EGYPTIAN AREA SCHOOLS
EMPLOYEE BENEFIT TRUST
BELLEVILLE, ILLINOIS

AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
BELLEVILLE, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers
of Egyptian Area Schools
Employee Benefit Trust
Belleville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Egyptian Area Schools Employee Benefit Trust, which comprise the statements of net assets available for benefits as of June 30, 2016 and 2015, and the related statements of changes in net assets available for benefits 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Plan'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 Plan'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 net assets available for benefits of Egyptian Area Schools Employee Benefit Trust as of June 30, 2016 and 2015, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of funding progress, employer contributions and claims development information, together referred to as "supplemental information," are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Rice Sullivan, LLC

Swansea, Illinois
November 11, 2016

FINANCIAL STATEMENTS

EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
BELLEVILLE, ILLINOIS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
JUNE 30, 2016 AND 2015

ASSETS	2016	2015
Investments - At Fair Value		
U.S. Government securities and agencies	$ 8,783,185	$ 8,604,421
Receivables		
Membership contributions	3,566	39
Accrued interest income	25,915	30,816
Prescription drug rebates	3,223,969	-0-
Other receivables	14,367	325,218
Total Receivables	3,267,817	356,073
Cash		
Checking account	3,851,188	5,420,305
Money Market account	1,025,725	54,634
Total Cash	4,876,913	5,474,939
Other Assets		
Net OPEB Asset	(26,706)	(26,706)
Prepaid insurance	6,164	6,099
Total Other Assets	(20,542)	(20,607)
Total Assets	16,907,373	14,414,826
LIABILITIES		
Deferred contribution revenue	3,233,624	3,524,510
Accrued expenses	24,443	71,338
Claims reserve	12,500,000	10,000,000
Total Liabilities	15,758,067	13,595,848
Net Assets Available for Benefits	$ 1,149,306	$ 818,978

See Notes To Financial Statements.

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STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Additions to Net Assets Attributed to		
Contributions		
Membership contributions	$ 83,693,662	$ 86,317,434
	83,693,662	86,317,434
Investment Income		
Net appreciation in fair value of investments	58,353	31,778
Interest	119,094	146,495
	177,447	178,273
Miscellaneous		
Insurance proceeds	-0-	296,661
Late payment fees	-0-	-0-
	-0-	296,661
Total Additions	83,871,109	86,792,368
Deductions From Net Assets Attributed to		
Claims paid by Trust (net of refunds)	67,936,099	77,589,225
Group insurance premiums	5,290,180	5,407,140
Change in claims reserve	2,500,000	(1,500,000)
APL premium expense	1,606,111	-0-
Member Services	1,665,182	1,735,010
Administrative fees	1,986,789	2,075,702
PPO network expense	1,599,725	1,237,532
Audit fees	37,569	33,826
Actuarial fees	94,308	268,627
Legal fees	122,126	144,466
Other consulting fees	76,898	73,230
Bank trust fees	32,494	41,653
Insurance	9,180	8,889
TRP fees	478,852	894,096
Chairman reimbursement - administration	3,600	3,600
Miscellaneous	97,390	110,840
Printing and postage	-0-	232
Bank charges	4,278	4,413
Total Deductions	83,540,781	88,128,481
Net Increase (Decrease) During Year	330,328	(1,336,113)
Net Assets Available for Benefits, Beginning of Year	818,978	2,155,091
Net Assets Available for Benefits, End of Year	$ 1,149,306	$ 818,978

See Notes To Financial Statements.

EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
BELLEVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1. Description of Plan

The following description of the Egyptian Area Schools Employee Benefit Trust (the Plan) provides only general information. Participants should refer to the Plan and Trust documents for a complete description of the Plan's provisions.

General. The Plan was formed on January 1, 1984 as a result of an agreement to provide health and dental care, and death benefits for eligible employees and their dependents. The Plan is a cost-sharing multiple-employer defined benefit health care plan that offers medical benefits to participating school districts in the State of Illinois administered by the Board of Managers of the Plan. The Plan agreement establishing the Plan provides that contribution requirements are established and may be amended by the Board of Managers of the Plan. The Board of Managers of the Plan sets the contribution rates each year based on an actuarial valuation.

Benefits. Health costs incurred by participants and their dependents are partially covered by a stop-loss insurance policy detailed in Note 4 maintained by the Plan. Health costs and prescription benefits are self-funded. Life, accidental death and dismemberment, vision and dental coverages are provided through group insurance contracts for active participants. The vision and dental insurance are voluntary products, elected separately by each participating employee.

To become initially eligible for benefits, a participant must have been employed by a contributing employer and be a full-time employee working at least 20 hours a week or the minimum hours set by the participating employer, if less.

Health claims of active and retired participants, dependents, and beneficiaries are processed by Meritain Health, but the responsibility for payments to participants and providers is retained by the Plan.

Continuation of health care benefits to persons, who would otherwise lose those benefits due to certain events, as mandated by COBRA (Consolidated Omnibus Budget Reconciliation Act), was adopted by the Plan on July 1, 1986.

Termination Priorities. It is the intent of the Board of Managers to continue the Plan in full force and effect. However, in the unlikely event of termination and in order to safeguard against any unforeseen contingencies, the right to discontinue the plan is reserved to the Board of Managers. In the event of termination, the Board of Managers shall first satisfy or make provisions to satisfy the obligations of the Plan. Any remaining assets will be distributed in such a manner as will, in the opinion of the Board of Managers, bring about the purpose of the Plan. Termination shall not permit any part of the Plan to be used for or diverted to purposes other than the exclusive benefit of the participants.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1. Description of Plan (Continued)

Membership Contributions. Each of the 139 participating school districts contribute premiums based on the coverages requested by their employees. Member contributions are developed annually with assistance from the plans actuary and reflect the amount to be contributed by members for payment of incurred claims, reinsurance expenses and related operating expenses. The contribution rates are adjusted annually on the 1st day of September of each plan year.

Districts may require their employees and/or retirees to pay some or all of the required contributions.

The only additional possible assessment to each district is a withdrawal liability that is charged to any member district leaving the Plan at a time when the Plan experiences a deficit fund balance. The number of active employees and retirees enrolled in the Plan at June 30, 2016 and 2015 was 7,607 and 8,132 with a total enrollment including dependents of 12,697 and 13,398, respectively. The enrolled participants at June 30, 2016 and 2015 include retirees receiving benefits totaling 127 and 143, respectively.

Note 2. Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

a. Management has reviewed subsequent events through November 11, 2016, which is the date the financial statements were available to be issued.

b. The financial statements have been prepared using the accrual basis of accounting.

c. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

d. Membership contributions are due on the first day of each month. Membership contribution receivable represents unpaid contributions due to the trust. Deferred contribution revenue represents contributions paid before the due date.

e. Stop-loss insurance receivable represents reimbursements due the trust for benefits paid on behalf of individual participants in excess of the annual limit.

Note 2. Summary of Significant Accounting Policies (Continued)

f. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

g. The liability for claims incurred but not reported and claims payable was estimated by the Plan's consulting actuaries based on claims and payment data in the files of the Plan.

Note 3. Tax Status

The Internal Revenue Service has advised that the Plan qualifies under Section 501(c)(9) of the Internal Revenue Code and accordingly net investment income is exempt from income tax. The trust has obtained a favorable tax determination letter from the Internal Revenue Service, and the Plan sponsor believes that the trust, as amended, continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

Note 4. Stop-Loss Insurance

An agreement is in effect with Aetna Life Insurance Company of Connecticut for excess loss reinsurance. Under that agreement the reimbursement was for benefits paid on behalf of an individual participant in excess of $600,000, with an aggregating specific stop loss amount of $550,000.

Note 5. Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 5. Fair Value Measurements (Continued)

The fair measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were available to the Plan.

Level 1 Fair Value Measurements

The fair value of the pooled separate accounts and interest in registered investment companies are based on quoted net asset values of shares held by the Plan at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

The fair value of certain corporate bonds and debentures for which quoted market price are not available are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Level 3 Fair Value Measurements

Investment contracts with an insurance company are not actively traded and significant other observable inputs are not available. Thus, the fair value of an investment contract is determined using an income approach by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The fair value measurement policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 5. Fair Value Measurements (Continued)

The following table sets forth, by level within the fair value hierarchy, the Plan's investments at fair value as of June 30, 2016 and 2015.

	Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)
June 30, 2016		
U.S Government securities and agencies	$ 8,783,185	$ 8,783,185
Total	$ 8,783,185	$ 8,783,185
June 30, 2015		
U.S. Government securities and agencies	$ 8,604,421	$ 8,604,421
Total	$ 8,604,421	$ 8,604,421

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended June 30, 2016 and 2015, there were no significant transfers in or out of levels 1, 2 or 3.

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NOTES TO FINANCIAL STATEMENTS
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Note 6. Investments

The Plan's investments are held by a bank-administered trust fund. During fiscal year 2016 and 2015, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by $58,353 and $31,778, respectively, as follows:

	June 30, 2016		June 30, 2015	
	Net Increase (Decrease) In Fair Value During Year	Fair Value at End of Year	Net Increase (Decrease) In Fair Value During Year	Fair Value at End of Year
Fair Value as Determined by Quoted Market Price:				
U.S. Government securities and agencies	$ 58,353	$ 8,783,185	$ 31,778	$ 8,604,421
	$ 58,353	$ 8,783,185	$ 31,778	$ 8,604,421

The Trust has no investments that represent 5 percent or more of total Plan assets.

Note 7. Administrative Fees

Meritain Health earns a fee as Administrator of the Plan through an agreement with the Board of Managers of the Plan. The agreement provides that Meritain Health is responsible for billing member employers, processing claims and performing other administrative duties. Administrative fees for the years ended June 30, 2016 and 2015 were $1,986,789 and $2,075,702, respectively.

Note 8. Claims Reserve

Claims reserve is actuarially calculated and based on the historical paid claim development of the Plan. Claims payable and currently due for participants are not tracked separately. Claims that have been received but not processed are included in the claims reserve.

The incurral date for a claim is defined to be the date of service of the claim. Paid claims are sorted by incurred date. Factors based on the Plan's claim development are applied to projected total incurred claims for each month. The liability is then the sum over all months of the excess of total estimated incurred claims for a month over

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NOTES TO FINANCIAL STATEMENTS
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Note 8. Claims Reserve (Continued)

the payments made. Since claim payments for the most recent month are not large enough to produce credible claim estimates using claim development factors, the incurred claim estimate for the most recent few months is based on alternative methods, such as trends or average claims per member per month.

Note 9. Risks and Uncertainties

The Plan's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Plan places its cash with a high credit quality institution. At times such deposits may be in excess of the FDIC insurance limit.

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

The actuarial present value of the claims reserve is reported based on certain assumptions pertaining to interest rates, health care inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most critical estimates for the Trust are the receivables recorded related to the prescription health claim rebates.

Note 10. Other Post Employment Benefits (OPEB)

The Egyptian Area Schools Employee Benefit Trust is a cost-sharing multiple-employer defined benefit health care plan which provides medical benefits for both active employees and retired employees. Retirees who elect to participate must pay 100% of the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the employer share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 10. Other Post Employment Benefits (OPEB) (Continued)

Funding Policy

The Plan currently pays for the implicit rate subsidy associated with these post-employment health care benefits on a pay-as-you-go basis. As of June 30, 2016, no separate trust fund has been established for the funding of the plan's post-employment benefit obligation, resulting in the classification of all of the liability as unfunded. Additional information is presented as required supplementary information, schedule of funding progress.

Annual OPEB Cost and Net OPEB Asset

The Plan's OPEB cost (expense) is calculated based on the annual required contribution of employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Plan's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Plan's net OPEB obligation, as of June 30, 2016:

	FYE 2016 (Estimated)
A. Net OPEB Asset (NOO)	
1. Annual Required Contribution (ARC)	$ 882,185
2. Interest on NOO	(771)
3. Adjustment to ARC	1,052
4. Annual OPEB Cost	882,466
5. Estimated Employer Contributions	
a. OPEB trust	N/A
b. Implicit subsidy benefits	838,622
c. Direct subsidy benefits	0
d. Total	838,622
6. Increase (decrease) in NOO (4.-5 d.)	43,844
7. Net OPEB Asset at fiscal year start	(17,138)
8. Net OPEB Asset at fiscal year end	$ 26,706

B. Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Estimated Employer Contribution	% of Annual OPEB Cost Contributed	Net OPEB Asset
2016	$ 882,466	$ 838,622	95.0%	$ 26,706

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 10. Other Post Employment Benefits (OPEB) (Continued)

Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the plan was not prefunded. For the year ended June 30, 2014, the actuarial accrued liability for benefits was $8,789,534, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $8,789,534.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined under the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements. Multi-year trend information about whether the actuarial value of plan assets is increasing over time relative to the actuarial accrued liabilities for benefits will be presented in subsequent years.

Annual Methods and Assumptions

Projections of benefits for financial statement reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% discount rate and a 4.5% investment rate of return and 3.0% inflation rate assuming the benefits are not pre-funded. The healthcare trends used in the valuation are based on long term healthcare trends at an initial rate of 7.5 percent graded down for eight years to an ultimate rate of 5.0 percent. The health mortality is based on a blend of mortality tables from the June 30, 2013 pension valuations for TRS and IMRF. The Plan's Unfunded Actuarial Accrued Liability (UAAL) at June 30, 2014 is being amortized as a level dollar amount over a 30-year period.

SUPPLEMENTAL INFORMATION

EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
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SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB FUNDING PROGRESS (UNAUDITED)
JUNE 30, 2016 AND 2015

Actuarial Valuation Date (a)	Actuarial Value of Assets (b)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (d)=(c)-(b)	Funded Ratio (e)=(b)/(c)	Estimated Covered Payroll (f)	UAAL as a % of Payroll (g)=(d)/(f)
6/30/2014	$ -0-	$ 8,789,534	$ 8,789,534	0.0%	N/A	N/A

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SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS (UNAUDITED)
JUNE 30, 2016 AND 2015

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2016	$ 882,466	95.0%
2015	882,466	95.0%

See Notes to Financial Statements

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CLAIMS DEVELOPMENT INFORMATION
FISCAL AND POLICY YEARS ENDED JUNE 30 (UNAUDITED)
(IN THOUSANDS OF DOLLARS)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
1) Required contribution and investment revenue:									
Earned	$ 31,100	$ 32,740	$ 36,868	$ 44,031	$ 48,545	$ 51,056	$ 53,724	$ 55,758	$ 59,060
Ceded	1,219	1,446	2,067	2,029	2,014	2,856	3,465	3,422	3,278
Net earned	29,881	31,294	34,801	42,002	46,531	48,200	50,259	52,336	55,782
2) Unallocated expenses	244	247	230	338	265	267	339	429	382
3) Estimated claims and expenses, end of policy year									
Incurred	32,104	33,914	40,342	46,801	47,782	45,880	45,062	46,108	52,610
Ceded	288	447	219	243	835	825	21	-0-	41
Net incurred	31,816	33,467	40,123	46,558	46,947	45,055	45,041	46,108	52,569
4) Paid (cumulative) as of:									
End of policy year	25,866	24,563	31,905	34,048	35,114	39,041	38,073	39,157	44,124
One year later	32,413	33,324	38,576	47,016	42,283	44,336	43,405	45,427	50,607
Two years later	32,444	33,373	38,637	46,813	42,300	44,434	43,454	45,402	50,567
Three years later	32,444	33,373	38,637	46,811	42,299	44,434	43,453	45,402	50,567
5) Reestimated ceded claims and expenses	288	447	219	243	835	825	21	-0-	41
6) Reestimated incurred claims:									
End of policy year	31,816	33,467	40,123	46,558	46,947	45,055	45,041	46,108	52,569
One year later	32,413	33,324	38,576	47,016	42,283	44,336	43,405	45,427	50,607
Two years later	32,444	33,373	38,637	46,813	42,300	44,434	43,454	45,402	50,567
Three years later	32,444	33,373	38,637	46,811	42,299	44,434	43,453	45,402	50,567
7) Increase in estimated incurred claims	628	(94)	(1,486)	253	(4,648)	(621)	(1,588)	(706)	(2,002)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1) Required contribution and investment revenue:										
Earned	$ 65,686	$ 69,207	$ 75,433	$ 86,472	$ 96,431	$ 102,043	102,238	91,249	86,792	83,871
Ceded	3,458	3,855	4,156	4,511	5,136	5,231	5,602	5,202	5,407	5,290
Net earned	62,228	65,352	71,277	81,961	91,295	96,812	96,636	86,047	81,385	78,581
2) Unallocated expenses	630	351	488	439	395	449	409	513	690	478
3) Estimated claims and expenses, end of policy year										
Incurred	60,189	61,669	74,582	93,039	101,726	91,819	85,918	82,992	79,402	74,023
Ceded	-0-	-0-	-0-	-0-	1,629	(188)	-0-	184	297	-0-
Net incurred	60,189	61,669	74,582	93,039	100,097	92,007	85,918	82,808	79,105	74,023
4) Paid (cumulative) as of:										
End of policy year	50,378	52,863	63,503	75,812	86,817	81,689	73,302	70,898	75,778	62,351
One year later	56,545	60,954	74,961	84,167	94,518	91,320	82,034	76,240	81,711	
Two years later	56,501	60,998	75,069	84,167	94,483	91,370	82,118	76,266		
Three years later	56,501	60,998	75,069	84,167	94,483	91,370	82,118			
5) Reestimated ceded claims and expenses	-0-	-0-	-0-	-0-	1,629	(188)	-0-	184	297	-0-
6) Reestimated incurred claims:										
End of policy year	60,189	61,669	74,582	93,039	100,098	92,007	85,918	82,808	79,105	74,023
One year later	56,545	60,954	74,961	84,167	94,518	91,320	82,034	76,240	81,711	
Two years later	56,501	60,998	75,069	84,167	94,483	91,370	82,118	76,266		
Three years later	56,501	60,998	75,069	84,167	94,483	91,370	82,118			
7) Increase in estimated incurred claims	(3,688)	(671)	487	(8,872)	(5,614)	(637)	(3,800)	(6,542)	2,606	-0-

See Notes To Financial Statements.