

DIPLOMA JOINT INSURANCE FUND
Financial Statements
June 30, 2021 and 2020
With Independent Auditor's Reports

Diploma Joint Insurance Fund
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June 30, 2021 and 2020

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**Diploma Joint Insurance Fund
Management's Discussion and Analysis
June 30, 2021 and 2020**

This section of Diploma Joint Insurance Fund's (the "Fund") annual financial report presents a discussion and analysis of the financial performance of the Fund for the years ended June 30, 2021 and 2020. Please read it in conjunction with the financial statements which follow this section. The following table summarizes the financial position and results of operations of the Fund:

	<u>2021</u>	<u>2020</u>
Assets		
Cash, investments and accrued interest	\$ 20,355,132	\$ 16,822,507
Other assets	307,769	324,843
	<u>\$ 20,662,901</u>	<u>\$ 17,147,350</u>
Liabilities and Fund Surplus		
Reserves for unpaid claims	\$ 8,253,335	\$ 6,558,036
Other liabilities	1,928,187	1,890,562
Fund surplus	10,481,379	8,698,752
	<u>\$ 20,662,901</u>	<u>\$ 17,147,350</u>
Revenue and Expenses		
Revenue	\$ 10,093,933	\$ 7,000,217
Investment and other income (loss)	(40,960)	621,466
	<u>10,052,973</u>	<u>7,621,683</u>
Claims expense	3,461,421	2,682,360
Insurance premiums	3,405,674	2,413,413
Administrative expense	1,403,251	1,149,963
	<u>8,270,346</u>	<u>6,245,736</u>
Net income	<u>\$ 1,782,627</u>	<u>\$ 1,375,947</u>

Diploma Joint Insurance Fund Management's Discussion and Analysis June 30, 2021 and 2020

Overview of the Financial Statements

The Diploma Joint Insurance Fund's (the "Fund") financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The primary purpose of the Fund is to provide local and regional school districts a joint self-insurance fund. The Fund offers a full line of insurance coverage, such as workers' compensation and employers' liability, supplemental indemnity, property damage including auto physical damage, general and automobile liability, crime and fidelity, school leaders' professional liability, excess liability, environmental impairment, student accident, security guard and foreign travel. The Fund operates under the provisions of New Jersey Statutes (N.J.S.A. 18A:18B-1 et seq.) and has 18 and 16 school districts in the fund as of June 30, 2021 and 2020, respectively. The three basic financial statements presented within the financial statements are as follows:

- Balance Sheet – This statement presents information reflecting the Fund's assets, liabilities, and fund surplus. Fund surplus, or net position, represents the amount of total assets less total liabilities.
- Statement of Revenues, Expenses and Changes in Fund Surplus – This statement reflects the operating revenues and expenses, as well as non-operating income (loss) during the operating year. Major sources of operating revenue are regular member contributions (assessments) while major sources of operating expenses include claims paid, changes in case reserves and in incurred but not reported claims, and insurance and reinsurance premiums as well as administrative expenses.
- Statement of Cash Flows – This statement presents changes in cash and cash equivalents resulting from operating activities and investing activities.

Financial Highlights

- The revenue increase of 44.2% is a result of two new members, membership exposure changes as well as loss funding expectations and rate changes by carriers.
- Claims' case reserves represent a life to date estimate as to the expected liability for the reported claims and claims incurred but not reported ("IBNR"). Computing the claims liability does not result in achieving an exact amount. Claims' case reserves must be estimated due to the complex factors that determine the liability. Some of these factors are changes in legal doctrine, inflation, historical settlements, claim frequency, damage awards, and other statistical techniques.
- The net increase in claims IBNR is a result of calculations supplied by Fund's actuary. The actuary uses the Fund's loss runs as well as market conditions for his analysis.
- Investment loss for the current year is due primarily to lower interest rates on the fixed income notes held as well as market changes.
- All fund surplus available may be returned to members per the Department of Banking and Insurance regulations. The Fund has no immediate plans for a return of surplus.
- At this point in time, management is not aware of any facts, decisions, or conditions that would have a significant effect on the Fund's financial position or the results of its operations.
- For the upcoming year, the Fund will maintain its current 18 members (1 new member and 1 member which did not renew).

Contacting the Fund's Management

This financial report is designed to provide the Diploma 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, please contact the Fund Administrator of the Diploma Joint Insurance Fund at the office of the Fund located at 51 Everett Drive, Suite 40-B, West Windsor, NJ 08550, or by phone at (609) 275-1140.

INDEPENDENT AUDITOR'S REPORT

To the Fund Commissioners,
Diploma Joint Insurance Fund:

Report on the Financial Statements

We have audited the accompanying financial statements of Diploma Joint Insurance Fund (the "Fund"), which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in fund surplus and cash flows for the years then ended, and the related notes to financial statements.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the State of New Jersey, Division of Local Government Services, Department of Community Affairs, and Department of Banking and Insurance. Those standards require that we plan and perform the audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diploma Joint Insurance Fund as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 2 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 supplemental 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 audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 on our consideration of Diploma Joint Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Diploma Joint Insurance Fund's 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 Diploma Joint Insurance Fund's internal control over financial reporting and compliance.



November 16, 2021

Diploma Joint Insurance Fund
Balance Sheets
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 9,455,589	\$ 5,827,661
Investments	10,851,761	10,948,313
Due from third party administrator	-	13,948
Accrued interest income	47,782	46,533
Receivable from insurance carriers	136,619	136,104
Receivable from members	168,091	168,672
Prepaid expenses	<u>3,059</u>	<u>6,119</u>
	<u>\$ 20,662,901</u>	<u>\$ 17,147,350</u>
Liabilities and Fund Surplus		
Liabilities		
Claim reserves		
Case reserves	\$ 3,344,887	\$ 3,362,110
IBNR reserves	<u>4,908,448</u>	<u>3,195,926</u>
Total claim reserves	<u>8,253,335</u>	<u>6,558,036</u>
Other		
Administrative expenses payable	653,811	754,330
Supplemental assessments due to members	673,000	673,000
Reinsurance payable	<u>601,376</u>	<u>463,232</u>
	<u>1,928,187</u>	<u>1,890,562</u>
Total liabilities	10,181,522	8,448,598
Fund surplus	<u>10,481,379</u>	<u>8,698,752</u>
	<u>\$ 20,662,901</u>	<u>\$ 17,147,350</u>

The Notes to Financial Statements are an integral part of these statements.

Diploma Joint Insurance Fund
Statements of Revenues, Expenses, and Changes in Fund Surplus
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Underwriting income - regular contributions	\$ 10,093,933	\$ 7,000,217
Expenses		
Claims		
Paid	1,766,122	2,126,063
Decrease in case reserves	(17,223)	(232,953)
Increase in IBNR reserves	<u>1,712,522</u>	<u>789,250</u>
Claims - net	3,461,421	2,682,360
Insurance and reinsurance premiums	3,405,674	2,413,413
Administrative expenses	<u>1,403,251</u>	<u>1,149,963</u>
Total expenses	<u>8,270,346</u>	<u>6,245,736</u>
Operating income	1,823,587	754,481
Investment and other income, net	188,263	289,365
Change in fair value of investments	<u>(229,223)</u>	<u>332,101</u>
Investment income (loss), net	<u>(40,960)</u>	<u>621,466</u>
Net income	1,782,627	1,375,947
Fund surplus		
Beginning of year	<u>8,698,752</u>	<u>7,322,805</u>
End of year	<u>\$ 10,481,379</u>	<u>\$ 8,698,752</u>

The Notes to Financial Statements are an integral part of these statements.

Diploma Joint Insurance Fund
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating activities		
Underwriting income - regular contributions	\$ 10,108,462	\$ 6,970,377
Claims paid	(1,766,122)	(2,126,063)
Excess insurance premium paid	(3,268,045)	(2,136,374)
Administrative expenses paid	(1,500,710)	(1,069,162)
Net cash provided by operating activities	<u>3,573,585</u>	<u>1,638,778</u>
Investing activities		
Proceeds from sale/maturity of investment securities	2,182,673	2,325,470
Purchase of investment securities	(2,329,627)	(2,543,572)
Investment income	201,297	267,131
Net cash provided by investing activities	<u>54,343</u>	<u>49,029</u>
Net change in cash and cash equivalents	3,627,928	1,687,807
Cash and cash equivalents		
Beginning of year	<u>5,827,661</u>	<u>4,139,854</u>
End of year	<u>\$ 9,455,589</u>	<u>\$ 5,827,661</u>
Reconciliation of change in fund surplus to net cash provided by operating activities		
Operating income	\$ 1,823,587	\$ 754,481
Adjustments to reconcile change in fund surplus to net cash provided by operating activities:		
Changes in assets and liabilities		
Due from third party administrator	13,948	(13,948)
Receivable from insurance carriers	(515)	40,435
Receivable from members	581	(29,843)
Prepaid expenses	3,060	(6,119)
Reinsurance payable	138,144	236,604
Case and IBNR reserves	1,695,299	556,297
Administrative expenses payable	(100,519)	100,871
Net cash provided by operating activities	<u>\$ 3,573,585</u>	<u>\$ 1,638,778</u>

The Notes to Financial Statements are an integral part of these statements.

Diploma Joint Insurance Fund
Notes to Financial Statements
June 30, 2021 and 2020

1. OPERATIONS

The Diploma Joint Insurance Fund (the “Fund”) is a school district joint self insurance fund formed under the provisions of New Jersey statutes (N.J.S.A. 18A:18B-1 et seq.). The Fund commenced operations on December 15, 1995 with an original membership of 8 local school districts. Membership is 18 and 16 school districts as of June 30, 2021 and 2020, respectively. The Fund's general objectives are to provide member districts with a long-term alternative to the insurance market as a means of stabilizing insurance expenditures and to develop comprehensive loss control programs for members.

The bylaws of the Fund, as supplemented by the Risk Management Plan, set forth the various procedures which are to be followed in the organization, administration, and operation of the Fund. Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities. The Fund considers investment income when determining deficiencies.

The Fund Administrator (“Administrator”) is responsible for the overall administration of the Fund. Fees paid to the Administrator cover all administrative costs; accordingly, the Fund does not maintain any fixed assets nor incur any employee payroll expense.

The specific limits of liability of the various coverages afforded by the Fund incorporate member deductibles, funded self-insured retentions, and various jointly purchased conventional insurance policies.

The Fund offers its members the following coverages:

- Workers’ compensation and employers’ liability
- Supplemental indemnity
- Package (auto liability, general liability, property, and environmental impairment liability)
- Boiler and machinery
- Excess liability
- School leaders’ professional liability (including employment practices liability)
- Crime and fidelity

	Fund Year(s)	Loss Type	Per Occurrence SIR	Aggregate SIR
Workers' Compensation	12/15/95 - 2001/2002	Loss & ALAE	\$250,000	Varies by fund year*
	2002/2003	Loss & ALAE	\$300,000	None
	2003/2004	Loss & ALAE	\$325,000	None
	2004/2005 - 2010/2011	Loss & ALAE	\$250,000	None
	2011/2012 - 2020/2021	Loss & ALAE	\$100,000	None
Property	7/23/1999 - 12/31/2001	Loss & ALAE	\$25,000	Varies by fund year*
Property & Liability	2005/2006 - 2020/2021	Loss & ALAE	\$100,000	Varies by fund year*
School Leaders' Liability	2005/2006 - 2009/2010	Loss & ALAE	\$25,000	None
	2010/2011 - 2014/2015	Loss & ALAE	\$35,000**	None
	2015/2016 - 2019/2020	Loss & ALAE	\$100,000	None
	2020/2021	Loss & ALAE	\$200,000	None

*On file with Fund

**For one member, SIR was \$50,000 for these fund years.

Diploma Joint Insurance Fund
Notes to Financial Statements
June 30, 2021 and 2020

Effective 2012/13, the Fund has an additional per occurrence \$100,000 SIR on property for named storm systems that does not accrue to the aggregate. This is shared pro rata with the other members of the excess fund.

Effective 2020-2021, for auto and general liability coverage ("AL & GL"), the Fund is responsible for its self-insured retention of \$100,000 of each loss after which School Excess Liability Fund ("SEL") will pay its self-insured retention of \$400,000. Once the combined self-insured retention of \$500,000 has been paid, SEL will pay up to an aggregate loss corridor of \$2,000,000, applicable to all AL & GL covered losses, before the excess carrier has any obligation to pay.

Effective 2020-2021, for school board legal liability ("SBLL"), the Fund is responsible for its self-insured retention of \$200,000 of each loss after which SEL will pay up to an aggregate loss corridor of \$900,000, applicable to all SBLL covered losses, before the excess carrier has any obligation to pay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Government Accounting Standards Board Codification Section 2100, *Defining Financial Reporting Entity*, establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards, and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The Fund has determined that there were no additional entities required to be included in the reporting entity under the criteria as described above in the current year. In addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses reflected as incurred. Fund surplus (deficit), or net position, reflects the excess (deficit) of total assets over total liabilities.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In addition, certain actuarial assumptions have been made in the preparation of these financial statements. Actual results could differ from those estimates. Significant estimates included in these financial statements are fair market value of investments, case reserves and incurred but not reported ("IBNR") reserves.

Cash and Cash Equivalents

The Fund considers all highly liquid investments with maturities of less than three months at the time of purchase to be cash equivalents.

Diploma Joint Insurance Fund

Notes to Financial Statements

June 30, 2021 and 2020

Investments

The investments in government backed fixed maturities are carried at fair value. Fair value has been supplied by the custodian.

Fair Value of Financial Instruments

According to professional standards, the Fund measures its fair value under accounting principles generally accepted in the United States of America and provides disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs using a fair value hierarchy based on three levels of inputs of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Revenue Recognition

The Fund offers annual coverage to its members. Member assessments (contributions) are recorded on the accrual basis. The member assessments of the participating boards of education are determined by the Fund Administrator and then certified by vote of the Fund's Board of Trustees. There are no advance sums collected for the revenue streams except any prepayments recorded as a liability. Revenue is recognized in the year the coverage is in effect and is recognized ratably over the period the service is provided.

Assessments Receivable

Assessments receivable from fund members are unsecured and are recorded when invoices are issued and are presented in the balance sheets. Per the Fund's by-laws, past due assessments shall bear interest at a rate determined annually by the Board of Trustees. The interest rate assessed for each of the years ending June 30, 2021 and 2020 was 0%. The Fund has determined a reserve against assessments receivable is not necessary as of June 30, 2021 and 2020. Payments of assessments receivable are allocated to specific invoices identified on the member's invoice. Assessments receivable are written off when they are deemed to be uncollectible.

Other Receivables

Other receivables represent amounts due from members' deductible billings and from reinsurers and can remain open until claims are settled. These amount are unsecured, noninterest bearing and deemed to be fully collectible.

Diploma Joint Insurance Fund
Notes to Financial Statements
June 30, 2021 and 2020

Claims Liabilities

The Fund establishes claims liabilities for the Fund's SIR loss and claim adjustment expense based on estimates of the ultimate cost of claims 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 coverages 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. The Fund does not discount claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Subrogation and other recoverable claim amounts are recognized as a reduction of claim payments upon the receipt of cash or are accrued for if the recoverable amount is known.

Reinsurance

The Fund purchases a multi-line reinsurance contract in accordance with the Risk Management Plan to reduce its exposure to large losses on certain types of insured events. Although reinsurance does not discharge the primary liability of the Fund as direct insurer of the risk of loss, the Fund does not report the claim payments or liabilities under reinsurance contracts unless it is probable that those liabilities will not be covered by reinsurers. A contingent liability may exist with respect to reinsurance which would become an actual liability in the event any of the insurance companies might be unable to meet their obligations to the Fund.

Income Taxes

The Fund is a tax-exempt organization and is not subject to either federal or state taxes.

3. CASH AND CASH EQUIVALENTS

At June 30, 2021 and 2020, the carrying amounts of the Fund's deposits were \$9,455,589 and \$5,827,661, respectively, and the bank balances were \$9,548,770 and \$5,846,736, respectively. The bank balances are deposited in public depositories which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation and any amounts in excess of \$250,000 are fully collateralized by the bank or institution through the Government Unit Deposit Protection Act.

4. INVESTMENTS

At June 30, 2021 and 2020, the Fund invested only in notes backed by the Federal Government and are triple A rated by Moody's with various interest rates and maturity dates. The maturity dates range from October 31, 2021 to February 28, 2026 as of June 30, 2021 and from February 28, 2021 to May 31, 2025 as of June 30, 2020. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2021 and 2020, all of the Fund's investments are under the custody of the New Jersey Asset and Rebate Management Program who is the Fund's investment advisor.

Diploma Joint Insurance Fund
Notes to Financial Statements
June 30, 2021 and 2020

Investments are stated at fair value. The difference between fair value and amortized cost is recorded as unrealized gain at June 30 each year.

	<u>2021</u>	<u>2020</u>
Face value	\$ 10,485,000	\$ 10,455,000
Unamortized premium, net	165,572	62,901
Unrealized gain, net	<u>201,189</u>	<u>430,412</u>
Fair value	<u>\$ 10,851,761</u>	<u>\$ 10,948,313</u>

Investment income consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest income	\$ 202,546	\$ 270,784
Amortization of discount (premium), net	(33,346)	15,359
Realized gain using amortized cost	<u>19,063</u>	<u>3,222</u>
Investment return	<u>\$ 188,263</u>	<u>\$ 289,365</u>

5. FAIR VALUE ACCOUNTING

Recurring Fair Value Measurements

The Fund has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2021 and 2020 along with the basis for the determination of fair value:

	<u>2021</u>			
	<u>Basis for Valuation</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets</u>	<u>Observable Measurement Criteria</u>	<u>Unobservable Measurement Criteria</u>
Investments - US Treasury Notes	<u>\$ 10,851,761</u>	<u>\$ 10,851,761</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2020</u>			
	<u>Basis for Valuation</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets</u>	<u>Observable Measurement Criteria</u>	<u>Unobservable Measurement Criteria</u>
Investments - US Treasury Notes	<u>\$ 10,948,313</u>	<u>\$ 10,948,313</u>	<u>\$ -</u>	<u>\$ -</u>

Diploma Joint Insurance Fund
Notes to Financial Statements
June 30, 2021 and 2020

For applicable assets and liabilities subject to this pronouncement, the Fund will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Fund will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Fund will develop measurement criteria based on the best information available.

U.S. Government backed fixed notes are valued at the closing price reported on the active market on which individual securities are traded along with comparable bond ratings under Moody's and S&P.

The valuation methods for these investments are consistent for the years ended June 30, 2021 and 2020.

6. CONCENTRATION OF CREDIT RISK

The Fund has three members and five members whose individual assessments are greater than 10% of total assessment revenue. In total, these members approximated 45% and 70% of total assessment revenue for the fund years ended June 30, 2021 and 2020, respectively.

7. LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represent an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of June 30, 2021 and 2020. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses IBNR.

Loss reserves at June 30 which have been estimated by the Fund's Claims Servicing Organization and Actuary, are as follows:

	<u>2021</u>	<u>2020</u>
Case reserves	\$ 3,344,887	\$ 3,362,110
Reserves for losses incurred but not reported	<u>4,908,448</u>	<u>3,195,926</u>
	<u>\$ 8,253,335</u>	<u>\$ 6,558,036</u>

Diploma Joint Insurance Fund
Notes to Financial Statements
June 30, 2021 and 2020

The following represents changes in the aggregate reserves for the Fund:

	<u>2021</u>	<u>2020</u>
Unpaid claim liabilities, beginning of year	\$ 6,558,036	\$ 6,001,739
Incurred claims		
Provision for insured events of the current year	4,802,398	3,411,781
Decrease in provision for insured events of prior years	<u>(1,340,977)</u>	<u>(729,421)</u>
Total increase in incurred claims	<u>3,461,421</u>	<u>2,682,360</u>
Payments		
Payments - net on claims for insured events of the current year	785,562	793,540
Payments - net on claims for insured events of prior years	<u>980,560</u>	<u>1,332,523</u>
Total payments	<u>1,766,122</u>	<u>2,126,063</u>
Unpaid claim liabilities, end of year	<u>\$ 8,253,335</u>	<u>\$ 6,558,036</u>

8. SUPPLEMENTAL ASSESSMENTS DUE TO MEMBERS

During the year ended June 30, 2007, the Fund paid a claim from fund year 2000/2001 in the amount of \$750,000. In January 2010, the Fund was reimbursed \$300,000 from the New Jersey Property and Liability Insurance Guaranty Association; and during the year ended June 30, 2014 received an additional \$385,000 from Legion Liquidation and Equity Trust Company following a suit as a result of its bankruptcy. The total amount of supplemental assessments payable to members at both June 30, 2021 and 2020 is \$673,000, net of application of a previously existing receivable of \$12,000, which may be returned to members, as appropriate.

9. CONTINGENCY

Management is currently evaluating the potential impact of the COVID-19 virus to the Fund. While any impact is not readily determinable as of the date of these financial statements, management continues to monitor and will keep the Fund's members apprised of any potential impact as it is known.

10. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events occurring after the balance sheet date through November 16, 2021, which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined there are no subsequent events that require disclosure in or adjustment to the financial statements.

INDEPENDENT AUDITOR'S 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

To the Fund Commissioners,
Diploma Joint Insurance Fund:

We have audited 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 the audit requirements as prescribed by the State of New Jersey, Division of Local Government Services, Department of Community Affairs, and Department of Banking and Insurance, the financial statements of Diploma Joint Insurance Fund, which comprise the balance sheet as of June 30, 2021, and the related statements of revenues, expenses, and changes in fund surplus and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing 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 entity'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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

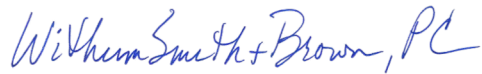
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from 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 the audit requirements as prescribed by the State of New Jersey, Division of Local Government Services, Department of Community Affairs, and Department of Banking and Insurance.

Purpose of the 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 State of New Jersey, Division of Local Government Services, Department of Community Affairs, and Department of Banking and Insurance in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

November 16, 2021

SUPPLEMENTAL INFORMATION

**Diploma Joint Insurance Fund
Ten Year Claims Development Information
June 30, 2021**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Underwriting income - regular contributions	\$ 6,011,638	\$ 6,329,824	\$ 6,790,691	\$ 7,115,651	\$ 6,870,536	\$ 6,100,993	\$ 6,400,128	\$ 6,650,091	\$ 7,000,217	\$ 10,093,933
Investment and other income	138,586	86,576	54,195	144,832	103,511	118,242	56,206	166,262	90,911	(8,822)
	<u>\$ 6,150,224</u>	<u>\$ 6,416,400</u>	<u>\$ 6,844,886</u>	<u>\$ 7,260,483</u>	<u>\$ 6,974,047</u>	<u>\$ 6,219,235</u>	<u>\$ 6,456,334</u>	<u>\$ 6,816,353</u>	<u>\$ 7,091,128</u>	<u>\$ 10,085,111</u>
Insurance and reinsurance premiums	\$ 1,699,447	\$ 1,875,290	\$ 2,121,928	\$ 2,282,726	\$ 2,071,564	\$ 1,978,964	\$ 2,127,607	\$ 2,127,777	\$ 2,412,556	\$ 3,629,849
Administrative expenses	929,535	984,754	1,069,539	1,104,036	1,065,687	928,861	980,069	1,006,477	1,072,692	1,606,602
	<u>\$ 2,628,982</u>	<u>\$ 2,860,044</u>	<u>\$ 3,191,467</u>	<u>\$ 3,386,762</u>	<u>\$ 3,137,251</u>	<u>\$ 2,907,825</u>	<u>\$ 3,107,676</u>	<u>\$ 3,134,254</u>	<u>\$ 3,485,248</u>	<u>\$ 5,236,451</u>
Estimated incurred claims, end of policy year	\$ 2,740,000	\$ 2,757,000	\$ 4,120,000	\$ 3,467,000	\$ 3,170,000	\$ 2,792,098	\$ 3,915,865	\$ 3,044,544	\$ 3,411,781	\$ 4,802,398
Cumulative paid claims as of:										
End of policy year	804,633	1,135,829	1,762,284	1,036,691	1,072,272	767,370	1,444,256	1,214,554	793,540	785,562
One year later	1,431,508	1,861,858	2,567,716	1,814,544	2,091,114	1,216,150	2,427,273	1,747,484	1,110,668	
Two years later	1,731,013	2,300,342	2,788,486	2,042,234	2,532,615	1,661,765	2,753,925	1,849,857		
Three years later	1,869,633	2,533,405	3,032,351	2,352,015	2,980,810	1,819,549	2,894,629			
Four years later	1,998,130	2,661,431	3,172,397	2,525,022	3,016,781	1,958,187				
Five years later	2,047,016	2,771,930	3,381,005	2,623,829	3,077,184					
Six years later	2,159,662	2,841,628	3,416,118	2,641,155						
Seven years later	2,162,619	2,850,318	3,494,919							
Eight years later	2,168,878	2,868,248								
Nine years later	2,168,890									
Cumulative incurred claims as of:										
End of policy year	2,740,000	2,757,000	4,120,000	3,467,000	3,170,000	2,792,098	3,915,865	3,044,544	3,411,781	4,802,398
One year later	2,417,389	2,865,419	3,480,000	3,069,028	3,516,065	2,328,958	4,256,888	2,827,769	2,340,863	
Two years later	2,241,120	3,102,919	3,620,000	3,091,048	3,826,349	2,296,224	3,852,486	2,650,590		
Three years later	2,245,845	3,114,319	3,485,000	2,937,000	3,600,798	2,176,877	3,721,572			
Four years later	2,199,845	3,062,318	3,446,046	2,854,665	3,538,520	2,193,660				
Five years later	2,205,724	2,976,517	3,475,950	2,824,303	3,508,976					
Six years later	2,195,018	2,965,982	3,533,482	2,846,576						
Seven years later	2,192,055	2,971,956	3,545,732							
Eight years later	2,189,152	2,955,747								
Nine years later	<u>2,185,637</u>									
Increase (decrease) in cumulative incurred claims from end of policy year	<u>\$ (554,363)</u>	<u>\$ 198,747</u>	<u>\$ (574,268)</u>	<u>\$ (620,424)</u>	<u>\$ 338,976</u>	<u>\$ (598,438)</u>	<u>\$ (194,293)</u>	<u>\$ (393,954)</u>	<u>\$ 1,070,918</u>	<u>\$ -</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Schedule of Changes in Claim Liabilities by Line of Coverage
June 30, 2021

	2021			
	<u>Total</u>	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>
Unpaid claim liabilities, beginning of year	\$ 6,558,036	\$ 5,297,274	\$ 387,576	\$ 873,186
Incurred claims				
Provision for insured events of current year	4,802,398	3,726,594	423,059	652,745
Decrease in provision for insured events of prior years	<u>(1,340,977)</u>	<u>(1,392,125)</u>	<u>2,569</u>	<u>48,579</u>
Increase in incurred claims	<u>3,461,421</u>	<u>2,334,469</u>	<u>425,628</u>	<u>701,324</u>
Claim payments				
Payments-net on claims for insured events of current year	785,562	577,789	207,773	-
Payments-net on claims for insured events of prior years	<u>980,560</u>	<u>609,669</u>	<u>108,603</u>	<u>262,288</u>
Total payments	<u>1,766,122</u>	<u>1,187,458</u>	<u>316,376</u>	<u>262,288</u>
Unpaid liability, end of year	<u>\$ 8,253,335</u>	<u>\$ 6,444,285</u>	<u>\$ 496,828</u>	<u>\$ 1,312,222</u>
	2020			
	<u>Total</u>	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>
Unpaid claim liabilities, beginning of year	\$ 6,001,739	\$ 4,588,318	\$ 359,882	\$ 1,053,539
Incurred claims				
Provision for insured events of current year	3,411,781	2,484,358	310,298	617,125
Decrease in provision for insured events of prior years	<u>(729,421)</u>	<u>(76,990)</u>	<u>(188,293)</u>	<u>(464,138)</u>
Increase in incurred claims	<u>2,682,360</u>	<u>2,407,368</u>	<u>122,005</u>	<u>152,987</u>
Claim payments				
Payments-net on claims for insured events of current year	793,540	616,446	118,003	59,091
Payments-net on claims for insured events of prior years	<u>1,332,523</u>	<u>1,081,966</u>	<u>(23,692)</u>	<u>274,249</u>
Total payments	<u>2,126,063</u>	<u>1,698,412</u>	<u>94,311</u>	<u>333,340</u>
Unpaid liability, end of year	<u>\$ 6,558,036</u>	<u>\$ 5,297,274</u>	<u>\$ 387,576</u>	<u>\$ 873,186</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Schedule of Changes in Fund Surplus
Fund Years 1996 through 2021
Year Ended June 30, 2021**

<u>Fund Year</u>	<u>Fund Surplus (Deficit) July 1, 2020</u>	<u>Net Income (Loss)</u>	<u>Fund Surplus (Deficit) June 30, 2021</u>
1996	\$ 23,655	\$ (45)	\$ 23,610
1997	64,100	(121)	63,979
1998	(118,100)	-	(118,100)
1999	96,594	(182)	96,412
2000	54,974	(104)	54,870
2001	(1,645)	(1,270)	(2,915)
2002	(208,935)	-	(208,935)
2003	(311,350)	-	(311,350)
2004	(341,898)	-	(341,898)
2005	413,675	(818)	412,857
2006	712,368	601	712,969
2007	221,678	19,204	240,882
2008	1,081,088	(37,813)	1,043,275
2009	1,203,692	(25,002)	1,178,690
2010	894,027	(1,676)	892,351
2011	259,777	(1,888)	257,889
2012	1,334,998	607	1,335,605
2013	585,799	14,810	600,609
2014	120,704	(12,714)	107,990
2015	1,051,806	(24,661)	1,027,145
2016	299,786	28,034	327,820
2017	1,128,981	(11,231)	1,117,750
2018	(606,240)	233,326	(372,914)
2019	615,093	416,416	1,031,509
2020	124,125	1,140,892	1,265,017
2021	-	46,262	46,262
	<u>\$ 8,698,752</u>	<u>\$ 1,782,627</u>	<u>\$ 10,481,379</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis
Fund Years 1996 through 2021
June 30, 2021**

Revenue	
Underwriting income - regular contributions	\$ 139,016,626
Supplemental assessments	<u>750,000</u>
	<u>139,766,626</u>
Expenses	
Claims	
Paid	63,285,098
Reinsurance settlement claim 2000/2001	750,000
Increase in case reserves	3,344,890
Increase in IBNR reserves	<u>4,908,448</u>
Claims-net	<u>72,288,436</u>
Insurance and reinsurance premiums	41,126,507
Administrative expenses	<u>20,702,841</u>
Total expenses	<u>61,829,348</u>
Operating income	5,648,842
Investment and other income	<u>4,104,244</u>
Net income	9,753,086
Return of surplus	<u>728,293</u>
Fund surplus	<u>\$ 10,481,379</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 1996
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>
Underwriting income	
Regular contributions	\$ 798,889
Expenses	
Claims	
Paid	<u>828,447</u>
Other	
Excess insurance premiums	63,354
Administrative	<u>124,913</u>
Total expenses	<u>1,016,714</u>
Operating loss	<u>(217,825)</u>
Investment income	51,435
Transfers	<u>190,000</u>
Non-operating income	<u>241,435</u>
Net income	23,610
Less: Return of surplus	<u>-</u>
Net current surplus	<u>\$ 23,610</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 1997
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>
Underwriting income	
Regular contributions	\$ 2,862,382
Expenses	
Claims	
Paid	<u>1,810,227</u>
Other	
Excess insurance premiums	188,717
Administrative	<u>420,195</u>
Total expenses	<u>2,419,139</u>
Operating income	<u>443,243</u>
Investment income	431,926
Transfers	<u>(549,898)</u>
Non-operating loss	<u>(117,972)</u>
Net income	325,271
Less: Return of surplus	<u>(261,292)</u>
Net current surplus	<u>\$ 63,979</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 1998
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>
Underwriting income	
Regular contributions	\$ 2,587,297
Expenses	
Claims	
Paid	1,934,439
Case reserves	<u>24,233</u>
	1,958,672
Other	
Excess insurance premiums	153,193
Administrative	<u>405,790</u>
Total expenses	<u>2,517,655</u>
Operating income	<u>69,642</u>
Investment income	312,258
Transfers	<u>(340,945)</u>
Non-operating loss	<u>(28,687)</u>
Net income	40,955
Less: Return of surplus	<u>(159,055)</u>
Net current deficit	<u>\$ (118,100)</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 1999
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>
Underwriting income	
Regular contributions	\$ 2,104,080
Expenses	
Claims	
Paid	<u>2,096,270</u>
Other	
Excess insurance premiums	96,383
Administrative	<u>338,079</u>
Total expenses	<u>2,530,732</u>
Operating loss	<u>(426,652)</u>
Investment income	163,166
Transfers	<u>359,898</u>
Non-operating income	<u>523,064</u>
Net income	96,412
Less: Return of surplus	<u>-</u>
Net current surplus	<u>\$ 96,412</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2000
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Excess &</u> <u>Boiler & Machinery</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 1,244,637	\$ 803,977	\$ 59,988	\$ 517,651	\$ 2,626,253
Expenses					
Claims					
Paid	2,069,983	51,799	-	-	2,121,782
Other					
Excess insurance premiums	70,786	697,752	59,682	-	828,220
Administrative	-	24,520	-	526,283	550,803
Total other expenses	70,786	722,272	59,682	526,283	1,379,023
Total expenses	2,140,769	774,071	59,682	526,283	3,500,805
Operating income (loss)	(896,132)	29,906	306	(8,632)	(874,552)
Investment income	54,650	32,880	2,133	12,836	102,499
Transfers	327,303	(38,511)	-	(11,679)	277,113
Total non-operating income (loss)	381,953	(5,631)	2,133	1,157	379,612
Net income (loss)	(514,179)	24,275	2,439	(7,475)	(494,940)
Less: Return of surplus	549,810	-	-	-	549,810
Net current surplus (deficit)	\$ 35,631	\$ 24,275	\$ 2,439	\$ (7,475)	\$ 54,870

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2001
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Excess &</u> <u>Boiler & Machinery</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 1,642,182	\$ 968,751	\$ 111,187	\$ 620,782	\$ 3,342,902
Expenses					
Claims					
Paid	1,750,355	148,943	-	-	1,899,298
Other					
Excess insurance premiums	108,287	790,043	108,950	-	1,007,280
Administrative	-	11,520	-	596,849	608,369
Total other expenses	108,287	801,563	108,950	596,849	1,615,649
Total expenses	1,858,642	950,506	108,950	596,849	3,514,947
Operating income (loss)	(216,460)	18,245	2,237	23,933	(172,045)
Investment income	9,622	63,801	4,106	91,601	169,130
Transfers	-	-	-	-	-
Total non-operating income	9,622	63,801	4,106	91,601	169,130
Net income (loss)	(206,838)	82,046	6,343	115,534	(2,915)
Less: Return of surplus	-	-	-	-	-
Net current surplus (deficit)	\$ (206,838)	\$ 82,046	\$ 6,343	\$ 115,534	\$ (2,915)

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2002
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Excess &</u> <u>Boiler & Machinery</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 2,141,152	\$ 733,979	\$ 189,669	\$ 585,537	\$ 3,650,337
Expenses					
Claims					
Paid	3,010,565	-	-	-	3,010,565
Other					
Excess insurance premiums	147,158	733,188	179,136	-	1,059,482
Administrative	-	-	-	539,481	539,481
Total other expenses	147,158	733,188	179,136	539,481	1,598,963
Total expenses	3,157,723	733,188	179,136	539,481	4,609,528
Operating income (loss)	(1,016,571)	791	10,533	46,056	(959,191)
Investment income	66,291	8,671	2,437	10,195	87,594
Transfers	106,599	(5,829)	(9,659)	(27,279)	63,832
Total non-operating income (loss)	172,890	2,842	(7,222)	(17,084)	151,426
Net income (loss)	(843,681)	3,633	3,311	28,972	(807,765)
Less: Return of surplus	608,400	(2,400)	(4,113)	(3,057)	598,830
Net current surplus (deficit)	\$ (235,281)	\$ 1,233	\$ (802)	\$ 25,915	\$ (208,935)

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2003
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Excess &</u> <u>Boiler & Machinery</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 2,945,394	\$ 1,284,943	\$ 116,400	\$ 582,914	\$ 4,929,651
Expenses					
Claims					
Paid	3,184,896	-	-	-	3,184,896
Other					
Excess insurance premiums	261,329	1,259,578	116,614	-	1,637,521
Administrative	-	-	-	535,670	535,670
Total other expenses	261,329	1,259,578	116,614	535,670	2,173,191
Total expenses	3,446,225	1,259,578	116,614	535,670	5,358,087
Operating income (loss)	(500,831)	25,365	(214)	47,244	(428,436)
Investment income	74,330	21,962	1,355	19,439	117,086
Transfers	-	-	-	-	-
Total non-operating income	74,330	21,962	1,355	19,439	117,086
Net income (loss)	(426,501)	47,327	1,141	66,683	(311,350)
Less: Return of surplus	-	-	-	-	-
Net current surplus (deficit)	\$ (426,501)	\$ 47,327	\$ 1,141	\$ 66,683	\$ (311,350)

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2004
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Excess &</u> <u>Boiler & Machinery</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,082,770	\$ 1,888,164	\$ 60,302	\$ 689,224	\$ 5,720,460
Expenses					
Claims					
Paid	3,451,665	-	-	-	3,451,665
Case reserves	21,093.00	-	-	-	21,093
	<u>3,472,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,472,758</u>
Other					
Excess insurance premiums	262,159	1,887,190	60,301	-	2,209,650
Administrative	-	-	-	555,799	555,799
Total other expenses	<u>262,159</u>	<u>1,887,190</u>	<u>60,301</u>	<u>555,799</u>	<u>2,765,449</u>
Total expenses	<u>3,734,917</u>	<u>1,887,190</u>	<u>60,301</u>	<u>555,799</u>	<u>6,238,207</u>
Operating income (loss)	<u>(652,147)</u>	<u>974</u>	<u>1</u>	<u>133,425</u>	<u>(517,747)</u>
Investment income	129,841	13,641	3,125	29,242	175,849
Transfers	-	-	-	-	-
Total non-operating income	<u>129,841</u>	<u>13,641</u>	<u>3,125</u>	<u>29,242</u>	<u>175,849</u>
Net income (loss)	(522,306)	14,615	3,126	162,667	(341,898)
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus (deficit)	<u>\$ (522,306)</u>	<u>\$ 14,615</u>	<u>\$ 3,126</u>	<u>\$ 162,667</u>	<u>\$ (341,898)</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2005
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>Excess &</u> <u>Boiler & Machinery</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,564,946	\$ 2,199,106	\$ 63,742	\$ 665,136	\$ 6,492,930
Expenses					
Claims					
Paid	3,054,194	-	-	-	3,054,194
Case reserves	30,528	-	-	-	30,528
	3,084,722	-	-	-	3,084,722
Other					
Excess insurance premiums	414,693	2,208,509	63,742	-	2,686,944
Administrative	-	-	-	611,750	611,750
Total other expenses	414,693	2,208,509	63,742	611,750	3,298,694
Total expenses	3,499,415	2,208,509	63,742	611,750	6,383,416
Operating income (loss)	65,531	(9,403)	-	53,386	109,514
Investment income	261,452	17,850	1,243	22,798	303,343
Total non-operating income	261,452	17,850	1,243	22,798	303,343
Net income	326,983	8,447	1,243	76,184	412,857
Less: Return of surplus	-	-	-	-	-
Net current surplus	\$ 326,983	\$ 8,447	\$ 1,243	\$ 76,184	\$ 412,857

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2006
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,350,947	\$ 1,327,620	\$ 469,440	\$ 1,093,320	\$ 6,241,327
Expenses					
Claims					
Paid	3,042,384	314,777	15,006	-	3,372,167
Case reserves	45,829	-	-	-	45,829
	<u>3,088,213</u>	<u>314,777</u>	<u>15,006</u>	<u>-</u>	<u>3,417,996</u>
Other					
Excess insurance premiums	443,784	820,562	296,998	-	1,561,344
Administrative	-	-	-	984,328	984,328
Total other expenses	<u>443,784</u>	<u>820,562</u>	<u>296,998</u>	<u>984,328</u>	<u>2,545,672</u>
Total expenses	<u>3,531,997</u>	<u>1,135,339</u>	<u>312,004</u>	<u>984,328</u>	<u>5,963,668</u>
Operating income (loss)	<u>(181,050)</u>	<u>192,281</u>	<u>157,436</u>	<u>108,992</u>	<u>277,659</u>
Investment income	281,300	70,636	44,163	39,211	435,310
Transfers	-	-	-	-	-
Total non-operating income	<u>281,300</u>	<u>70,636</u>	<u>44,163</u>	<u>39,211</u>	<u>435,310</u>
Net income	100,250	262,917	201,599	148,203	712,969
Less: Return of surplus	-	-	-	-	-
Net current surplus	<u>\$ 100,250</u>	<u>\$ 262,917</u>	<u>\$ 201,599</u>	<u>\$ 148,203</u>	<u>\$ 712,969</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2007
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,471,348	\$ 1,434,876	\$ 488,412	\$ 1,112,508	\$ 6,507,144
Expenses					
Claims					
Paid	3,386,449	317,956	80,007	-	3,784,412
Case reserves	71,501	-	-	-	71,501
	<u>3,457,950</u>	<u>317,956</u>	<u>80,007</u>	<u>-</u>	<u>3,855,913</u>
Other					
Excess insurance premiums	524,920	887,391	302,190	-	1,714,501
Administrative	-	-	-	986,826	986,826
Total other expenses	<u>524,920</u>	<u>887,391</u>	<u>302,190</u>	<u>986,826</u>	<u>2,701,327</u>
Total expenses	<u>3,982,870</u>	<u>1,205,347</u>	<u>382,197</u>	<u>986,826</u>	<u>6,557,240</u>
Operating income (loss)	<u>(511,522)</u>	<u>229,529</u>	<u>106,215</u>	<u>125,682</u>	<u>(50,096)</u>
Investment income	185,511	53,201	25,230	27,036	290,978
Transfers	-	-	-	-	-
Total non-operating income	<u>185,511</u>	<u>53,201</u>	<u>25,230</u>	<u>27,036</u>	<u>290,978</u>
Net income (loss)	(326,011)	282,730	131,445	152,718	240,882
Less: Return of surplus	-	-	-	-	-
Net current surplus (deficit)	<u>\$ (326,011)</u>	<u>\$ 282,730</u>	<u>\$ 131,445</u>	<u>\$ 152,718</u>	<u>\$ 240,882</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2008
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,596,583	\$ 1,550,265	\$ 475,736	\$ 1,103,388	\$ 6,725,972
Expenses					
Claims					
Paid	2,786,183	262,190	71,181	-	3,119,554
Case reserves	101,907	-	-	-	101,907
	<u>2,888,090</u>	<u>262,190</u>	<u>71,181</u>	<u>-</u>	<u>3,221,461</u>
Other					
Excess insurance premiums	518,518	906,599	269,148	-	1,694,265
Administrative	-	-	-	1,013,944	1,013,944
Total other expenses	<u>518,518</u>	<u>906,599</u>	<u>269,148</u>	<u>1,013,944</u>	<u>2,708,209</u>
Total expenses	<u>3,406,608</u>	<u>1,168,789</u>	<u>340,329</u>	<u>1,013,944</u>	<u>5,929,670</u>
Operating income	<u>189,975</u>	<u>381,476</u>	<u>135,407</u>	<u>89,444</u>	<u>796,302</u>
Investment income	<u>145,818</u>	<u>61,939</u>	<u>23,787</u>	<u>15,429</u>	<u>246,973</u>
Total non-operating income	<u>145,818</u>	<u>61,939</u>	<u>23,787</u>	<u>15,429</u>	<u>246,973</u>
Net income	335,793	443,415	159,194	104,873	1,043,275
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus	<u>\$ 335,793</u>	<u>\$ 443,415</u>	<u>\$ 159,194</u>	<u>\$ 104,873</u>	<u>\$ 1,043,275</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2009
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 2,680,126	\$ 1,005,734	\$ 251,717	\$ 826,016	\$ 4,763,593
Expenses					
Claims					
Paid	1,544,460	170,567	7,239	-	1,722,266
Case reserves	29,585	-	-	-	29,585
	<u>1,574,045</u>	<u>170,567</u>	<u>7,239</u>	<u>-</u>	<u>1,751,851</u>
Other					
Excess insurance premiums	506,818	592,248	139,707	-	1,238,773
Administrative	-	-	-	733,763	733,763
Total other expenses	<u>506,818</u>	<u>592,248</u>	<u>139,707</u>	<u>733,763</u>	<u>1,972,536</u>
Total expenses	<u>2,080,863</u>	<u>762,815</u>	<u>146,946</u>	<u>733,763</u>	<u>3,724,387</u>
Operating income	<u>599,263</u>	<u>242,919</u>	<u>104,771</u>	<u>92,253</u>	<u>1,039,206</u>
Investment income	85,899	29,576	11,927	12,082	139,484
Transfers	-	-	-	-	-
Total non-operating income	<u>85,899</u>	<u>29,576</u>	<u>11,927</u>	<u>12,082</u>	<u>139,484</u>
Net income	685,162	272,495	116,698	104,335	1,178,690
Less: Return of surplus	-	-	-	-	-
Net current surplus	<u>\$ 685,162</u>	<u>\$ 272,495</u>	<u>\$ 116,698</u>	<u>\$ 104,335</u>	<u>\$ 1,178,690</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2010
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 2,881,633	\$ 1,097,594	\$ 257,845	\$ 864,637	\$ 5,101,709
Expenses					
Claims					
Paid	1,952,981	237,782	30,000	-	2,220,763
Other					
Excess insurance premiums	589,261	584,756	139,128	-	1,313,145
Administrative	-	-	-	771,695	771,695
Total other expenses	589,261	584,756	139,128	771,695	2,084,840
Total expenses	2,542,242	822,538	169,128	771,695	4,305,603
Operating income	339,391	275,056	88,717	92,942	796,106
Investment income	46,062	30,555	9,610	10,018	96,245
Total non-operating income	46,062	30,555	9,610	10,018	96,245
Net income	385,453	305,611	98,327	102,960	892,351
Less: Return of surplus	-	-	-	-	-
Net current surplus	\$ 385,453	\$ 305,611	\$ 98,327	\$ 102,960	\$ 892,351

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2011
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 2,946,120	\$ 1,069,868	\$ 300,091	\$ 881,919	\$ 5,197,998
Expenses					
Claims					
Paid	2,335,152	400,000	89,700	-	2,824,852
Case reserves	22,922	-	-	-	22,922
IBNR reserves	3,286	-	-	-	3,286
	<u>2,361,360</u>	<u>400,000</u>	<u>89,700</u>	<u>-</u>	<u>2,851,060</u>
Other					
Excess insurance premiums	621,113	581,423	143,491	-	1,346,027
Administrative	-	-	-	773,185	773,185
Total other expenses	<u>621,113</u>	<u>581,423</u>	<u>143,491</u>	<u>773,185</u>	<u>2,119,212</u>
Total expenses	<u>2,982,473</u>	<u>981,423</u>	<u>233,191</u>	<u>773,185</u>	<u>4,970,272</u>
Operating income (loss)	<u>(36,353)</u>	<u>88,445</u>	<u>66,900</u>	<u>108,734</u>	<u>227,726</u>
Investment income	<u>9,973</u>	<u>6,925</u>	<u>5,066</u>	<u>8,199</u>	<u>30,163</u>
Total non-operating income	<u>9,973</u>	<u>6,925</u>	<u>5,066</u>	<u>8,199</u>	<u>30,163</u>
Net income (loss)	(26,380)	95,370	71,966	116,933	257,889
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus (deficit)	<u>\$ (26,380)</u>	<u>\$ 95,370</u>	<u>\$ 71,966</u>	<u>\$ 116,933</u>	<u>\$ 257,889</u>

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Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2013
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>School Board</u> <u>Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,600,407	\$ 1,078,352	\$ 333,882	\$ 998,997	\$ 6,011,638
Expenses					
Claims					
Paid	1,718,872	400,000	50,018	-	2,168,890
Case reserves	13,507	-	-	-	13,507
IBNR reserves	3,240	-	-	-	3,240
	<u>1,735,619</u>	<u>400,000</u>	<u>50,018</u>	<u>-</u>	<u>2,185,637</u>
Other					
Excess insurance premiums	920,171	574,058	205,218	-	1,699,447
Administrative	-	-	-	929,535	929,535
Total other expenses	<u>920,171</u>	<u>574,058</u>	<u>205,218</u>	<u>929,535</u>	<u>2,628,982</u>
Total expenses	<u>2,655,790</u>	<u>974,058</u>	<u>255,236</u>	<u>929,535</u>	<u>4,814,619</u>
Operating income	<u>944,617</u>	<u>104,294</u>	<u>78,646</u>	<u>69,462</u>	<u>1,197,019</u>
Investment income	<u>104,419</u>	<u>13,271</u>	<u>8,109</u>	<u>12,787</u>	<u>138,586</u>
Total non-operating income	<u>104,419</u>	<u>13,271</u>	<u>8,109</u>	<u>12,787</u>	<u>138,586</u>
Net income	1,049,036	117,565	86,755	82,249	1,335,605
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus	<u>\$ 1,049,036</u>	<u>\$ 117,565</u>	<u>\$ 86,755</u>	<u>\$ 82,249</u>	<u>\$ 1,335,605</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2013
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>School Board</u> <u>Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,704,452	\$ 1,210,794	\$ 340,241	\$ 1,074,337	\$ 6,329,824
Expenses					
Claims					
Paid	2,661,731	206,507	10	-	2,868,248
Case reserves	55,747	-	-	-	55,747
IBNR reserves	31,752	-	-	-	31,752
	<u>2,749,230</u>	<u>206,507</u>	<u>10</u>	<u>-</u>	<u>2,955,747</u>
Other					
Excess insurance premiums	980,403	701,041	193,846	-	1,875,290
Administrative	-	-	-	984,754	984,754
Total other expenses	<u>980,403</u>	<u>701,041</u>	<u>193,846</u>	<u>984,754</u>	<u>2,860,044</u>
Total expenses	<u>3,729,633</u>	<u>907,548</u>	<u>193,856</u>	<u>984,754</u>	<u>5,815,791</u>
Operating income (loss)	<u>(25,181)</u>	<u>303,246</u>	<u>146,385</u>	<u>89,583</u>	<u>514,033</u>
Investment income	<u>23,887</u>	<u>32,932</u>	<u>14,918</u>	<u>14,839</u>	<u>86,576</u>
Total non-operating income	<u>23,887</u>	<u>32,932</u>	<u>14,918</u>	<u>14,839</u>	<u>86,576</u>
Net income (loss)	(1,294)	336,178	161,303	104,422	600,609
Less: Return of surplus	-	-	-	-	-
Net current surplus (deficit)	<u>\$ (1,294)</u>	<u>\$ 336,178</u>	<u>\$ 161,303</u>	<u>\$ 104,422</u>	<u>\$ 600,609</u>

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Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2014
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>School Board</u> <u>Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,814,732	\$ 1,433,781	\$ 391,518	\$ 1,150,660	\$ 6,790,691
Expenses					
Claims					
Paid	3,097,335	397,538	46	-	3,494,919
Case reserves	22,973	2,462	-	-	25,435
IBNR reserves	25,378	-	-	-	25,378
	<u>3,145,686</u>	<u>400,000</u>	<u>46</u>	<u>-</u>	<u>3,545,732</u>
Other					
Excess insurance premiums	929,766	960,644	231,518	-	2,121,928
Administrative	-	-	-	1,069,539	1,069,539
Total other expenses	<u>929,766</u>	<u>960,644</u>	<u>231,518</u>	<u>1,069,539</u>	<u>3,191,467</u>
Total expenses	<u>4,075,452</u>	<u>1,360,644</u>	<u>231,564</u>	<u>1,069,539</u>	<u>6,737,199</u>
Operating income (loss)	<u>(260,720)</u>	<u>73,137</u>	<u>159,954</u>	<u>81,121</u>	<u>53,492</u>
Investment income	19,946	8,325	13,890	12,034	54,195
Miscellaneous income	-	-	-	303	303
Total non-operating income	<u>19,946</u>	<u>8,325</u>	<u>13,890</u>	<u>12,337</u>	<u>54,498</u>
Net income (loss)	(240,774)	81,462	173,844	93,458	107,990
Less: Return of surplus	-	-	-	-	-
Net surplus (deficit)	<u>\$ (240,774)</u>	<u>\$ 81,462</u>	<u>\$ 173,844</u>	<u>\$ 93,458</u>	<u>\$ 107,990</u>

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**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2015
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 4,018,358	\$ 1,471,397	\$ 431,716	\$ 1,194,180	\$ 7,115,651
Expenses					
Claims					
Paid	2,239,736	400,000	1,419	-	2,641,155
Case reserves	138,176	-	5,600.00	-	143,776
IBNR reserves	61,521	-	124.00	-	61,645
	<u>2,439,433</u>	<u>400,000</u>	<u>7,143</u>	<u>-</u>	<u>2,846,576</u>
Other					
Excess insurance premiums	1,016,054	1,000,952	265,720	-	2,282,726
Administrative	-	-	-	1,104,036	1,104,036
Total other expenses	<u>1,016,054</u>	<u>1,000,952</u>	<u>265,720</u>	<u>1,104,036</u>	<u>3,386,762</u>
Total expenses	<u>3,455,487</u>	<u>1,400,952</u>	<u>272,863</u>	<u>1,104,036</u>	<u>6,233,338</u>
Operating income	<u>562,871</u>	<u>70,445</u>	<u>158,853</u>	<u>90,144</u>	<u>882,313</u>
Investment income	<u>99,949</u>	<u>14,931</u>	<u>14,833</u>	<u>15,119</u>	<u>144,832</u>
Total non-operating income	<u>99,949</u>	<u>14,931</u>	<u>14,833</u>	<u>15,119</u>	<u>144,832</u>
Net income	662,820	85,376	173,686	105,263	1,027,145
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus	<u>\$ 662,820</u>	<u>\$ 85,376</u>	<u>\$ 173,686</u>	<u>\$ 105,263</u>	<u>\$ 1,027,145</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2016
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>School Board</u> <u>Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 4,041,653	\$ 1,365,251	\$ 297,004	\$ 1,166,628	\$ 6,870,536
Expenses					
Claims					
Paid	2,368,309	201,966	506,909	-	3,077,184
Case reserves	326,131	-	14,553	-	340,684
IBNR reserves	89,807	-	1,301	-	91,108
	<u>2,784,247</u>	<u>201,966</u>	<u>522,763</u>	<u>-</u>	<u>3,508,976</u>
Other					
Excess insurance premiums	1,082,254	802,068	187,242	-	2,071,564
Administrative	-	-	-	1,065,687	1,065,687
Total other expenses	<u>1,082,254</u>	<u>802,068</u>	<u>187,242</u>	<u>1,065,687</u>	<u>3,137,251</u>
Total expenses	<u>3,866,501</u>	<u>1,004,034</u>	<u>710,005</u>	<u>1,065,687</u>	<u>6,646,227</u>
Operating income (loss)	<u>175,152</u>	<u>361,217</u>	<u>(413,001)</u>	<u>100,941</u>	<u>224,309</u>
Investment income	<u>70,571</u>	<u>20,256</u>	<u>1,391</u>	<u>11,293</u>	<u>103,511</u>
Total non-operating income	<u>70,571</u>	<u>20,256</u>	<u>1,391</u>	<u>11,293</u>	<u>103,511</u>
Net income (loss)	245,723	381,473	(411,610)	112,234	327,820
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus (deficit)	<u>\$ 245,723</u>	<u>\$ 381,473</u>	<u>\$ (411,610)</u>	<u>\$ 112,234</u>	<u>\$ 327,820</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2017
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,643,400	\$ 1,131,632	\$ 304,855	\$ 1,021,106	\$ 6,100,993
Expenses					
Claims					
Paid	1,530,160	112,965	315,062	-	1,958,187
Case reserves	144,597	-	-	-	144,597
IBNR reserves	90,876	-	-	-	90,876
	<u>1,765,633</u>	<u>112,965</u>	<u>315,062</u>	<u>-</u>	<u>2,193,660</u>
Other					
Excess insurance premiums	1,179,720	646,558	152,686	-	1,978,964
Administrative	-	-	-	928,861	928,861
Total other expenses	<u>1,179,720</u>	<u>646,558</u>	<u>152,686</u>	<u>928,861</u>	<u>2,907,825</u>
Total expenses	<u>2,945,353</u>	<u>759,523</u>	<u>467,748</u>	<u>928,861</u>	<u>5,101,485</u>
Operating income (loss)	<u>698,047</u>	<u>372,109</u>	<u>(162,893)</u>	<u>92,245</u>	<u>999,508</u>
Investment income	<u>79,250</u>	<u>27,575</u>	<u>3,875</u>	<u>7,542</u>	<u>118,242</u>
Total non-operating income	<u>79,250</u>	<u>27,575</u>	<u>3,875</u>	<u>7,542</u>	<u>118,242</u>
Net income (loss)	777,297	399,684	(159,018)	99,787	1,117,750
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus (deficit)	<u>\$ 777,297</u>	<u>\$ 399,684</u>	<u>\$ (159,018)</u>	<u>\$ 99,787</u>	<u>\$ 1,117,750</u>

See Independent Auditor's Report.

Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2018
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>School Board</u> <u>Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,859,036	\$ 1,165,683	\$ 316,644	\$ 1,058,765	\$ 6,400,128
Expenses					
Claims					
Paid	2,603,059	125,674	165,896	-	2,894,629
Case reserves	390,445	63,185	49,749	-	503,379
IBNR reserves	299,444	7,086	17,034	-	323,564
	<u>3,292,948</u>	<u>195,945</u>	<u>232,679</u>	<u>-</u>	<u>3,721,572</u>
Other					
Excess insurance premiums	1,243,183	728,501	155,923	-	2,127,607
Administrative	-	-	-	980,069	980,069
Total other expenses	<u>1,243,183</u>	<u>728,501</u>	<u>155,923</u>	<u>980,069</u>	<u>3,107,676</u>
Total expenses	<u>4,536,131</u>	<u>924,446</u>	<u>388,602</u>	<u>980,069</u>	<u>6,829,248</u>
Operating income (loss)	<u>(677,095)</u>	<u>241,237</u>	<u>(71,958)</u>	<u>78,696</u>	<u>(429,120)</u>
Investment income	<u>33,860</u>	<u>14,172</u>	<u>3,837</u>	<u>4,337</u>	<u>56,206</u>
Total non-operating income	<u>33,860</u>	<u>14,172</u>	<u>3,837</u>	<u>4,337</u>	<u>56,206</u>
Net income (loss)	(643,235)	255,409	(68,121)	83,033	(372,914)
Less: Return of surplus	-	-	-	-	-
Net current surplus (deficit)	<u>\$ (643,235)</u>	<u>\$ 255,409</u>	<u>\$ (68,121)</u>	<u>\$ 83,033</u>	<u>\$ (372,914)</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2019
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 3,949,077	\$ 1,220,568	\$ 389,310	\$ 1,091,136	\$ 6,650,091
Expenses					
Claims					
Paid	1,516,453	164,180	169,224	-	1,849,857
Case reserves	318,258	100,886	55,243	-	474,387
IBNR reserves	263,150	28,953	34,243	-	326,346
	<u>2,097,861</u>	<u>294,019</u>	<u>258,710</u>	<u>-</u>	<u>2,650,590</u>
Other					
Excess insurance premiums	1,245,036	727,558	155,183	-	2,127,777
Administrative	-	-	-	1,006,477	1,006,477
Total other expenses	<u>1,245,036</u>	<u>727,558</u>	<u>155,183</u>	<u>1,006,477</u>	<u>3,134,254</u>
Total expenses	<u>3,342,897</u>	<u>1,021,577</u>	<u>413,893</u>	<u>1,006,477</u>	<u>5,784,844</u>
Operating income (loss)	<u>606,180</u>	<u>198,991</u>	<u>(24,583)</u>	<u>84,659</u>	<u>865,247</u>
Investment income	<u>103,362</u>	<u>26,678</u>	<u>12,017</u>	<u>24,205</u>	<u>166,262</u>
Total non-operating income	<u>103,362</u>	<u>26,678</u>	<u>12,017</u>	<u>24,205</u>	<u>166,262</u>
Net income (loss)	709,542	225,669	(12,566)	108,864	1,031,509
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus (deficit)	<u>\$ 709,542</u>	<u>\$ 225,669</u>	<u>\$ (12,566)</u>	<u>\$ 108,864</u>	<u>\$ 1,031,509</u>

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Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2020
June 30, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Package</u>	<u>School Board</u> <u>Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 4,087,570	\$ 1,294,446	\$ 466,269	\$ 1,151,932	\$ 7,000,217
Expenses					
Claims					
Paid	675,818	178,247	256,603	-	1,110,668
Case reserves	344,899	32,169	126,046	-	503,114
IBNR reserves	324,695	46,802	355,584	-	727,081
	<u>1,345,412</u>	<u>257,218</u>	<u>738,233</u>	<u>-</u>	<u>2,340,863</u>
Other					
Excess insurance premiums	1,328,910	912,376	171,270	-	2,412,556
Administrative	-	-	-	1,072,692	1,072,692
Total other expenses	<u>1,328,910</u>	<u>912,376</u>	<u>171,270</u>	<u>1,072,692</u>	<u>3,485,248</u>
Total expenses	<u>2,674,322</u>	<u>1,169,594</u>	<u>909,503</u>	<u>1,072,692</u>	<u>5,826,111</u>
Operating income (loss)	<u>1,413,248</u>	<u>124,852</u>	<u>(443,234)</u>	<u>79,240</u>	<u>1,174,106</u>
Investment income	<u>53,270</u>	<u>16,750</u>	<u>5,979</u>	<u>14,912</u>	<u>90,911</u>
Total non-operating income	<u>53,270</u>	<u>16,750</u>	<u>5,979</u>	<u>14,912</u>	<u>90,911</u>
Net income (loss)	1,466,518	141,602	(437,255)	94,152	1,265,017
Less: Return of surplus	-	-	-	-	-
Net current surplus (deficit)	<u>\$ 1,466,518</u>	<u>\$ 141,602</u>	<u>\$ (437,255)</u>	<u>\$ 94,152</u>	<u>\$ 1,265,017</u>

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**Diploma Joint Insurance Fund
Cumulative Operating Results Analysis for Fund Year 2021
June 30, 2021**

	<u>Workers' Compensation</u>	<u>Package</u>	<u>School Board Legal Liability</u>	<u>Administration</u>	<u>Total</u>
Underwriting income					
Regular contributions	\$ 4,957,571	\$ 2,512,504	\$ 1,009,816	\$ 1,614,042	\$ 10,093,933
Expenses					
Claims					
Paid	577,789	207,773	-	-	785,562
Case reserves	529,197	105,867	157,600	-	792,664
IBNR reserves	2,619,608	109,419	495,145	-	3,224,172
	<u>3,726,594</u>	<u>423,059</u>	<u>652,745</u>	<u>-</u>	<u>4,802,398</u>
Other					
Excess insurance premiums	1,484,577	1,833,787	311,485	-	3,629,849
Administrative	-	-	-	1,606,602	1,606,602
Total other expenses	<u>1,484,577</u>	<u>1,833,787</u>	<u>311,485</u>	<u>1,606,602</u>	<u>5,236,451</u>
Total expenses	<u>5,211,171</u>	<u>2,256,846</u>	<u>964,230</u>	<u>1,606,602</u>	<u>10,038,849</u>
Operating income (loss)	<u>(253,600)</u>	<u>255,658</u>	<u>45,586</u>	<u>7,440</u>	<u>55,084</u>
Investment income	<u>(4,912)</u>	<u>(1,615)</u>	<u>(852)</u>	<u>(1,442)</u>	<u>(8,822)</u>
Total non-operating income	<u>(4,912)</u>	<u>(1,615)</u>	<u>(852)</u>	<u>(1,442)</u>	<u>(8,822)</u>
Net income (loss)	<u>(258,512)</u>	<u>254,043</u>	<u>44,734</u>	<u>5,998</u>	<u>46,262</u>
Less: Return of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current surplus (deficit)	<u>\$ (258,512)</u>	<u>\$ 254,043</u>	<u>\$ 44,734</u>	<u>\$ 5,998</u>	<u>\$ 46,262</u>

See Independent Auditor's Report.

**Diploma Joint Insurance Fund
Cumulative Administrative Expense Analysis
Years Ended June 30, 2021 and 2020**

2021 Fund Year

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Actuary	\$ 24,772	\$ -	\$ 24,772
Administration	331,623	-	331,623
Auditor	-	19,336	19,336
Claims servicing organization	144,302	37,038	181,340
Legal	796	34,904	35,700
Loss prevention	50,861	52,474	103,335
Risk management	852,824	-	852,824
Treasurer	3,672	-	3,672
Non-contracted expenses	14,404	596	15,000
DOBI audit	-	5,000	5,000
Website	2,809	1,191	4,000
Contingency	<u>26,819</u>	<u>3,181</u>	<u>30,000</u>
	<u>\$ 1,452,881</u>	<u>\$ 153,721</u>	<u>\$ 1,606,602</u>

2020 Fund Year

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Actuary	\$ 24,287	\$ -	\$ 24,287
Administration	233,597	-	233,597
Auditor	18,958	-	18,958
Claims servicing organization	144,000	-	144,000
Legal	70	-	70
Loss prevention	70,934	-	70,934
Risk management	524,603	-	524,603
Treasurer	3,610	-	3,610
Non-contracted expenses	11,362	3,638	15,000
DOBI audit	-	5,000	5,000
Website	2,633	-	2,633
Contingency	<u>17,238</u>	<u>12,762</u>	<u>30,000</u>
	<u>\$ 1,051,292</u>	<u>\$ 21,400</u>	<u>\$ 1,072,692</u>

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**Diploma Joint Insurance Fund
Comments and Recommendations
June 30, 2021 and 2020**

None.