

**GLOUCESTER, CUMBERLAND, SALEM  
SCHOOL DISTRICTS 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 Insurance Joint Insurance Fund Code: SBF12

Joint Insurance Fund Name: Gloucester, Cumberland, Salem School Districts  
Joint Insurance Fund

Street Address: \_\_\_\_\_  
\_\_\_\_\_ Mail Address: 6000 Sagemore Drive, Suite 6203  
\_\_\_\_\_ P.O. Bo 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 Joseph Collins Greg Wilson  
Vice-Chairperson Cherie Bratty Margaret F. Meehan  
Secretary Christopher Rodia Pam Zook  
Donna Contrevo

BOARD OF TRUSTEES ALTERNATES

Lisa Schulz  
Richard Davidson  
\_\_\_\_\_  
\_\_\_\_\_

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

Joseph Collins (Chairperson), Christopher Rodia (Secretary), of the Gloucester, Cumberland, Salem School Districts 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, 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 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 year ended on that date, according to the best of their information, knowledge and belief respectively.

*Joseph M Collins* Chairperson *Chris Rodia* 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  
Gloucester, Cumberland, Salem  
School Districts 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 Gloucester, Cumberland, Salem School Districts 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 audit 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  
Gloucester, Cumberland, Salem  
School Districts 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 fiscal year 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  
Gloucester, Cumberland, Salem  
School Districts 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  
Gloucester, Cumberland, Salem  
School Districts 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 Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (the "Fund"), as of June 30, 2018 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 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 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  
Gloucester, Cumberland, Salem  
School Districts Joint Insurance Fund

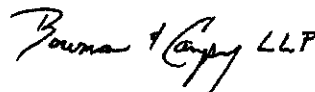
**Compliance and Other Matters**

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

**Gloucester, Cumberland, Salem School Districts  
Joint Insurance Fund**

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

This section of the annual financial report of the Gloucester, Cumberland, Salem School Districts 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 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, 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	\$ 8,616,140	\$ 9,123,870	\$ 7,249,168	\$ (507,730)	-5.6%
Investments	2,000,000	-	250,000	2,000,000	100.0%
Other Assets	1,001,022	711,685	588,703	289,337	40.7%
<b>Total Assets</b>	<b>11,617,162</b>	<b>9,835,555</b>	<b>8,087,871</b>	<b>1,781,607</b>	<b>18.1%</b>
<b>Liabilities And Reserves &amp; Net Position</b>					
<b>Liabilities And Reserves</b>					
Loss Reserves	6,503,443	5,246,621	5,113,256	1,256,822	24.0%
Other Liabilities	1,157,026	1,001,637	1,085,168	155,389	15.5%
<b>Total Liabilities And Reserves</b>	<b>7,660,469</b>	<b>6,248,258</b>	<b>6,198,424</b>	<b>1,412,211</b>	<b>22.6%</b>
<b>Net Position - Unrestricted</b>	<b>\$ 3,956,693</b>	<b>\$ 3,587,297</b>	<b>\$ 1,889,447</b>	<b>\$ 369,396</b>	<b>10.3%</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	\$ 6,538,106	\$ 6,314,295	\$ 5,619,784	\$ 223,811	3.5%
<b>Operating Expenses</b>					
Provision For Claims and Claims Adjustment Expenses	3,384,274	2,186,116	3,087,746	1,198,158	54.8%
Insurance Premiums	1,880,601	1,759,479	1,613,386	121,122	6.9%
<b>Change In Provisions For SPELL</b>					
Aggregate Excess Insurance	10,914	(200,870)	(52,315)	211,784	105.4%
Professional & Contractual Services	840,541	841,768	706,509	(1,227)	-0.1%
<b>Total Operating Expenses</b>	<b>6,116,330</b>	<b>4,586,493</b>	<b>5,355,326</b>	<b>1,529,837</b>	<b>33.4%</b>
<b>Operating Income</b>	<b>421,776</b>	<b>1,727,802</b>	<b>264,458</b>	<b>(1,306,026)</b>	<b>-75.6%</b>
Investment Income	147,620	70,048	43,770	77,572	110.7%
Distributions To Members	(200,000)	(100,000)	-	100,000	100.0%
<b>Change In Net Position</b>	<b>\$ 369,396</b>	<b>\$ 1,697,850</b>	<b>\$ 308,228</b>	<b>\$(1,328,454)</b>	<b>-78.2%</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 3.57% increase over the 2016-2017 Fund.

The Fund reported a deficit for the 2017-2018 Fund Year. The deficit was 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 \$200,000 to its members. The Fund is taking a prudent approach toward surplus distribution in recognition of lower investment income and diminished present results in the more recent fund years.

## **Economic Conditions**

Investment Income increased (110.7% or \$77,572) due to better interest rates and the purchase of investments during the 2017-18 Fund Year. The Fund regularly monitors investment maturities in reference to liabilities and market conditions.

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 Gloucester, Cumberland, Salem, School Districts 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 Gloucester, Cumberland, Salem, School Districts Joint Insurance Fund office located at 6000 Sagamore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

GLOUCESTER, CUMBERLAND, SALEM SCHOOL DISTRICTS 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	\$ 8,616,140	\$ 9,123,870
Investments	2,000,000	-
Accrued Interest Receivable	1,274	-
Specific Excess Insurance Receivable	230,621	291,629
Aggregate Excess Insurance Receivable	<u>769,127</u>	<u>420,056</u>
 Total Assets	 <u>11,617,162</u>	 <u>9,835,555</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	24,521	41,380
Provision For SPELL Aggregate Excess Insurance	778,574	767,660
Due To Member	5,636	-
Authorized Return Of Surplus	339,640	185,184
Accrued Interest On Authorized Return Of Surplus	<u>8,655</u>	<u>7,413</u>
 Total Liabilities	 <u>1,157,026</u>	 <u>1,001,637</u>
Claims Reserves:		
Case Reserves	5,488,846	5,618,530
IBNR Reserves	<u>2,175,270</u>	<u>2,048,317</u>
	7,664,116	7,666,847
Provision For Excess Insurance Recoverable:		
Specific Recoverable	(666,302)	(1,697,631)
Aggregate Recoverable	<u>(494,371)</u>	<u>(722,595)</u>
 Net Claims Reserves	 <u>6,503,443</u>	 <u>5,246,621</u>
 Total Liabilities And Reserves	 <u>7,660,469</u>	 <u>6,248,258</u>
 <u>NET POSITION</u>		
 Unrestricted	 <u>\$ 3,956,693</u>	 <u>\$ 3,587,297</u>

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

GLOUCESTER, CUMBERLAND, SALEM SCHOOL DISTRICTS 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	<u>\$ 6,538,106</u>	<u>\$ 6,314,295</u>
Operating Expenses:		
Provision For Claims And Claims Adjustment Expenses	3,384,274	2,186,116
Insurance Premiums:		
Excess Insurance	1,880,601	1,759,479
Change In Provisions For SPELL		
Aggregate Excess Insurance	10,914	(200,870)
Administrative Expenses:		
Actuary	17,113	16,778
Auditor	15,750	14,875
Claims Administration	151,280	179,730
Fund Administrator	340,882	332,568
Attorney	57,000	56,580
Miscellaneous	20,600	24,238
Safety Consultant	42,407	42,407
Safety Contingency	1,974	679
Safety Incentive Program	50,115	27,614
Safety Training	17,960	21,361
Treasurer	9,800	9,600
Risk Management Consulting	<u>115,660</u>	<u>115,338</u>
Total Operating Expenses	<u>6,116,330</u>	<u>4,586,493</u>
Operating Income	421,776	1,727,802
Non-Operating Revenue:		
Investment Income	<u>147,620</u>	<u>70,048</u>
Change In Net Position	569,396	1,797,850
Net Position, Beginning	<u>3,587,297</u>	<u>1,889,447</u>
	4,156,693	3,687,297
Distributions To Members	<u>200,000</u>	<u>100,000</u>
Net Position, Ending	<u>\$ 3,956,693</u>	<u>\$ 3,587,297</u>

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

GLOUCESTER, CUMBERLAND, SALEM SCHOOL DISTRICTS 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	\$ 6,543,742	\$ 6,327,801
Payments For Claim Payments	(2,415,515)	(2,189,490)
Payments For Insurance Premiums	(1,880,601)	(1,759,479)
Payments To Professionals And Suppliers	(857,400)	(825,159)
Net Cash Flows Provided By Operating Activities	<u>1,390,226</u>	<u>1,553,673</u>
Cash Flows From Investing Activities:		
Redemption Of Investments	-	250,000
Purchase Of Investments	(2,000,000)	-
Investment Income	146,346	70,299
Net Cash Flows Provided By (Used In) Investing Activities:	<u>(1,853,654)</u>	<u>320,299</u>
Cash Flows From Noncapital Financing Activities:		
Distributions To Members	(45,544)	-
Adjustments To Reconcile Noncapital Financing Activities To Net Cash Used In Noncapital Financing Activities:		
Increase In Accrued Interest On Surplus Distributions	1,242	730
Net Cash Flows Provided By (Used In) Noncapital Financing Activities	<u>(44,302)</u>	<u>730</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(507,730)	1,874,702
Cash And Cash Equivalents, Beginning	<u>9,123,870</u>	<u>7,249,168</u>
Cash And Cash Equivalents, Ending	<u>\$ 8,616,140</u>	<u>\$ 9,123,870</u>
Reconciliation Of Operating Income To Cash Flows From Operating Activities:		
Operating Income	\$ 421,776	\$ 1,727,802
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Excess Insurance Receivable	(288,063)	(136,739)
Due From SPELL	-	13,506
Accrued Expenses	(5,945)	(184,261)
Due To Members	5,636	-
Claims Reserves	1,256,822	133,365
Net Cash Flows Provided By Operating Activities	<u>\$ 1,390,226</u>	<u>\$ 1,553,673</u>

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

**GLOUCESTER, CUMBERLAND, SALEM  
SCHOOL DISTRICTS JOINT INSURANCE FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

GLOUCESTER, CUMBERLAND, SALEM SCHOOL DISTRICTS JOINT INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Educator's Legal Liability</u>	<u>Total</u>
Total Unpaid Claim And Claim Adjustment Expenses - Beginning	\$ (71,606)	\$ 1,081,422	\$ 72,954	\$ 2,808,013	\$ 1,355,838	\$ 5,246,621
Incurred Claims And Claims Adjustment Expenses: Provision For Insured Events Of Current Fund Year Changes In Provision For Insured Events Of Prior Fund Years	168,685 49,827	581,028 (50,688)	37,486 33,014	2,769,752 (244,155)	541,889 (502,559)	4,098,840 (714,561)
Total Incurred Claims And Claims Adjustment Expenses All Fund Years	218,512	530,340	70,500	2,525,597	39,330	3,384,279
Payments (Net Of Subrogation): Claims And Claims Adjustment Expenses: Attributable To Insured Events Of Current Fund Year Attributable To Insured Events Of Prior Fund Years	139,132 514	8,963 251,734	11,407 6,621	683,953 785,302	239,831	843,455 1,284,002
Total Payments All Fund Years	139,646	260,697	18,028	1,469,255	239,831	2,127,457
Total Unpaid Claim And Claim Adjustment Expenses (Recoveries) - Ending	\$ 7,260	\$ 1,351,065	\$ 125,426	\$ 3,864,355	\$ 1,155,337	\$ 6,503,443

GLoucester, Cumberland, Salem School Districts 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	\$ 3,679,695	\$ 4,094,028	\$ 4,118,349	\$ 3,730,073	\$ 3,885,906	\$ 4,003,370	\$ 4,337,901	\$ 5,675,230	\$ 6,386,100	\$ 6,573,329
Ceded	1,126,992	991,772	1,387,739	1,027,457	1,057,285	1,112,761	1,211,497	1,613,386	1,759,479	1,880,601
	2,553,603	3,102,256	2,730,610	2,702,616	2,828,621	2,890,609	3,126,404	4,061,844	4,626,621	4,692,728
Unallocated Expenses	501,932	495,387	516,090	529,577	550,443	553,858	562,337	728,191	820,933	790,415
Estimated Claims And Expenses, End Of Policy Year:										
Incurred	2,546,631	3,755,101	2,383,001	2,233,325	2,581,572	2,350,900	2,554,999	3,079,999	3,046,016	4,373,768
Ceded	172,500	1,157,100	-	-	358,573	232,101	380,001	-	-	274,928
Net Incurred	2,374,131	2,598,001	2,383,001	2,233,325	2,222,999	2,118,799	2,174,998	3,079,999	3,046,016	4,098,840
Paid (Cumulative) As Of:										
End Of Policy Year	561,479	620,225	626,721	777,105	843,296	773,860	635,359	782,450	620,197	843,455
One Year Later	998,686	1,742,271	1,148,010	1,546,707	1,649,817	1,604,686	1,119,395	1,162,379	1,120,811	
Two Years Later	1,275,787	2,114,760	1,387,489	1,920,350	1,877,851	2,038,063	1,586,115	1,699,009		
Three Years Later	1,398,117	2,363,876	1,555,742	2,377,893	2,133,081	2,497,590	1,767,819			
Four Years Later	1,618,488	2,378,817	1,683,140	2,506,605	2,416,728	2,849,943				
Five Years Later	1,746,594	2,390,102	1,716,323	2,540,316	2,460,938					
Six Years Later	1,748,223	2,404,920	1,750,412	2,544,838						
Seven Years Later	1,749,505	2,408,905	1,751,423							
Eight Years Later	1,750,785	2,415,473								
Nine Years Later	1,751,369									
Re-Estimated Ceded Claims And Expenses	115,233	24,250	-	300,506	706,481	723,488	348,376	-	-	-
Re-Estimated Incurred Claims And Expenses:										
End Of Policy Year	2,374,131	2,598,001	2,383,001	2,233,325	2,222,999	2,118,799	2,174,998	3,079,999	3,046,016	4,098,840
One Year Later	1,972,131	2,598,000	2,381,449	2,423,325	1,932,107	2,350,901	2,555,002	2,599,391	2,392,814	
Two Years Later	1,761,830	2,597,999	1,901,451	2,425,000	2,073,710	2,350,902	2,512,537	2,665,946		
Three Years Later	1,852,803	2,486,347	1,790,513	2,425,000	2,166,609	2,354,849	2,458,299			
Four Years Later	1,721,504	2,502,606	1,827,513	2,401,666	1,948,705	2,350,898				
Five Years Later	1,659,138	2,501,252	1,820,513	2,336,521	1,919,414					
Six Years Later	1,685,138	2,465,264	1,800,513	2,326,863						
Seven Years Later	1,672,007	2,433,952	1,784,513							
Eight Years Later	1,666,007	2,429,952								
Nine Years Later	1,665,007									
Increase (Decrease) In Estimated Incurred Claims And Expenses From End Of Policy Year	\$ (708,124)	\$ (168,049)	\$ (598,488)	\$ 93,538	\$ (303,585)	\$ 232,099	\$ 283,301	\$ (414,053)	\$ (653,202)	\$ -



**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.

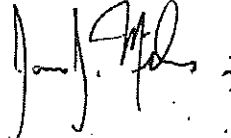
There were no findings in the prior year.

**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