

**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, 2018 AND 2017**

ANNUAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

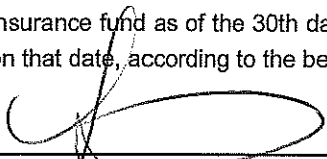
Chairperson Linda Albright Joseph Smurlo  
Vice-Chairperson John Hansen Michelle D. Richardson  
Secretary Christopher R. Veneziani Kim Robinson  
Johnathan Houdart

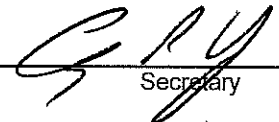
BOARD OF TRUSTEES ALTERNATES

Mark Mallett \_\_\_\_\_  
Rose Millar \_\_\_\_\_  
Chandra Anaya \_\_\_\_\_  
\_\_\_\_\_

State of New Jersey  
County of Atlantic

Linda Albright (Chairperson), Christopher R. Veneziani (Secretary), of Atlantic and Cape May  
Counties Association of School Business Officials Joint Insurance Fund being duly sworn, each for  
themselves depose 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, 2018 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, 2018, 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 \_\_\_\_\_, 2019

## INDEPENDENT AUDITOR'S 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, 2018 and 2017, 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.

### **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 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.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2018 and 2017 and the changes in its financial position and its cash flows for the 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***

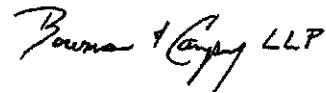
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented 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 accompanying supplementary 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 February 8, 2019 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

Voorhees, New Jersey  
February 8, 2019

**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 AUDITOR'S 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, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated February 8, 2019.

**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 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

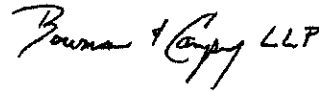
**Compliance and Other Matters**

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 and the 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

Voorhees, New Jersey  
February 8, 2019

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

**Management's Discussion and Analysis - Unaudited**

This section of the annual financial report of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the fiscal years ended June 30, 2018, 2017 and 2016. 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, reserves, and net position. Net position represents the amount of total assets less total liabilities and reserves.

**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 statements of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, investing and noncapital financing 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, 2018, 2017 and 2016.

Net Position Summary	6/30/2018	6/30/2017	6/30/2016	2017 to 2018 Change	
				Amount	Percentage
<b>Assets</b>					
Cash & Cash Equivalents	\$ 8,647,657	\$ 5,594,877	\$11,202,167	\$ 3,052,780	54.6%
Investments	10,969,325	12,453,980	5,513,475	(1,484,655)	-11.9%
Other Assets	4,519,263	3,891,957	3,244,264	627,306	16.1%
<b>Total Assets</b>	<b>24,136,245</b>	<b>21,940,814</b>	<b>19,959,906</b>	<b>2,195,431</b>	<b>10.0%</b>
<b>Liabilities And Reserves &amp; Net Position</b>					
<b>Liabilities And Reserves</b>					
Loss Reserves	10,437,771	11,801,931	10,604,547	(1,364,160)	-11.6%
Other Liabilities	2,623,258	1,811,683	1,765,710	811,575	44.8%
<b>Total Liabilities And Reserves</b>	<b>13,061,029</b>	<b>13,613,614</b>	<b>12,370,257</b>	<b>(552,585)</b>	<b>-4.1%</b>
<b>Net Position - Unrestricted</b>	<b>\$11,075,216</b>	<b>\$ 8,327,200</b>	<b>\$ 7,589,649</b>	<b>\$ 2,748,016</b>	<b>33.0%</b>

Statement of Revenues, Expenses, and Changes In Net Position Summary	6/30/2018	6/30/2017	6/30/2016	2017 to 2018 Change	
				Amount	Percentage
<b>Operating Revenue</b>					
Regular Contributions & Other Income	\$10,654,515	\$10,525,978	\$10,450,950	\$ 128,537	1.2%
<b>Operating Expenses</b>					
<b>Provision For Claims and Claims</b>					
Adjustment Expenses	2,923,452	5,496,317	5,414,149	(2,572,865)	-46.8%
Insurance Premiums	2,675,418	2,644,809	2,453,099	30,609	1.2%
<b>Change In Provisions For SPELL</b>					
Aggregate Excess Insurance	633,902	(121,929)	(7,184)	755,831	619.9%
Professional & Contractual Services	1,406,412	1,380,269	1,319,255	26,143	1.9%
<b>Total Operating Expenses</b>	<b>7,639,184</b>	<b>9,399,466</b>	<b>9,179,319</b>	<b>(1,760,282)</b>	<b>-18.7%</b>
<b>Operating Income</b>	<b>3,015,331</b>	<b>1,126,512</b>	<b>1,271,631</b>	<b>1,888,819</b>	<b>167.7%</b>
Investment Income	182,685	61,039	98,143	121,646	199.3%
Distributions To Members	(450,000)	(450,000)	(450,000)	-	0.0%
<b>Change In Net Position</b>	<b>\$ 2,748,016</b>	<b>\$ 737,551</b>	<b>\$ 919,774</b>	<b>\$ 2,010,465</b>	<b>272.6%</b>

## **Financial Highlights Continued**

During the fiscal year, the Fund continued its long-term success in controlling administrative and operating costs. The Fund's overall Budget for the 2017-2018 Fund Year was a 0.5% decrease over the 2016-2017 fund year prior to the addition of Linwood Board of Education. The loss funding decrease of 1.08% coupled with the Student Accident Premium reduction of \$143,640 (61.09%) offset the SPELL increase of 5.88% and operating expense increase of 1.36%. Three large districts no longer obtain Student Accident through the Fund, which is driving the 61.09% decrease.

The Fund did not report a deficit in any fund years. The ultimate liability to the applicable fund years were capped as a result of aggregate excess liability insurance protection.

The Fund authorized a \$450,000 surplus return to its members during the 2017-2018 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**

The increase in Investment Income is a result of a realized gain compared to an unrealized loss of \$40,595 previously. This is primarily due to a large portion (\$4,000,000) of the funds being redeemed and a small portion (\$2,498,750) of cash being invested. The Fund regularly monitors investment maturities in reference to liabilities and market conditions. Overall, market conditions appear to be improving.

Reinsurance costs in the United States remain stable, but the global property market is experiencing significant rate pressure as a result of catastrophic hurricane, fire, and flood loss events of \$30+ billion in 2018 which followed \$60+ billion in 2017 hurricane losses. Workers' compensation costs continue to be influenced by medical inflation and increased indemnity awards. Generally, extended periods of economic stability are accompanied by corresponding stability 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 and 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 and Cape May Counties Association of School Business Officials Joint Insurance Fund office located at 6000 Sagemore 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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 8,647,657	\$ 5,594,877
Investments	10,969,325	12,453,980
Accrued Interest Receivable	22,413	26,045
Specific Excess Insurance Receivable	1,099,529	489,842
Aggregate Excess Insurance Receivable	<u>3,397,321</u>	<u>3,376,070</u>
Total Assets	<u>24,136,245</u>	<u>21,940,814</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	194,598	194,848
Provision For SPELL Aggregate Excess Insurance	1,437,404	803,502
Authorized Return Of Surplus	948,440	770,517
Accrued Interest On Authorized Return Of Surplus	<u>42,816</u>	<u>42,816</u>
Total Liabilities	<u>2,623,258</u>	<u>1,811,683</u>
Claims Reserves:		
Case Reserves	11,378,855	12,742,908
IBNR Reserves	<u>3,135,659</u>	<u>3,468,709</u>
	14,514,514	16,211,617
Provision For Excess Insurance Recoverable:		
Specific Recoverable	(3,508,122)	(3,851,510)
Aggregate Recoverable	<u>(568,621)</u>	<u>(558,176)</u>
Net Claims Reserves	<u>10,437,771</u>	<u>11,801,931</u>
Total Liabilities And Reserves	<u>13,061,029</u>	<u>13,613,614</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 11,075,216</u>	<u>\$ 8,327,200</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating Revenue:		
Regular Contributions	\$ 10,654,306	\$ 10,525,978
Other Income	209	-
	<hr/>	<hr/>
Total Operating Revenue	10,654,515	10,525,978
	<hr/>	<hr/>
Operating Expenses:		
Provision For Claims And Claims Adjustment Expenses	2,923,452	5,496,317
Insurance Premiums:		
Excess Insurance	2,675,418	2,644,809
Change In Provisions For SPELL		
Aggregate Excess Insurance	633,902	(121,929)
Administrative Expenses:		
Actuary	23,836	23,272
Attorney	102,330	101,745
Auditor	19,950	18,975
Claims Administration	226,458	238,477
Fidelity Bond	914	1,113
Fund Administrator	642,670	616,236
Meetings And Seminars Expense	784	1,273
Miscellaneous	11,818	5,295
Planning Retreat	3,209	15,355
Postage/Copies/Faxes	925	903
Recording Secretary	1,125	1,075
Risk Management Consultants	178,431	182,988
Right To Know	3,300	5,475
Safety Consultant	85,984	85,484
Safety Incentive Program	57,069	42,656
Safety Training	25,095	17,620
State Of The Fund Dinner	9,074	8,887
Treasurer	13,440	13,440
	<hr/>	<hr/>
Total Operating Expenses	7,639,184	9,399,466
	<hr/>	<hr/>
Operating Income	3,015,331	1,126,512
Non-Operating Revenue:		
Investment Income	182,685	61,039
	<hr/>	<hr/>
Change In Net Position	3,198,016	1,187,551
Net Position, Beginning	8,327,200	7,589,649
	<hr/>	<hr/>
	11,525,216	8,777,200
Distributions To Members	450,000	450,000
	<hr/>	<hr/>
Net Position, Ending	\$ 11,075,216	\$ 8,327,200
	<hr/>	<hr/>

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 10,654,306	\$ 10,525,978
Receipts From Other Income	209	-
Payments For Claim Payments	(4,918,550)	(4,952,184)
Payments For Insurance Premiums	(2,675,418)	(2,644,809)
Payments To Professionals And Suppliers	<u>(1,406,662)</u>	<u>(1,369,942)</u>
Net Cash Flows Provided By Operating Activities	<u>1,653,885</u>	<u>1,559,043</u>
Cash Flows From Investing Activities:		
Redemption Of Investments	4,000,000	1,500,000
Purchase Of Investments	(2,498,750)	(8,495,550)
Investment Income	<u>169,722</u>	<u>98,331</u>
Net Cash Flows Provided By (Used In) Investing Activities	<u>1,670,972</u>	<u>(6,897,219)</u>
Cash Flows Used In Noncapital Financing Activities:		
Distributions To Members	<u>(272,077)</u>	<u>(269,114)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	3,052,780	(5,607,290)
Cash And Cash Equivalents, Beginning	<u>5,594,877</u>	<u>11,202,167</u>
Cash And Cash Equivalents, Ending	<u>\$ 8,647,657</u>	<u>\$ 5,594,877</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 3,015,331	\$ 1,126,512
Adjustments To Reconcile Operating Income		
To Net Cash Provided By Operating Activities:		
Excess Insurance Receivable	(630,938)	(629,940)
Accrued Expenses	633,652	(111,602)
Due To SPELL	-	(23,311)
Claims Reserves	<u>(1,364,160)</u>	<u>1,197,384</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 1,653,885</u>	<u>\$ 1,559,043</u>
Supplemental Disclosure - Non-Cash Activity:		
Unrealized Gain (Loss) On Investments Included In Investment Income	<u>\$ (24,975)</u>	<u>\$ (40,595)</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  
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, 2018

	Property	General Liability	Automobile	Workers' Compensation	Educator's Legal Liability	Total
Total Unpaid Claims And Claim Adjustment Expenses (Recoveries) - Beginning	\$ 124,732	\$ 1,551,160	\$ 376,300	\$ 8,465,853	\$ 1,283,886	\$ 11,801,931
Incurring Claims And Claims Adjustment Expenses:						
Provision For Insured Events Of Current Fund Year	395,646	359,999	175,000	3,789,000	5,000	4,724,645
Changes In Provision For Insured Events Of Prior Fund Years	(225,979)	(172,080)	238,783	(833,127)	(808,790)	(1,801,193)
Total Incurred Claims And Claims Adjustment Expenses All Fund Years	169,667	187,919	413,783	2,955,873	(803,790)	2,923,452
Payments (Net Of Subrogation):						
Claims And Claims Adjustment Expenses:						
Attributable To Insured Events Of Current Fund Year	352,828	6,724	3,500	874,373	-	1,237,425
Attributable To Insured Events Of Prior Fund Years	(102,303)	233,537	118,564	2,673,980	126,409	3,050,187
Total Payments All Fund Years	250,525	240,261	122,064	3,548,353	126,409	4,287,612
Total Unpaid Claims And Claim Adjustment Expenses - End Of Year	\$ 43,874	\$ 1,498,818	\$ 668,019	\$ 7,873,373	\$ 353,687	\$ 10,437,771

ATLANTIC AND CAPE MAY COUNTIES ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND  
 TEN-YEAR CLAIMS DEVELOPMENT INFORMATION  
 AS OF JUNE 30, 2018

	FUND YEAR ENDED JUNE 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Earned Required Contribution										
And Investment Revenue:										
Earned	\$ 8,380,125	\$ 7,767,115	\$ 8,292,177	\$ 8,936,776	\$ 9,458,237	\$ 9,916,495	\$ 10,277,222	\$ 10,505,140	\$ 10,574,891	\$ 10,695,353
Ceded	1,849,615	1,800,600	1,982,445	1,930,202	2,353,756	2,769,503	2,380,745	2,463,099	2,644,809	3,427,825
	6,530,510	5,966,515	6,309,732	7,006,574	7,102,481	7,146,992	7,896,477	8,052,041	7,930,082	7,267,528
Unallocated Expenses	1,272,264	1,271,472	1,293,947	1,289,425	1,284,948	1,284,986	1,301,856	1,302,858	1,367,898	1,356,818
Estimated Claims And Expenses, End Of Policy Year:										
Incurred	6,235,004	7,329,349	6,232,896	5,701,731	6,287,144	4,568,406	4,754,389	4,798,370	4,747,403	4,833,461
Ceded	629,055	2,083,199	741,432	167,000	844,657	121,004	-	-	-	108,816
Net Incurred	5,605,949	5,246,150	5,491,464	5,534,731	5,442,487	4,447,402	4,754,389	4,798,370	4,747,403	4,724,645
Paid (Cumulative) As Of:										
End Of Policy Year	1,426,998	1,777,889	1,236,566	1,276,033	2,774,084	1,145,644	1,670,589	1,146,192	1,260,914	1,297,425
One Year Later	2,597,299	4,138,529	2,456,449	2,716,497	3,704,917	2,211,830	2,874,196	2,124,962	1,976,043	-
Two Years Later	3,658,035	5,329,742	3,031,148	3,624,051	4,247,608	2,993,733	3,578,077	2,866,160	-	-
Three Years Later	4,488,751	6,148,055	3,666,130	4,506,291	4,701,311	3,690,934	4,002,276	-	-	-
Four Years Later	5,794,545	6,836,821	6,568,261	5,224,733	5,237,289	4,210,154	-	-	-	-
Five Years Later	6,170,520	7,580,492	7,454,529	5,451,042	6,255,085	-	-	-	-	-
Six Years Later	6,551,499	7,978,092	7,743,801	5,532,591	-	-	-	-	-	-
Seven Years Later	6,837,460	8,413,058	7,988,792	-	-	-	-	-	-	-
Eight Years Later	7,078,563	8,527,480	-	-	-	-	-	-	-	-
Nine Years Later	7,158,997	-	-	-	-	-	-	-	-	-
Re-Estimated Ceded Claims And Expenses	2,056,548	3,879,645	3,765,552	566,390	2,216,813	425,702	178,464	64,800	26,129	108,816
Re-Estimated Incurred Claims And Expenses:										
End Of Policy Year	5,605,949	5,246,150	5,491,464	5,534,731	5,442,487	4,447,402	4,754,389	4,798,370	4,747,403	4,724,645
One Year Later	5,604,122	5,248,410	5,407,023	5,440,168	4,864,108	4,792,869	5,290,001	5,300,002	4,747,403	-
Two Years Later	5,602,983	5,249,292	5,440,857	5,339,762	4,482,238	4,461,648	5,480,680	5,149,307	-	-
Three Years Later	5,602,981	5,249,250	5,487,623	5,100,299	4,428,565	4,473,108	5,348,431	4,799,370	-	-
Four Years Later	5,602,985	5,313,017	5,489,001	5,419,507	4,595,647	4,568,406	4,778,623	-	-	-
Five Years Later	5,605,455	5,255,587	5,488,997	5,320,066	4,725,370	-	-	-	-	-
Six Years Later	5,605,947	5,246,148	5,488,999	5,256,065	-	-	-	-	-	-
Seven Years Later	5,605,945	5,242,864	5,488,998	-	-	-	-	-	-	-
Eight Years Later	5,605,944	5,242,863	-	-	-	-	-	-	-	-
Nine Years Later	5,605,945	-	-	-	-	-	-	-	-	-
Increase (Decrease) In Estimated Incurred Claims And Expenses From End Of Policy Year	\$ (4)	\$ (3,287)	\$ (2,466)	\$ (278,666)	\$ (717,117)	\$ 121,004	\$ 24,234	\$ -	\$ -	\$ -



**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

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

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT**

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


There were no findings in the prior year.

**APPRECIATION**

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

Respectfully submitted,

Bowman & Company LLP  
Certified Public Accountants  
& Consultants



James J. Miles

Certified Public Accountant