



## New Jersey Schools Insurance Group

6000 Midlantic Drive, Suite 300 North  
Mount Laurel, New Jersey 08054  
(609) 386-6060 • FAX (609) 386-8877  
www.njsig.org

### Board of Trustees Meeting of October 24, 2017 Comptroller/Financial Reporting Report

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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 \$129.3 million of 2017/2018 renewal gross member contributions and endorsements in the Peoplesoft Billing Module as of the date of this report (10/09/2017). The Accounting Department is current with all business that was bound and exported from the Underwriting system NavRisk. In addition, the Accounting Department continues to invoice our members in the Peoplesoft Billing system for monthly Workers' Compensation installments, 2017/2018 Renewals (off 07/01/2017), miscellaneous endorsements as the billing data is exported from NavRisk. The Accounting Department has collected and applied \$63.1 million of members' contribution deposits (to date) for the 2017/2018 fiscal year. Collections of NJSIG member contributions are kept current with the Accounting Department's issuance of color-coded NJSIG Member Statements on the 15<sup>th</sup> of each month.
- (2) **Accounts Payable:** All Accounts Payable vouchers and payments are current. The Accounting Department processed \$5.4 million of broker commissions as part of the Direct Bill procedures during the 2017/2018 fiscal year. The Accounting Department is also processing safety grant payments as per the grant resolution from the 06/30/16 reporting period (approved at the 9/2016 board meeting).

➤ **FINANCIAL REPORTING ISSUES 2016/2017:**

Please find the attached **final** financial reports for 06/2017. These reports represent more detailed data than the Nisivoccia audit report and also reconcile to the summarized data in the Nisivoccia audit report. The fiscal year 2017 change in net position is \$10.4 million which includes a 2017 safety



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grant of \$8.5 million. The favorable results this year were primarily the result of overall favorable claims experiences, as reported by Stacy Mina, Willis Towers Watson, at our last board meeting. These favorable 2017 results increased the net position/surplus to \$78.7 million. I have also included the most current Investment/Cash report and the final 07/2017 financial reports.

➤ **FISCAL YEAR-END AUDIT 2016/2017:**

The Nisivoccia auditors have completed the 06/30/2017 audit. The final draft of their report is included in the action item section of this board package. The auditors will be at our October, Atlantic City, meeting to present their report and answer any of your questions. As you will see, this was another strong financial year for NJSIG, allowing for the \$8.5 million safety grant from the fiscal year 2017 underwriting operating results.

➤ **SPECIAL PROJECTS:**

In addition to my standard responsibilities, I have also been working on the following special projects since our last board meeting:

- (1) 2017-2018 Budget Upload – I have successfully completed the upload process for the 2017/2018 budget data into the PeopleSoft/Financial Reporting database. This is the budget that the Trustees approved at the June 2017 meeting and which was filed with the NJ Department of Banking and Insurance.
- (2) Custodial/Asset Management (Wilmington Trust): - The NJSIG team and the Wilmington Trust team met in September to fully execute the legal documents between the two organizations. Wilmington Trust subsequently opened the NJSIG accounts for future investment and custodial activity. Bill Mayo will be



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providing a general description of the services that Wilmington will offer NJSIG at this board meeting. The Wilmington Trust team will be attending our November board meeting to discuss more detailed investment plans and answer any Trustee questions.

- (3) Willis Towers Watson 2018/2019 Pricing Study – I have developed and provided Willis Towers Watson with forecasted 2018/2019 administrative expenses for their use in determining the pricing of NJSIG's 2018/2019 member contributions.
- (4) Open Enrollment – I am working with our Senior Payroll and Benefits Specialist to coordinate all documentation and summary plan documents for NJSIG employee 2018 benefits open enrollment.

Please contact me if you have any questions or concerns email is [mcarosi@njsig.org](mailto:mcarosi@njsig.org) and cell number is 609-949-1973.

*Michele Carosi*

Michele Carosi, Comptroller

**N J S I G**  
**DATE 10/9/2017**

**U.S. TREASURIES & AGENCIES**

DATE ACQUIRED	MATURITY DATE	NO OF DAYS	PURCHASE PRICE	INTEREST RATE @ PURCHASE	VALUE AT MATURITY	INVESTMENT TYPE	DAYS TO MATURITY
Totals at:		10/9/2017		0	0		

**CERTIFICATES OF DEPOSIT**

DATE ACQUIRED	MATURITY DATE	NO OF DAYS	AMOUNT	INTEREST RATE	DAYS TO MATURITY	NAME OF BANK	money from
Totals at:		10/9/2017		0			

**N J S I G**  
**SUMMARY OF CASH AND INVESTMENTS**

AS OF	CASH 7/31/2017	
CASH MGT STATE		325,825
CLAIMS TD BANK		(140,630)
CLAIMS INVESTORS		(1,665,914)
TD WEALHT MGT - NJ Trst Fnd		0
LOCK BOX TD BANK		0
ASSMNT COLI INVESTORS		(203,518)
PAYROLL TD BANK		0
OPERATING #2 TD BANK		(9,276)
OPERATING INVESTORS		(26,028,931)
FSA/DCA TD BANK		0
Concentration TD BANK		1,572,423
Concentration INVESTORS		322,250,353
Petty Cash		253
<b>TOTAL CASH AS OF</b>	<b>7/31/2017</b>	<b><u>296,100,584</u></b>

<b>TOTAL CASH AS OF</b>	<b>7/31/2017 =</b>	<b>296,100,584</b>
<b>TOTAL CD'S &amp; US TREAS/AGENCIES AS OF</b>	<b>10/9/17 =</b>	<b>0</b>
	<b>TOTAL =</b>	<b><u>296,100,584</u></b>



**NJSIG**  
**Income Statement**  
**For the Period Ending 7/31/2017**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Income:				
Member Contributions	91,740,967.77	131,180,680.00	91,740,967.77	131,180,680.00
Retro Accounts Income	0.00	0.00	0.00	0.00
Total Income	91,740,967.77	131,180,680.00	91,740,967.77	131,180,680.00
Adjustments:				
Reinsurance Recoveries	74,363.91	0.00	74,363.91	0.00
Accrued Reins Recoveries	(1,068,230.00)	0.00	(1,068,230.00)	0.00
Subrogation Income	562,364.12	0.00	562,364.12	0.00
Recoveries & Subro Income	(431,501.97)	0.00	(431,501.97)	0.00
Revenue	91,309,465.80	131,180,680.00	91,309,465.80	131,180,680.00



**NJSIG**  
**Income Statement**  
**For the Period Ending 7/31/2017**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Expenses:				
Salaries-Temporary Employees	1,470.40	9,376.67	1,470.40	9,376.67
Salaries	512,691.88	537,503.00	512,691.88	537,503.00
Salaries-Overtime	0.00	416.67	0.00	416.67
Payroll Tax Expenses	18,718.44	46,509.17	18,718.44	46,509.17
Pension Expense	0.00	62,101.25	0.00	62,101.25
Recruiting Costs	697.00	2,555.83	697.00	2,555.83
Post Retirement Bene Exp	0.00	15,200.17	0.00	15,200.17
Employee Medical Benefits	78,657.85	101,610.00	78,657.85	101,610.00
Employee Dental Benefits	4,574.27	5,466.83	4,574.27	5,466.83
Employee Vision Benefits	3,737.44	2,361.17	3,737.44	2,361.17
Employee ST Disab & Other Ins	(3,724.48)	6,833.33	(3,724.48)	6,833.33
Defined Contrib Retirement Exp	475.44	560.17	475.44	560.17
Personnel Expenses	<u>617,298.24</u>	<u>790,494.25</u>	<u>617,298.24</u>	<u>790,494.25</u>
Marketing Expenses	<u>179.17</u>	<u>704.17</u>	<u>179.17</u>	<u>704.17</u>
Member Services Dept Expenses	<u>179.17</u>	<u>704.17</u>	<u>179.17</u>	<u>704.17</u>
Loss Prevention	<u>1,206.77</u>	<u>14,550.00</u>	<u>1,206.77</u>	<u>14,550.00</u>
Loss Control Dept Expenses	<u>1,206.77</u>	<u>14,550.00</u>	<u>1,206.77</u>	<u>14,550.00</u>
Claims Audit Expense	<u>0.00</u>	<u>1,333.33</u>	<u>0.00</u>	<u>1,333.33</u>
Claims Dept Expenses	<u>0.00</u>	<u>1,333.33</u>	<u>0.00</u>	<u>1,333.33</u>
Accounting Fees	0.00	91.67	0.00	91.67
Actuary Fees	(38,094.06)	18,333.33	(38,094.06)	18,333.33
Loss Control Outside Services	0.00	7,500.00	0.00	7,500.00
Legal & Professional Fees	(7,600.00)	20,833.33	(7,600.00)	20,833.33
Third Party Admin.-Willis	(337,500.00)	56,250.00	(337,500.00)	56,250.00
Outside Service Fees	<u>(383,194.06)</u>	<u>103,008.33</u>	<u>(383,194.06)</u>	<u>103,008.33</u>
Total Agent Commission Expense	<u>7,361,015.08</u>	<u>12,673,259.00</u>	<u>7,361,015.08</u>	<u>12,673,259.00</u>
Claims Expense	<u>4,252,791.06</u>	<u>5,755,960.08</u>	<u>4,252,791.06</u>	<u>5,755,960.08</u>
Claims Expenses	<u>4,252,791.06</u>	<u>5,755,960.08</u>	<u>4,252,791.06</u>	<u>5,755,960.08</u>
Reinsurance Exp-District Bill	24,662,429.63	32,968,039.00	24,662,429.63	32,968,039.00
Reinsurance Exp-NJSIG Paid	7,261.88	0.00	7,261.88	0.00
Reinsurance Expenses	<u>24,669,691.51</u>	<u>32,968,039.00</u>	<u>24,669,691.51</u>	<u>32,968,039.00</u>



**NJSIG**  
**Income Statement**  
**For the Period Ending 7/31/2017**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
IT - Office Equipment Supplies	305.42	2,416.67	305.42	2,416.67
Office Equipment Maintenance	0.00	3,325.00	0.00	3,325.00
Computer Software Maintenance	16,195.55	22,921.33	16,195.55	22,921.33
Information Technology Dept Expenses	<u>16,500.97</u>	<u>28,663.00</u>	<u>16,500.97</u>	<u>28,663.00</u>
Depreciation Expense	32,488.19	50,550.92	32,488.19	50,550.92
Dues & Subscriptions	1,111.08	8,361.42	1,111.08	8,361.42
Misc. Bank Fees	0.00	3,155.00	0.00	3,155.00
Rent Expense	75,470.18	39,282.58	75,470.18	39,282.58
Office Supplies	143.22	5,889.17	143.22	5,889.17
Office Operating Expenses	3,956.41	7,748.67	3,956.41	7,748.67
Office Leased Expenses	1,650.33	3,291.67	1,650.33	3,291.67
Telephone Expense	0.00	83.33	0.00	83.33
Group's Insurance Expense	18,238.49	20,833.33	18,238.49	20,833.33
Group's Crime Insurance Exp.	3,595.60	3,333.33	3,595.60	3,333.33
FSA Admin Fee	171.70	0.00	171.70	0.00
Postage	5,793.99	5,166.67	5,793.99	5,166.67
Employee Seminar Expenses	249.50	10,541.67	249.50	10,541.67
Insurance Course Fees	118.00	1,000.00	118.00	1,000.00
Tuition Reimbursement	0.00	500.00	0.00	500.00
Audit Fees	(46,000.00)	0.00	(46,000.00)	0.00
Consulting Fees	222.80	29,583.33	222.80	29,583.33
Miscellaneous Expenses	100.38	516.67	100.38	516.67
Disaster Recovery Expenses	10,995.98	10,308.00	10,995.98	10,308.00
Cell Phone Expense	1,156.70	1,687.50	1,156.70	1,687.50
OPRA expenses	0.00	8,333.33	0.00	8,333.33
Business Operating Expenses	<u>109,462.55</u>	<u>210,166.58</u>	<u>109,462.55</u>	<u>210,166.58</u>
Travel & Related Expenses	1,240.67	9,524.00	1,240.67	9,524.00
Annual Meeting	133.75	4,450.00	133.75	4,450.00
Trustee Meeting Expense	0.00	0.00	0.00	0.00
Conferences & Meeting Expenses	<u>1,374.42</u>	<u>13,974.00</u>	<u>1,374.42</u>	<u>13,974.00</u>
Total Expenses	<u>36,646,325.71</u>	<u>52,560,151.75</u>	<u>36,646,325.71</u>	<u>52,560,151.75</u>





**NJSIG**  
**Income Statement**  
**For the Period Ending 7/31/2017**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Other Revenue and Expenses:				
Interest-Concentration Acct	867.80	0.00	867.80	0.00
Interest-NJ Cash Mgmt Fund	246.76	18.67	246.76	18.67
Interest-Commerce Concentr	0.00	48,189.08	0.00	48,189.08
Interest on Assesment Recvbl's	3.41	0.00	3.41	0.00
Interest - InvBk Concentration	279,155.40	0.00	279,155.40	0.00
Investment Income	<u>280,273.37</u>	<u>48,207.75</u>	<u>280,273.37</u>	<u>48,207.75</u>
Financial Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Seminar Income	395.00	729.17	395.00	729.17
Change in Unrnd Ag Comm	(43,977.67)	0.00	(43,977.67)	0.00
Change in Unrnd Reins	(115,030.23)	0.00	(115,030.23)	0.00
Other Revenues	<u>(158,612.90)</u>	<u>729.17</u>	<u>(158,612.90)</u>	<u>729.17</u>
Investment Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Other Revenue and Expenses	<u>121,660.47</u>	<u>48,936.92</u>	<u>121,660.47</u>	<u>48,936.92</u>
Net Revenue	<u>54,784,800.56</u>	<u>78,669,465.17</u>	<u>54,784,800.56</u>	<u>78,669,465.17</u>



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 7/31/2017**

	<b>Current Balance</b>	<b>Prior Year</b>
<b><u>Current Assets:</u></b>		
D.W. Active Assets	0.00	0.00
Petty Cash	252.79	226.74
Cash Mgmt. Fund - N.J. State	325,824.61	323,900.16
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)	1,572,423.03	237,876,613.95
Operating Acct (TD Bank)	0.00	0.00
Payroll Acct (TD Bank)	0.00	0.00
Claims Acct (TD Bank)	(140,630.48)	(2,455,764.08)
FSA/DCA Acct (TD Bank)	0.00	0.00
Lock Box Account(TD Bank)	0.00	(183,503.56)
Willis/NJSBAIG Cash (Commerce)	0.00	0.00
Cash Suspense	0.00	0.00
Tri-State Capital Bank Account	0.00	0.00
Beneficial Bank Account	0.00	0.00
Operating Account (TD Bank2)	(9,276.12)	(930,370.03)
Concentration Acct (Investors)	322,250,352.68	0.00
Operating Acct (Investors)	(26,028,930.71)	0.00
Claims Acct (Investors)	(1,665,913.67)	0.00
Payroll Acct (Investors)	0.00	0.00
FSA/DCA Acct (Investors)	0.00	0.00
Assessmnt Collection Acct(INV)	(203,517.95)	0.00
<b>CASH IN BANKS</b>	<b>296,100,584.18</b>	<b>234,631,103.18</b>
Certificates of Deposit	0.00	40,000,000.00
Partnership Interests	0.00	2.00
U.S. Treasury Bills (A.G. Edw)	0.00	0.00
N.J. State Investment Fund	0.00	139.66
Investment Premiums (NJ Inv F)	0.00	0.00
Market Value Adjust (NJ Inv F)	0.00	(0.02)
Certificates of Deposit Suspns	0.00	0.00
<b>MARKETABLE SECURITIES</b>	<b>0.00</b>	<b>40,000,141.64</b>
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	(34,844.13)	(36,223.49)
<b>REINSURANCE RECEIVABLES</b>	<b>(34,844.13)</b>	<b>(36,223.49)</b>
Interest/Divid Recvb'l-AG Ewds	0.00	0.00



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 7/31/2017**

	<b>Current Balance</b>	<b>Prior Year</b>
Interest/Divid. Recvb'l-NJ Inv	0.00	0.02
Interest/Divid Recvb'l-CD's	0.00	477,322.23
Interest/Divid Recvb'l-Ptnr Dst	0.00	0.00
INTEREST/DIVIDENDS RECEIVABLES	0.00	477,322.25
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	100.00	100.00
Audit Premium Receivable	0.00	0.00
Premium Recvb'l Installments	29,197,164.92	9,976,997.68
Premium Recvb'l Prebill	0.00	0.00
Premium Receivable	62,464,934.75	25,150,591.59
Commission Recvbl Control Acct	0.00	0.00
Allowance of Doubtful Accts	0.00	0.00
A/R Maintenance Control Acct.	0.00	0.00
Asset Transfer Control Acct.	0.00	0.00
Agent Commission Receivable	0.00	0.00
PREMIUM RECEIVABLES	91,662,099.67	35,127,589.27
TOTAL Current Assets	387,727,939.72	310,200,032.85
F&F Original Value	1,323,150.75	1,347,135.56
Accumulated Depreciation	(580,406.77)	(596,046.62)
Leasehold Improvements	0.00	0.00
Accumulated Amortization	0.00	0.00
<b>TOTAL FIXED ASSETS</b>	<b>742,743.98</b>	<b>751,088.94</b>
<b><u>Other Assets:</u></b>		
Prepaid General Insurance	82,825.64	95,927.97
Prepaid Crime Insurance	13,334.31	21,291.61
Prepaid General Expenses	82,600.38	209,508.76
Prepaid TPA Expenses	0.00	112,499.88
PREPAID ASSETS	178,760.33	439,228.22
Unearned M&M Fees	0.00	0.00
Unearned Marsh Reins Exp	0.00	0.00
Unearned Marsh Ag Comm	0.00	0.00



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 7/31/2017**

	<u>Current Balance</u>	<u>Prior Year</u>
Unearned Willis Fees	0.00	0.00
Unearned Reins Exp	0.00	651,390.18
Unearned Agent Comm.	0.00	199,824.44
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>0.00</u>	<u>851,214.62</u>
Travel Advance	0.00	0.00
Deposits	0.00	0.00
OTHER ASSETS	<u>0.00</u>	<u>0.00</u>
GASB68-Defer Out-ChngInAssump	4,290,832.00	1,703,943.00
GASB68-DeferOut-ChngProportion	1,056,205.00	1,347,926.00
GASB68-DeferOut-ExpectvsActual	385,217.00	378,521.00
GASB68-DeferOut-NETDiffProjInv	789,843.00	0.00
GASB68DeferOut-SubsqntContrib	0.00	0.00
DEFERRED OUTFLOWS	<u>6,522,097.00</u>	<u>3,430,390.00</u>
TOTAL OTHER ASSETS	<u>6,700,857.33</u>	<u>4,720,832.84</u>
<b>TOTAL ASSETS</b>	<u><u>395,171,541.03</u></u>	<u><u>315,671,954.63</u></u>
A/P Module ADM01	0.00	0.00
Notes Payable	0.00	0.00
Accrued Expenses Payable	122,294.69	122,496.71
A/P Module INS01	(6,043.88)	(4,280.77)
Safety Grant Payable	11,920,840.33	5,015,029.71
Reins Recov Paybl- XL Reins	0.00	0.00
Mngmt Maintenance Syst Paybl	0.00	0.00
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	0.00	0.02
Local Income W/H-Phila	0.00	0.03



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 7/31/2017**

	<u>Current Balance</u>	<u>Prior Year</u>
FSA MED Payable	767.81	0.00
FSA Depend Payable	5,325.21	0.00
Group Term Life Payable	0.00	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<u>12,043,184.16</u>	<u>5,133,245.70</u>
Estimated Unpaid Losses	210,135,000.00	217,262,000.00
Reserve-Unalloc Loss Adjust	8,800,000.00	1,498,994.27
Unearned Premiums-Marsh	0.00	0.00
Aggregate Contingency Fund	0.00	0.00
Unearned Premiums	0.00	1,606,448.11
Unrn'd Cigna/Fireman's Premium	0.00	0.00
Unernd Willis Mgt Fees/Ret Prm	0.00	0.00
Post Retirement Bene Paybl	1,363,319.80	1,186,460.64
Mngmt Maintenance Syst Paybl	0.00	0.00
Rate Stabilization-ERIC North	593,362.40	593,362.40
Rate Stabilization-ERIC South	99,230.99	232,385.94
Rate Stabilization - ERIC West	197,760.85	216,760.85
Rate Stabilization - BACCCEIC	169,787.47	290,564.19
Rate Stabilization - MOCSSIF	320,824.09	320,824.09
Rate Stabilization - NJEIF	437,559.63	437,559.63
<b>TOTAL LONG TERM LIABILITIES</b>	<u>222,116,845.23</u>	<u>223,645,360.12</u>
Employee Benefits Payable	0.00	0.00
Pensions Payable	38,662.11	40,660.66
GASB68-Pension Payable	20,713,990.00	15,866,572.00
DCRP Payable	1,079.41	0.00
Dividend Payable	0.00	0.00
403B/T. Rowe Price Payable	0.00	4,928.59
Colonial Life Payable	0.00	0.00
Retro Claims (Cash)	130,426.08	276,700.47
STARS Recon/Claims Liability	0.00	0.00
Return of excess subrogation	0.00	0.00
AFLAC Payable	0.00	0.00
Group Term Life Payable	15,792.55	4,264.08
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
Agent Comm. Payable	9,303,304.12	3,344,995.93
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
<b>TOTAL OTHER LIABILITIES</b>	<u>30,203,254.27</u>	<u>19,538,121.73</u>
<b>TOTAL REINSURANCE PAYABLES</b>	<u>(2,760,132.81)</u>	<u>(21,269,560.79)</u>



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 7/31/2017**

	<u>Current Balance</u>	<u>Prior Year</u>
GASB68-DeferIn-DiffInInvest	0.00	255,104.00
GASB68-DeferIn-ChngIn Proport	120,962.00	0.00
<b>TOTAL DEFERRED INFLOWS</b>	<u>120,962.00</u>	<u>255,104.00</u>
<b>TOTAL LIABILITIES</b>	<u>261,724,112.85</u>	<u>227,302,270.76</u>
Retained Earnings Fund Balance	78,662,627.62	68,222,366.06
Year-to-Date Earnings	54,784,800.56	20,147,317.81
<b>Total Capital</b>	<u>133,447,428.18</u>	<u>88,369,683.87</u>
<b>Total Liabilities and Capital</b>	<u>395,171,541.03</u>	<u>315,671,954.63</u>



**NJSIG**  
**Income Statement**  
**For the Period Ending 6/30/2017**  
**FINAL 9/21/17**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Income:				
Member Contributions	129,714,984.18	130,379,676.00	(160,681.12)	0.00
Retro Accounts Income	0.00	0.00	0.00	0.00
Total Income	129,714,984.18	130,379,676.00	(160,681.12)	0.00
Adjustments:				
Reinsurance Recoveries	10,692,209.22	1,576,000.00	242,784.29	0.00
Reins Recovery W/C 85/86	1,379.36	0.00	1,379.36	0.00
Accrued Reins Recoveries	534,115.00	0.00	534,115.00	0.00
Subrogation Income	1,110,218.44	0.00	105,128.14	0.00
Recoveries & Subro Income	12,337,922.02	1,576,000.00	883,406.79	0.00
Revenue	142,052,906.20	131,955,676.00	722,725.67	0.00



**NJSIG**  
**Income Statement**  
**For the Period Ending 6/30/2017**  
**FINAL 9/21/17**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Expenses:				
Salaries-Temporary Employees	61,074.33	107,500.00	13,139.34	8,958.33
Salaries	5,759,502.73	6,064,978.99	491,152.97	505,414.92
Salaries-Overtime	0.81	3,000.00	0.00	250.00
Payroll Tax Expenses	484,123.28	590,000.00	41,726.38	49,166.67
Pension Expense	643,434.37	660,312.00	(340.19)	55,026.00
GASB68-Pension Expense	1,621,569.00	0.00	1,621,569.00	0.00
Recruiting Costs	24,742.82	7,500.00	928.07	625.00
Post Retirement Bene Exp	182,402.00	171,553.00	182,402.00	14,296.08
Employee Medical Benefits	934,501.67	1,245,828.00	77,727.50	103,819.00
Employee Dental Benefits	54,271.87	56,400.00	4,476.64	4,700.00
Employee Vision Benefits	22,571.16	24,720.00	1,970.71	2,060.00
EE HRA Benefits	120,937.27	342,000.00	0.00	28,500.00
Employee FSA Benefits	19,251.73	33,000.00	0.00	2,750.00
Employee ST Disab & Other Ins	58,920.08	75,000.00	21,341.93	6,250.00
Defined Contrib Retirement Exp	7,572.53	0.00	0.00	0.00
Personnel Expenses	<u>9,994,875.65</u>	<u>9,381,791.99</u>	<u>2,456,094.35</u>	<u>781,816.00</u>
Marketing Expenses	<u>19,856.92</u>	<u>12,000.00</u>	<u>179.17</u>	<u>1,000.00</u>
Member Services Dept Expenses	<u>19,856.92</u>	<u>12,000.00</u>	<u>179.17</u>	<u>1,000.00</u>
Loss Prevention	<u>141,846.67</u>	<u>175,400.00</u>	<u>10,836.22</u>	<u>14,616.67</u>
Loss Control Dept Expenses	<u>141,846.67</u>	<u>175,400.00</u>	<u>10,836.22</u>	<u>14,616.67</u>
Claims Audit Expense	0.00	12,000.00	0.00	1,000.00
Claims Admin. Expenses	(68.00)	0.00	0.00	0.00
Claims Dept Expenses	<u>(68.00)</u>	<u>12,000.00</u>	<u>0.00</u>	<u>1,000.00</u>
Accounting Fees	940.00	1,200.00	410.00	100.00
Actuary Fees	111,658.18	180,000.00	(13,000.00)	15,000.00
Loss Control Outside Services	77,859.54	90,000.00	53,000.00	7,500.00
Legal & Professional Fees	158,413.99	300,000.00	14,934.47	25,000.00
Third Party Admin.-Willis	675,000.00	675,000.00	337,500.00	56,250.00
Outside Service Fees	<u>1,023,871.71</u>	<u>1,246,200.00</u>	<u>392,844.47</u>	<u>103,850.00</u>
Total Agent Commission Expense	<u>14,870,511.35</u>	<u>15,924,027.00</u>	<u>1,889,999.89</u>	<u>3,465,159.33</u>
Claims Expense	64,447,176.00	68,707,000.00	5,252,148.78	5,725,583.33
Change in Claims Reserves	(7,127,000.00)	0.00	(7,127,000.00)	0.00





**NJSIG**  
**Income Statement**  
**For the Period Ending 6/30/2017**  
**FINAL 9/21/17**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Change in Rsrv for ULAG	7,301,005.73	0.00	7,301,005.73	0.00
NEPHA Deductible Reimb. Exp.	5,000.00	0.00	0.00	0.00
Claims Expenses	64,626,181.73	68,707,000.00	5,426,154.51	5,725,583.33
Reinsurance Exp-District Bill	32,395,261.20	33,495,926.00	0.00	2,791,327.17
Reinsurance Expenses	32,395,261.20	33,495,926.00	0.00	2,791,327.17
IT - Office Equipment Supplies	13,649.35	27,000.00	2,131.04	2,250.00
Office Equipment Maintenance	38,709.28	39,400.00	0.00	3,283.33
Computer Software Maintenance	309,439.76	296,760.00	31,825.73	24,730.00
Information Technology Dept Expenses	361,798.39	363,160.00	33,956.77	30,263.33
Depreciation Expense	369,039.39	578,740.00	31,455.01	48,228.33
Dues & Subscriptions	89,537.92	89,764.99	2,797.83	7,480.42
Misc. Bank Fees	3,500.02	3,500.00	291.67	291.67
IRS Penalty Fees	195.00	0.00	0.00	0.00
Rent Expense	442,261.33	466,697.00	0.00	38,891.42
Office Supplies	33,432.75	72,170.00	5,566.28	6,014.17
Office Operating Expenses	61,496.61	61,578.00	4,886.11	5,131.50
Office Leased Expenses	35,160.06	39,500.00	7,382.33	3,291.67
Telephone Expense	0.00	2,500.00	0.00	208.33
Group's Insurance Expense	192,678.05	225,000.00	20,480.83	18,750.00
Group's Crime Insurance Exp.	41,371.45	20,000.00	5,255.60	1,666.67
FSA Admin Fee	1,272.40	0.00	343.40	0.00
Postage	49,834.56	63,500.00	979.22	5,291.67
Employee Seminar Expenses	24,906.44	110,174.99	13,317.60	9,181.25
Insurance Course Fees	3,128.65	7,999.99	155.00	666.67
Tuition Reimbursement	1,042.00	21,750.00	0.00	1,812.50
Audit Fees	45,110.00	70,500.00	46,000.00	47,583.33
Consulting Fees	260,936.58	342,500.02	125,274.55	28,541.67
Miscellaneous Expenses	2,212.13	7,450.00	511.52	620.83
Disaster Recovery Expenses	103,897.65	114,409.99	7,149.40	9,534.17
Bad Debt Expense	522.18	0.00	522.18	0.00
Cell Phone Expense	13,292.88	19,000.00	1,231.49	1,583.33
OPRA expenses	38,428.71	100,000.00	0.00	8,333.33
Ins. Write-off Exp	(755,233.49)	0.00	(755,233.49)	0.00
Safety Grant Distribution Exp	8,500,000.00	0.00	8,500,000.00	0.00
Business Operating Expenses	9,558,023.27	2,416,734.98	8,018,366.53	243,102.92
Travel & Related Expenses	64,792.39	150,835.99	7,018.35	12,569.67
Annual Meeting	50,341.22	50,600.00	1,378.75	4,216.67



**NJSIG**  
**Income Statement**  
**For the Period Ending 6/30/2017**

**FINAL 9/21/17**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Trustee Meeting Expense	5,934.83	20,000.00	827.37	0.00
Conferences & Meeting Expenses	121,068.44	221,436.00	9,224.47	16,786.33
Total Expenses	133,113,227.33	131,955,675.96	18,237,656.38	13,174,505.08



**NJSIG**  
**Income Statement**  
**For the Period Ending 6/30/2017**

**FINAL 9/21/17**

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Other Revenue and Expenses:				
Interest-NJ St Inv Fund	139.64	258.00	0.00	21.50
Interest-NJ Cash Mgmt Fund	1,792.47	224.00	212.33	18.67
Interest-Commerce Concentr	924,327.05	152,000.00	890.98	12,666.67
Interest - Certificate of Dep	37,754.36	75,000.00	0.00	6,250.00
Interest - InvBk Concentration	368,606.27	0.00	204,271.50	0.00
Investment Income	<u>1,332,619.79</u>	<u>227,482.01</u>	<u>205,374.81</u>	<u>18,956.83</u>
Financial Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Miscellaneous Income	5,010.87	0.00	0.00	0.00
Seminar Income	3,944.13	3,250.00	0.00	270.83
Change in Unrnd Ag Comm	43,977.67	0.00	43,977.67	0.00
Change in Unrnd Reins	115,030.23	0.00	115,030.23	0.00
Other Revenues	<u>167,962.90</u>	<u>3,250.00</u>	<u>159,007.90</u>	<u>270.83</u>
Investment Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Other Revenue and Expenses	<u>1,500,582.69</u>	<u>230,732.00</u>	<u>364,382.71</u>	<u>19,227.67</u>
Net Revenue	<u>10,440,261.56</u>	<u>230,732.04</u>	<u>(17,150,548.00)</u>	<u>(13,155,277.41)</u>



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 6/30/2017**

**FINAL 9/21/17**

	<b>Current Balance</b>	<b>Prior Year</b>
<b><u>Current Assets:</u></b>		
D.W. Active Assets	0.00	0.00
Petty Cash	182.79	300.00
Cash Mgmt. Fund - N.J. State	325,577.85	323,785.38
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)	1,578,200.53	268,251,961.41
Operating Acct (TD Bank)	0.00	0.00
Payroll Acct (TD Bank)	0.00	0.00
Claims Acct (TD Bank)	(147,275.78)	(2,069,257.90)
FSA/DCA Acct (TD Bank)	0.00	0.00
Lock Box Account(TD Bank)	0.00	(604,061.02)
Willis/NJSBAIG Cash (Commerce)	0.00	0.00
Cash Suspense	0.00	0.00
Tri-State Capital Bank Account	0.00	0.00
Beneficial Bank Accont	0.00	0.00
Operating Account (TD Bank2)	(9,276.12)	(117,202.39)
Concentration Acct (Investors)	325,988,685.46	0.00
Operating Acct (Investors)	(106,032.52)	0.00
Claims Acct (Investors)	(1,998,506.11)	0.00
Payroll Acct (Investors)	0.00	0.00
FSA/DCA Acct (Investors)	0.00	0.00
Assessmnt Collection Acct(INV)	0.00	0.00
CASH IN BANKS	325,631,556.10	265,785,525.48
Certificates of Deposit	0.00	40,000,000.00
Partnership Interests	0.00	2.00
U.S. Treasury Bills (A.G. Edw)	0.00	0.00
N.J. State Investment Fund	0.00	0.02
Investment Premiums (NJ Inv F)	0.00	0.00
Market Value Adjust (NJ Inv F)	0.00	(0.02)
Certificates of Deposit Suspns	0.00	0.00
MARKETABLE SECURITIES	0.00	40,000,002.00
Reinsurance Rebate Receivable	0.00	0.00
Reinsurance Recoverables	0.00	0.00
Reins. Recovery Receivable	534,115.00	534.00



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 6/30/2017**

**FINAL 9/21/17**

	<b>Current Balance</b>	<b>Prior Year</b>
Reins. Recovery 85/86 Recvb'l	(34,844.13)	(36,223.49)
REINSURANCE RECEIVABLES	499,270.87	(35,689.49)
Interest/Divid Recvb'l-AG Ewds	0.00	0.00
Interest/Divid. Recvb'l-NJ Inv	0.00	0.02
Interest/Divid Recvb'l-CD's	0.00	477,322.23
Interest/Divid Recvb'l-Ptnr Dst	0.00	0.00
INTEREST/DIVIDENDS RECEIVABLES	0.00	477,322.25
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	100.00	100.00
Audit Premium Receivable	0.00	0.00
Premium Recvb'l Installments	(2.14)	174,057.92
Premium Recvb'l Prebill	0.00	0.00
Premium Receivable	1,467,214.77	2,473,621.64
Commission Recvb'l Control Acct	0.00	0.00
Allowance of Doubtful Accts	0.00	0.00
A/R Maintenance Control Acct.	0.00	0.00
Asset Transfer Control Acct.	0.00	0.00
Agent Commission Receivable	0.00	0.00
PREMIUM RECEIVABLES	1,467,212.63	2,647,679.56
TOTAL Current Assets	327,598,139.60	308,874,939.80
F&F Original Value	1,322,600.95	1,347,135.56
Accumulated Depreciation	(548,390.78)	(555,569.91)
Leasehold Improvements	0.00	0.00
Accumulated Amortization	0.00	0.00
<b>TOTAL FIXED ASSETS</b>	<b>774,210.17</b>	<b>791,565.65</b>

**Other Assets:**

Prepaid General Insurance	91,558.13	112,084.68
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**NJSIG**  
**Balance Sheet**  
**For the Period Ended 6/30/2017**

**FINAL 9/21/17**

	<u>Current Balance</u>	<u>Prior Year</u>
Prepaid Crime Insurance	16,929.91	24,467.36
Prepaid General Expenses	133,015.71	155,707.45
Prepaid TPA Expenses	0.00	168,749.88
<b>PREPAID ASSETS</b>	<u>241,503.75</u>	<u>461,009.37</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	115,030.23	651,390.18
Unearned Agent Comm.	43,977.67	199,824.44
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
<b>UNEARNED EXPENSES</b>	<u>159,007.90</u>	<u>851,214.62</u>
Travel Advance	0.00	0.00
Deposits	0.00	0.00
<b>OTHER ASSETS</b>	<u>0.00</u>	<u>0.00</u>
GASB68-Defer Out-ChngInAssump	4,290,832.00	1,703,943.00
GASB68-DeferOut-ChngProportion	1,056,205.00	1,347,926.00
GASB68-DeferOut-ExpectvsActual	385,217.00	378,521.00
GASB68-DeferOut-NETDiffProjInv	789,843.00	0.00
GASB68DeferOut-SubsqntContrib	663,243.57	0.00
<b>DEFERRED OUTFLOWS</b>	<u>7,185,340.57</u>	<u>3,430,390.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>7,585,852.22</u>	<u>4,742,613.99</u>
<b>TOTAL ASSETS</b>	<u>335,958,201.99</u>	<u>314,409,119.44</u>
A/P Module ADM01	0.00	0.00
Notes Payable	0.00	0.00
Accrued Expenses Payable	3,141,500.46	2,094,991.93
A/P Module INS01	(6,043.88)	(3,090.11)
Safety Grant Payable	11,920,840.33	5,797,293.65
Reins Recov Paybl- XL Reins	0.00	0.00
Mngmt Maintenance Syst Paybl	0.00	0.00



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 6/30/2017**

**FINAL 9/21/17**

	<u>Current Balance</u>	<u>Prior Year</u>
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	0.00	0.02
Local Income W/H-Phila	0.00	0.03
FSA MED Payable	(769.26)	0.00
FSA Depend Payable	4,562.70	0.00
Group Term Life Payable	0.00	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<u>15,060,090.35</u>	<u>7,889,195.52</u>
Estimated Unpaid Losses	210,135,000.00	217,262,000.00
Reserve-Unalloc Loss Adjust	8,800,000.00	1,498,994.27
Unearned Premiums-Marsh	0.00	0.00
Aggregate Contingency Fund	0.00	0.00
Unearned Premiums	418,661.29	1,606,448.11
Unrn'd Cigna/Fireman's Premium	0.00	0.00
Unernd Willis Mgt Fees/Ret Prm	0.00	0.00
Post Retirement Bene Paybl	1,363,342.64	1,186,961.81
Mngmt Maintenance Syst Paybl	0.00	0.00
Rate Stabilization-ERIC North	593,362.40	593,362.40
Rate Stabilization-ERIC South	99,230.99	232,385.94
Rate Stabilization - ERIC West	197,760.85	216,760.85
Rate Stabilization - BACCEIC	169,787.47	290,564.19
Rate Stabilization - MOCSSIF	320,824.09	320,824.09
Rate Stabilization - NJEIF	437,559.63	437,559.63
<b>TOTAL LONG TERM LIABILITIES</b>	<u>222,535,529.36</u>	<u>223,645,861.29</u>
Employee Benefits Payable	0.00	0.00
Pensions Payable	40,396.57	45,838.53
GASB68-Pension Payable	20,713,990.00	15,866,572.00
DCRP Payable	1,079.41	0.00
Dividend Payable	0.00	0.00
403B/T. Rowe Price Payable	5,656.40	5,221.22
Colonial Life Payable	0.00	0.00
Retro Claims (Cash)	136,361.98	189,588.29
STARS Recon/Claims Liability	0.00	0.00



**NJSIG**  
**Balance Sheet**  
**For the Period Ended 6/30/2017**

**FINAL 9/21/17**

	<u>Current Balance</u>	<u>Prior Year</u>
Return of excess subrogation	0.00	0.00
AFLAC Payable	0.00	0.00
Group Term Life Payable	15,790.68	4,388.78
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
<b>TOTAL OTHER LIABILITIES</b>	<u>20,913,275.04</u>	<u>16,111,608.82</u>
Marsh Due to Reinsurers	0.00	0.00
Marsh Ag. Comm. Payable	0.00	0.00
Due to Reinsurers	(1,468,088.32)	(1,915,660.48)
Agent Comm. Payable	133,805.94	200,644.23
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
<b>TOTAL REINSURANCE PAYABLES</b>	<u>(1,334,282.38)</u>	<u>(1,715,016.25)</u>
GASB68-DeferIn-DiffInInvest	0.00	255,104.00
GASB68-DeferIn-ChngIn Proport	120,962.00	0.00
<b>TOTAL DEFERRED INFLOWS</b>	<u>120,962.00</u>	<u>255,104.00</u>
<b>TOTAL LIABILITIES</b>	<u>257,295,574.37</u>	<u>246,186,753.38</u>
Retained Earnings Fund Balance	68,222,366.06	57,315,325.86
Year-to-Date Earnings	10,440,261.56	10,907,040.20
<b>Total Capital</b>	<u>78,662,627.62</u>	<u>68,222,366.06</u>
<b>Total Liabilities and Capital</b>	<u>335,958,201.99</u>	<u>314,409,119.44</u>