

**FIRST RESPONDER JOINT INSURANCE FUND**  
**Financial Statements**  
**December 31, 2018 and 2017**  
**With Independent Auditors' Reports**

**First Responder Joint Insurance Fund**  
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**December 31, 2018 and 2017**

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**First Responder Joint Insurance Fund  
Management's Discussion and Analysis  
December 31, 2018 and 2017**

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This section of First Responder Joint Insurance Fund's (the "Fund") annual financial report presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2018 and 2017. Please read it in conjunction with the financial statements which follow this section. The following table summarizes the financial position and results of operations of the Fund for 2018 and 2017:

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Cash, investments and accrued interest	\$ 7,069,589	\$ 5,672,306
Other assets	-	131,850
	<u>\$ 7,069,589</u>	<u>\$ 5,804,156</u>
<b>Liabilities and Fund Surplus</b>		
Reserves for unpaid claims	\$ 2,744,566	\$ 1,958,652
Other liabilities	774,759	634,861
Fund surplus	3,550,264	3,210,643
	<u>\$ 7,069,589</u>	<u>\$ 5,804,156</u>
<b>Revenue and Expenses</b>		
Revenue	\$ 3,695,628	\$ 3,804,161
Investment and other income	110,828	42,283
	<u>3,806,456</u>	<u>3,846,444</u>
Claims expense, net	1,911,184	1,489,899
Insurance premiums	927,659	978,618
Administrative expense	627,992	637,946
	<u>3,466,835</u>	<u>3,106,463</u>
Net income	339,621	739,981
Fund surplus, beginning of year	<u>3,210,643</u>	<u>2,470,662</u>
Fund surplus, end of year	<u>\$ 3,550,264</u>	<u>\$ 3,210,643</u>

**Overview of the Financial Statements**

The Fund's financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental and insurance companies, where applicable. The primary purpose of the Fund is to provide emergency first responder local units and contracting units of government with a joint self-insurance fund. The Fund provides insurance coverage for auto liability, general liability, property, and workers' compensation. The Fund operates under the provisions of New Jersey Statutes (N.J.S.A. 40A:10-36 et seq) and has 37 and 38 members in the fund as of December 31, 2018 and 2017, respectively. The three basic financial statements presented within the financial statements are as follows:

- Balance Sheet – This statement presents information reflecting the Fund's assets, liabilities and Fund surplus. Fund surplus represents the amount of total assets less total liabilities.

**First Responder Joint Insurance Fund  
Management's Discussion and Analysis  
December 31, 2018 and 2017**

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- Statement of Revenue, Expenses and Changes in Fund Surplus – This statement reflects the operating revenues and expenses, as well as non-operating revenue and expenses during the operating year. The major source of operating revenue is derived from regular member contributions while major sources of operating expenses are claims paid, changes in case reserves, changes in the incurred but not reported claims and insurance and reinsurance premiums. The change in fund surplus is similar to the net profit or loss for any other insurance company.
- Statement of Cash Flows – This statement presents changes in cash and cash equivalents resulting from operating activities, investing activities and financing activities.

**Financial Highlights**

- The Fund's total revenue for its tenth year of operations is \$3,695,628 representing 37 members. For Fund year 2009, the Fund had two aggregate loss funds. The aggregate loss funds are 125% of each loss fund, workers' compensation and liability including property. Effective 2010, the Fund's aggregate protection is based on the total combined loss funds and is calculated at 125% of the total loss fund. Aggregate protection is provided for the loss funds via the Municipal Excess Liability Fund (MEL) and as required by the Department of Banking and Insurance regulations. The cost for aggregate protection is included in the reinsurance/excess section of the budget.
- Claims' case reserves represent a life to date estimate as to the expected liability for the reported claims and incurred but not reported claims ("IBNR"). Computing the claims liability does not result in achieving an exact amount. Claims' case reserves must be estimated due to the complex factors that determine the liability. Some of these factors are changes in legal doctrine, inflation, historical settlements, claim frequency, damage awards and other statistical techniques.

**Contacting the Fund's Management**

This financial report is designed to provide the First Responder Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, please contact the Fund Administrator of the First Responder Joint Insurance Fund at the office of the Fund located at 51 Everett Drive, Suite 40-B, West Windsor, NJ 08550, or by phone at (609) 275-1155.

## INDEPENDENT AUDITORS' REPORT

To the Fund Commissioners,  
First Responder Joint Insurance Fund:

### Report on the Financial Statements

We have audited the accompanying financial statements of the First Responder Joint Insurance Fund (the "Fund") which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of revenue, expenses, and changes in fund surplus and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial position of First Responder Joint Insurance Fund as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 2 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 supplemental 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 audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information on pages 15 - 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2019 on our consideration of First Responder Joint Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 effectiveness of First Responder Joint Insurance Fund's 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 First Responder Joint Insurance Fund's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

May 6, 2019

**First Responder Joint Insurance Fund  
Balance Sheets  
December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Cash	\$ 5,513,219	\$ 4,136,172
Investments	1,549,503	1,529,680
Accrued interest	6,867	6,454
Prepaid expenses	-	1,297
Due from reinsurer	-	130,553
	<u>                    </u>	<u>                    </u>
	<u>\$ 7,069,589</u>	<u>\$ 5,804,156</u>
<b>Liabilities and Fund Surplus</b>		
Liabilities		
Loss reserves		
Case reserves	\$ 1,747,564	\$ 1,507,482
IBNR reserves	997,002	451,170
Total loss reserves	<u>2,744,566</u>	<u>1,958,652</u>
Other		
Assessments collected in advance	136,175	-
Administrative expenses payable	180,378	168,342
Excess insurance premiums payable	458,206	466,519
	<u>774,759</u>	<u>634,861</u>
Total liabilities	3,519,325	2,593,513
Fund surplus	<u>3,550,264</u>	<u>3,210,643</u>
	<u>\$ 7,069,589</u>	<u>\$ 5,804,156</u>

The Notes to Financial Statements are an integral part of these statements.

**First Responder Joint Insurance Fund**  
**Statements of Revenue, Expenses, and Changes in Fund Surplus**  
**Years Ended December 31, 2018 and 2017**

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	<b>2018</b>	<b>2017</b>
Revenue		
Underwriting income - regular contributions	\$ 3,695,628	\$ 3,804,161
Expenses		
Claims		
Paid	1,125,270	1,367,187
Increase in case reserves	240,082	242,804
Increase (decrease) in IBNR reserves	545,832	(120,092)
Total claims	<u>1,911,184</u>	<u>1,489,899</u>
Insurance and reinsurance premiums	927,659	978,618
Administrative expenses	627,992	637,946
	<u>1,555,651</u>	<u>1,616,564</u>
Total expenses	<u>3,466,835</u>	<u>3,106,463</u>
Operating income	228,793	697,698
Interest and other income, net	112,637	53,963
Change in fair value of investments, net	(1,809)	(11,680)
Total non-operating income	<u>110,828</u>	<u>42,283</u>
Net income	339,621	739,981
Fund surplus, beginning of year	<u>3,210,643</u>	<u>2,470,662</u>
Fund surplus, end of year	<u>\$ 3,550,264</u>	<u>\$ 3,210,643</u>

The Notes to Financial Statements are an integral part of these statements.



**First Responder Joint Insurance Fund**  
**Statements of Cash Flows**  
**Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
Underwriting income - regular contributions received	\$ 3,831,803	\$ 3,792,202
Claims paid	(1,125,270)	(1,367,187)
Excess insurance premium paid	(805,419)	(995,196)
Administrative expenses paid	(614,659)	(620,667)
Net cash provided by operating activities	<u>1,286,455</u>	<u>809,152</u>
<b>Cash flows from investing activities</b>		
Maturity/sale of investment securities	373,248	354,990
Purchase of investment securities	(397,247)	(373,439)
Investment income, net	114,591	55,774
Net cash provided by investing activities	<u>90,592</u>	<u>37,325</u>
Net increase in cash	1,377,047	846,477
<b>Cash</b>		
Beginning of year	4,136,172	3,289,695
End of year	<u>\$ 5,513,219</u>	<u>\$ 4,136,172</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 228,793	\$ 697,698
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease (increase) in due from reinsurer	130,553	(57,263)
Decrease in prepaid expenses	1,297	2,305
Increase in case and IBNR reserves	785,914	122,713
Increase (decrease) in assessments collected in advance	136,175	(11,960)
Increase in administrative expenses payable	12,036	14,974
(Decrease) increase in excess insurance premium payable	(8,313)	40,685
Net cash provided by operating activities	<u>\$ 1,286,455</u>	<u>\$ 809,152</u>

The Notes to Financial Statements are an integral part of these statements.

**First Responder Joint Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2018 and 2017**

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**1. Operations**

The First Responder Joint Insurance Fund (the "Fund") is an insurance fund formed under the provisions of and in accordance with P.L. 1983, c. 372 (N.J.S.A. 40A:10-36 et seq.) of the New Jersey statutes. The Fund was formed effective January 1, 2009 and membership is comprised of NJ counties, municipalities, and other component units of local governments and its initial membership consisted of 9 members. As of December 31, 2018 and 2017, the Fund had 37 and 38 members, respectively.

The Fund's general objective is to provide members with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. The bylaws of the Fund, as supplemented by the Risk Management Plan, set forth the various procedures which are to be followed in the organization, administration, and operation of the Fund.

Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities. The Fund considers investment income when determining deficiencies.

The Administrator is responsible for the overall administration of the Fund. Fees paid to the Administrator cover all administrative costs; accordingly, the Fund does not maintain any fixed assets nor incur any employee payroll expense.

The Fund offers its members coverage for property, general and auto liability, workers' compensation, environmental and management liability. The Fund also participates in the Municipal Excess Liability Fund which provides excess insurance coverage.

The Fund's liability, self-insured retention or SIR, for claims is limited to the following coverage and amounts:

	<b>Fund Years</b>	<b>Per Occurrence</b>	<b>Aggregate Projection</b>
Workers' Compensation	2009	\$200,000	\$471,704
Package	2009	\$200,000	\$ 60,314
Workers' Compensation	2010 - 2018	\$200,000	125% of total loss funds
General Liability	2010 - 2018	\$200,000	125% of total loss funds
Auto Liability	2010 - 2018	\$200,000	125% of total loss funds
Property	2010 - 2016	\$50,000	125% of total loss funds
Property	2017 - 2018	\$100,000	125% of total loss funds

Losses in excess of the above amounts are covered by reinsurance and excess insurance contracts. Package includes general liability, auto liability and property.

**2. Summary of Significant Accounting Policies**

The financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and insurance companies, where applicable. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies is set forth below.

# **First Responder Joint Insurance Fund**

## **Notes to Financial Statements**

### **December 31, 2018 and 2017**

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#### **Basis of Accounting**

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses reflected as incurred.

#### **Revenue Recognition**

Member assessments and investment income are recorded on the accrual basis. The member assessments of the joint insurance fund are determined by the Fund Administrator and then certified by vote of the Fund's Executive Committee.

#### **Investments**

The investments in government backed fixed maturities are carried at fair value. Fair value has been supplied by the custodian.

#### **Assessments Receivable**

Assessments receivable is comprised of member installments due to the Fund for the current year which remain unpaid at the end of the fiscal year. Per the Fund's by-laws, past due assessments shall bear interest at a rate determined annually by the Executive Committee. The interest rate assessed for each of the years ending December 31, 2018 and 2017 was 2.0 percent plus prime as determined by New Jersey Asset & Rebate Management Program and U.S. Bank, N.A., or its successors. Assessments receivable are written off when they are deemed to be uncollectible. Interest on delinquent assessments may be waived at the discretion of the Executive Committee.

#### **Claims Liabilities**

The Fund establishes claims liabilities for the Fund's Self-Insured Retention (SIR), loss and claim allocated loss adjustment expense (ALAE) based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. 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 coverage 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 and historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund does not discount claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

#### **Reinsurance**

The Fund purchases reinsurance and/or excess insurance in accordance with the Risk Management Plan. Although reinsurance/excess insurance does not discharge the primary liability of the Fund as direct insurer of the risk of loss, the Fund does not report the claim payments or liabilities under reinsurance/excess insurance contracts unless it is probable that those liabilities will not be covered by reinsurers. A contingent liability may exist with respect to reinsurance which would become an actual liability in the event any of the insurance companies might be unable to meet their obligations to the 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

In addition, certain actuarial assumptions have been made in the preparation of these financial statements. Actual results could differ from those estimates. Significant estimates included in these financial statements are fair market value of investments, case reserves and IBNR reserves.

**First Responder Joint Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2018 and 2017**

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**Income Taxes**

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

**Fair Value of Financial Instruments**

According to professional standards, the Fund measures its fair value under generally accepted accounting principles and provides disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs using a fair value hierarchy based on three levels of inputs of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**3. Cash**

**Deposits**

At December 31, 2018 and 2017, the carrying amounts of the Fund's deposits and the corresponding bank balances were as follows:

	<u>2018</u>		<u>2017</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Operating Checking Account	\$ 5,503,839	\$ 5,517,198	\$ 4,128,844	\$ 4,129,007
Money Market Account	9,380	9,380	7,328	7,328
	<u>\$ 5,513,219</u>	<u>\$ 5,526,578</u>	<u>\$ 4,136,172</u>	<u>\$ 4,136,335</u>

The operating checking account and money market account are deposited in public depositories which are fully insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation and in excess of \$250,000 are fully collateralized by the bank through the Government Unit Deposit Protection Act.

The Fund considers all highly liquid investments with maturities of less than three months from date of initial maturity to be cash equivalents.

**4. Investments**

At December 31, 2018 and 2017, the Fund invested only in notes backed by the Federal Government. These notes are triple A rated (AAA) by Moody's with interest rates ranging from 1.0% to 3.50% as of December 31, 2018 and 2017. The maturity dates range from 5/31/2019 to 9/30/2022 as of December 31, 2018 and from 9/30/2018 to 9/30/2022 as of December 31, 2017. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. At December 31, 2018 and 2017, all of the Fund's investments are under the custody of New Jersey Asset and Rebate

**First Responder Joint Insurance Fund**  
**Notes to Financial Statements**  
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Management Program (NJ/ARM), who is the Fund's investment advisor.

Investments are stated at fair value. The difference between fair value and amortized cost is recorded as unrealized gain (loss) at December 31 each year. The amounts are as follows:

	2018	2017
Face value	\$1,575,000	\$1,540,000
Unamortized (premium) discount, net	(7,208)	6,160
Unrealized loss	<u>(18,289)</u>	<u>(16,480)</u>
Fair value	<u>\$1,549,503</u>	<u>\$1,529,680</u>

Investment income consisted of the following for the years ended December 31, 2018 and 2017:

	2018	2017
Realized (loss) gain	\$ (1,523)	\$ 43
Amortization of (premium) discount, net	(431)	(1,854)
Interest income	<u>114,591</u>	<u>55,774</u>
Investment income	<u>\$ 112,637</u>	<u>\$ 53,963</u>

**5. Fair Value Accounting**

**Recurring Fair Value Measurements**

The Fund has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following tables summarize assets which have been accounted for at fair value on a recurring basis as of December 31, 2018 and 2017, along with the basis for the determination of fair value:

**2018**

		<b>Basis for Valuation</b>		
		Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
	Total			
Investments - US Treasury Notes	<u>\$1,549,503</u>	<u>\$1,549,503</u>	-	-

**2017**

		<b>Basis for Valuation</b>		
		Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
	Total			
Investments - US Treasury Notes	<u>\$1,529,680</u>	<u>\$1,529,680</u>	-	-

For applicable assets and liabilities subject to this pronouncement, the Fund will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Fund will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Fund will develop measurement criteria based on the best information available.

**First Responder Joint Insurance Fund**  
**Notes to Financial Statements**  
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U.S. Government backed fixed rate notes are valued at the closing price reported on the active market on which individual securities are traded along with comparable bond ratings under Moody's and S&P.

The valuation methods for these investments are consistent for the years ended December 31, 2018 and 2017.

**6. Loss Reserves**

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the members, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The Fund has created a loss reserve for any potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses (IBNR).

Loss reserves at December 31, 2018 and 2017 which have been estimated by the Fund's Actuary and Claims Servicing Organization of the members (less member deductibles) are as follows:

	<b>2018</b>	<b>2017</b>
Case reserves	\$1,747,564	\$1,507,482
Reserves for losses incurred but not reported	<u>997,002</u>	<u>451,170</u>
	<u><b>\$2,744,566</b></u>	<u><b>\$1,958,652</b></u>

The following represents changes in the aggregate reserves and claim adjustment expenses for the Fund during the years ended December 31, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Unpaid claim liabilities, beginning of year	\$1,958,652	\$1,835,940
Incurred claims:		
Provision for insured events of the current period	1,877,499	1,884,000
Increase (decrease) in provision for insured events of prior years	<u>33,685</u>	<u>(394,101)</u>
Total increase incurred claims	1,911,184	1,489,899
Less: Claim payments – net:		
Payments – net of claims for the current year	599,061	805,334
Payments – net of claims for the prior year	<u>526,209</u>	<u>561,853</u>
Total payments – net	<u>1,125,270</u>	<u>1,367,187</u>
Unpaid claim liabilities, end of year	<u><b>\$2,744,566</b></u>	<u><b>\$1,958,652</b></u>

**7. Subsequent Events**

The Fund has evaluated subsequent events occurring after the balance sheet date through the date of May 6, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined that no subsequent events have occurred which require disclosure in the financial statements.

**INDEPENDENT AUDITORS' 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**

To the Fund Commissioners,  
First Responder Joint Insurance Fund:

We have audited 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, the financial statements of First Responder Joint Insurance Fund, which comprise the balance sheet as of December 31, 2018, and the related statements of revenue, expenses, and changes in fund surplus and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 6, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

## Purpose of the Report

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

*Withum Smith + Brown, PC*

May 6, 2019



**SUPPLEMENTAL SCHEDULES**

**First Responder Joint Insurance Fund  
Ten Year Claims Development Information  
December 31, 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Underwriting income - regular contributions	\$ 1,049,840	\$ 1,823,176	\$ 1,939,927	2,159,616	\$ 2,638,629	\$ 3,110,375	\$ 3,746,076	\$ 3,888,767	\$ 3,804,161	\$ 3,695,628
Investment income	2,347	5,384	7,473	5,365	25,166	45,003	19,015	40,272	29,645	24,471
	<u>\$ 1,052,187</u>	<u>\$ 1,828,560</u>	<u>\$ 1,947,400</u>	<u>2,164,981</u>	<u>\$ 2,663,795</u>	<u>\$ 3,155,378</u>	<u>\$ 3,765,091</u>	<u>\$ 3,929,039</u>	<u>\$ 3,833,806</u>	<u>\$ 3,720,099</u>
Insurance and reinsurance premiums	\$ 225,080	\$ 520,366	\$ 577,686	625,095	\$ 706,725	\$ 815,527	\$ 877,144	\$ 1,056,018	\$ 974,402	\$ 1,079,712
Administrative	223,036	364,554	391,478	421,703	482,137	561,046	630,053	645,971	640,781	650,253
	<u>\$ 448,116</u>	<u>\$ 884,920</u>	<u>\$ 969,164</u>	<u>1,046,798</u>	<u>\$ 1,188,862</u>	<u>\$ 1,376,573</u>	<u>\$ 1,507,197</u>	<u>\$ 1,701,989</u>	<u>\$ 1,615,183</u>	<u>\$ 1,729,965</u>
Estimated incurred claims, end of policy year	\$ 489,505	\$ 798,844	\$ 866,066	983,458	\$ 1,148,001	\$ 1,276,000	\$ 2,134,857	\$ 1,468,416	\$ 1,884,001	\$ 1,877,498
Cumulative paid claims as of										
End of policy year	\$ 319,852	\$ 490,087	\$ 538,647	691,759	\$ 376,252	\$ 458,973	\$ 979,438	\$ 517,855	\$ 805,334	\$ 599,061
One year later	473,731	730,971	710,463	983,458	681,591	566,562	1,603,585	721,652	1,020,944	
Two years later	473,731	798,844	741,552	983,457	855,056	573,090	1,906,961	869,011		
Three years later	473,731	798,844	826,731	983,458	863,228	592,049	1,990,535			
Four years later	473,731	798,844	804,237	983,458	910,419	626,685				
Five years later	473,731	798,844	804,237	983,458	955,450					
Six years later	473,731	798,844	792,765	983,457						
Seven years later	473,731	798,844	792,765							
Eight years later	473,731	798,844								
Nine years later	473,730									
Cumulative incurred claims as of										
End of policy year	\$ 489,505	\$ 798,844	\$ 866,066	983,458	\$ 1,148,001	\$ 1,276,000	\$ 2,134,857	\$ 1,468,416	\$ 1,884,001	\$ 1,877,498
One year later	473,731	798,844	866,066	983,458	1,138,688	795,869	2,134,857	1,468,416	1,864,280	
Two years later	473,731	798,844	816,066	983,458	1,069,689	775,735	2,134,857	1,211,185		
Three years later	473,731	798,844	866,067	983,458	1,014,688	719,594	2,134,857			
Four years later	473,731	798,844	804,237	983,458	1,088,688	685,955				
Five years later	473,730	798,844	804,237	983,458	1,032,476					
Six years later	473,731	798,844	792,765	983,458						
Seven years later	473,731	798,844	792,765							
Eight years later	473,731	798,844								
Nine years later	473,730									
Decrease in cumulative incurred claims from end of policy year	<u>\$ (15,775)</u>	<u>\$ -</u>	<u>\$ (73,301)</u>	<u>\$ -</u>	<u>\$ (115,525)</u>	<u>\$ (590,045)</u>	<u>\$ -</u>	<u>\$ (257,231)</u>	<u>\$ (19,721)</u>	<u>\$ -</u>

See Independent Auditors' Report.



**First Responder Joint Insurance Fund  
Combining Schedule of Changes in Fund Surplus  
For the Fund Years 2009 Through 2018  
Year Ended December 31, 2018**

<b>Fund Year</b>	<b>Fund Surplus 1/1/2018</b>	<b>Net Income (Loss)</b>	<b>Less Surplus Returned to Members</b>	<b>Fund Surplus 12/31/2018</b>
2009	\$ -	\$ -	\$ -	\$ -
2010	82,387	6,405	-	88,792
2011	182,249	3,225	-	185,474
2012	132,428	2,300	-	134,728
2013	374,951	67,518	-	442,469
2014	1,040,495	52,400	-	1,092,895
2015	118,174	4,887	-	123,061
2016	1,071,715	(55,849)	-	1,015,866
2017	208,244	146,099	-	354,343
2018	-	112,636	-	112,636
	<u>\$ 3,210,643</u>	<u>\$ 339,621</u>	<u>\$ -</u>	<u>\$ 3,550,264</u>

See Independent Auditors' Report.

**First Responder Joint Insurance Fund  
 Combined Cumulative Operating Results Analysis  
 For the Fund Years 2009 Through 2018  
 December 31, 2018**

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Revenue		
Underwriting income - regular contributions	\$	27,856,193
Expenses		
Claims		
Paid		9,110,483
Case reserves		1,747,564
IBNR reserves		997,002
		<u>11,855,049</u>
Insurance and reinsurance premiums		7,457,755
Administrative expenses		5,011,014
		<u>24,323,818</u>
Operating income		3,532,375
Interest and other income		204,239
Transfers		<u>(186,350)</u>
Non-operating income		<u>17,889</u>
Net income and fund surplus	\$	<u><u>3,550,264</u></u>

**First Responder Joint Insurance Fund  
2009 Fund Year  
Cumulative Operating Results Analysis  
December 31, 2018**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 605,468	\$ 87,280	\$ 67,804	\$ 37,628	\$ 251,660	\$ 1,049,840
Expenses:						
Claims:						
Paid	471,704	1,252	774	-	-	473,730
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	471,704	1,252	774	-	-	473,730
Other:						
Insurance and reinsurance premiums	126,201	63,987	22,618	12,274	-	225,080
Administrative expenses	-	-	-	-	223,036	223,036
Total other expenses	126,201	63,987	22,618	12,274	223,036	448,116
Total expenses	597,905	65,239	23,392	12,274	223,036	921,846
Operating income	7,563	22,041	44,412	25,354	28,624	127,994
Non-operating income:						
Investment income	840	283	519	292	413	2,347
Miscellaneous income	-	-	-	-	3	3
Total non-operating income	840	283	519	292	416	2,350
Net Income	8,403	22,324	44,931	25,646	29,040	130,344
Transfers	(8,403)	(22,324)	(44,931)	(25,646)	(29,040)	(130,344)
Fund Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report.

**First Responder Joint Insurance Fund  
2010 Fund Year  
Cumulative Operating Results Analysis  
December 31, 2018**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 703,617	\$ 347,202	\$ 225,301	\$ 103,165	\$ 443,891	\$ 1,823,176
Expenses:						
Claims:						
Paid	687,331	-	102,793	8,720	-	798,844
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	687,331	-	102,793	8,720	-	798,844
Other:						
Insurance and reinsurance premiums	144,535	241,997	87,614	46,220	-	520,366
Administrative expenses	-	-	-	-	364,554	364,554
Total other expenses	144,535	241,997	87,614	46,220	364,554	884,920
Total expenses	831,866	241,997	190,407	54,940	364,554	1,683,764
Operating (loss) income	(128,249)	105,205	34,894	48,225	79,337	139,412
Non-operating income:						
Investment income	572	2,115	717	988	992	5,384
Miscellaneous income	-	-	-	-	1	1
Total non-operating income	572	2,115	717	988	993	5,385
Net (Loss) Income	(127,677)	107,320	35,611	49,213	80,330	144,797
Transfers	-	-	-	-	(56,005)	(56,005)
Fund (Deficit) Surplus	<u>\$ (127,677)</u>	<u>\$ 107,320</u>	<u>\$ 35,611</u>	<u>\$ 49,213</u>	<u>\$ 24,325</u>	<u>\$ 88,792</u>

See Independent Auditors' Report.

**First Responder Joint Insurance Fund  
2011 Fund Year  
Cumulative Operating Results Analysis  
December 31, 2018**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 767,903	\$ 333,799	\$ 255,326	\$ 121,133	\$ 461,766	\$ 1,939,927
Expenses:						
Claims:						
Paid	572,165	629	189,938	30,033	-	792,765
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	572,165	629	189,938	30,033	-	792,765
Other:						
Insurance and reinsurance premiums	154,708	269,844	100,315	52,819	-	577,686
Administrative expenses	-	-	-	-	391,478	391,478
Total other expenses	154,708	269,844	100,315	52,819	391,478	969,164
Total expenses	726,873	270,473	290,253	82,852	391,478	1,761,929
Operating income (loss)	41,030	63,326	(34,927)	38,281	70,288	177,998
Non-operating income:						
Investment income	1,705	1,927	61	1,169	2,611	7,473
Miscellaneous income	-	-	-	-	3	3
Total non-operating income	1,705	1,927	61	1,169	2,614	7,476
Net Income (Loss)	42,735	65,253	(34,866)	39,450	72,902	185,474
Transfers	-	-	-	-	-	-
Fund Surplus (Deficit)	\$ 42,735	\$ 65,253	\$ (34,866)	\$ 39,450	\$ 72,902	\$ 185,474

See Independent Auditors' Report.



**First Responder Joint Insurance Fund  
2012 Fund Year  
Cumulative Operating Results Analysis  
December 31, 2018**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 870,184	\$ 355,205	\$ 307,621	\$ 119,536	\$ 507,070	2,159,616
Expenses:						
Claims:						
Paid	829,348	-	139,876	14,233	-	983,457
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	829,348	-	139,876	14,233	-	983,457
Other:						
Insurance and reinsurance premiums	178,884	268,188	128,704	49,319	-	625,095
Administrative expenses	-	-	-	-	421,703	421,703
Total other expenses	178,884	268,188	128,704	49,319	421,703	1,046,798
Total expenses	1,008,232	268,188	268,580	63,552	421,703	2,030,255
Operating (loss) income	(138,048)	87,017	39,041	55,984	85,367	129,361
Non-operating income:						
Investment income	49	1,631	749	1,051	1,885	5,365
Miscellaneous income	-	-	-	-	2	2
Total non-operating income	49	1,631	749	1,051	1,887	5,367
Net (Loss) Income	(137,999)	88,648	39,790	57,035	87,254	134,728
Transfers	-	-	-	-	-	-
Fund (Deficit) Surplus	\$ (137,999)	\$ 88,648	\$ 39,790	\$ 57,035	\$ 87,254	134,728

See Independent Auditors' Report.

**First Responder Joint Insurance Fund**  
**2013 Fund Year**  
**Cumulative Operating Results Analysis**  
**December 31, 2018**

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 1,090,452	\$ 422,616	\$ 389,775	\$ 160,522	\$ 575,264	\$ 2,638,629
Expenses:						
Claims:						
Paid	841,762	-	112,688	1,000	-	955,450
Case reserves	77,026	-	-	-	-	77,026
IBNR reserves	-	-	-	-	-	-
Claims - net	918,788	-	112,688	1,000	-	1,032,476
Other:						
Insurance and reinsurance premiums	199,405	308,434	140,871	58,015	-	706,725
Administrative expenses	-	-	-	-	482,137	482,137
Total other expenses	199,405	308,434	140,871	58,015	482,137	1,188,862
Total expenses	1,118,193	308,434	253,559	59,015	482,137	2,221,338
Operating (loss) income	(27,741)	114,182	136,216	101,507	93,127	417,291
Non-operating income:						
Investment income	4,778	4,817	6,731	4,278	4,562	25,166
Miscellaneous income	-	-	-	-	12	12
Total non-operating income	4,778	4,817	6,731	4,278	4,574	25,178
Net (Loss) Income	(22,963)	118,999	142,947	105,785	97,701	442,469
Transfers	-	-	-	-	-	-
Fund (Deficit) Surplus	\$ (22,963)	\$ 118,999	\$ 142,947	\$ 105,785	\$ 97,701	\$ 442,469

See Independent Auditors' Report.

**First Responder Joint Insurance Fund**  
**2014 Fund Year**  
**Cumulative Operating Results Analysis**  
**December 31, 2018**

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 1,347,635	\$ 495,942	\$ 490,339	\$ 197,882	\$ 578,577	\$ 3,110,375
Expenses:						
Claims:						
Paid	435,713	644	163,103	27,225	-	626,685
Case reserves	56,788	-	2,482	-	-	59,270
IBNR reserves	-	-	-	-	-	-
Claims - net	492,501	644	165,585	27,225	-	685,955
Other:						
Insurance and reinsurance premiums	211,477	351,469	181,241	71,340	-	815,527
Administrative expenses	-	-	-	-	561,046	561,046
Total other expenses	211,477	351,469	181,241	71,340	561,046	1,376,573
Total expenses	703,978	352,113	346,826	98,565	561,046	2,062,528
Operating income	643,657	143,829	143,513	99,317	17,531	1,047,847
Non-operating income:						
Investment income	28,625	5,516	5,683	3,840	1,339	45,003
Miscellaneous income	-	-	-	-	45	45
Total non-operating income	28,625	5,516	5,683	3,840	1,384	45,048
Net Income	672,282	149,345	149,196	103,157	18,915	1,092,895
Transfers	-	-	-	-	-	-
Fund Surplus	\$ 672,282	\$ 149,345	\$ 149,196	\$ 103,157	\$ 18,915	\$ 1,092,895

See Independent Auditors' Report.

**First Responder Joint Insurance Fund**  
**2015 Fund Year**  
**Cumulative Operating Results Analysis**  
**December 31, 2018**

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 1,946,082	\$ 510,526	\$ 468,903	\$ 171,484	\$ 649,081	\$ 3,746,076
Expenses:						
Claims:						
Paid	1,821,155	2,901	153,499	12,980	-	1,990,535
Case reserves	144,322	-	-	-	-	144,322
IBNR reserves	-	-	-	-	-	-
Claims - net	1,965,477	2,901	153,499	12,980	-	2,134,857
Other:						
Insurance and reinsurance premiums	225,242	353,146	226,695	72,061	-	877,144
Administrative expenses	-	-	-	-	630,053	630,053
Total other expenses	225,242	353,146	226,695	72,061	630,053	1,507,197
Total expenses	2,190,719	356,047	380,194	85,041	630,053	3,642,054
Operating (loss) income	(244,637)	154,479	88,709	86,443	19,028	104,022
Non-operating income:						
Investment income	6,745	5,138	3,065	2,881	1,186	19,015
Miscellaneous income	-	-	-	-	24	24
Total non-operating income	6,745	5,138	3,065	2,881	1,210	19,039
Net (Loss) Income	(237,892)	159,617	91,774	89,324	20,238	123,061
Transfers	-	-	-	-	-	-
Fund (Deficit) Surplus	\$ (237,892)	\$ 159,617	\$ 91,774	\$ 89,324	\$ 20,238	\$ 123,061

See Independent Auditors' Report.

**First Responder Joint Insurance Fund**  
**2016 Fund Year**  
**Cumulative Operating Results Analysis**  
**December 31, 2018**

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 1,987,230	\$ 539,600	\$ 501,733	\$ 184,924	\$ 675,280	\$ 3,888,767
Expenses:						
Claims:						
Paid	686,631	10,811	161,927	9,642	-	869,011
Case reserves	239,152	-	-	-	-	239,152
IBNR reserves	99,556	3,466	-	-	-	103,022
Claims - net	1,025,339	14,277	161,927	9,642	-	1,211,185
Other:						
Insurance and reinsurance premiums	283,319	408,816	279,998	83,885	-	1,056,018
Administrative expenses	-	-	-	-	645,971	645,971
Total other expenses	283,319	408,816	279,998	83,885	645,971	1,701,989
Total expenses	1,308,658	423,093	441,925	93,527	645,971	2,913,174
Operating income	678,572	116,507	59,808	91,397	29,309	975,593
Non-operating income:						
Investment income	30,395	3,408	2,649	2,480	1,340	40,272
Miscellaneous income	-	-	-	-	1	1
Total non-operating income	30,395	3,408	2,649	2,480	1,341	40,273
Net Income	708,967	119,915	62,457	93,877	30,650	1,015,866
Transfers	-	-	-	-	-	-
Fund Surplus	\$ 708,967	\$ 119,915	\$ 62,457	\$ 93,877	\$ 30,650	\$ 1,015,866

See Independent Auditors' Report.

**First Responder Joint Insurance Fund**  
**2017 Fund Year**  
**Cumulative Operating Results Analysis**  
**December 31, 2018**

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 1,903,019	\$ 521,154	\$ 540,800	\$ 169,331	\$ 669,857	\$ 3,804,161
Expenses:						
Claims:						
Paid	840,368	500	165,677	14,399	-	1,020,944
Case reserves	518,111	-	-	-	-	518,111
IBNR reserves	291,370	18,666	-	15,189	-	325,225
Claims - net	1,649,849	19,166	165,677	29,588	-	1,864,280
Other:						
Insurance and reinsurance premiums	241,428	381,885	273,136	77,953	-	974,402
Administrative expenses	-	-	-	-	640,781	640,781
Total other expenses	241,428	381,885	273,136	77,953	640,781	1,615,183
Total expenses	1,891,277	401,051	438,813	107,541	640,781	3,479,463
Operating income	11,742	120,103	101,987	61,790	29,076	324,698
Non-operating income:						
Investment income	17,940	3,370	3,913	1,719	2,703	29,645
Miscellaneous income	-	-	-	-	-	-
Total non-operating income	17,940	3,370	3,913	1,719	2,703	29,645
Net Income	29,682	123,473	105,900	63,509	31,779	354,343
Transfers	-	-	-	-	-	-
Fund Surplus	\$ 29,682	\$ 123,473	\$ 105,900	\$ 63,509	\$ 31,779	\$ 354,343

See Independent Auditors' Report.

**First Responder Joint Insurance Fund  
2018 Fund Year  
Cumulative Operating Results Analysis  
December 31, 2018**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Administrative</u>	<u>Totals</u>
Revenue:						
Underwriting income - regular contributions	\$ 1,815,927	\$ 532,848	\$ 529,930	\$ 156,190	\$ 660,733	\$ 3,695,628
Expenses:						
Claims:						
Paid	407,767	-	186,382	4,912	-	599,061
Case reserves	642,924	-	66,758	-	-	709,682
IBNR reserves	468,745	51,648	1,000	47,362	-	568,755
Claims - net	1,519,436	51,648	254,140	52,274	-	1,877,498
Other:						
Insurance and reinsurance premiums	267,131	455,215	282,992	74,374	-	1,079,712
Administrative expenses	-	-	-	-	650,253	650,253
Total other expenses	267,131	455,215	282,992	74,374	650,253	1,729,965
Total expenses	1,786,567	506,863	537,132	126,648	650,253	3,607,463
Operating income (loss)	29,360	25,985	(7,202)	29,542	10,480	88,165
Non-operating income:						
Investment income	12,026	3,528	3,509	1,035	4,373	24,471
Miscellaneous income	-	-	-	-	-	-
Total non-operating income	12,026	3,528	3,509	1,035	4,373	24,471
Net Income (Loss)	41,386	29,513	(3,693)	30,577	14,853	112,636
Transfers	-	-	-	-	-	-
Fund Surplus	\$ 41,386	\$ 29,513	\$ (3,693)	\$ 30,577	\$ 14,853	\$ 112,636

See Independent Auditors' Report.

**First Responder Joint Insurance Fund  
2017 Fund Year  
Cumulative Administrative Expense Analysis  
December 31, 2018**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Actuary	\$ 13,251	\$ -	\$ 13,251
Administrator	190,208	-	190,208
Attorney	31,608	-	31,608
Auditor	7,689	-	7,689
Claims service	24,525	-	24,525
Treasurer	3,600	-	3,600
Non - contracted expenses	12,064	-	12,064
Loss control and safety	45,748	-	45,748
Website	2,429	-	2,429
RMC fees	293,909	-	293,909
Contingency	-	15,750	15,750
	<u>\$ 625,031</u>	<u>\$ 15,750</u>	<u>\$ 640,781</u>

See Independent Auditors' Report.



**First Responder Joint Insurance Fund  
2018 Fund Year  
Cumulative Administrative Expense Analysis  
December 31, 2018**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Actuary	\$ 13,583	\$ -	\$ 13,583
Administrator	169,383	15,398	184,781
Attorney	27,666	5,524	33,190
Auditor	-	9,180	9,180
Claims service	22,180	14,822	37,002
Treasurer	3,600	-	3,600
Non - contracted expenses	8,425	6,575	15,000
Loss control and safety	42,774	3,889	46,663
Website	2,564	2,436	5,000
RMC fees	285,450	1,054	286,504
Contingency	-	15,750	15,750
	<u>\$ 575,625</u>	<u>\$ 74,628</u>	<u>\$ 650,253</u>

See Independent Auditors' Report.

**First Responder Joint Insurance Fund  
Comments and Recommendations  
December 31, 2018 and 2017**

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None