

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BURLINGTON COUNTY MUNICIPAL
JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

New Jersey Department of Insurance Joint Insurance Fund Code: JIF 3

Joint Insurance Fund Name: BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND

Street Address: _____ Mail Address: Five Greentree Centre
Suite 410
Marlton, NJ 08053

Primary location of books and records: Five Greentree Centre - Suite 410, Marlton, NJ 08053

Statement Contact Person: Paul Forlenza Phone No. (856) 446-9135

EXECUTIVE COMMITTEE

Chairman DONNA RYAN MEGHAN JACK
Secretary KATHY BURGER DOUGLAS CRAMER
MICHAEL MANSDOERFER JEFFREY HATCHER
PAUL KELLER

EXECUTIVE COMMITTEE ALTERNATES

GLENN MCMAHON PAUL TUILIANO
DAVID MATCHETT
RICHARD BROOK
LINDA DOUGHERTY

State of NEW JERSEY
County of BURLINGTON

DONNA RYAN (Chairman), KATHY BURGER (Secretary), of the BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND being duly sworn, each for himself

deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 31st day of December, 2010 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2010, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairman Secretary

- (a) Is this an original filing Yes No
- (b) If no,
 - (i) State the amendment number _____
 - (ii) Date filed _____
 - (iii) Number of pages attached _____

Subscribed and sworn to before me the _____ day of _____, 2011

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Burlington County Municipal Joint Insurance Fund
Five Greentree Centre, Suite 410
Marlton, New Jersey 08053

We have audited the statements of net assets of the Burlington County Municipal Joint Insurance Fund (the "Fund") as of December 31, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. 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 in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs of the State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Burlington County Municipal Joint Insurance Fund as of December 31, 2010 and 2009 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

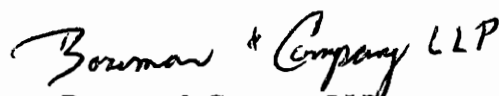
In accordance with Government Auditing Standards, we have also issued our report dated May 25, 2011 on our consideration of Burlington County Municipal Joint Insurance Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Board of Commissioners
Burlington County Municipal Joint Insurance Fund

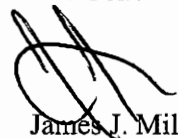
The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The information included in the accompanying Supplementary Information Section is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants



James J. Miles, Jr.
Certified Public Accountant

Woodbury, New Jersey
May 25, 2011

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

Board of Commissioners
Burlington County Municipal Joint Insurance Fund
Five Greentree Centre, Suite 410
Marlton, New Jersey 08053

We have audited the financial statements of the Burlington County Municipal Joint Insurance Fund (the “Fund”) as of December 31, 2010, and have issued our report thereon dated May 25, 2011. We conducted our audit 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 in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs of the State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund’s internal control over financial reporting.

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 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.

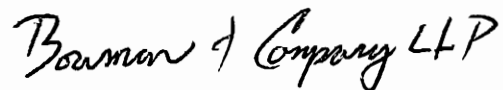
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Commissioners and management of the Burlington County Municipal Joint Insurance Fund and for filing with the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs of the of the State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants



James I. Miles, Jr.
Certified Public Accountant

Woodbury, New Jersey
May 25, 2011

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND

Management's Discussion and Analysis

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the year ended December 31, 2010 and 2009. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance coverage for municipalities that are members of the Fund. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Statement of Net Assets – This statement presents information reflecting the Fund's assets, liabilities, and net assets. Net assets represent the amount of total assets less total liabilities.

Statement of Revenue, Expenses, and Changes in Net Assets – This statement reflects the Fund's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net assets for an enterprise fund is similar to net profit or loss for any other insurance company.

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

Financial Highlights

The following tables summarize the Net Assets and results of operations for the Fund as of and for the years ended December 31, 2010 and 2009.

Net Assets Summary	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>2010 to 2009 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$ 4,836,096	\$ 4,299,150	\$ 4,594,971	\$ 536,946	12.5%
Investments	4,964,925	5,034,908	4,030,620	(69,983)	-1.4%
Other Assets	<u>533,329</u>	<u>558,989</u>	<u>782,005</u>	<u>(25,660)</u>	<u>-4.6%</u>
Total Assets	<u>10,334,350</u>	<u>9,893,047</u>	<u>9,407,596</u>	<u>441,303</u>	<u>4.5%</u>
Liabilities & Net Assets					
Liabilities					
Loss Reserves	3,861,798	4,897,473	3,903,617	(1,035,675)	-21.1%
Other Liabilities & Reserves	<u>893,878</u>	<u>933,063</u>	<u>344,996</u>	<u>(39,185)</u>	<u>-4.2%</u>
Total Liabilities	<u>4,755,676</u>	<u>5,830,536</u>	<u>4,248,613</u>	<u>(1,074,860)</u>	<u>-18.4%</u>
Net Assets	<u>\$ 5,578,674</u>	<u>\$ 4,062,511</u>	<u>\$ 5,158,983</u>	<u>\$ 1,516,163</u>	<u>37.3%</u>

Net Assets increased by \$1,516,163 or 37.3% from 2009 to 2010. Comparatively, net assets had decreased by \$1,096,472 or 21% from 2008 to 2009. The Fund recognized a 4.5% increase in its assets and a 18.4% decrease in liabilities from 2009 to 2010. Comparatively, the Fund recognized a 5.2% increase in its assets and a 37.2% increase in liabilities from 2008 to 2009.

Statement of Revenue and Expenses Summary	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>2010 to 2009 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	<u>\$ 6,329,151</u>	<u>\$ 5,950,875</u>	<u>\$ 5,311,113</u>	<u>\$ 378,276</u>	<u>6.4%</u>
Operating Expenses:					
Net Claims and Claims Adjustment Expenses	1,613,336	3,855,704	3,275,779	(2,242,368)	-58.2%
Reinsurance & Group Insurance Premiums	1,833,224	1,797,506	1,629,482	35,718	2.0%
Professional & Contractual Services	<u>950,715</u>	<u>913,432</u>	<u>825,066</u>	<u>37,283</u>	<u>4.1%</u>
Total Operating Expenses	4,397,275	6,566,642	5,730,327	(2,169,367)	-33.0%
Operating Income/(Loss)	1,931,876	(615,767)	(419,214)	2,547,643	413.7%
Investment Income	45,313	124,737	275,371	(79,424)	-63.7%
Change in Investment in Joint Venture	(36,026)	(225,765)	89,633	189,739	84.0%
Return of Surplus	<u>(425,000)</u>	<u>(379,677)</u>	<u>(327,655)</u>	<u>(45,323)</u>	<u>-11.9%</u>
Change In Net Assets	<u>\$ 1,516,163</u>	<u>\$ (1,096,472)</u>	<u>\$ (381,865)</u>	<u>\$ 2,612,635</u>	<u>238.3%</u>

Financial Highlights Continued

During the year, the Fund continued in its long-term success in controlling administrative and operating costs. In 2010, operating expenses increased from the prior year by 4.1% and represented just 12% of the total JIF budget.

In 2010, the Fund authorized a surplus return of \$425,000 to its members, which was an increase of \$45,323 over 2009. The Fund continues to take a prudent approach toward surplus distribution in recognition of trends potentially affecting the Fund's overall financial strength balanced with membership needs and local budget concerns. The Municipal Excess Liability (MEL) Fund continues to monitor the Self-Insured Retentions (SIR) of its member Funds on an annual basis. In response to loss development trends and market pressure, in 2010, the MEL decided to increase its lowest attachment point for member JIFs to \$250K per occurrence for liability and workers compensation claims. After consulting with the Fund Actuary as to the financial and risk impact on the Fund of moving to a \$300K SIR, the Fund decided to increase its SIR by \$50K to \$250K effective January 1, 2010. As noted above, the Fund's Net Claims and Claims Adjustment Expense have improved significantly over the prior year. This is due in large part to the strong performance of the 2010 Fund Year valued as of December 31, 2010. Although these initial results are encouraging, the Fund will continue to closely monitor the development of the 2010 Fund Year and the impact of the increased SIR on the Fund's overall financial results.

Economic Conditions

The Fund Asset Manager continues to monitor market conditions and adjust its investment strategies accordingly to maximize investment income. In response to more attractive interest rates, the Fund has begun to invest in securities with a maturity date of greater than two years. This is contrary to the position the Fund has taken during the prior years when the Fund was investing primarily in short term (one year or less) notes.

In 2010, the Fund saw a significant increase in its Loss Funding Budget (8.62%) over 2009 as a result of the increase in the local SIR. With the addition of Wrightstown and Delran Sewage Authority; loss funding increased by 9.9%. The increase in the workers compensation line item of 14.77%, or approximately \$250,000, made up the lion's share of the \$285,827 in increased loss funding for 2010 before the addition of Wrightstown and Delran Sewage Authority. The Fund continues to carefully monitor workers compensation losses and implement various programs to try and stem the increasing pressure on this line of coverage. These programs include monitoring the amount of time it takes members to report claims, the percentage of bills and payments that are going through network providers, and the use of transitional duty days. Although the Fund's membership has grown over the past few years, the total number of workers compensation claims has remained fairly stable; however, the severity (costs) of these claims driven by medical inflation and increased indemnity awards continue to increase. The Fund loss funding budget also recognized increases in the Auto and General Liability lines in 2010 (3.96% and 9.00% respectively). These increases are most likely tied to the increased costs in defending liability matters and increased member exposures. Following four years of increases on the property side of the budget, the Fund was able to hold its local property loss-funding budget relatively flat in 2010. In anticipation of pressure on the property reinsurance market, the MEL has begun to implement statewide initiatives, including the mandatory completion of property appraisals, in hopes of controlling these costs.

Finally, a continuing area of concern for the membership is employment related claims. Although Employment Practice Liability claims are not covered at the local level, they are a component of each member's MEL Assessment. As the MEL continues to experience significant losses in this line of coverage, they are likely to increase member's premiums, co-pays, and deductibles to make up for these losses. It is important to note; however, that the BURLCO JIF has had a very good loss history for this line of coverage. The Fund members continue to train employees and elected officials in the proper procedures and risk management programs available so as to avoid the potentially volatile claims.

Contacting the Fund's Management

This financial report is designed to provide the Burlington County Municipal 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, contact the Executive Director of the Burlington County Municipal Joint Insurance Fund office located at 525 Lincoln Drive West, Suite 410, Five Greentree Center, Marlton, New Jersey 08053 or by phone at (856) 446-9100.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,836,096	\$ 4,299,150
Investments	4,964,925	5,034,908
Investment in Joint Ventures	472,372	508,398
Contribution Receivable	4,421	638
Due from Residual Claims Fund	38,074	477
Accrued Interest Receivable	18,099	34,221
Prepaid Expenses	363	15,255
Total Assets	<u>10,334,350</u>	<u>9,893,047</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Expenses	486,317	573,119
Authorized Return of Surplus	<u>407,561</u>	<u>359,944</u>
Total Liabilities	<u>893,878</u>	<u>933,063</u>
Reserves:		
Claims:		
Case Reserves	2,852,274	3,681,742
IBNR Reserves	<u>1,009,524</u>	<u>1,215,731</u>
Net Reserves	<u>3,861,798</u>	<u>4,897,473</u>
Total Liabilities and Reserves	<u>4,755,676</u>	<u>5,830,536</u>
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 5,578,674</u>	<u>\$ 4,062,511</u>

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues:		
Regular Contributions	\$ 6,330,133	\$ 5,946,198
MEL, EJIF and RCF Dividends	-	4,677
Other Income (Refunds)	<u>(982)</u>	<u>-</u>
Total Operating Revenues	<u>6,329,151</u>	<u>5,950,875</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	1,613,336	3,855,704
Premium for Excess Insurance	1,833,224	1,797,506
Other Operating Expenses:		
Actuary	20,789	21,948
Administrative Consultants	20,478	19,446
Attorney	42,756	42,268
Auditor	15,611	16,487
Claims Administrator	146,049	143,300
Contingency	7,400	8,403
Exposure Database Development & Maintenance	6,417	-
Fund Administrator	231,807	225,179
Prima Conference	8,459	3,573
Property Appraisals	11,801	7,070
Recording Secretary	3,917	3,840
Risk Management Consultants	228,681	214,730
Safety Programs	165,246	166,761
Treasurer	9,532	8,928
Underwriter	5,500	-
Workers' Compensation Exposure Audit	6,248	5,901
Miscellaneous	<u>20,024</u>	<u>25,598</u>
Total Operating Expenses	<u>4,397,275</u>	<u>6,566,642</u>
Operating Income (Loss)	1,931,876	(615,767)
Non-Operating Revenue (Expense):		
Investment Income	45,313	124,737
Change in Investment in Joint Ventures	<u>(36,026)</u>	<u>(225,765)</u>
Net Income (Loss)	1,941,163	(716,795)
Net Assets, Beginning of Year	<u>4,062,511</u>	<u>5,158,983</u>
	6,003,674	4,442,188
Distributions to Members	<u>425,000</u>	<u>379,677</u>
Net Assets, End of Year	<u>\$ 5,578,674</u>	<u>\$ 4,062,511</u>

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities:		
Regular Contributions	\$ 6,326,350	\$ 5,946,166
Other Income (Refunds)	(982)	-
MEL, EJIF and RCF Dividends	-	4,677
Claim Payments	(2,686,608)	(2,847,585)
Insurance Premiums	(1,916,760)	(1,311,783)
Payments to Professionals and Suppliers	<u>(939,089)</u>	<u>(907,357)</u>
Net Cash Flows Provided by Operating Activities	<u>782,911</u>	<u>884,118</u>
Cash Flows From Investing Activities:		
Redemption of Investment Securities	5,000,000	3,500,000
Purchase of Investment Securities	(4,996,050)	(4,501,035)
Investment Income	<u>127,468</u>	<u>119,130</u>
Net Cash Flows Provided by (Used In) Investing Activities	<u>131,418</u>	<u>(881,905)</u>
Cash Flows Used in Noncapital Financing Activities:		
Distribution to Members	<u>(377,383)</u>	<u>(298,033)</u>
Net Decrease in Cash and Cash Equivalents	536,946	(295,820)
Cash and Cash Equivalents - Beginning of Year	<u>4,299,151</u>	<u>4,594,971</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,836,097</u>	<u>\$ 4,299,151</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 1,931,876	\$ (615,767)
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Change in Assets and Liabilities		
Increase in Contributions Receivable	(3,783)	(32)
(Increase) Decrease in Due from Residual Claims Fund	(37,597)	14,263
Increase (Decrease) in Accrued Expenses	(86,802)	506,673
Decrease in Other Payables	-	(250)
(Increase) Decrease in Prepaid Expenses	14,892	(14,625)
Increase (Decrease) in Claims Reserves	<u>(1,035,675)</u>	<u>993,856</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 782,911</u>	<u>\$ 884,118</u>
Supplemental Disclosure - Noncash Activity:		
Unrealized Gain (Loss) on Investments included in		
Investment Income	<u>\$ (31,125)</u>	<u>\$ 33,753</u>
Change in Investment in Joint Ventures	<u>\$ (36,026)</u>	<u>\$ (225,765)</u>

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

On January 1, 1991 the Burlington County Municipal Joint Insurance Fund (the "Fund") was formed in accordance with P.L. 1983, C.372, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A and N.J.S.A. 11:15-3 of the New Jersey Statutes. The Fund is operated in accordance with regulations of the New Jersey Department of Banking and Insurance and the Division of Local Government Services of the Department of Community and Urban Affairs for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

The Board of Commissioners of the Fund may approve subsequent membership by a two thirds vote or may terminate any member by a majority vote, after proper notice has been given. New memberships are effective upon approval by the Commissioners of Banking and Insurance and The Department of Community Affairs. Early terminations require prior approval by the Commissioner of Insurance. The members of the Fund must also be members of the Municipal Excess Liability Joint Insurance Fund ("MEL").

During the fiscal year ended December 31, 2010, members of the Fund included: Bass River Township, City of Beverly, City of Bordentown, Bordentown Township, Chesterfield Township, Delanco Township, Delran Township, Edgewater Park Township, Florence Township, Hainesport Township, Lumberton Township, Mansfield Township, Medford Township, Mount Laurel Township, North Hanover Township, Riverside Township, Shamong Township, Southampton Township, Springfield Township, Tabernacle Township, Westhampton Township and Wrightstown Borough.

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund offers the following coverage's to its members:

- Workers' Compensation including Employers' Liability.
- General Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Automobile Liability and damage.
- Public Employees Blanket Bond.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Burlington County Municipal Joint Insurance Fund (the "Fund") in the preparation of the accompanying financial statements:

Reporting Entity

The Fund has determined that there were no additional entities required to be included in the reporting entity under the criteria described in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14. In addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Basis of Presentation, Fund Accounting

The financial statements of the Fund have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of net income, financial position and cash flows.

Enterprise Funds are used to account for activities that are operated in a manner similar to private business enterprises.

Basis of Accounting

Enterprise Funds use the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Fund uses the accrual basis of accounting, whereby income is recorded as earned and expenses are recognized as incurred, except as stated below.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on deposit with public depositories. Certificates of deposit when purchased are recorded as cash regardless of the date of maturity. Investments are stated at market value.

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

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

The cash management plan adopted by the Fund requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Valuation of Investments

Among the Fund's investment objectives are preservation of principal, diversification, and maximization of interest yield. The Fund invests in government securities with the intent of holding them until maturity. Investments are reported at fair value. Realized and unrealized gains and losses on investments are recognized as a component of investment income.

Annual Contributions

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

Supplemental Contributions

The Executive Committee shall by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Investment Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on the fair value of investments are allocated every month based upon each line of coverage's share of opening cash and investment balances.

Unpaid Claims Liabilities

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

A. **Reported Claims Case Reserves**

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

B. **Claims Incurred But Not Reported (IBNR) Reserve**

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

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2010. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

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

Excess Coverage

Coverage in excess of the Fund's self insured retention limit is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund as described in Note 6.

Fund Transfers

Interfund transfers are made upon the expressed approval of the Executive Committee, following prior written notification to the Commissioners of Banking and Insurance and the Department of Community Affairs.

Interyear fund transfers require prior approval of the Departments of Banking and Insurance and The Department of Community Affairs. The fund may seek approval from the Commissioner to make interyear fund transfers at any time from a claims or loss retention trust account from any year which has been completed for at least 12 months. The interyear fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must exceed 35 percent of unpaid claims for that fiscal year.

Claims must be undiscounted, the IBNR reserve must be certified by an actuary and the membership for each fiscal year involving interyear fund transfers must be identical.

All fund transfers are recognized at the time actual transfers take place.

Subrogation

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization of the Executive Committee. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by the Fund's actuary may be declared to be refundable by the Fund no less than twenty-four months after the end of the fiscal year. The initial and any subsequent refund for any year from a Claim or Loss Retention Account is subject to the limitation that after the refund, the remaining net current surplus must exceed thirty-five percent of unpaid claims for that fiscal year. In later years, the Fund can seek annual approval for payment of refunds from a Claim or Loss Retention Account remaining from any year which has been completed for at least thirty-six months or longer and may include such refund payments with initial refund payments from the preceding year. A full and final refund is not allowed until all case reserves and IBNR reserves are closed.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Commissioners/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

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

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits may not be returned to it. As described in Note 2, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the GUDPA. Of the Fund's bank balance of \$4,854,066 as of December 31, 2010, \$250,000 was insured while \$4,604,066 was collateralized under GUDPA.

New Jersey Cash Management Fund

During the year, the Fund participated in the New Jersey Cash Management Fund. The Cash Management Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2010 the Fund's deposits with the New Jersey Cash Management Fund was \$50,495.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS

Custodial Credit Risk

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 or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. Of the Fund's \$4,964,925 investment in Federal Home Loan Bank Notes (FHLB), Federal National Mortgage Association Notes (FNMA), and Federal Home Loan Mortgage Corp Medium Term Notes (FHLMC MTN), \$4,964,925 is held by the counterparty or counterparty's trust department or agent but not in the name of the Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Fund may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Fund has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Fund does not place a limit on the amount that may be invested in any one issuer. All of the Fund's investments are either in U.S. Treasury Notes or Mortgage Backed Securities.

As of December 31, 2010, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Market Value</u>
FHLB	2.150%	02/06/12	N/A	\$ 1,019,005
FHLMC MTN	1.500%	04/14/15	N/A	982,200
FNMA	0.900%	12/21/12	N/A	1,000,160
FNMA	1.250%	02/26/14	N/A	997,270
FNMA	1.500%	11/23/15	N/A	966,290
				\$ 4,964,925

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

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

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund during 2010 and 2009 for all open Fund years net of excess insurance recoveries:

	<u>2010</u>	<u>2009</u>
Total unpaid claims and claim adjustment		
Expenses for all Fund years-beginning of year	\$ 4,897,473	\$ 3,903,617
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fund year	2,295,002	3,825,001
Changes in provision for insured events of prior fund years	<u>(736,835)</u>	<u>30,700</u>
Total incurred claims and claim adjustment		
Expenses for all Fund years	<u>6,455,640</u>	<u>7,759,318</u>
Payments:		
Claims and claim adjustment expenses:		
Attributable to insured events of current fund year	727,524	1,101,034
Attributable to insured events of prior fund years	<u>1,866,318</u>	<u>1,760,811</u>
Total Payments all Fund years	<u>2,593,842</u>	<u>2,861,845</u>
Total unpaid claims and claim adjustment		
Expenses for all Fund years - end of year	<u>\$ 3,861,798</u>	<u>\$ 4,897,473</u>

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

Municipal Excess Liability Residual Claims Fund

The Fund is currently a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members. The transfer of loss reserves to the Residual Fund results in the closing of fund years and the unencumbering of the retained earnings related to those closed fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected.

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Municipal Excess Liability Residual Claims Fund (Cont'd)

The Residual Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year. In accordance Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for the Fund's membership assessment in the year in which the distribution was declared.

During 2010, the fund was assessed \$673,642 for the transfer of fund year 2006 liabilities to the Residual Fund.

In addition, the Fund will invoice the Residual Fund for 2006 claims paid by the fund subsequent to June 30, 2010. As of December 31, 2010, those reimbursable claims totaled \$38,074.

Municipal Excess Liability Joint Insurance Fund

Effective July 1, 1998, the Fund became a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the MEL are elected.

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

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

New Jersey Municipal Environmental Risk Management Fund

Effective January 1, 2006, the Fund became a member of the New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"). The Environmental Fund provides its members with various environmental related coverage. The Environmental Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Environmental Fund are elected.

As a member of the Environmental Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Environmental Fund were to be exhausted, members would become responsible for their respective shares of the Environmental Fund's liabilities.

The Environmental Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Selected Financial Information

Selected summarized financial information for the Residual Fund, the MEL and the Environmental Fund as of December 31, 2010 is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>
Total Assets	<u>\$ 65,046,094</u>	<u>\$ 97,293,733</u>	<u>\$ 24,960,548</u>
Total Liabilities	<u>\$ 61,779,403</u>	<u>\$ 78,581,240</u>	<u>\$ 13,567,633</u>
Net Assets	<u>\$ 3,266,691</u>	<u>\$ 18,712,493</u>	<u>\$ 11,392,915</u>
Total Revenue	<u>\$ 22,404,262</u>	<u>\$ 57,751,371</u>	<u>\$ 4,141,997</u>
Total Expenses	<u>\$ 22,142,275</u>	<u>\$ 59,120,712</u>	<u>\$ 960,240</u>
Net Income (Loss)	<u>\$ (138,013)</u>	<u>\$(1,369,341)</u>	<u>\$ 2,181,757</u>
Distributions to Members	<u>\$ 400,000</u>	<u>----</u>	<u>\$ 1,000,000</u>

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund and the New Jersey Municipal Environmental Risk Management Fund are available at the office of the Fund's Executive Director:

PERMA
250 Pehle Avenue, Suite 701
Saddle Brook, NJ 07663
201-587-0555

Note 7: RETURN OF CLOSED FUND YEARS SURPLUS

At its September 21, 2010 meeting, the Executive Committee approved a dividend in the amount of \$425,000 payable from the Closed Fund Years Account.

Note 8: SUBSEQUENT EVENT

Subsequent to year end, the Borough of Pemberton has joined the Fund effective January 1, 2011.

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 2010

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claim and claim adjustment expenses - Beginning of Year	\$33,711	\$1,428,083	\$154,077	\$3,281,602	\$4,897,473
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	150,000	315,001	130,000	1,700,001	2,295,002
Changes in provision for insured events of prior fund years	(26,464)	(163,268)	(24,783)	(522,320)	(736,835)
Total incurred claims and claims adjustment expenses all Fund years	157,247	1,579,816	259,294	4,459,283	6,455,640
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	125,864	4,986	14,675	581,999	727,524
Attributable to insured events of prior fund years	(1,782)	627,058	56,605	1,184,437	1,866,318
Total payments all Fund years	124,082	632,044	71,280	1,766,436	2,593,842
Total unpaid claim and claim adjustment expenses - End of Year	\$33,165	\$947,772	\$188,014	\$2,692,847	\$3,861,798

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2010

	Fund Year Ended December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net Earned Required Contribution and Investment Revenue:										
Earned	\$2,169,187	\$2,393,448	\$2,678,221	\$3,253,184	\$3,671,220	\$5,051,731	\$5,172,699	\$5,596,116	\$5,987,892	\$6,330,727
Ceded	531,252	630,152	669,916	870,191	896,964	1,431,110	1,506,862	1,629,482	1,797,507	1,833,223
	1,637,935	1,763,296	2,008,305	2,382,993	2,774,256	3,620,621	3,665,837	3,966,634	4,190,385	4,497,504
Unallocated Expenses	378,455	438,470	455,227	509,550	537,599	740,449	785,185	822,385	907,783	959,986
Estimated Claims and Expenses, End of Policy Year:										
Incurred	1,162,001	1,077,001	1,553,044	1,245,000	1,085,001	1,800,000	2,080,000	2,390,000	3,825,001	2,295,002
Ceded										
Net Incurred	1,162,001	1,077,001	1,553,044	1,245,000	1,085,001	1,800,000	2,080,000	2,390,000	3,825,001	2,295,002
Paid (Cumulative) as of:										
End of Policy Year	403,549	259,100	583,243	335,692	308,582	753,345	655,774	980,706	1,101,034	727,524
One Year Later	517,598	411,777	840,001	472,096	710,704	980,809	1,321,635	1,300,024	1,984,999	
Two Years Later	580,147	536,220	1,059,265	575,197	935,568	1,188,740	1,848,176	1,387,232		
Three Years Later	710,597	652,638	1,203,527	650,279	1,264,154	1,740,162	2,069,680			
Four Years Later (A)	752,642	680,881	1,287,908	698,009	1,420,289	1,740,162				
Reestimated Ceded Claims and Expenses	199,938	252,591	186,602	311,678	207,498	673,642				
Reestimated Incurred Claims and Expenses:										
End of Policy Year	1,162,001	1,077,001	1,695,000	1,245,000	1,085,001	1,800,000	2,080,000	2,390,000	3,825,001	2,295,002
One Year Later	1,170,697	1,061,001	1,384,000	840,996	1,148,462	1,853,393	2,653,999	1,975,000	3,394,153	
Two Years Later	924,581	928,473	1,469,235	895,279	1,363,462	1,998,392	2,682,476	1,936,384		
Three Years Later	907,581	928,474	1,448,523	1,095,906	1,616,461	2,404,392	2,405,694			
Four Years Later (A)	952,580	933,472	1,474,510	1,009,687	1,627,687	2,413,804				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (209,421)	\$ (143,529)	\$ (78,534)	\$ (235,313)	\$ 542,686	\$ 613,804	\$ 325,694	\$ (453,616)	\$ (430,848)	\$ -

(A) At the end of the Fourth Year the Fund Cedes remaining actuarially calculated liabilities to the Residual Claims Fund (R.C.F.)

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 2010

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2010

ASSETS

Cash and Cash Equivalents	\$ 4,836,096		
Investments	<u>4,964,925</u>		
Total Cash and Investments		\$ 9,801,021	
Receivables:			
Contributions	4,421		
Residual Claims Fund	38,074		
Interest	<u>18,099</u>		
Total Receivables		60,594	
Prepaid Expenses		<u>363</u>	
Total Assets			\$ 9,861,978
<u>LIABILITIES</u>			
Claims:			
Case Reserves	2,852,274		
IBNR Reserve	1,009,524		
Excess Insurance Recoverable	<u>-</u>		
Total Claims		3,861,798	
Accrued Expenses:			
Excess Insurance	402,186		
Operating	<u>84,131</u>		
Total Unpaid Expenses		486,317	
Other Liabilities:			
Authorized Return of Surplus	<u>407,561</u>		
Total Other Liabilities		<u>407,561</u>	
Total Liabilities			<u>4,755,676</u>
Net Statutory Surplus			<u>\$ 5,106,302</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 1991 (DATE OF INCEPTION) TO DECEMBER 31, 2010

Underwriting Income:			
Regular Contributions	\$	52,745,687	
Supplemental Contributions		-	
MEL, EJIF and RCF Dividends		511,741	
Other Income		<u>23,511</u>	
Total Underwriting Income	\$		53,280,939
Incurred Liabilities:			
Claims:			
Paid (Net of Subrogation)		18,011,492	
Case Reserves		2,852,274	
IBNR Reserves		1,009,524	
Residual Claims Fund Premiums		<u>2,738,251</u>	
Subtotal	\$	24,611,541	
Less Excess Insurance:			
Received		57,393	
Recoverable		<u>-</u>	
Subtotal			<u>57,393</u>
Total Limited Incurred Claims			24,554,148
Expenses:			
Excess Insurance Premiums		13,273,353	
Loss Fund Contingency		27,200	
Operating		<u>9,396,031</u>	
Total Expenses			<u>22,696,584</u>
Total Incurred Liabilities			<u>47,250,732</u>
Underwriting Surplus			6,030,207
Investment Income			<u>3,322,813</u>
Gross Statutory Surplus			9,353,020
Return of Surplus:			
Paid		3,839,157	
Authorized and Unpaid		<u>407,561</u>	
Total Return of Surplus			<u>4,246,718</u>
Net Statutory Surplus	\$		<u><u>5,106,302</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION

Note 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS

The information in the Fund's basic financial statements, Exhibits A-1 through A-3, differs from the accompanying Supplementary Information required by the Division of Banking and Insurance. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures as follows:

	<u>2010</u>	<u>2009</u>
Total Assets – Statement of Net Assets	\$ 10,334,350	\$9,893,047
Less Investment in Joint Ventures	<u>472,372</u>	<u>508,398</u>
Total Assets – Statutory Basis	<u>\$ 9,861,978</u>	<u>\$ 9,384,649</u>
Net Assets – Statement of Net Assets	\$ 5,578,674	\$ 4,062,511
Less Investment in Joint Ventures	<u>472,372</u>	<u>508,398</u>
Net Assets – Statutory Basis	<u>\$ 5,106,302</u>	<u>\$ 3,554,113</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

Underwriting Income:		
Regular Contributions	\$ 6,330,133	
Supplemental Contributions	-	
Other Income (Refunds)	<u>(982)</u>	
Total Underwriting Income		\$ 6,329,151
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	727,524	
Case Reserves	807,316	
IBNR Reserves	<u>760,162</u>	
Subtotal		\$ 2,295,002
Less Excess Insurance:		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		2,295,002
Expenses:		
Excess Insurance Premiums	1,833,223	
Operating	<u>959,986</u>	
Total Expenses		<u>2,793,209</u>
Total Incurred Liabilities		<u>5,088,211</u>
Underwriting Surplus		1,240,940
Investment Income		<u>1,576</u>
Gross Statutory Surplus		1,242,516
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 1,242,516</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2009 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2010

Underwriting Income:		
Regular Contributions	\$ 5,946,199	
Supplemental Contributions	-	
Other Income	-	
	<hr/>	
Total Underwriting Income		\$ 5,946,199
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	1,984,999	
Case Reserves	1,223,934	
IBNR Reserves	185,220	
	<hr/>	
Subtotal		\$ 3,394,153
Less Excess Insurance:		
Received	-	
Recoverable	-	
	<hr/>	
Subtotal		-
Total Limited Incurred Claims		3,394,153
Expenses:		
Excess Insurance Premiums	1,797,507	
Operating	907,783	
	<hr/>	
Total Expenses		2,705,290
Total Incurred Liabilities		<hr/> 6,099,443
Underwriting Deficit		(153,244)
Investment Income		<hr/> 41,694
Gross Statutory Deficit		(111,550)
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
	<hr/>	
Total Return of Surplus		<hr/> -
Net Statutory Deficit		<hr/> <hr/> \$ (111,550)

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2008 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2010

Underwriting Income:		
Regular Contributions	\$ 5,306,328	
Supplemental Contributions	-	
Other Income	<u>4,785</u>	
Total Underwriting Income		\$ 5,311,113
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	1,387,232	
Case Reserves	533,641	
IBNR Reserves	<u>15,511</u>	
Subtotal		\$ 1,936,384
Less Excess Insurance:		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		1,936,384
Expenses:		
Excess Insurance Premiums	1,629,482	
Operating	<u>822,385</u>	
Total Expenses		<u>2,451,867</u>
Total Incurred Liabilities		<u>4,388,251</u>
Underwriting Surplus		922,862
Investment Income		<u>85,003</u>
Gross Statutory Surplus		1,007,865
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 1,007,865</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2007 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2010

Underwriting Income:		
Regular Contributions	\$ 4,991,218	
Supplemental Contributions	-	
EJIF Dividends	4,677	
Other Income	<u>1,500</u>	
Total Underwriting Income		\$ 4,997,395
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	2,069,680	
Case Reserves	287,383	
IBNR Reserves	<u>48,631</u>	
Subtotal		\$ 2,405,694
Less Excess Insurance:		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		2,405,694
Expenses:		
Excess Insurance Premiums	1,506,862	
Operating	<u>785,185</u>	
Total Expenses		<u>2,292,047</u>
Total Incurred Liabilities		<u>4,697,741</u>
Underwriting Surplus		299,654
Investment Income		<u>175,304</u>
Gross Statutory Surplus		474,958
Return of Surplus:		
Paid		-
Authorized and Unpaid		<u>4,677</u>
Total Return of Surplus		<u>4,677</u>
Net Statutory Surplus		<u><u>\$ 470,281</u></u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2006 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2010

Underwriting Income:		
Regular Contributions	\$ 4,781,869	
Supplemental Contributions	-	
EJIF Dividends	2,655	
Other Income	<u>-</u>	
Total Underwriting Income		\$ 4,784,524
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	1,740,162	
Residual Claims Fund Premium	<u>673,642</u>	
Subtotal		\$ 2,413,804
Less Excess Insurance:		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		2,413,804
Expenses:		
Excess Insurance Premiums	1,431,110	
Operating	<u>740,449</u>	
Total Expenses		<u>2,171,559</u>
Total Incurred Liabilities		<u>4,585,363</u>
Underwriting Surplus		199,161
Investment Income		267,207
Surplus Transfer to Closed Fund Year		<u>(463,713)</u>
Gross Statutory Surplus		2,655
Return of Surplus:		
Paid	2,655	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>2,655</u>
Net Statutory Surplus		<u>\$ -</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF CLOSED FUND YEARS
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 1991 (DATE OF INCEPTION) TO DECEMBER 31, 2010

Underwriting Income:		
Regular Contributions	\$ 25,389,941	
Supplemental Contributions	-	
MEL and RCF Dividends	504,409	
Other Income	<u>18,208</u>	
Total Underwriting Income		\$ 25,912,558
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	10,101,895	
Residual Claims Fund Premiums	<u>2,064,609</u>	
Subtotal		\$ 12,166,504
Less Excess Insurance:		
Received		<u>57,393</u>
Total Limited Incurred Claims		12,109,111
Expenses:		
Loss Fund Contingency	27,200	
Excess Insurance Premiums	5,075,169	
Operating	<u>5,180,243</u>	
Total Expenses		<u>10,282,612</u>
Total Incurred Liabilities		<u>22,391,723</u>
Underwriting Surplus		3,520,835
Investment Income		2,752,029
Surplus Transfer From 2006 Fund Year		<u>463,713</u>
Gross Statutory Surplus		6,736,577
Return of Surplus:		
Paid	3,836,502	
Authorized and Unpaid	<u>402,884</u>	
Total Return of Surplus		<u>4,239,386</u>
Net Statutory Surplus		<u>\$ 2,497,191</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Loss Contingency</u>	<u>Environmental</u>	<u>MEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:										
Regular Contributions	\$ 529,363	\$ 526,416	\$ 120,844	\$ 1,927,157	\$ 492,673	\$ 50,297	\$ 191,444	\$ 1,477,257	\$ 1,014,682	\$ 6,330,133
Supplemental Contributions										
Other Income (Refunds)									(982)	(982)
Total Income	529,363	526,416	120,844	1,927,157	492,673	50,297	191,444	1,477,257	1,013,700	6,329,151
Incurred Liabilities:										
Claims	150,000	315,001	130,000	1,700,001			189,606	1,471,710	959,986	2,295,002
Expenses	171,907									2,793,209
Total Liabilities	321,907	315,001	130,000	1,700,001	-	-	189,606	1,471,710	959,986	5,088,211
Underwriting Surplus (Deficit)	207,456	211,415	(9,156)	227,156	492,673	50,297	1,838	5,547	53,714	1,240,940
Adjustments:										
Investment Income (Loss)	(56)	(249)	(40)	100	(238)	(24)	(9)	(274)	2,366	1,576
Interfund Transfers										
Total Adjustments	(56)	(249)	(40)	100	(238)	(24)	(9)	(274)	2,366	1,576
Gross Statutory Surplus (Deficit)	207,400	211,166	(9,196)	227,256	492,435	50,273	1,829	5,273	56,080	1,242,516
Return of Surplus										
Net Statutory Surplus (Deficit)	\$ 207,400	\$ 211,166	\$ (9,196)	\$ 227,256	\$ 492,435	\$ 50,273	\$ 1,829	\$ 5,273	\$ 56,080	\$ 1,242,516

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2009 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2010

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Deductible	Loss Contingency	Environmental	MEL	Expense & Contingency	Total
Underwriting Income:										
Regular Contributions	\$ 518,525	\$ 474,037	\$ 113,645	\$ 1,665,575	\$ 433,769	\$ 89,100	\$ 188,807	\$ 1,475,702	\$ 987,039	\$ 5,946,199
Supplemental Contributions										
Other Income										
Total Income	518,525	474,037	113,645	1,665,575	433,769	89,100	188,807	1,475,702	987,039	5,946,199
Incurred Liabilities:										
Claims	139,153	315,000	55,000	2,885,000			188,807	1,434,526	907,783	3,394,153
Expenses	174,174									2,705,290
Total Liabilities	313,327	315,000	55,000	2,885,000	-	-	188,807	1,434,526	907,783	6,099,443
Underwriting Surplus (Deficit)	205,198	159,037	58,645	(1,219,425)	433,769	89,100	-	41,176	79,256	(153,244)
Adjustments:										
Investment Income	3,631	5,602	1,249	14,198	5,153	1,072	316	4,500	5,973	41,694
Interfund Transfers				100,000	(100,000)					
Total Adjustments	3,631	5,602	1,249	114,198	(94,847)	1,072	316	4,500	5,973	41,694
Gross Statutory Surplus (Deficit)	208,829	164,639	59,894	(1,105,227)	338,922	90,172	316	45,676	85,229	(111,550)
Return of Surplus										
Net Statutory Surplus (Deficit)	\$ 208,829	\$ 164,639	\$ 59,894	\$ (1,105,227)	\$ 338,922	\$ 90,172	\$ 316	\$ 45,676	\$ 85,229	\$ (111,550)

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2008 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2010

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Loss Contingency</u>	<u>Environmental</u>	<u>MEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
<u>Underwriting Income:</u>										
Regular Contributions	\$ 472,716	\$ 439,722	\$ 104,295	\$ 1,468,554	\$ 387,838	\$ 85,800	\$ 168,903	\$ 1,273,980	\$ 904,520	\$ 5,306,328
Supplemental Contributions										
Other Income								3,772	1,013	4,785
Total Income	472,716	439,722	104,295	1,468,554	387,838	85,800	168,903	1,277,752	905,533	5,311,113
<u>Incurred Liabilities:</u>										
Claims	199,384	360,000	77,000	1,300,000			168,903	1,256,558	822,385	1,936,384
Expenses	204,021									2,451,867
Total Liabilities	403,405	360,000	77,000	1,300,000	-	-	168,903	1,256,558	822,385	4,388,251
<u>Underwriting Surplus</u>	<u>69,311</u>	<u>79,722</u>	<u>27,295</u>	<u>168,554</u>	<u>387,838</u>	<u>85,800</u>	<u>-</u>	<u>21,194</u>	<u>83,148</u>	<u>922,862</u>
<u>Adjustments:</u>										
Investment Income	5,159	15,061	2,892	29,263	13,594	3,034	136	6,517	9,347	85,003
Interfund Transfers										
Total Adjustments	5,159	15,061	2,892	29,263	13,594	3,034	136	6,517	9,347	85,003
<u>Gross Statutory Surplus</u>	<u>74,470</u>	<u>94,783</u>	<u>30,187</u>	<u>197,817</u>	<u>401,432</u>	<u>88,834</u>	<u>136</u>	<u>27,711</u>	<u>92,495</u>	<u>1,007,865</u>
<u>Return of Surplus</u>										
Net Statutory Surplus	\$ 74,470	\$ 94,783	\$ 30,187	\$ 197,817	\$ 401,432	\$ 88,834	\$ 136	\$ 27,711	\$ 92,495	\$ 1,007,865

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2007 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2010

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Deductible</u>	<u>Loss Contingency</u>	<u>Environmental</u>	<u>MEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
<u>Underwriting Income:</u>										
Regular Contributions	\$ 417,524	\$ 417,420	\$ 108,350	\$ 1,432,045	\$ 376,480	\$ 85,421	\$ 165,999	\$ 1,150,952	\$ 837,027	\$ 4,991,218
Supplemental Contributions							4,677		1,500	4,677
EJIF Dividends										1,500
Other Income										
<u>Total Income</u>	<u>417,524</u>	<u>417,420</u>	<u>108,350</u>	<u>1,432,045</u>	<u>376,480</u>	<u>85,421</u>	<u>170,676</u>	<u>1,150,952</u>	<u>838,527</u>	<u>4,997,395</u>
<u>Incurred Liabilities:</u>										
Claims	175,474	340,001	100,219	1,790,000			169,286	1,159,983	785,185	2,405,694
Expenses	177,593									2,292,047
<u>Total Liabilities</u>	<u>353,067</u>	<u>340,001</u>	<u>100,219</u>	<u>1,790,000</u>	<u>-</u>	<u>-</u>	<u>169,286</u>	<u>1,159,983</u>	<u>785,185</u>	<u>4,697,741</u>
<u>Underwriting Surplus (Deficit)</u>	<u>64,457</u>	<u>77,419</u>	<u>8,131</u>	<u>(357,955)</u>	<u>376,480</u>	<u>85,421</u>	<u>1,390</u>	<u>(9,031)</u>	<u>53,342</u>	<u>299,654</u>
<u>Adjustments:</u>										
Investment Income	6,443	29,944	6,564	60,102	29,420	6,635	2,183	15,910	18,103	175,304
Interfund Transfers	68,372	199,000	(47,000)		(175,000)	(43,267)		(2,105)		-
<u>Total Adjustments</u>	<u>74,815</u>	<u>228,944</u>	<u>(40,436)</u>	<u>60,102</u>	<u>(145,580)</u>	<u>(36,632)</u>	<u>2,183</u>	<u>13,805</u>	<u>18,103</u>	<u>175,304</u>
<u>Gross Statutory Surplus (Deficit)</u>	<u>139,272</u>	<u>306,363</u>	<u>(32,305)</u>	<u>(297,853)</u>	<u>230,900</u>	<u>48,789</u>	<u>3,573</u>	<u>4,774</u>	<u>71,445</u>	<u>474,958</u>
<u>Return of Surplus</u>							<u>4,677</u>			<u>4,677</u>
<u>Net Statutory Surplus (Deficit)</u>	<u>\$ 139,272</u>	<u>\$ 306,363</u>	<u>\$ (32,305)</u>	<u>\$ (297,853)</u>	<u>\$ 230,900</u>	<u>\$ 48,789</u>	<u>\$ (1,104)</u>	<u>\$ 4,774</u>	<u>\$ 71,445</u>	<u>\$ 470,281</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2006 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2010

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Deductible	Loss Contingency	Environmental	MEL	Expense & Contingency	Total
Underwriting Income:										
Regular Contributions	\$ 386,609	\$ 418,496	\$ 109,090	\$ 1,363,818	\$ 361,754	\$ 85,307	\$ 163,396	\$ 1,099,976	\$ 793,423	\$ 4,781,869
Supplemental Contributions										
EJIF Dividends							2,655			2,655
Other Income										
Total Income	386,609	418,496	109,090	1,363,818	361,754	85,307	166,051	1,099,976	793,423	4,784,524
Incurred Liabilities:										
Claims	146,984	354,520	217,408	1,021,250			163,473	1,101,022	673,642	2,413,804
Expenses	166,615								740,449	2,171,559
Total Liabilities	313,599	354,520	217,408	1,021,250	-	-	163,473	1,101,022	1,414,091	4,585,363
Underwriting Surplus (Deficit)	73,010	63,976	(108,318)	342,568	361,754	85,307	2,578	(1,046)	(620,668)	199,161
Adjustments:										
Investment Income	11,128	45,557	11,649	89,970	45,315	11,454	314	27,934	23,886	267,207
(Surplus) Deficit Transfer to Closed Fund Years	(84,138)	(109,533)	96,669	(432,538)	(407,069)	(96,761)	(237)	(26,888)	596,782	(463,713)
Total Adjustments	(73,010)	(63,976)	108,318	(342,568)	(361,754)	(85,307)	77	1,046	620,668	(196,506)
Gross Statutory Surplus	-	-	-	-	-	-	2,655	-	-	2,655
Return of Surplus	-	-	-	-	-	-	2,655	-	-	2,655
Net Statutory Surplus	-	-	-	-	-	-	-	-	-	-

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 125,864	\$ 4,986	\$ 14,675	\$ 581,999	\$ 727,524
Case Reserves	44,580	160,598	74,641	527,497	807,316
IBNR Reserves	(20,444)	149,417	40,684	590,505	760,162
Subtotal	<u>150,000</u>	<u>315,001</u>	<u>130,000</u>	<u>1,700,001</u>	<u>2,295,002</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 150,000</u>	<u>\$ 315,001</u>	<u>\$ 130,000</u>	<u>\$ 1,700,001</u>	<u>\$ 2,295,002</u>
Number of Claims	<u>61</u>	<u>82</u>	<u>43</u>	<u>135</u>	<u>321</u>
Cost per Claim	<u>\$ 2,459</u>	<u>\$ 3,841</u>	<u>\$ 3,023</u>	<u>\$ 12,593</u>	<u>\$ 7,150</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2009 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2010

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 136,652	\$ 13,101	\$ 18,792	\$ 1,816,454	\$ 1,984,999
Case Reserves	2,501	244,553	26,248	950,632	1,223,934
IBNR Reserves		57,346	9,960	117,914	185,220
Subtotal	<u>139,153</u>	<u>315,000</u>	<u>55,000</u>	<u>2,885,000</u>	<u>3,394,153</u>
Excess Insurance Received					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 139,153</u>	<u>\$ 315,000</u>	<u>\$ 55,000</u>	<u>\$ 2,885,000</u>	<u>\$ 3,394,153</u>
Number of Claims	<u>64</u>	<u>75</u>	<u>38</u>	<u>145</u>	<u>322</u>
Cost per Claim	<u>\$ 2,174</u>	<u>\$ 4,200</u>	<u>\$ 1,447</u>	<u>\$ 19,897</u>	<u>\$ 10,541</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2008 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2010

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 195,696	\$ 84,396	\$ 40,519	\$ 1,066,621	\$ 1,387,232
Case Reserves	3,688	272,563	32,060	225,330	533,641
IBNR Reserves		3,041	4,421	8,049	15,511
Subtotal	199,384	360,000	77,000	1,300,000	1,936,384
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 199,384</u>	<u>\$ 360,000</u>	<u>\$ 77,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,936,384</u>
Number of Claims	64	57	41	141	303
Cost per Claim	<u>\$ 3,115</u>	<u>\$ 6,316</u>	<u>\$ 1,878</u>	<u>\$ 9,220</u>	<u>\$ 6,391</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2007 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2010

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 172,635	\$ 279,745	\$ 100,219	\$ 1,517,081	\$ 2,069,680
Case Reserves	2,840	47,105		237,438	287,383
IBNR Reserves	-	13,150		35,481	48,631
Subtotal	<u>175,475</u>	<u>340,000</u>	<u>100,219</u>	<u>1,790,000</u>	<u>2,405,694</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 175,475</u>	<u>\$ 340,000</u>	<u>\$ 100,219</u>	<u>\$ 1,790,000</u>	<u>\$ 2,405,694</u>
Number of Claims	<u>57</u>	<u>67</u>	<u>33</u>	<u>158</u>	<u>315</u>
Cost per Claim	<u>\$ 3,079</u>	<u>\$ 5,075</u>	<u>\$ 3,037</u>	<u>\$ 11,329</u>	<u>\$ 7,637</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Property Account:			
Excess	\$ 124,465	\$ 41,488	\$ 165,953
Fidelity	4,465	1,489	5,954
Enviromental	189,606		189,606
MEL	1,097,210	359,209	1,456,419
EPL Credits	15,291		15,291
	<hr/>		
Subtotal Excess Insurance	1,431,037	402,186	1,833,223
<hr/>			
Operating Expenses:			
Actuary	22,031		22,031
Administrative Consultants	20,478		20,478
Attorney	42,756		42,756
Auditor		16,545	16,545
Claims Administrator	146,049		146,049
Contingency	400	7,000	7,400
Exposure Database Development & Maintenance		6,417	6,417
Fidelity Bond - Professionals	1,113		1,113
Fund Administrator	231,807		231,807
Legal Notices	1,770		1,770
Meeting Expenses	1,730		1,730
Office Supplies	1,003	140	1,143
Performance Bond	723		723
Postage	2,306	165	2,471
PRIMA Conference	8,459		8,459
Printing	1,511	3,297	4,808
Property Appraisals	11,801		11,801
Record Retention	428	68	496
Recording Secretary	3,917		3,917
Retreat	675		675
Risk Management Consulting	228,681		228,681
Safety:			
Optional Safety Expenses	24,450	5,277	29,727
Police/EPL	1,295	5,054	6,349
Right To Know	11,371		11,371
Safety Director	84,603		84,603
Safety Incentive Program	5,447	34,212	39,659
Treasurer	9,532		9,532
Underwriter	5,500		5,500
Website	1,380		1,380
Workers' Compensation Exposure Audit	6,248		6,248
Miscellaneous Expenses	299	4,048	4,347
	<hr/>		
Subtotal Operating Expenses	877,763	82,223	959,986
<hr/>			
Total Expenses	\$ 2,308,800	\$ 484,409	\$ 2,793,209
<hr/>			

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2009 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2010

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Property Account:			
Excess	\$ 167,941		\$ 167,941
Fidelity	6,233		6,233
Enviromental	188,807		188,807
MEL	1,420,874		1,420,874
EPL Credits	13,652		13,652
	<hr/>		
Subtotal Excess Insurance	1,797,507	-	1,797,507
	<hr/>		
Operating Expenses:			
Actuary	21,413		21,413
Administrative Consultants	19,446		19,446
Attorney	41,184		41,184
Auditor	16,100		16,100
Claims Administrator	142,800		142,800
Contingency	8,403		8,403
Fidelity Bonds	1,113		1,113
Fund Administrator	225,179		225,179
Legal Notices	1,084		1,084
Meeting Expenses	2,109		2,109
Office Supplies	1,302		1,302
Performance Bond	833		833
Postage	1,657		1,657
PRIMA Conference	3,573		3,573
Printing	7,072		7,072
Property Appraisals	7,070		7,070
Recording Secretary	3,840		3,840
Record Retention	315		315
Retreat	2,772		2,772
Risk Management Consulting	214,730		214,730
Safety:			
Optional Safety Expenses	29,764		29,764
Police/EPL	4,689		4,689
Right To Know	11,339		11,339
Safety Director	80,079		80,079
Safety Incentive Program	36,619	\$ 1,908	38,527
Treasurer	8,928		8,928
Website	1,199		1,199
Workers' Compensation Exposure Audit	5,901		5,901
Miscellaneous Expenses	5,362		5,362
	<hr/>		
Subtotal Operating Expenses	905,875	1,908	907,783
	<hr/>		
Total Expenses	\$ 2,703,382	\$ 1,908	\$ 2,705,290
	<hr/>		

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2008 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2010

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Property Account:			
Excess	\$ 198,473		\$ 198,473
Fidelity	5,548		5,548
Enviromental	168,903		168,903
MEL	1,245,108		1,245,108
EPL Credits	11,450		11,450
	<hr/>		
Subtotal Excess Insurance	1,629,482	-	1,629,482
	<hr/>		
Operating Expenses:			
Actuary	20,993		20,993
Administrative Consultants	17,835		17,835
Attorney	37,677		37,677
Auditor	16,224		16,224
Claims Administrator	131,638		131,638
Fidelity Bond - Professionals	1,113		1,113
Fund Administrator	200,036		200,036
Legal Notices	1,545		1,545
Office Supplies	1,560		1,560
Postage	1,667		1,667
PRIMA Conference	4,218		4,218
Printing	7,324		7,324
Property Appraisals	6,077		6,077
Recording Secretary	3,600		3,600
Records Retention	325		325
Retreat	2,139		2,139
Risk Management Consulting	204,475		204,475
Safety:			
Optional Safety Expenses	23,494		23,494
Police/EPL	354		354
Right To Know	7,705		7,705
Safety Director	71,342		71,342
Safety Incentive Program	38,884		38,884
Treasurer	8,756		8,756
Website	1,034		1,034
Workers' Compensation Exposure Audit	5,244		5,244
Miscellaneous Expenses	7,126		7,126
	<hr/>		
Subtotal Operating Expenses	822,385		822,385
	<hr/>		
Total Expenses	\$ 2,451,867	-	\$ 2,451,867
	<hr/>		

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2007 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2010

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance:			
Property Account:			
Excess	\$ 171,741		\$ 171,741
Fidelity	5,852		5,852
Enviromental	169,286		169,286
MEL	1,159,983		1,159,983
	<hr/>		<hr/>
Subtotal Excess Insurance	1,506,862	-	1,506,862
	<hr/>		<hr/>
Operating Expenses:			
Actuary	20,481		20,481
Administrative Consultants	16,800		16,800
Attorney	35,125		35,125
Auditor	15,600		15,600
Claims Administrator	121,766		121,766
Claims Audit	3,676		3,676
Fidelity Bond - Professionals	1,431		1,431
Fund Administrator	182,768		182,768
Legal Notices	1,401		1,401
Office Supplies	883		883
Postage	2,468		2,468
PRIMA Conference	5,815		5,815
Printing	6,716		6,716
Property Appraisals	13,997		13,997
Recording Secretary	3,300		3,300
Retreat	2,460		2,460
Risk Management Consulting	204,841		204,841
Safety:			
Optional Safety Expenses	19,180		19,180
Police/EPL	4,119		4,119
Right To Know	6,615		6,615
Safety Director	65,008		65,008
Safety Incentive Program	28,751		28,751
Treasurer	8,420		8,420
Website	1,950		1,950
Workers' Compensation Exposure Audit	4,320		4,320
Miscellaneous Expenses	7,294		7,294
	<hr/>		<hr/>
Subtotal Operating Expenses	785,185	-	785,185
	<hr/>		<hr/>
Total Expenses	\$ 2,292,047	-	\$ 2,292,047
	<hr/> <hr/>		<hr/> <hr/>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 100,000,000	\$ 250,000	\$ 250,000	STATUTORY/ \$ 250,000
Fund Retention	\$ 50,000	\$ 250,000	\$ 250,000	\$ 250,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	22	22	22	22
Incurred Liabilities:				
Claims (Schedule D)	\$ 150,000	\$ 315,001	\$ 130,000	\$ 1,700,001
Administrative Expenses (1)	288,949	172,365	39,568	631,011
	<u>\$ 438,949</u>	<u>\$ 487,366</u>	<u>\$ 169,568</u>	<u>\$ 2,331,012</u>
Exposure Units	\$ 249,989,699 (Property Value)	184,623 (Population)	871 (Vehicles)	\$ 70,537,620 (Payroll)
Liabilities per Exposure Unit	\$1.76 (Per \$1,000 Value)	\$2.64 (Per Capita)	\$194.68 (Per Vehicle)	\$33.05 (Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2009 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2010

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 100,000,000	\$ 200,000	\$ 200,000	STATUTORY/ \$ 200,000
Fund Retention	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	21	21	21	21
Incurred Liabilities:				
Claims (Schedule D)	\$ 139,153	\$ 315,000	\$ 55,000	\$ 2,885,000
Administrative Expenses (1)	294,514	165,661	39,715	582,067
	<u>\$ 433,667</u>	<u>\$ 480,661</u>	<u>\$ 94,715</u>	<u>\$ 3,467,067</u>
Exposure Units	\$ 236,004,577 (Property Value)	183,875 (Population)	895 (Vehicles)	\$ 68,343,480 (Payroll)
Liabilities per Exposure Unit	\$1.84 (Per \$1,000 Value)	\$2.61 (Per Capita)	\$105.83 (Per Vehicle)	\$50.73 (Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2008 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2010

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 100,000,000	\$ 200,000	\$ 200,000	STATUTORY/ \$ 200,000
Fund Retention	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	19	19	19	19
Incurred Liabilities:				
Claims (Schedule D)	\$ 199,384	\$ 360,000	\$ 77,000	\$ 1,300,000
Administrative Expenses (1)	300,884	158,518	37,598	529,406
	<u>\$ 500,268</u>	<u>\$ 518,518</u>	<u>\$ 114,598</u>	<u>\$ 1,829,406</u>
Exposure Units	\$ 197,749,049 (Property Value)	168,148 (Population)	844 (Vehicles)	\$ 60,935,387 (Payroll)
Liabilities per Exposure Unit	\$2.53 (Per \$1,000 Value)	\$3.08 (Per Capita)	\$135.78 (Per Vehicle)	\$30.02 (Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2007 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2010

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$ 100,000,000	\$ 200,000	\$ 200,000	STATUTORY/ \$ 200,000
Fund Retention	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	18	18	18	18
Incurred Liabilities:				
Claims (Schedule D)	\$ 175,475	\$ 340,000	\$ 100,219	\$ 1,790,000
Administrative Expenses (1)	263,313	149,131	38,710	511,624
	<u>\$ 438,788</u>	<u>\$ 489,131</u>	<u>\$ 138,929</u>	<u>\$ 2,301,624</u>
Exposure Units	\$ 184,686,066	164,179	806	\$ 55,005,451
	(Property Value)	(Population)	(Vehicles)	(Payroll)
Liabilities per Exposure Unit	\$2.38	\$2.98	\$172.37	\$41.84
	(Per \$1,000 Value)	(Per Capita)	(Per Vehicle)	(Per \$1,000 Payroll)

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

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CASH AND INVESTMENTS
AS OF DECEMBER 31, 2010

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
TD Bank:	
Investment Account	\$ 1,035,099
Administration and Expense Account	-
Operating Account	3,700,502
Claims Account	50,000
State of New Jersey	
Cash Management Fund	<u>50,495</u>
Total Cash and Cash Equivalents	<u>4,836,096</u>
 <u>Investments</u>	
TD Wealth Advisors - Investment Account	<u>4,964,925</u>
Total Cash and Investments per Schedule A - Historical Balance Sheet	<u>\$ 9,801,021</u>
 Total Cash and Investments by Fund Year:	
2010	\$ 3,262,466
2009	1,296,751
2008	1,554,342
2007	809,404
Closed Years	<u>2,878,058</u>
	<u>\$ 9,801,021</u>

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES
AS OF DECEMBER 31, 2010

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>	
Excess Insurance Premiums:			
Property Account			
Excess	2010	\$ 41,488	
Fidelity	2010	1,489	
MEL	2010	<u>359,209</u>	
		<u>402,186</u>	
Administrative Expenses:			
Bowman & Company LLP - Auditor	2010	16,545	
Contingency	2010	7,000	
Exposure Database Development & Maintenance	2010	6,417	
Office Supplies	2010	140	
Postage	2010	165	
Printing	2010	3,297	
Records Retention	2010	68	
Optional Safety Expenses	2010	5,277	
Police/EPL	2010	5,054	
Safety Incentive Program	2010	34,212	
Miscellaneous Expenses	2010	<u>4,048</u>	
		<u>82,223</u>	
Total Fund Year 2010			\$ 484,409
Administrative Expenses:			
Safety Incentive Program	2009	<u>1,908</u>	
Total Fund Year 2009			<u>1,908</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet			<u>\$ 486,317</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

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

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

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

There were no findings in the prior year.

APPRECIATION

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

Respectfully submitted,

Bowman & Company LLP
BOWMAN & COMPANY LLP



James I. Miles, Jr.
Certified Public Accountant