

**ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") as of and for the fiscal years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2017 and 2016 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2018 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,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
February 2, 2018

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collective comprise the Fund's basic financial statements, and have issued our report thereon dated February 2, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
February 2, 2018

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

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the fiscal years ended June 30, 2017, 2016 and 2015. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance coverage for school districts that are members of the Fund. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

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

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

Comparative Statements of Cash Flows – The statements of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the fiscal years ended June 30, 2017, 2016 and 2015.

Net Position Summary	6/30/2017	6/30/2016	6/30/2015	2016 to 2017 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 5,594,877	\$11,202,167	\$ 5,505,861	\$(5,607,290)	-50.1%
Investments	12,453,980	5,513,475	9,021,395	6,940,505	125.9%
Other Assets	3,891,957	3,244,264	3,282,046	647,693	20.0%
Total Assets	21,940,814	19,959,906	17,809,302	1,980,908	9.9%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	11,801,931	10,604,547	9,844,757	1,197,384	11.3%
Other Liabilities	1,811,683	1,765,710	1,294,670	45,973	2.6%
Total Liabilities And Reserves	13,613,614	12,370,257	11,139,427	1,243,357	10.1%
Net Position - Unrestricted	\$ 8,327,200	\$ 7,589,649	\$ 6,669,875	\$ 737,551	9.7%

Statement of Revenues, Expenses, and Changes In Net Position Summary	6/30/2017	6/30/2016	6/30/2015	2016 to 2017 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$10,525,978	\$10,450,950	\$10,205,084	\$ 75,028	0.7%
Operating Expenses					
Provision For Claims and Claims					
Adjustment Expenses	5,496,317	5,414,149	4,117,027	82,168	1.5%
Insurance Premiums	2,644,809	2,453,099	2,380,745	191,710	7.8%
Change In Provisions For SPELL					
Aggregate Excess Insurance	(121,929)	(7,184)	352,180	(114,745)	1597.2%
Professional & Contractual Services	1,380,269	1,319,255	1,308,393	61,014	4.6%
Total Operating Expenses	9,399,466	9,179,319	8,158,345	220,147	2.4%
Operating Income	1,126,512	1,271,631	2,046,739	(145,119)	-11.4%
Investment Income	61,039	98,143	80,603	(37,104)	-37.8%
Distributions To Members	(450,000)	(450,000)		-	
Change In Net Position	\$ 737,551	\$ 919,774	\$ 2,127,342	\$ (182,223)	-19.8%

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 2016-2017 Fund Year was a 1.5% decrease over the 2015-2016 fund year prior to the addition of Upper Township Board of Education. The loss funding decrease of 5.5% offset the SPELL increase of 5.8% and operating expense increase of 4.9%.

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

The Fund authorized a \$450,000 surplus return to its members during the 2016-2017 fund year. The Fund is taking a prudent approach toward surplus distribution in recognition of lower investment income and diminished present results in the more recent fund years.

Economic Conditions

The decrease in Investment Income is a result of an unrealized loss of \$40,595 compared to an unrealized gain of \$15,575 previously. This is primarily due to a small portion (\$1,500,000) of the funds being redeemed and a large portion (\$8,495,550) of cash being invested. The Fund regularly monitors investment maturities in reference to liabilities and market conditions. Overall, market conditions appear to be improving.

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

Contacting the Fund's Management

This financial report is designed to provide the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund office located at 6000 Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 5,594,877	\$ 11,202,167
Investments	12,453,980	5,513,475
Accrued Interest Receivable	26,045	8,292
Specific Excess Insurance Receivable	489,842	365,759
Aggregate Excess Insurance Receivable	<u>3,376,070</u>	<u>2,870,213</u>
Total Assets	<u>21,940,814</u>	<u>19,959,906</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	194,848	184,521
Provision For SPELL Aggregate Excess Insurance	803,502	925,431
Due To SPELL	-	23,311
Authorized Return Of Surplus	770,517	589,631
Accrued Interest On Authorized Return Of Surplus	<u>42,816</u>	<u>42,816</u>
Total Liabilities	<u>1,811,683</u>	<u>1,765,710</u>
Claims Reserves:		
Case Reserves	12,742,908	10,963,837
IBNR Reserves	<u>3,468,709</u>	<u>3,765,833</u>
	16,211,617	14,729,670
Provision For Excess Insurance Recoverable:		
Specific Recoverable	(3,851,510)	(2,569,334)
Aggregate Recoverable	<u>(558,176)</u>	<u>(1,555,789)</u>
Net Claims Reserves	<u>11,801,931</u>	<u>10,604,547</u>
Total Liabilities And Reserves	<u>13,613,614</u>	<u>12,370,257</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ 8,327,200</u>	<u>\$ 7,589,649</u>

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

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating Revenue:		
Regular Contributions	\$ 10,525,978	\$ 10,435,602
Other Income	-	15,348
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Total Operating Revenue	10,525,978	10,450,950
	<hr/>	<hr/>
Operating Expenses:		
Provision For Claims And Claims Adjustment Expenses	5,496,317	5,414,149
Insurance Premiums:		
Excess Insurance	2,644,809	2,453,099
Change In Provisions For SPELL		
Aggregate Excess Insurance	(121,929)	(7,184)
Administrative Expenses:		
Actuary	23,272	22,816
Attorney	101,745	98,000
Auditor	18,975	18,250
Claims Administration	238,477	229,550
Fidelity Bond	1,113	1,113
Fund Administrator	616,236	588,434
Meetings And Seminars Expense	1,273	8,739
Miscellaneous	5,295	3,773
Planning Retreat	15,355	
Postage/Copies/Faxes	903	868
Recording Secretary	1,075	1,075
Risk Management Consultants	182,988	163,094
Right To Know	5,475	5,307
Safety Consultant	85,484	83,318
Safety Incentive Program	42,656	50,868
Safety Training	17,620	23,375
State Of The Fund Dinner	8,887	7,535
Treasurer	13,440	13,140
	<hr/>	<hr/>
Total Operating Expenses	9,399,466	9,179,319
	<hr/>	<hr/>
Operating Income	1,126,512	1,271,631
Non-Operating Revenue:		
Investment Income	61,039	98,143
	<hr/>	<hr/>
Change In Net Position	1,187,551	1,369,774
Net Position, Beginning	7,589,649	6,669,875
	<hr/>	<hr/>
	8,777,200	8,039,649
Distributions To Members	450,000	450,000
	<hr/>	<hr/>
Net Position, Ending	\$ 8,327,200	\$ 7,589,649
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The Accompanying Notes To Financial Statements Are An Integral Part Of This Statement.

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 10,525,978	\$ 10,435,602
Other Income		15,348
Payments For Claim Payments	(4,952,184)	(4,611,738)
Payments For Insurance Premiums	(2,644,809)	(2,456,597)
Payments To Professionals And Suppliers	(1,369,942)	(1,315,159)
Net Cash Flows Provided By Operating Activities	<u>1,559,043</u>	<u>2,067,456</u>
Cash Flows From Investing Activities:		
Redemption Of Investments	1,500,000	14,500,000
Purchase Of Investments	(8,495,550)	(10,999,025)
Investment Income	98,331	123,560
Net Cash Flows Provided By (Used In) Investing Activities	<u>(6,897,219)</u>	<u>3,624,535</u>
Cash Flows From Noncapital Financing Activities:		
Distributions To Members	(269,114)	-
Adjustments To Reconcile Noncapital Financing Activities To		
Net Cash Provided By (Used In) Provided By Noncapital Financing Activities:		
Increase In Accrued Interest On Surplus Distributions	-	4,315
Net Cash Flows Provided By (Used In) Noncapital Financing Activities	<u>(269,114)</u>	<u>4,315</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(5,607,290)	5,696,306
Cash And Cash Equivalents, Beginning	<u>11,202,167</u>	<u>5,505,861</u>
Cash And Cash Equivalents, Ending	<u>\$ 5,594,877</u>	<u>\$ 11,202,167</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 1,126,512	\$ 1,271,631
Adjustments To Reconcile Operating Income		
To Net Cash Provided By Operating Activities:		
Excess Insurance Receivable	(629,940)	19,310
Accrued Expenses	(111,602)	(3,088)
Due To SPELL	(23,311)	23,311
Unearned Contributions	-	(3,498)
Claims Reserves	1,197,384	759,790
Net Cash Flows Provided By Operating Activities	<u>\$ 1,559,043</u>	<u>\$ 2,067,456</u>
Supplemental Disclosure - Non-Cash Activity:		
Unrealized Gain (Loss) On Investments Included In		
Investment Income	<u>\$ (40,595)</u>	<u>\$ 15,575</u>

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

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

ATLANTIC AND CAPE MAY COUNTIES
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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 Claims And Claim Adjustment Expenses (Recoveries) - Beginning	\$ 98,151	\$ 1,216,891	\$ 357,253	\$ 7,640,038	\$ 1,292,214	\$ 10,604,547
Incurred Claims And Claims Adjustment Expenses:						
Provision For Insured Events Of Current Fund Year	389,585	689,001	170,000	3,902,988	625,000	5,776,574
Changes In Provision For Insured Events Of Prior Fund Years	191,329	(242,020)	(63,693)	118,524	(284,397)	(280,257)
Total Incurred Claims And Claims Adjustment Expenses All Fund Years	679,065	1,663,872	463,560	11,661,550	1,632,817	16,100,864
Payments (Net Of Subrogation):						
Claims And Claims Adjustment Expenses:						
Attributable To Insured Events Of Current Fund Year	315,445	25,842	6,148	903,389	10,090	1,260,914
Attributable To Insured Events Of Prior Fund Years	224,889	86,870	(486,153)	2,170,467	298,836	2,294,909
Total Payments All Fund Years	540,334	112,712	(480,005)	3,073,856	308,926	3,555,823
Total Unpaid Claims And Claim Adjustment Expenses - End Of Year	\$ 138,731	\$ 1,551,160	\$ 943,565	\$ 8,587,694	\$ 1,323,891	\$ 12,545,041

ATLANTIC AND CAPE MAY COUNTIES ASSOCIATION OF SCHOOL BUSINESS OFFICIALS JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF JUNE 30, 2017

	Policy Period Ended June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Earned Required Contribution										
And Investment Revenue:										
Earned	\$ 6,885,307	\$ 8,380,125	\$ 7,767,115	\$ 8,292,177	\$ 8,932,174	\$ 9,434,039	\$ 9,901,951	\$ 10,256,692	\$ 10,475,205	\$ 10,525,978
Ceded	1,563,481	1,849,615	1,800,600	1,982,445	1,930,202	2,355,756	2,889,039	2,380,745	2,453,099	2,644,809
	5,321,826	6,530,510	5,966,515	6,309,732	7,001,972	7,078,283	7,012,912	7,875,947	8,022,106	7,881,169
Unallocated Expenses	1,093,005	1,272,264	1,271,472	1,293,947	1,289,425	1,284,948	1,284,986	1,301,856	1,296,512	1,324,648
Estimated Claims And										
Expenses, End Of Policy Year:										
Incurred	3,700,000	6,235,004	7,329,349	6,232,896	5,701,731	6,287,144	5,325,435	5,290,001	5,300,002	5,776,574
Ceded	-	629,055	2,083,199	741,432	167,000	844,657	-	-	-	14,000
Net Incurred	3,700,000	5,605,949	5,246,150	5,491,464	5,534,731	5,442,487	5,325,435	5,290,001	5,300,002	5,762,574
Paid (Cumulative) As Of:										
End Of Policy Year	834,095	1,426,998	1,777,889	1,236,566	1,276,033	2,774,084	1,145,644	1,670,589	1,146,192	1,260,914
One Year Later	1,778,815	2,597,299	4,138,529	2,456,449	2,716,497	3,704,617	2,211,830	2,874,196	2,124,962	
Two Years Later	2,343,908	3,658,035	5,329,742	3,031,148	3,624,051	4,247,608	2,993,733	3,578,077		
Three Years Later	3,352,824	4,488,751	6,148,055	3,666,130	4,506,291	4,701,311	3,690,934			
Four Years Later	3,799,274	5,734,545	6,836,821	6,568,261	5,224,733	5,237,289				
Five Years Later	4,037,211	6,170,520	7,580,492	7,454,529	5,451,042					
Six Years Later	4,331,173	6,551,499	7,978,092	7,743,801						
Seven Years Later	4,646,162	6,837,460	8,413,058							
Eight Years Later	4,693,391	7,078,563								
Nine Years Later	4,771,572									
Re-Estimated Ceded Claims										
And Expenses	540,087	1,914,309	3,843,277	3,806,531	563,601	2,210,570	193,144	245,003	49,700	14,000
Re-Estimated Incurred Claims										
And Expenses:										
End Of Policy Year	3,700,000	5,605,949	5,246,150	5,491,464	5,534,731	5,442,487	5,325,435	5,290,001	5,300,002	5,776,574
One Year Later	4,050,676	5,604,122	5,248,410	5,407,023	5,440,168	4,864,108	4,792,869	5,480,680	5,149,307	
Two Years Later	4,429,138	5,602,983	5,249,292	5,440,857	5,339,762	4,482,238	4,461,648	5,348,431		
Three Years Later	4,423,429	5,602,981	5,249,250	5,487,623	5,100,299	4,428,565	4,473,108			
Four Years Later	4,376,385	5,602,985	5,313,017	5,489,001	5,419,507	4,595,647				
Five Years Later	4,429,398	5,605,455	5,235,587	5,488,997	5,320,066					
Six Years Later	4,429,398	5,605,947	5,246,148	5,488,999						
Seven Years Later	4,429,412	5,605,945	5,242,864							
Eight Years Later	4,429,461	5,605,944								
Nine Years Later	4,433,454									
Increase (Decrease) In Estimated Incurred										
Claims And Expenses From End Of Policy Year	\$ 733,454	\$ (5)	\$ (3,286)	\$ (2,465)	\$ (214,665)	\$ (846,840)	\$ (852,327)	\$ 58,430	\$ (150,695)	\$ 14,000

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

A handwritten signature in black ink, appearing to be 'J. Miles', enclosed within a circular stamp or seal.

James J. Miles
Certified Public Accountant