

**ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ANNUAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

New Jersey Department of Banking and Insurance Joint Insurance Fund Code: SBF1

Joint Insurance Fund Name: Atlantic and Cape May Counties Association of School Business Officials
Joint Insurance Fund

Street Address: _____ Mail Address: 6000 Sagemore Drive, Suite 6203

P.O. Box 530

Marlton, NJ 08053

Primary location of books and records: 6000 Sagemore Drive, Suite 6203
Marlton, NJ 08053

Statement Contact Person: Brad Hoffman Phone No. (856) 446-9132

BOARD OF TRUSTEES

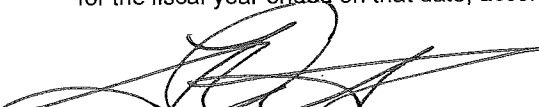
Chairperson Frank Onorato John Hansen
Vice-Chairperson Kim Jensen Johnathan Houdart
Secretary Linda Albright Joseph Smurlo
Suzanne Keller _____

BOARD OF TRUSTEES ALTERNATES

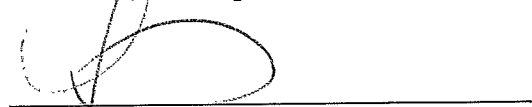
Michelle D. Richardson _____
Christopher R. Veneziani _____
Mark Mallett _____

State of New Jersey
County of Atlantic

Frank Onorato (Chairperson), Linda Albright (Secretary), of Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund being duly sworn, each for themselves deposes and says that they are the above described executive committee members of the said joint insurance fund and that on the 30th day of June, 2014 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 fiscal year 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 30th day of June, 2014, and of its income and deductions therefrom for the fiscal year ended on that date, according to the best of their information, knowledge and belief respectively.



Chairperson



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 _____ 20____

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Atlantic and Cape May Counties Association
of School Business Officials Joint Insurance Fund
P.O. Box 530
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Report on the Financial Statements

We have audited the accompanying financial statements of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") as of and for the fiscal years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions 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 and 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, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Trustees
Atlantic and Cape May Counties Association
of School Business Officials Joint Insurance Fund

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund as of June 30, 2014 and 2013 and the changes in its financial position and its cash flows for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
Atlantic and Cape May Counties Association
of School Business Officials Joint Insurance Fund

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2014 on our consideration of the 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 in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
December 22, 2014

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Atlantic and Cape May Counties Association
of School Business Officials Joint Insurance Fund
P.O. Box 530
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, 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, State of New Jersey, the financial statements of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collective comprise the Fund's basic financial statements, and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
Atlantic and Cape May Counties Association
of School Business Officials Joint Insurance Fund

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 or other matters 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, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards, audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
December 22, 2014

**Atlantic & Cape May Counties
Association of School Business Officials 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 fiscal years ended June 30, 2014, 2013 and 2012. 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 school districts 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:

Comparative Statements of Net Position – This statement presents information reflecting the Fund's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities.

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

Comparative Statements 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 Position and results of operations for the Fund as of and for the fiscal years ended June 30, 2014, 2013 and 2012.

Net Position Summary	6/30/2014	6/30/2013	6/30/2012	2013 to 2014 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 5,607,820	\$ 473,270	\$ 1,762,710	\$ 5,134,550	1084.9%
Investments	8,554,310	10,965,008	11,153,490	(2,410,698)	-22.0%
Other Assets	2,345,123	2,376,471	1,277,405	(31,348)	-1.3%
Total Assets	16,507,253	13,814,749	14,193,605	2,692,504	19.5%
Liabilities & Net Position					
Liabilities					
Loss Reserves	10,912,478	9,818,187	9,676,935	1,094,291	11.1%
Other Liabilities & Reserves	1,052,242	508,158	1,216,829	544,084	107.1%
Total Liabilities	11,964,720	10,326,345	10,893,764	1,638,375	15.9%
Net Position - Unrestricted	\$ 4,542,533	\$ 3,488,404	\$ 3,299,841	\$ 1,054,129	30.2%

Net Position increased by 30.2%, to \$4,542,533, primarily due to redemptions of debt obligations, a 4.8% increase of budgeted regular contributions and a 4% decrease in operating expenses.

Statement of Revenues, Expenses, and Changes In Net Position Summary	6/30/2014	6/30/2013	6/30/2012	2013 to 2014 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$ 9,821,840	\$ 9,370,518	\$ 8,801,494	\$ 451,322	4.8%
Operating Expenses					
Net Claims and Claims Adjustment Expenses	4,883,884	5,425,755	5,295,896	(541,871)	-10.0%
Reinsurance & Group Insurance Premiums - Paid Assessments	2,264,195	2,579,110	1,930,203	(314,915)	-12.2%
Change in Provisions for SPELL					
Aggregate Excess Insurance	458,596	(61,101)	41,240	519,697	850.6%
Professional & Contractual Services	1,256,484	1,287,592	1,283,454	(31,108)	-2.4%
Total Operating Expenses	8,863,159	9,231,356	8,550,793	(368,197)	-4.0%
Operating Income	958,681	139,162	250,701	819,519	588.9%
Investment Income	95,448	49,401	342,732	46,047	93.2%
Return of Surplus	-	-	(690,000)	-	0.0%
Change In Net Position	\$ 1,054,129	\$ 188,563	\$ (96,567)	\$ 865,566	-459.0%

Financial Highlights Continued

During the year, the Fund continued in its long-term success in controlling administrative and operating costs. The Fund's overall Budget increase for the 2013-2014 Fund Year was a 4.8% increase over the 2012-2013 Fund Year. The increases were driven by loss experience development and overall exposure increases within the fund membership.

The Fund reports a deficit for the 2010-2011, 2009-2010, 2008-2009, 2007-2008 and 2002-2003 fund years. The 2010-2011 deficit is caused by current ultimate loss projections for general liability, automobile liability and workers' compensation exceeding actuarial expectations. The 2009-2010 deficit is caused by current ultimate loss projections for workers' compensation costs exceeding actuarial expectations. The 2008-2009 deficit is caused by current ultimate loss projections for auto liability, workers' compensation and school board legal costs exceeding actuarial expectations. The 2007-2008 deficit is caused by current ultimate loss projections for automobile liability, workers' compensation and school board legal exceeding actuarial expectations. The 2002-2003 deficit is caused by current ultimate loss projections for workers' compensation and school board legal costs exceeding actuarial expectations. The ultimate liability to the applicable fund years is capped as a result of aggregate excess liability insurance protection.

The Fund did not authorized a surplus return to its members during the 2013-2014 Fund Year. The Fund is taking a prudent approach toward surplus distribution in recognition of lower investment income and diminished present results in the more recent fund years.

Economic Conditions

Investment Income begins to increase, stemming from better market conditions both in the realized gains and in the unrealized losses. The Fund regularly monitors investment maturities in reference to liabilities and market conditions.

Reinsurance costs in the United States remain stable, although premium levels do appear to be leveling off in some market segments as carrier results begin to deteriorate slightly and signs of a hardening market are developing. Workers' compensation costs continue to be influenced by medical inflation and increased indemnity awards. Generally, extended periods of economic recession are accompanied by deterioration in overall workers' compensation loss experience. Employment practice exposures are always a material concern and exposures continue to grow as a result of the development and expansion of laws in this area. The Fund monitors these economic conditions and continues an emphasis on employer & employee training to reduce accidents and claims.

Contacting the Fund's Management

This financial report is designed to provide the Atlantic & Cape May Counties Association of School Business Officials 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 Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund office located at 6000 Sagamore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 5,607,820	\$ 473,270
Investments	8,554,310	10,965,008
Accrued Interest Receivable	26,770	38,756
Specific Excess Insurance Receivable	522,430	1,028,554
Aggregate Excess Insurance Receivable	1,795,923	1,309,161
	<hr/>	<hr/>
Total Assets	16,507,253	13,814,749
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	178,571	171,495
Provision for SPELL Aggregate Excess Insurance Contribution	580,435	121,839
Claims Payable	70,760	
Unearned Contributions	3,498	3,498
Authorized Return of Surplus	180,477	172,825
Accrued Interest on Authorized Return of Surplus	38,501	38,501
	<hr/>	<hr/>
Total Liabilities	1,052,242	508,158
	<hr/>	<hr/>
Reserves:		
Claims:		
Case Reserves	11,024,524	10,931,128
IBNR Reserves	3,145,055	2,745,561
	<hr/>	<hr/>
	14,169,579	13,676,689
Provision for Excess Insurance Recoverable:		
Specific Excess Insurance Recoverable	(1,607,339)	(2,010,467)
Aggregate Excess Insurance Recoverable	(1,649,762)	(1,848,035)
	<hr/>	<hr/>
Net Reserves	10,912,478	9,818,187
	<hr/>	<hr/>
Total Liabilities and Reserves	11,964,720	10,326,345
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	\$ 4,542,533	\$ 3,488,404
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The accompanying Notes to Financial Statements are an integral part of this statement.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating Revenue:		
Regular Contributions	\$ 9,821,840	\$ 9,370,518
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	4,883,884	5,425,755
Insurance Premiums:		
Paid Assessments	2,264,195	2,579,110
Change in Provisions for SPELL		
Aggregate Excess Insurance Contribution	458,596	(61,101)
Administrative Expenses:		
Actuary	21,930	21,500
Attorney	92,000	90,000
Auditor	17,634	17,389
Claims Administration	225,147	261,083
Contingency		21,500
Fidelity Bond	1,113	1,113
Fund Administrator	554,655	538,500
Meetings & Seminars	750	900
Miscellaneous	4,632	3,113
Postage and Printing	1,468	1,642
Recording Secretary	1,075	1,290
Risk Management Consultants	165,323	186,584
Safety - Right To Know Training	6,150	4,500
Safety Director	83,318	81,684
Safety Incentive Program	40,500	19,750
Safety Training	21,328	15,265
State of the Fund Dinner	6,561	8,879
Treasurer	12,900	12,900
	<u>8,863,159</u>	<u>9,231,356</u>
Operating Income	958,681	139,162
Non-Operating Revenue:		
Investment Income	<u>95,448</u>	<u>49,401</u>
Change in Net Position	1,054,129	188,563
Net Position, Beginning of Year	<u>3,488,404</u>	<u>3,299,841</u>
	4,542,533	3,488,404
Distributions to Members	<u>-</u>	<u>-</u>
Net Position, End of Year	<u>\$ 4,542,533</u>	<u>\$ 3,488,404</u>

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

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 9,821,840	\$ 9,370,518
Payments for Claim Payments	(3,699,471)	(6,390,319)
Payments for Insurance Premiums	(2,264,195)	(2,579,110)
Payments to Professionals and Suppliers	<u>(1,249,408)</u>	<u>(1,299,348)</u>
Net Cash Flows Provided By (Used In) Operating Activities	<u>2,608,766</u>	<u>(898,259)</u>
Cash Flows From Investing Activities:		
Redemption of Investments	5,900,000	6,503,375
Purchase of Investments	(3,500,000)	(6,398,425)
Investment Income	<u>118,132</u>	<u>139,683</u>
Net Cash Flows Provided By Investing Activities	<u>2,518,132</u>	<u>244,633</u>
Cash Flows From Noncapital Financing Activities:		
Distributions to Members	<u>7,652</u>	<u>(635,814)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,134,550	(1,289,440)
Cash and Cash Equivalents, Beginning of Year	<u>473,270</u>	<u>1,762,710</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,607,820</u>	<u>\$ 473,270</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 958,681	\$ 139,162
Adjustments to Reconcile Operating Income		
to Net Cash Provided By (Used In) Operating Activities:		
Increase in Contribution Receivable		
Excess Insurance Receivable	19,362	(1,105,816)
Accrued Expenses	465,672	(72,857)
Claims Payable	70,760	
Claims Reserves	<u>1,094,291</u>	<u>141,252</u>
Net Cash Flows Provided By (Used In) Operating Activities	<u>\$ 2,608,766</u>	<u>\$ (898,259)</u>
Supplemental Disclosure - Non-cash Activity:		
Unrealized Gain on Investments included in		
Investment Income	<u>\$ 62,935</u>	<u>\$ 75,283</u>

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

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

The Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund was formed on July 1, 1991 in accordance with P.L. 1983, C.108, entitled "An Act Concerning Board of Education Insurance", and supplementing Chapter 18B of Title 18A of the New Jersey Statutes. The initial participating Boards of Education established the Fund for the purpose of securing significant savings in insurance cost as well as providing stability in coverage. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Board of Trustees of the Fund may approve the membership of any New Jersey School Board by a majority vote or may terminate any member by a two-thirds vote, after proper notice has been given. Approval of participation is granted for a minimum of one plan period and a maximum of three plan periods at a time.

During the fiscal year ended June 30, 2014, members of the Fund included the following School Districts: Brigantine City, Egg Harbor City, Egg Harbor Township, Estell Manor City, Folsom Borough, Greater Egg Harbor Regional High School, Hamilton Township, Jackson Township, Lower Township, Lower Cape May Regional High School, Mainland Regional High School, Middle Township, Northfield City, North Wildwood City, Pitman Borough, Somers Point Borough, and Weymouth Township.

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 coverages to its members:

- Property (including Crime and Auto Physical Damage)
- General Liability
- Automobile Liability
- Workers Compensation
- Educators Legal Liability
- Boiler and Machinery (Group Purchase)
- Pollution Legal Liability (Group Purchase)
- Student Accident Insurance (Group Purchase)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") in the preparation of the accompanying financial statements:

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America 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 operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments 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 municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Fund has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

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.

Annual Contributions

Annual contributions, as determined by the Fund's Board of Trustees, are due within 30 days of the due date fixed by the Board of Trustees, but not later than February 1. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different.

Supplemental Contributions

The Fund Trustees shall by majority vote levy upon the participants additional assessments whenever 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.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Investment Income Allocation

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

- 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, Qual-Lynx, Inc.
- B. Claims Incurred But Not Reported (IBNR) Reserve
In order to recognize claims incurred but not reported, the Fund's actuary, The Actuarial Advantage, Inc., calculates a reserve.

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 June 30, 2014. 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 are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in current operations.

Specific/Aggregate Excess Insurance

Specific Excess Insurance - The Fund records each claim at the estimated ultimate cost of settlement even if the costs should exceed the Fund's specific claim self-insured retention level.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Specific/Aggregate Excess Insurance (Cont'd)

Aggregate Excess Insurance - The Fund seeks to limit its exposure to loss in the aggregate by ceding reinsurance to excess carriers under excess coverage insurance contracts in the event that the accumulation of dollars spent within the Fund's retention reaches a predetermined value or attachment point.

Although the excess carrier is liable to the Fund for the amounts insured, the Fund remains liable to its insured's for the full amount of the policies written whether or not the excess carrier meets its obligations to the Fund. Failure of the excess carrier to honor its obligations could result in losses to the Fund. The Fund's Insurance Broker evaluates the financial condition of the excess carrier and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the excess carrier to minimize the Fund's exposure to significant losses from excess carrier insolvencies.

Losses ceded to excess carriers for the fiscal years ended June 30, 2014 and 2013 amounted to \$1,348,356 and \$2,147,381 respectively.

Fund Transfers

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

Intertrust fund transfers may be conducted by the fund at any time. Intertrust fund transfers require prior approval of the Department of Banking and Insurance and may be conducted only where each member participates in each and every loss retention fund account during that fund year.

The Commissioner of the Department of Banking and Insurance shall waive the full participation requirement provided the Fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.

Interyear fund transfers require prior approval of the Department of Banking and Insurance. 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 twenty-four months. The interyear fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

The membership for each fiscal year involving interyear transfers must be identical between fiscal years. The Commissioner of the Department of Banking and Insurance shall waive the identical membership requirement provided the fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Subrogation

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

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization of the Fund's Trustees.

Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year may be declared to be refundable by the Fund not 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 may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

A full and final refund of net current surplus will not be allowed until all case reserves and all unpaid claim reserves are closed.

A refund for any fiscal year shall be paid only in proportion to the member's participation (percentage of contribution to all contributions) to the fund for such year.

Payment of a refund on a previous year shall not be contingent on the members' continued membership in the fund after that year.

Valuation of Investments

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

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 Delegates/Board of Trustees. 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.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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 might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, 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 Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$5,713,262 as of June 30, 2014, \$250,000 was insured while \$5,463,262 was collateralized under GUDPA.

Of the Fund's bank balance of \$799,846 as of June 30, 2013, \$250,000 was insured while \$549,846 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 June 30, 2014 and 2013 the Fund's deposits with the New Jersey Cash Management Fund were \$2,372 and \$2,371, respectively.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS 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 \$8,554,310 and \$10,965,008 in investment at June 30, 2014 and 2013, respectively in Federal Home Loan Bank Notes (FHLB), Federal National Mortgage Association Notes (FNMA) and Federal Home Loan Mortgage Notes (FHLM), \$8,554,310 and \$10,965,008 in investments at June 30, 2014 and 2013, respectively was held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit risk, the Fund's investment policy provides that no investment or deposit shall have a maturity longer than five (5) years from date of purchase.

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 in debt obligations.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Concentration of Credit Risk (Cont'd)

As of June 30, 2014 and 2013, 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>	
				<u>2014</u>	<u>2013</u>
FHLB	0.600%	04/25/16	N/A	\$ 1,000,080	
FHLM	0.125%	11/05/13	N/A		\$ 500,020
FHLM	1.060%	01/06/16	N/A		2,006,320
FNMA	0.550%	07/30/15	N/A		400,148
FNMA	1.875%	09/09/15	N/A	3,057,600	3,084,600
FNMA	0.620%	06/27/16	N/A		996,360
FNMA	1.375%	09/13/16	N/A		1,002,000
FNMA	1.375%	11/29/16	N/A		1,003,170
FNMA	0.750%	12/16/16	N/A	499,580	
FNMA	0.750%	02/27/17	N/A	1,496,670	1,481,295
FNMA	0.125%	04/28/17	N/A	2,000,220	
FNMA	1.000%	11/15/17	N/A	500,160	491,095
				<u>\$ 8,554,310</u>	<u>\$ 10,965,008</u>

Note 5: GROUP PURCHASE ACCOUNT

The Fund offers additional coverage to its members for Boiler and Machinery and Pollution/Environmental Legal Liability. The assessments and premium expenses for these coverage's are treated as pass-through items in the Group Purchase Account.

Note 6: PROVISION FOR EXCESS INSURANCE RECOVERABLE

The provision for excess insurance recoverable is the estimated amount of claims recoverable under the Fund's excess insurance contracts. This provision is subject to the variability between the estimated ultimate net cost of claims incurred and the actual loss experience as claims develop.

The provision at June 30, 2014 represents the aggregate claim reserves in excess of the Fund's self-insured retention limits under the excess insurance contracts.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: 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 fiscal years ended June 30, 2014 and 2013 and for all open Fund years net of excess insurance recoveries:

	<u>2014</u>	<u>2013</u>
Total unpaid claims and claim adjustment expenses all Fund years-beginning of year	\$ 9,818,187	\$ 9,676,935
Incurred claims and claim adjustment expenses		
Provision for insured events of current fund year	5,325,435	5,442,487
Changes in provision for insured events of prior fund years	<u>(441,551)</u>	<u>(16,735)</u>
Total incurred claims and claim adjustment expenses all Fund years	<u>14,702,071</u>	<u>15,102,687</u>
Payments (Net of Recoveries):		
Claims and claim adjustment expenses:		
Attributable to insured events of current fund year	1,145,644	2,774,084
Attributable to insured events of prior fund years	<u>2,643,949</u>	<u>2,510,416</u>
Total Payments all Fund years	<u>3,789,593</u>	<u>5,284,500</u>
Total unpaid claims and claim adjustment expenses all Fund years - end of year	<u>\$ 10,912,478</u>	<u>\$ 9,818,187</u>

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND (SPELL)

Effective July 1, 2001, the Fund joined the School Pool for Excess Liability Limits (SPELL). The SPELL is a joint insurance fund formed to provide excess coverage for member school funds. Each member appoints two delegates to represent their respective joint insurance fund for the purpose of creating a governing body from which the board of trustees of the SPELL is elected.

The Fund could be subject to supplemental assessments in the event of deficiencies in the loss funds of the SPELL. If the assets of the SPELL were to be exhausted, its members would become jointly and severely liable for the SPELL's liabilities.

The SPELL can declare and refund surplus to its members upon approval of the State of New Jersey Department of Banking and Insurance.

The SPELL has recorded loss reserves resulting in deficits of \$4,565,056 and \$3,025,632 in its combined loss funds for all years as of June 30, 2014 and 2013, respectively. Accordingly, the Fund has recorded liabilities for accrued insurance in the combined amounts of \$580,435 and \$121,839 as of June 30, 2014 and 2013, respectively, which represents the Fund's respective share of the SPELL's deficit.

The liabilities have been expensed to the related Fund years as follows:

<u>Fund Year</u>	<u>As of June 30th</u>	
	<u>2014</u>	<u>2013</u>
2002	\$ 65,671	\$ 76,953
2003	95,623	44,886
2012	17,658	
2014	401,483	
	\$ 580,435	\$ 121,839

**ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION**

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Property	General Liability	Automobile	Workers' Compensation	School Board Legal	Total
Total unpaid claims and claim adjustment expenses (recoveries) - Beginning of Year:	\$ 77,007	\$ 2,040,584	\$ 630,391	\$ 6,422,922	\$ 647,283	\$ 9,818,187
Incurred claims and claims adjustment expenses:						
Provision for insured events of current fund year	430,000	400,000	225,000	3,820,435	450,000	5,325,435
Changes in provision for insured events of prior fund years	(763,922)	(255,270)	(193,643)	1,014,892	(243,608)	(441,551)
Total incurred claims and claims adjustment expenses all Fund years	(256,915)	2,185,314	661,748	11,258,249	853,675	14,702,071
Payments (Net of Recoveries):						
Claims and claims adjustment expenses:						
Attributable to insured events of current fund year	350,054	4,826	22,545	758,777	9,442	1,145,644
Attributable to insured events of prior fund years	(566,189)	321,080	68,495	2,728,623	91,940	2,643,949
Total payments all Fund years	(216,135)	325,906	91,040	3,487,400	101,382	3,789,593
Total unpaid claims and claim adjustment expenses - End of Year	\$ (40,780)	\$ 1,859,408	\$ 570,708	\$ 7,770,849	\$ 752,293	\$ 10,912,478

ATLANTIC AND CAPE MAY COUNTIES ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
 TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
 AS OF JUNE 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Policy Period Ended June 30th										
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 4,864,538	\$ 5,355,959	\$ 6,158,393	\$ 6,885,173	\$ 8,380,125	\$ 7,767,115	\$ 8,288,629	\$ 8,919,838	\$ 9,400,787	\$ 9,860,868
Ceded	1,000,484	1,223,955	1,400,707	1,563,466	1,849,615	1,800,600	1,982,445	1,947,860	2,355,756	2,665,677
	3,864,054	4,132,004	4,757,686	5,321,707	6,530,510	5,966,515	6,306,184	6,971,978	7,045,031	7,195,191
Unallocated Expenses	893,610	928,108	1,014,024	1,093,005	1,272,264	1,271,472	1,293,947	1,289,425	1,253,368	1,211,650
Estimated Claims and Expenses, End of Policy Year:										
Incurred	4,268,948	3,864,506	4,129,625	3,700,000	6,235,004	7,329,349	6,232,896	5,701,731	6,287,144	5,325,435
Ceded	1,406,148	780,520	416,627	-	629,055	2,083,199	741,432	167,000	844,657	-
Net Incurred	2,862,800	3,083,986	3,712,998	3,700,000	5,605,949	5,246,150	5,491,464	5,534,731	5,442,487	5,325,435
Paid (Cumulative) as of:										
End of Policy Year	1,379,048	817,611	970,302	834,095	1,426,998	1,777,889	1,236,566	1,276,033	2,774,084	1,145,644
One Year Later	2,104,107	1,598,424	1,689,050	1,778,815	2,597,299	4,138,529	2,456,449	2,716,497	3,704,617	
Two Years Later	2,818,664	2,335,454	2,232,517	2,343,908	3,658,035	5,329,742	3,031,148	3,624,051		
Three Years Later	3,276,507	2,879,598	2,427,327	3,352,824	4,488,751	6,148,055	3,666,130			
Four Years Later	3,707,728	3,169,963	2,647,861	3,799,274	5,734,545	6,836,821				
Five Years Later	3,846,817	3,532,747	2,708,435	4,037,211	6,170,520					
Six Years Later	3,906,698	3,667,618	2,754,395	4,331,173						
Seven Years Later	4,035,848	3,858,447	2,804,178							
Eight Years Later	4,113,618	3,879,993								
Nine Years Later	4,181,184									
Re-estimated Ceded Claims and Expenses	1,317,397	842,625	95,346	507,073	1,133,310	2,818,239	677,756	432,914	1,366,486	-
Re-estimated Incurred Claims and Expenses:										
End of Policy Year	2,862,800	3,083,986	3,712,998	3,700,000	5,605,949	5,246,150	5,491,464	5,534,731	5,442,487	5,325,435
One Year Later	2,858,838	3,084,480	3,213,170	4,050,676	5,604,122	5,248,410	5,407,023	5,440,168	4,864,108	
Two Years Later	2,863,300	3,083,102	2,907,198	4,429,138	5,602,983	5,249,292	5,440,857	5,339,762		
Three Years Later	2,847,863	3,104,380	2,942,374	4,423,429	5,602,981	5,249,250	5,487,623			
Four Years Later	2,863,907	3,084,446	2,855,387	4,376,385	5,602,985	5,313,017				
Five Years Later	2,863,905	3,085,871	2,777,709	4,429,398	5,605,455					
Six Years Later	2,863,906	3,085,871	2,770,301	4,429,398						
Seven Years Later	2,863,908	3,085,868	2,840,427							
Eight Years Later	2,863,918	3,085,869								
Nine Years Later	2,863,787									
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 987	\$ 1,883	\$ (872,571)	\$ 729,398	\$ (494)	\$ 66,867	\$ (3,841)	\$ (194,969)	\$ (578,379)	\$ -