

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**REPORT OF AUDIT ON FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

ANNUAL STATEMENT FOR THE PERIOD ENDED JUNE 30, 2021

New Jersey Department of Insurance Joint Insurance Fund Code: SBF2

Joint Insurance Fund Name: Burlington County Insurance Pool Joint Insurance Fund

Street Address: \_\_\_\_\_ Mail Address: 6000 Sagemore Drive, Suite 6203  
\_\_\_\_\_  
P.O. Box 449  
\_\_\_\_\_  
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

President	<u>Beth Ann Coleman</u>	<u>Robert F. Wachter</u>
Vice-President	<u>Dennis J. Nettleton</u>	<u>Greg Gontowski</u>
Secretary	<u>Jennifer Gauld</u>	<u>John Recchini</u>
	<u>Richard J. Kaz, Jr.</u>	<u>Michael Colling</u>
	_____	<u>Kaltheen Huder</u>
	_____	_____

BOARD OF TRUSTEES ALTERNATES

<u>Marie Goodwin</u>	_____
<u>Amy Lerner</u>	_____
_____	_____
_____	_____

State of New Jersey  
County of \_\_\_\_\_

Beth Ann Coleman (President), Jennifer Gauld (Secretary), of the Burlington County Insurance Pool Joint Insurance Fund being duly sworn, each for him/herself 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, 2021 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 30th day of June, 2021, and of its income and deductions there from for the fiscal year ended on that date, according to the best of their information,

\_\_\_\_\_  
President

\_\_\_\_\_  
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 \_\_\_\_\_, 2022

## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Burlington County Insurance Pool  
Joint Insurance Fund  
P.O. Box 449  
6000 Sagemore Drive, Suite 6203  
Marlton, New Jersey 08053

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") as of and for the fiscal years ended June 30, 2021 and 2020, 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  
Burlington County Insurance Pool  
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, 2021 and 2020 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***

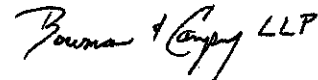
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2022 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  
March 2, 2022

**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  
Burlington County Insurance Pool  
Joint Insurance Fund  
P.O. Box 449  
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 Burlington County Insurance Pool Joint Insurance Fund (the "Fund"), as of June 30, 2021 and for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated March 2, 2022.

**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 opinion 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  
Burlington County Insurance Pool  
Joint Insurance Fund

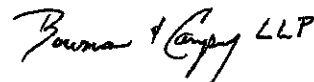
**Compliance and Other Matters**

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 financial statements. 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  
March 2, 2022

## **Burlington County Insurance Pool Joint Insurance Fund**

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

This section of the annual financial report of the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the fiscal years ended June 30, 2021, 2020, and 2019. 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 comparative 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, 2021, 2020, and 2019.

Net Position Summary	6/30/2021	6/30/2020	6/30/2019	2020 to 2021 Change	
				Amount	Percentage
<b>Assets</b>					
Cash and Cash Equivalents	\$ 34,231,280	\$ 33,647,470	\$ 13,004,873	\$ 583,810	1.7%
Investments	-	-	19,593,447	-	0.0%
Other Assets	1,122,934	1,214,005	1,212,160	(91,071)	-7.5%
<b>Total Assets</b>	<b>35,354,214</b>	<b>34,861,475</b>	<b>33,810,480</b>	<b>492,739</b>	<b>1.4%</b>
<b>Liabilities And Reserves &amp; Net Position</b>					
<b>Liabilities And Reserves</b>					
Loss Reserves	11,617,327	13,370,103	13,120,118	(1,752,776)	-13.1%
Other Liabilities	8,698,437	8,369,381	8,146,164	329,056	3.9%
<b>Total Liabilities And Reserves</b>	<b>20,315,764</b>	<b>21,739,484</b>	<b>21,266,282</b>	<b>(1,423,720)</b>	<b>-6.5%</b>
<b>Net Position - Unrestricted</b>	<b>\$ 15,038,450</b>	<b>\$ 13,121,991</b>	<b>\$ 12,544,198</b>	<b>\$ 1,916,459</b>	<b>14.6%</b>

Statement of Revenues, Expenses, and Changes In Net Position Summary	6/30/2021	6/30/2020	6/30/2019	2020 to 2021 Change	
				Amount	Percentage
<b>Operating Revenue</b>					
Regular Contributions & Other Income	\$ 14,349,640	\$ 13,843,321	\$ 13,355,342	\$ 506,319	3.7%
<b>Operating Expenses</b>					
Provision For Claims and Claims Adjustment Expenses	3,114,039	5,449,164	6,533,641	(2,335,125)	-42.9%
Insurance Premiums	6,442,837	5,670,053	5,050,339	772,784	13.6%
<b>Change In Provisions For SPELL</b>					
Aggregate Excess Insurance	45,266	(168,041)	87,478	213,307	126.9%
Professional & Contractual Services	1,891,788	1,891,499	1,794,964	289	0.0%
<b>Total Operating Expenses</b>	<b>11,493,930</b>	<b>12,842,675</b>	<b>13,466,422</b>	<b>(1,348,745)</b>	<b>-10.5%</b>
<b>Operating Income (Loss)</b>	<b>2,855,710</b>	<b>1,000,646</b>	<b>(111,080)</b>	<b>1,855,064</b>	<b>185.4%</b>
Investment Income	60,749	577,147	674,322	(516,398)	-89.5%
Distributions To Members	(1,000,000)	(1,000,000)	(1,000,000)	-	0.0%
<b>Change In Net Position</b>	<b>\$ 1,916,459</b>	<b>\$ 577,793</b>	<b>\$ (436,758)</b>	<b>\$ 1,338,666</b>	<b>231.7%</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 2020-2021 Fund Year was a 2.62% increase over the 2019-2020 for all lines prior to the addition of Audubon Public Schools effective 7/1/2020. The loss funding decrease of 6.24% coupled Student Accident Premium decrease of 2.91% helped temper the School Pool For Excess Limited Liability JIF's increase of 14.52% and operating expense increase of 1.68%.

The Fund reported a deficit for the 1998-1999, and 1992-1993 Fund Years. These deficits were caused by current ultimate loss projections costs exceeding actuarial expectations. The ultimate liability to the applicable fund years were capped as a result of aggregate excess liability insurance protection.

The Fund authorized a surplus return of \$1,000,000 to its members. The Fund is taking a prudent approach toward surplus distribution.

## **Economic Conditions**

The decrease in Investment Income is the result of the decrease of interest resulting from COVID. The Fund regularly monitors investment maturities in reference to liabilities and market conditions. Overall, market conditions appear to be improving.

Reinsurance costs globally have continued to develop in a hard marketplace. Global property markets continue to experience significant rate pressure because of catastrophic hurricane, fire, flood and hail loss events averaging between \$30 to \$60+ billion annually from in 2017-2020. The global liability market continues to harden dramatically as rates skyrocket and capacity decreases. The liability market pressures are the result of various high dollar verdicts that are becoming more frequent across coverage lines, specifically in the area of sexual abuse and molestation. In the State of NJ, coverage for such losses has become materially restrictive and more difficult to secure due to the reviver law that provides broad expansion of the applicable statute of limitations with regard to reporting. Cyber Liability losses worldwide are driving material increases in premiums and the trend is expected to continue with dramatic premium increases and coverage restrictions. Workers' compensation costs remain relatively stable, but continue to be influenced by medical inflation and increased indemnity awards. The on-going COVID-19 pandemic and the potential far-reaching impact economically is still unfolding and difficult to measure at this time. 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 because 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 Burlington County Insurance Pool Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Burlington County Insurance Pool Joint Insurance Fund office located at 6000 Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
AS OF JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 34,231,280	\$ 33,647,470
Specific Excess Insurance Receivable	492,673	583,744
Aggregate Excess Insurance Receivable	<u>630,261</u>	<u>630,261</u>
Total Assets	<u>35,354,214</u>	<u>34,861,475</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	132,854	122,457
Provision For SPELL Aggregate Excess Insurance	1,784,586	1,739,320
Claims Payable	42,029	42,029
Authorized Return Of Surplus	5,834,040	5,567,279
Accrued Interest On Authorized Return Of Surplus	<u>904,928</u>	<u>898,296</u>
Total Liabilities	<u>8,698,437</u>	<u>8,369,381</u>
Claims Reserves:		
Case Reserves	11,886,341	12,252,937
IBNR Reserves	<u>5,167,845</u>	<u>5,150,132</u>
	17,054,186	17,403,069
Provision For Excess Insurance Recoverable:		
Specific Recoverable	(5,436,859)	(4,005,089)
Aggregate Recoverable	<u>-</u>	<u>(27,877)</u>
Net Claims Reserves	<u>11,617,327</u>	<u>13,370,103</u>
Total Liabilities And Reserves	<u>20,315,764</u>	<u>21,739,484</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 15,038,450</u>	<u>\$ 13,121,991</u>

The Accompanying Notes To Financial Statements Are An Integral Part Of This Statement.

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue:		
Regular Contributions	\$ 14,349,640	\$ 13,843,321
Operating Expenses:		
Provision For Claims and Claims Adjustment Expenses	3,114,039	5,449,164
Insurance Premiums:		
Excess Insurance	6,442,837	5,670,053
Change In Provisions For SPELL		
Aggregate Excess Insurance	45,266	(168,041)
Administrative Expenses:		
Actuary - The Actuarial Advantage	28,008	27,459
Auditor - Bowman & Company LLP	24,900	23,709
Claims Administration - Qual-Lynx, Inc.	284,579	273,634
Fidelity Bond - Connor, Strong & Buckelew	1,101	1,086
Fund Administrator - Risk Program Managers	824,316	800,303
Attorney - Louis J. Greco, Esq.	94,430	103,110
Miscellaneous - Various	785	2,462
Planning Retreat	-	24,249
Postage/Copies/Faxes - Various	232	405
Recording Secretary - Joanne Clement	1,200	1,200
Right To Know - Risk Assessment Services, Inc.	6,350	11,761
Risk Management Consultants - Various	327,050	308,009
Safety Consultant - Risk Assessment Services, Inc.	104,746	104,746
Safety Contingency - ARC Reprographics	-	3,234
Safety Incentive Program - Various	161,115	129,806
Safety Training - Risk Assessment Services, Inc.	17,055	46,000
State Of The Fund Dinner - Various	1,421	15,826
Treasurer - Jodi Lennon	14,500	14,500
Total Operating Expenses	<u>11,493,930</u>	<u>12,842,675</u>
Operating Income	2,855,710	1,000,646
Non-Operating Revenue:		
Investment Income	<u>60,749</u>	<u>577,147</u>
Change In Net Position	2,916,459	1,577,793
Net Position, Beginning	<u>13,121,991</u>	<u>12,544,198</u>
	16,038,450	14,121,991
Distributions To Members	<u>1,000,000</u>	<u>1,000,000</u>
Net Position, Ending	<u>\$ 15,038,450</u>	<u>\$ 13,121,991</u>

The Accompanying Notes To Financial Statements Are An Integral Part Of This Statement.

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 14,349,640	\$ 13,843,321
Payments For Claim Payments	(4,775,744)	(5,300,117)
Payments For Insurance Premiums	(6,442,837)	(5,670,053)
Payments To Professionals And Suppliers	<u>(1,881,391)</u>	<u>(1,867,537)</u>
Net Cash Flows Provided By Operating Activities	<u>1,249,668</u>	<u>1,005,614</u>
Cash Flows From Investing Activities:		
Purchase of Investments	-	(10,687,022)
Sale of Investments	-	30,481,305
Investment Income	<u>60,749</u>	<u>475,404</u>
Net Cash Flows Provided By Investing Activities	<u>60,749</u>	<u>20,269,687</u>
Cash Flows From Noncapital Financing Activities:		
Distributions To Members	(733,239)	(696,913)
Accrued Interest On Surplus Distributions	<u>6,632</u>	<u>64,209</u>
Net Cash Used In Noncapital Financing Activities	<u>(726,607)</u>	<u>(632,704)</u>
Net Increase In Cash And Cash Equivalents	583,810	20,642,597
Cash And Cash Equivalents, Beginning	<u>33,647,470</u>	<u>13,004,873</u>
Cash And Cash Equivalents, Ending	<u>\$ 34,231,280</u>	<u>\$ 33,647,470</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 2,855,710	\$ 1,000,646
Adjustments To Reconcile Operating Income		
To Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Excess Insurance Receivable	91,071	(100,938)
Accrued Expenses	10,397	23,962
Accrued Insurance	45,266	(168,041)
Claims Reserves	<u>(1,752,776)</u>	<u>249,985</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 1,249,668</u>	<u>\$ 1,005,614</u>

The Accompanying Notes To Financial Statements Are An Integral Part Of This Statement.

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND**

The Burlington County Insurance Pool (the "Pool") was formed on July 1, 1984, 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 Pool for the purpose of securing significant savings in insurance cost as well as providing stability in coverage. From July 1, 1984 to July 31, 1993, the Pool provided only workers' compensation coverage to its members. Effective August 1, 1993, the Pool expanded to all lines of coverage, forming the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") under provisions of N.J.S.A. 18A: 18B1-10. 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 District by a majority vote or may terminate any member by a majority 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, 2021, members of the Fund included the following School Districts: Audubon Borough, Bordentown Regional School District, Burlington City, Chesterfield Township, Clementon Borough, Collingswood Borough, Delanco Township, Eastampton Township, Eastern Camden County Regional High School District, Evesham Township, Ewing Township, Haddon Heights Borough, Haddon Township, Haddonfield Borough, Lenape Regional High School District, Lindenwold Borough, Lumberton Township, Magnolia Borough, Medford Lakes Borough, Medford Township, Mercer County Special Services School District, Merchantville Borough, Mercer County Vo-Tech School District, Mercer County Special Services School District, Merchantville Borough, Millstone Township, Moorestown Township, Mount Ephraim Borough, Mount Laurel Township, North Hanover Township, Northern Burlington County Regional School District, Oaklyn Borough, Riverside Township, Shamong Township, Southampton Township, Springfield Township, Tabernacle Township, Voorhees Township, Westampton Township, and Woodlynne Borough.

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

The Fund offers the following coverages to its members:

- Property (including Crime, Inland Marine and Auto Physical Damage)
- General Liability
- Automobile Liability
- Workers' Compensation
- Educators Legal Liability
- Boiler and Machinery (Group Purchase)
- Pollution/Environmental Legal Liability (Group Purchase)
- Student Accident Insurance (Group Purchase)
- Cyber Liability (Group Purchase)
- Violent Malicious Acts (Group Purchase)
- Disaster Management (Group Purchase)
- Unmanned Aerial Systems (Group Purchase)

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant policies followed by the Fund in the preparation of the accompanying financial statements:

**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. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

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 primary entity. 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 primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity 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.

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Basis of Accounting (Cont'd)**

**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.

**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 comparative statements 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 governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

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 Act. 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.



**BURLINGTON COUNTY INSURANCE POOL**  
**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 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.

**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 Board of 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.

**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, a reserve is calculated by the Fund's actuary, The Actuarial Advantage, Inc.

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Unpaid Claims Liabilities (Cont'd)**

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Fund and claims incurred but not 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, 2021.

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, 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.

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, 2021 and 2020 amounted to \$1,541,550 and \$2,193,813 respectively.

**Fund Transfers**

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

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

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Fund Transfers (Cont'd)**

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.

Intrafund transfers require prior approval of the Department of Banking and Insurance. The Fund may seek approval from the Commissioner to make intrafund transfers at any time from a claims or loss retention trust account from any year that has been completed for at least twenty-four months. The intrafund 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 intrafund 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.

**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 by 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.

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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.

**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.

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.

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3: CASH AND CASH EQUIVALENTS (CONT'D)**

**Custodial Credit Risk (Cont'd)**

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 \$34,375,607 as of June 30, 2021, \$1,000,000 was insured while \$33,375,607 was collateralized under GUDPA.

Of the Fund's bank balance of \$33,881,840 as of June 30, 2020, \$750,000 was insured while \$33,131,840 was collateralized under GUDPA.

**Note 4: GROUP PURCHASE ACCOUNT**

The Fund offers additional coverage to its members for Boiler and Machinery Liability, Pollution Legal Liability and Student Accident Liability. The assessments and premium expense for these coverages are treated as pass-through items in the Group Purchase Account.

**Note 5: 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, 2021 and 2020, represents the aggregate claim reserves in excess of the Fund's self-insured retention limits under the excess insurance contracts.

**Note 6: 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, 2021 and 2020 and for all open Fund years net of excess insurance recoveries:

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 6: CHANGES IN UNPAID CLAIMS LIABILITIES (CONT'D)**

	<u>2021</u>	<u>2020</u>
Total Unpaid Claim And Claim		
Adjustment Expenses - Beginning	<u>\$ 13,370,103</u>	<u>\$ 13,120,118</u>
Incurred Claims And Claims Adjustment Expenses:		
Provision For Insured Events Of Current Fund Year	6,177,919	6,607,237
Changes In Provision For Insured Events Of		
Prior Fund Years	<u>(3,063,880)</u>	<u>(1,158,073)</u>
Total Incurred Claims And Claims Adjustment		
Expenses All Fund Years	<u>3,114,039</u>	<u>5,449,164</u>
Payments (Net Of Subrogation):		
Claims And Claims Adjustment Expenses:		
Attributable To Insured Events Of Current Fund Year	1,538,524	1,596,184
Attributable To Insured Events Of Prior Fund Years	<u>3,328,291</u>	<u>3,602,995</u>
Total Payments All Fund Years	<u>4,866,815</u>	<u>5,199,179</u>
Total Unpaid Claim And Claim		
Adjustment Expenses - Ending	<u>\$ 11,617,327</u>	<u>\$ 13,370,103</u>

**Note 7: SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND**

Effective July 1, 2001, the Fund joined the School Pool for Excess Liability Limits Joint Insurance Fund (the "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 \$3,577,605 and \$3,579,818 in its combined loss funds for all years as of June 30, 2021 and 2020, respectively. Accordingly, the Fund has recorded liabilities for accrued insurance in the combined amounts of \$1,784,586 and \$1,739,320 as of June 30, 2021 and 2020, respectively, which represents the Fund's respective share of the SPELL's deficit.

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 7: SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND (CONT'D)**

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

<u>Fund Year</u>	<u>As of June 30th</u>	
	<u>2021</u>	<u>2020</u>
2002	\$ 165,019	\$ 178,225
2003	143,756	157,124
2004	38,954	15,080
2005	304,955	304,955
2006	202,728	202,718
2008	39,450	39,450
2009	444,624	448,191
2010	124,125	130,069
2011	6,523	-
2014	185,462	193,568
2017	129	-
2018	128,861	69,940
	<u>\$ 1,784,586</u>	<u>\$ 1,739,320</u>

**Note 8: RETURN OF SURPLUS**

The Board of Trustees approved a surplus distribution in the amount of \$1,000,000 for the fiscal years ended June 30, 2021 and 2020, respectively. The surplus distribution has been expensed to the related Fund years as follows:

<u>Fund Year</u>	<u>As of June 30th</u>	
	<u>2021</u>	<u>2020</u>
2017	\$ 1,000,000	\$ 1,000,000
Distributions To Members	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

**BURLINGTON COUNTY INSURANCE POOL**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 9: RELATED PARTY TRANSACTIONS**

As disclosed in Note 7, the Fund is a member of the School Pool for Excess Liability Limits Joint Insurance Fund and accordingly has an ownership interest in the SPELL. Excess insurance premiums paid to the SPELL as of June 30, 2021 and 2020 were \$6,442,837 and \$5,670,053 respectively.

**Note 10: COVID-19 PANDEMIC**

*COVID-19 Pandemic* - While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Fund and its affiliated Joint Insurance Funds/Counties are in an exceptionally strong position because of decades of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Fund.

*Claims Activity* - Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgements when Title 59 immunities should apply.



**BURLINGTON COUNTY INSURANCE POOL  
JOINT INSURANCE FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Property	General Liability	Automobile	Workers' Compensation	Educator's Legal Liability	Total
Total Unpaid Claim And Claim Adjustment Expenses - Beginning	\$ 326,706	\$ 2,845,558	\$ 370,942	\$ 8,507,437	\$ 1,319,460	\$ 13,370,103
Incurred Claims And Claims Adjustment Expenses:						
Provision For Insured Events Of Current Fund Year	908,485	857,000	97,200	3,736,001	579,233	6,177,919
Changes In Provision For Insured Events Of Prior Fund Years	(100,668)	(1,132,727)	(149,575)	(1,744,618)	63,708	(3,063,880)
Total Incurred Claims And Claims Adjustment Expenses All Fund Years	807,817	(275,727)	(52,375)	1,991,383	642,941	3,114,039
Payments (Net Of Subrogation):						
Claims And Claims Adjustment Expenses:						
Attributable To Insured Events Of Current Fund Year	826,308	201	3,982	666,189	41,844	1,538,524
Attributable To Insured Events Of Prior Fund Years	157,859	609,110	209,556	1,858,387	493,379	3,328,291
Total Payments All Fund Years	984,167	609,311	213,538	2,524,576	535,223	4,866,815
Total Unpaid Claim And Claim Adjustment Expenses - Ending	\$ 150,356	\$ 1,960,520	\$ 105,029	\$ 7,974,244	\$ 1,427,178	\$ 11,617,327

**BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND**  
**TEN-YEAR CLAIMS DEVELOPMENT INFORMATION**  
**AS OF JUNE 30, 2021**

	FUND YEAR ENDED JUNE 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net Earned Required Contribution</b>										
<b>And Investment Revenue:</b>										
<b>Earned</b>	\$ 9,250,910	\$ 10,611,716	\$ 11,091,968	\$ 11,510,224	\$ 12,620,841	\$ 12,322,549	\$ 13,373,906	\$ 13,443,059	\$ 13,891,626	\$ 14,354,062
<b>Ceded</b>	3,124,423	3,545,416	3,903,804	3,778,597	4,228,430	4,222,985	4,874,431	5,050,339	5,670,053	6,442,837
	6,126,487	7,066,300	7,188,184	7,731,627	8,392,411	8,099,564	8,499,475	8,392,720	8,221,573	7,911,225
<b>Unallocated Expenses</b>	1,217,316	1,342,053	1,427,112	1,401,851	1,593,224	1,610,066	1,739,974	1,817,934	1,918,098	1,730,274
<b>Estimated Claims And Expenses, End Of Policy Year:</b>										
<b>Incurred</b>	4,828,842	5,317,505	6,034,999	6,249,998	6,576,185	5,195,000	7,820,825	6,615,412	6,607,237	6,234,104
<b>Ceded</b>	130,342	594,400	791,446	1,010,414	626,185		605,826			56,185
<b>Net Incurred</b>	4,698,500	4,723,205	5,243,553	5,239,584	5,950,000	5,195,000	7,214,999	6,615,412	6,607,237	6,177,919
<b>Paid (Cumulative) As Of:</b>										
<b>End Of Policy Year</b>	1,461,814	1,677,862	1,941,768	2,518,223	1,844,279	1,014,086	1,910,224	2,018,532	1,596,184	1,538,524
<b>One Year Later</b>	2,249,691	2,825,495	2,936,082	4,307,650	2,831,786	1,792,344	3,659,985	3,221,848	2,464,503	
<b>Two Years Later</b>	2,421,086	3,139,437	3,196,364	4,716,187	3,426,901	2,193,839	4,354,752	3,879,354		
<b>Three Years Later</b>	2,594,669	3,623,676	3,861,743	5,206,411	3,778,236	2,837,482	6,050,280			
<b>Four Years Later</b>	2,726,050	3,996,332	4,287,901	5,471,657	4,058,963	3,369,816				
<b>Five Years Later</b>	2,879,236	4,434,399	5,097,085	5,831,253	4,510,389					
<b>Six Years Later</b>	2,970,617	4,899,977	5,218,777	6,293,984						
<b>Seven Years Later</b>	3,072,871	7,136,701	5,263,784							
<b>Eight Years Later</b>	3,097,743	7,138,871								
<b>Nine Years Later</b>	3,104,424									
<b>Re-Estimated Ceded Claims And Expenses</b>	202,688	2,331,920	501,261	3,814,584	648,804	1,392,429	959,329	278,274	50,591	-
<b>Re-Estimated Incurred Claims And Expenses:</b>										
<b>End Of Policy Year</b>	4,696,500	4,723,205	5,243,553	5,239,584	5,950,000	5,195,000	7,214,999	6,615,412	6,607,237	6,177,919
<b>One Year Later</b>	4,102,722	4,636,389	5,491,031	6,270,001	5,199,726	3,856,657	7,214,999	6,471,950	4,625,265	
<b>Two Years Later</b>	3,283,265	4,140,938	5,681,867	5,807,891	4,734,062	3,700,971	6,155,140	5,692,844		
<b>Three Years Later</b>	3,044,590	4,580,477	5,531,280	5,330,303	4,518,770	3,764,984	5,931,561			
<b>Four Years Later</b>	3,006,903	4,287,514	5,199,403	5,299,896	4,516,929	3,606,672				
<b>Five Years Later</b>	3,040,372	4,550,589	4,994,999	5,328,100	4,526,108					
<b>Six Years Later</b>	2,995,921	4,884,123	5,010,324	5,536,465						
<b>Seven Years Later</b>	3,115,735	4,835,234	4,978,627							
<b>Eight Years Later</b>	3,080,418	4,835,234								
<b>Nine Years Later</b>	2,968,881									
<b>Increase (Decrease) In Estimated Incurred Claims And Expenses From End Of Policy Year</b>	\$ (1,729,619)	\$ 112,029	\$ (264,926)	\$ 296,881	\$ (1,423,892)	\$ (1,588,326)	\$ (1,283,438)	\$ (922,568)	\$ (1,981,972)	\$ -

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations and contracts 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