.00	0.00
Pensions Payable	38,638.84	32,540.38
Dividend Payable	0.00	0.00
403B/T. Rowe Price Payable	4,356.42	4,219.05
Colonial Life Payable	0.00	0.00
Retro Claims (Cash)	185,485.33	394,018.63
STARS Recon/Claims Liability	0.00	0.00
Return of excess subrogation	0.00	0.00
AFLAC Payable	(1,982.62)	(1,982.62)
Group Term Life Payable	2,528.67	1,694.05
Due to Retro Reinsurer	0.00	0.00
Retro Agent Comm Payable	0.00	0.00
M&M Retro Fee Payable	0.00	0.00
Retro Unearned Prem/Service	0.00	0.00
Marsh Due to Reinsurers	0.00	0.00
Marsh Ag. Comm. Payable	0.00	0.00
Due to Reinsurers	(1,279,096.97)	(688,333.56)
Agent Comm. Payable	446,219.48	22,678.07
Due To Reinsurers Installments	0.00	0.00
Due To Reinsurers Prebill	0.00	0.00
Ag Comm Paybl Installments	0.00	0.00
Ag Comm Paybl Prebill	0.00	0.00
TOTAL OTHER LIABILITIES	<u>(603,850.85)</u>	<u>(235,166.00)</u>
TOTAL LIABILITIES	<u>222,161,874.46</u>	<u>210,896,015.10</u>
Retained Earnings Fund Balance	66,169,762.73	65,389,323.18
Year-to-Date Earnings	10,788,794.93	6,539,238.42
Total Capital	<u>76,958,557.66</u>	<u>71,928,561.60</u>
Total Liabilities and Capital	<u>299,120,432.12</u>	<u>282,824,576.70</u>