

SCHOOL POOL FOR EXCESS LIABILITY LIMITS

JOINT INSURANCE FUND

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED

JUNE 30, 2017 AND 2016

ANNUAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: School Pool For Excess Liability Limits
Joint Insurance Fund

Street Address: _____ Mail Address: 6000 Sagemore Drive, Suite 6203
 _____ P.O. Bo 530
 _____ Marlton, NJ 08053

Primary location of books and records: 6000 Sagemore Drive, Suite 6203
Marlton, NJ 08053

Statement Contact Person: Brad Hoffman Phone No. (856) 446-9132

BOARD OF TRUSTEES


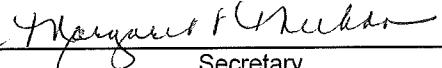
Chairperson	<u>Thomas J. Fanuka</u>	<u>Richard J. Kaz, Jr.</u>
Vice-Chairperson	<u>Joseph Smurlo</u>	<u>Cherie Bratty</u>
Secretary	<u>Margaret F. Meehan</u>	_____
	<u>Thomas P. Grossi</u>	_____

BOARD OF TRUSTEES ALTERNATES

<u>Barbara Godfrey</u>	<u>Joseph Collins</u>
<u>Robert F. Wachter</u>	<u>Brian E. Ferguson</u>
<u>Kim Jensen</u>	_____
<u>Christopher R. Veneziani</u>	_____

State of New Jersey
 County of _____

Thomas J. Fanuka (Chairperson), Margaret F. Meehan (Secretary), of the School Pool For Excess Liability Limits Joint Insurance Fund being duly sworn, each for him/herself deposes and says that they are the above described executive committee members of the said joint insurance fund, and that on the 30th day of June, 2017 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 30th day of June, 2017, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief respectively.

 Chairperson Secretary

- (a) Is this an original filing X Yes No
- (b) If no,
- (i) State the amendment number _____
- (ii) Date filed _____
- (iii) Number of pages attached _____

Subscribed and sworn to before me the _____ day of _____, 2018

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
School Pool For Excess Liability
Limits 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 School Pool For Excess Liability Limits 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Trustees
School Pool For Excess Liability
Limits 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 fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Board of Trustees
School Pool For Excess Liability
Limits 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,



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
School Pool For Excess Liability
Limits 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 School Pool For Excess Liability Joint Insurance Fund (the "Fund"), as of June 30, 2017 and for the fiscal year then ended, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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

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

Board of Trustees
School Pool For Excess Liability
Limits Joint Insurance Fund

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
February 2, 2018

School Pool For Excess Liability Limits Joint Insurance Fund

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the School Pool For Excess Liability Limits 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 comparative 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.

Statement Of Net Position	6/30/2017	6/30/2016	6/30/2015	2016 to 2017 Change	
				Amount	Percentage
Assets					
Cash And Cash Equivalents	\$ 3,421,491	\$ 2,616,184	\$ 2,024,590	\$ 805,307	30.8%
Other Assets	3,929,572	4,277,808	4,757,575	(348,236)	-8.1%
Total Assets	7,351,063	6,893,992	6,782,165	457,071	6.6%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	2,950,195	3,345,053	3,909,139	(394,858)	-11.8%
Other Liabilities	1,113,332	1,309,010	1,030,288	(195,678)	-14.9%
Total Liabilities And Reserves	4,063,527	4,654,063	4,939,427	(590,536)	-12.7%
Net Position - Unrestricted	\$ 3,287,536	\$ 2,239,929	\$ 1,842,738	\$ 1,047,607	46.8%

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	\$ 8,575,451	\$ 8,178,887	\$ 7,643,907	\$ 396,564	4.8%
Operating Expenses					
Provision For Claims And Claims					
Adjustment Recoveries	(390,370)	(461,182)	(79,068)	(70,812)	-15.4%
Insurance Premiums	7,117,934	7,527,622	7,014,295	(409,688)	-5.4%
Professional & Contractual Services	816,258	732,740	656,565	83,518	11.4%
Total Operating Expenses	7,543,822	7,799,180	7,591,792	(255,358)	-3.3%
Operating Income	1,031,629	379,707	52,115	651,922	171.7%
Investment Income	29,978	17,484	14,560	12,494	71.5%
Change In Net Position	\$ 1,061,607	\$ 397,191	\$ 66,675	\$ 664,416	167.3%

Financial Highlights Continued

During the fiscal year, the Fund continued in its long-term success in controlling administrative and operating costs. Overall increases in total premiums reflect exposure increases within the fund membership.

The Fund saw a 5.2% increase in the Fund's overall Budget prior to the removal of Princeton Public Schools and addition of all lines for Monroe Township. The overall Budget net of the removal/addition was an increase of 4.1%.

The Fund reports an overall surplus position as well as in each individual fund year.

Economic Conditions

Investment Income continues to increase (71.5% or \$12,494) over the prior fiscal year stemming from better market conditions stemming from better interest rates. The Fund regularly monitors investment maturities in reference to liabilities and market conditions.

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 School Pool For Excess Liability Limits 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 School Pool For Excess Liability Limits at the Fund office located 6000 at Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 3,421,491	\$ 2,616,184
Due From Owner Group Members	-	23,311
Regular Contributions Receivable	92,494	-
Excess Insurance Receivable	246,488	242,236
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	<u>3,590,590</u>	<u>4,012,261</u>
Total Assets	<u>7,351,063</u>	<u>6,893,992</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Claims Payable	985,070	976,330
Accrued Expenses	128,262	105,207
Due To Owner Group Members	-	23,311
Unearned Revenue	<u>-</u>	<u>204,162</u>
Total Liabilities	<u>1,113,332</u>	<u>1,309,010</u>
Claims Reserves:		
Case Reserves	4,158,217	4,247,062
Provision For Excess Insurance Recoverable	<u>(1,208,022)</u>	<u>(902,009)</u>
Net Claims Reserves	<u>2,950,195</u>	<u>3,345,053</u>
Total Liabilities And Reserves	<u>4,063,527</u>	<u>4,654,063</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 3,287,536</u>	<u>\$ 2,239,929</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 8,997,122	\$ 8,644,904
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions Change	<u>(421,671)</u>	<u>(466,017)</u>
Total Operating Revenue	<u>8,575,451</u>	<u>8,178,887</u>
Operating Expenses:		
Provision For Claims And Claims Adjustment Recoveries	(390,370)	(461,182)
Insurance Premiums	7,117,934	7,527,622
Administrative Expenses:		
Actuary	6,494	6,366
Attorney	6,465	5,989
Auditor	12,150	11,850
Collaborative Network	50,000	45,833
Contingency	7,802	15,900
Extranet Provider	42,000	33,000
Fund Administrator	4,992	4,992
General Ledger Management	16,190	15,900
Marketing	54,599	26,942
Miscellaneous And Other Expenses	4,676	6,562
PRIMA Conference	5,239	3,398
Property Appraisals	60,621	39,124
Treasurer	7,750	7,620
Underwriting Manager	<u>551,280</u>	<u>509,264</u>
Total Operating Expenses	<u>7,557,822</u>	<u>7,799,180</u>
Operating Income	1,017,629	379,707
Non-Operating Revenue:		
Investment Income	<u>29,978</u>	<u>17,484</u>
Change In Net Position	1,047,607	397,191
Net Position, Beginning	<u>2,239,929</u>	<u>1,842,738</u>
Net Position, Ending	<u>\$ 3,287,536</u>	<u>\$ 2,239,929</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 8,700,466	\$ 8,849,066
(Payments) Recoveries For Claims	-	(39,394)
Payments For Insurance Premiums	(7,103,599)	(7,506,126)
Payments To Professionals And Suppliers	(821,538)	(729,436)
	<u>775,329</u>	<u>574,110</u>
Net Cash Flows Provided By Operating Activities		
Cash Flows From Investing Activities:		
Investment Income	29,978	17,484
	<u>29,978</u>	<u>17,484</u>
Net Increase In Cash And Cash Equivalents	805,307	591,594
Cash And Cash Equivalents, Beginning	2,616,184	2,024,590
Cash And Cash Equivalents, Ending	<u>\$ 3,421,491</u>	<u>\$ 2,616,184</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 1,017,629	\$ 379,707
Adjustments To Reconcile Operating Income To		
Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Due From Owner Group Members	23,311	(23,311)
Regular Contributions Receivable	(92,494)	-
Excess Insurance Receivable	(4,252)	37,061
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	421,671	466,017
Claims Payable	8,740	26,449
Accrued Expenses	23,055	24,800
Due To Owner Group Members	(23,311)	23,311
Specific Reimbursement Due To Member		
Unearned Revenue	(204,162)	204,162
Case Reserves	(394,858)	(564,086)
	<u>775,329</u>	<u>574,110</u>
Net Cash Flows Provided By Operating Activities		
	<u>\$ 775,329</u>	<u>\$ 574,110</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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>Aggregate Loss Fund Contingency</u>	<u>Total</u>
Total Unpaid Claim And Claim Adjustment Expenses - Beginning		\$ 5,000		\$ 234,453	\$ 1,041	\$ 4,080,889	\$ 4,321,383
Inurred Claims And Claims Adjustment Expenses:							
Provision For Insured Events Of Current Fund Year		14,000					14,000
Changes In Provision For Insured Events Of Prior Fund Years		(5,000)		3,761	(1,041)	(402,090)	(404,370)
Total Incurred Claims And Claims Adjustment Expenses All Fund Years		9,000		3,761	(1,041)	(402,090)	(390,370)
Payments (Net Of Subrogation):							
Claims And Claims Adjustment Payments:							
Attributable To Insured Events Of Current Fund Year				(4,252)			-
Attributable To Insured Events Of Prior Fund Years							(4,252)
Total Payments All Fund Years	-	-	-	(4,252)	-	-	(4,252)
Total Unpaid Claim And Claim Adjustment Expenses - Ending	-	14,000	-	242,466	-	3,678,799	\$ 3,935,265
Analysis Of Balance:							
Claims Payable							\$ 985,070
Case Reserves (Net Of Recoverables)							2,950,195
							<u>\$ 3,935,265</u>

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 5,172,482	\$ 6,187,953	\$ 5,757,186	\$ 6,588,698	\$ 6,356,905	\$ 6,901,140	\$ 8,210,310	\$ 7,729,165	\$ 8,648,363	\$ 9,000,886
Ceded	4,532,940	4,822,556	4,908,165	5,596,309	5,672,503	6,083,425	6,777,775	7,004,354	7,534,145	7,114,934
Net Earned	639,542	1,365,397	849,021	992,389	684,402	817,715	1,432,535	724,811	1,114,218	1,885,952
Unallocated Expenses	515,971	550,637	565,836	586,087	654,489	615,729	610,344	656,705	731,711	830,119
Estimated Claims And Expenses, End of Policy Year:										
Incurred	253,794	802,114	537,340	524,486	-	-	459,100	380,001	-	14,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	253,794	802,114	537,340	524,486	-	-	459,100	380,001	-	14,000
Paid (Cumulative) As Of:										
End Of Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Re-Estimated Ceded Claims And Expenses	-	-	-	-	-	-	-	-	-	-
Re-Estimated Net Incurred Claims And Expenses:										
End of Policy Year	253,794	802,114	537,340	524,486	-	-	459,100	380,001	-	14,000
One Year Later	190,284	62,614	883,840	425,000	-	-	583,787	285,148	-	-
Two Years Later	696,321	372,635	1,129,060	-	63,854	-	633,787	-	-	-
Three Years Later	113,540	315,006	1,381,758	197,190	83,521	-	781,193	-	-	-
Four Years Later	45,254	506,006	1,644,540	599,689	-	-	-	-	-	-
Five Years Later	77,299	576,872	268,556	565,932	-	-	-	-	-	-
Six Years Later	137,716	834,872	152,050	345,774	-	-	-	-	-	-
Seven Years Later	214,234	762,373	214,410	-	-	-	-	-	-	-
Eight Years Later	68,997	736,104	-	-	-	-	-	-	-	-
Nine Years Later	45,042	-	-	-	-	-	-	-	-	-
Increase (Decrease) In Estimated Net Incurred Claims And Expenses From End Of Policy Year	\$ 184,797	\$ 39,741	\$ 385,290	\$ (41,446)	\$ -	\$ -	\$ (174,687)	\$ 94,853	\$ -	\$ -

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 read 'J. Miles', enclosed within a circular stamp or seal.

James J. Miles
Certified Public Accountant