NEW JERSEY CYBER
RISK MANAGEMENT FUND
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE
YEAR ENDED DECEMBER 31, 2025

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April 24, 2026

The Honorable Chairperson and Members
of the Executive Committee
New Jersey Cyber Risk Management Fund
Parsippany, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Jersey Cyber Risk Management Fund for the year ended December 31, 2025, and have issued our report thereon dated April 24, 2026.

As part of our audit, we performed procedures required by the New Jersey Department of Community Affairs, Division of Local Government Services and the results thereof are disclosed on the following page. This letter does not affect our report dated April 24, 2026 on the financial statements of the Fund.

This report is intended solely for the information and use of the New Jersey Cyber Risk Management Fund's management and the New Jersey Department of Community Affairs, Division of Local Government Services and Department of Banking and Insurance. However, this report is a matter of public record as its distribution is not limited.

Mount Arlington, New Jersey
April 24, 2026

Nisivoccia LLP

NEW JERSEY CYBER RISK MANAGEMENT FUND
COMMENTS AND RECOMMENDATIONS

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

Suggestions to Management:

Governmental Accounting Standards Board Statement No. 103 - Financial Reporting Model Improvements

Management's Discussion and Analysis:

This Statement requires that the information presented in Management's Discussion and Analysis ("MD&A") be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position:

This Statement requires that the Statement of Revenues, Expenses, and Changes in Net Position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses.

Status of Prior Year Comments and Recommendations

There were no prior year comments and recommendations.