

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**

**JOINT INSURANCE FUND**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED**

**JUNE 30, 2018 AND 2017**

## **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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

Board of Trustees  
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, 2018 and 2017 and the changes in its financial position and its cash flows for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

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

***Other Information***

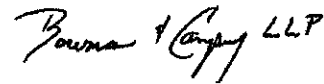
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented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

Board of Trustees  
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 8, 2019 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
February 8, 2019

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
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, 2018 and for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated February 8, 2019.

***Internal Control Over Financial Reporting***

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

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

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

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

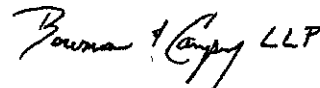
**Compliance and Other Matters**

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 8, 2019

## **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, 2018, 2017 and 2016. Please read it in conjunction with the basic financial statements that follow this section.

#### **Overview of Basic Financial Statements**

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

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

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

**Comparative Statements of Cash Flows** – The comparative statements of cash flows is presented on the direct method of reporting, which reflects cash flows from operating 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, 2018, 2017 and 2016.

Statement Of Net Position	6/30/2018	6/30/2017	6/30/2016	2017 to 2018 Change	
				Amount	Percentage
<b>Assets</b>					
Cash And Cash Equivalents	\$ 4,064,949	\$ 3,421,491	\$ 2,616,184	\$ 643,458	18.8%
Investments	1,000,000	-	-	1,000,000	100%
Other Assets	<u>4,686,467</u>	<u>3,929,572</u>	<u>4,277,808</u>	<u>756,895</u>	<u>19.3%</u>
Total Assets	<u>9,751,416</u>	<u>7,351,063</u>	<u>6,893,992</u>	<u>2,400,353</u>	<u>32.7%</u>
<b>Liabilities And Reserves &amp; Net Position</b>					
<b>Liabilities And Reserves</b>					
Loss Reserves	3,811,901	2,950,195	3,345,053	861,706	29.2%
Other Liabilities	<u>1,394,727</u>	<u>1,113,332</u>	<u>1,309,010</u>	<u>281,395</u>	<u>25.3%</u>
Total Liabilities And Reserves	<u>5,206,628</u>	<u>4,063,527</u>	<u>4,654,063</u>	<u>1,143,101</u>	<u>28.1%</u>
Net Position - Unrestricted	<u>\$ 4,544,788</u>	<u>\$ 3,287,536</u>	<u>\$ 2,239,929</u>	<u>\$ 1,257,252</u>	<u>38.2%</u>

Statement Of Revenues, Expenses, And Changes In Net Position Summary	6/30/2018	6/30/2017	6/30/2016	2017 to 2018 Change	
				Amount	Percentage
<b>Operating Revenue</b>					
Regular Contributions & Other Income	<u>\$ 10,542,671</u>	<u>\$ 8,575,451</u>	<u>\$ 8,178,887</u>	<u>\$ 1,967,220</u>	<u>22.9%</u>
<b>Operating Expenses</b>					
Provision For Claims And Claims					
Adjustment Recoveries	864,221	(390,370)	(461,182)	1,254,591	321.4%
Insurance Premiums	7,601,029	7,117,934	7,527,622	483,095	6.8%
Professional & Contractual Services	<u>890,612</u>	<u>816,258</u>	<u>732,740</u>	<u>74,354</u>	<u>9.1%</u>
Total Operating Expenses	<u>9,355,862</u>	<u>7,543,822</u>	<u>7,799,180</u>	<u>1,812,040</u>	<u>24.0%</u>
Operating Income	1,186,809	1,031,629	379,707	155,180	15.0%
Investment Income	<u>70,443</u>	<u>29,978</u>	<u>17,484</u>	<u>40,465</u>	<u>135.0%</u>
Change In Net Position	<u>\$ 1,257,252</u>	<u>\$ 1,061,607</u>	<u>\$ 397,191</u>	<u>\$ 195,645</u>	<u>18.4%</u>



## **Financial Highlights Continued**

Overall increases in total premiums reflect exposure increases within the fund membership.

The Fund saw a 3.6% increase in the Fund's overall Budget prior to the addition of Linwood Board of Education, Bordentown Regional School District, and Millstone Township Board of Education.

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

## **Economic Conditions**

Investment Income continues to increase (135% or \$40,465) 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 stable, but the global property market is experiencing significant rate pressure as a result of catastrophic hurricane, fire, and flood loss events of \$30+ billion in 2018 which followed \$60+ billion in 2017 hurricane losses. Workers' compensation costs continue to be influenced by medical inflation and increased indemnity awards. Generally, extended periods of economic stability are accompanied by corresponding stability in overall workers' compensation loss experience. Employment practice exposures are always a material concern and exposures continue to grow as a result of the development and expansion of laws in this area. The Fund monitors these economic conditions and continues an emphasis on employer & employee training to reduce accidents and claims.

## **Contacting the Fund's Management**

This financial report is designed to provide the 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 Sagamore 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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 4,064,949	\$ 3,421,491
Investments	1,000,000	-
Regular Contributions Receivable	-	92,494
Interest Receivable	637	-
Excess Insurance Receivable	242,608	246,488
Aggregate Loss Fund Contingency Prospective Supplemental Contributions	<u>4,443,222</u>	<u>3,590,590</u>
Total Assets	<u>9,751,416</u>	<u>7,351,063</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Claims Payable	983,705	985,070
Accrued Expenses	111,487	128,262
Unearned Revenue	<u>299,535</u>	<u>-</u>
Total Liabilities	<u>1,394,727</u>	<u>1,113,332</u>
Claims Reserves:		
Case Reserves	4,416,546	4,158,217
Provision For Excess Insurance Recoverable	<u>(604,645)</u>	<u>(1,208,022)</u>
Net Claims Reserves	<u>3,811,901</u>	<u>2,950,195</u>
Total Liabilities And Reserves	<u>5,206,628</u>	<u>4,063,527</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 4,544,788</u>	<u>\$ 3,287,536</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating Revenue:		
Regular Contributions	\$ 9,690,039	\$ 8,997,122
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions Change	<u>852,632</u>	<u>(421,671)</u>
Total Operating Revenue	<u>10,542,671</u>	<u>8,575,451</u>
Operating Expenses:		
Provision For Claims And Claims Adjustment Expenses (Recoveries)	864,221	(390,370)
Insurance Premiums	7,601,029	7,117,934
Administrative Expenses:		
Actuary	6,494	6,494
Attorney	5,865	6,465
Auditor	12,450	12,150
Collaborative Network	50,000	50,000
Contingency	16,489	7,802
Extranet Provider	42,000	42,000
Fund Administrator	4,992	4,992
General Ledger Management	16,390	16,190
Marketing	74,013	54,599
Miscellaneous And Other Expenses	11,905	4,676
PRIMA Conference	385	5,239
Property Appraisals	59,916	60,621
Treasurer	7,900	7,750
Underwriting Manager	<u>581,813</u>	<u>551,280</u>
Total Operating Expenses	<u>9,355,862</u>	<u>7,557,822</u>
Operating Income	1,186,809	1,017,629
Non-Operating Revenue:		
Investment Income	<u>70,443</u>	<u>29,978</u>
Change In Net Position	1,257,252	1,047,607
Net Position, Beginning	<u>3,287,536</u>	<u>2,239,929</u>
Net Position, Ending	<u>\$ 4,544,788</u>	<u>\$ 3,287,536</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 10,081,431	\$ 8,700,466
Payments For Insurance Premiums	(7,626,776)	(7,103,599)
Payments To Professionals And Suppliers	<u>(881,640)</u>	<u>(821,538)</u>
Net Cash Flows Provided By Operating Activities	<u>1,573,015</u>	<u>775,329</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(1,000,000)	-
Investment Income	<u>70,443</u>	<u>29,978</u>
Net Cash Flows Provided By (Used In) Investing Activities	<u>(929,557)</u>	<u>29,978</u>
Net Increase In Cash And Cash Equivalents	643,458	805,307
Cash And Cash Equivalents, Beginning	<u>3,421,491</u>	<u>2,616,184</u>
Cash And Cash Equivalents, Ending	<u>\$ 4,064,949</u>	<u>\$ 3,421,491</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 1,186,809	\$ 1,017,629
Adjustments To Reconcile Operating Income To		
Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Due From Owner Group Members	-	23,311
Interest Receivable	(637)	-
Regular Contributions Receivable	92,494	(92,494)
Excess Insurance Receivable	3,880	(4,252)
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	(852,632)	421,671
Claims Payable	(1,365)	8,740
Accrued Expenses	(16,775)	23,055
Due To Owner Group Members	-	(23,311)
Unearned Revenue	299,535	(204,162)
Case Reserves	<u>861,706</u>	<u>(394,858)</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 1,573,015</u>	<u>\$ 775,329</u>

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

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**

SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Property	General Liability	Automobile	Workers' Compensation	Educator's Legal Liability	Aggregate Loss Fund Contingency	Total
Total Unpaid Claim And Claim Adjustment Expenses - Beginning	\$ -	\$ 14,000	\$ -	\$ 242,466	\$ -	\$ 3,678,799	\$ 3,935,265
Incurred Claims And Claims Adjustment Expenses: Provision For Insured Events Of Current Fund Year Changes In Provision For Insured Events Of Prior Fund Years		(14,000)		870,330		7,891	864,221
Total Incurred Claims And Claims Adjustment Expenses All Fund Years		(14,000)		870,330		7,891	864,221
Payments (Net Of Subrogation): Claims And Claims Adjustment Payments: Attributable To Insured Events Of Current Fund Year Attributable To Insured Events Of Prior Fund Years				3,880			3,880
Total Payments All Fund Years				3,880			3,880
Total Unpaid Claim And Claim Adjustment Expenses - Ending	\$ -	\$ -	\$ -	\$ 1,108,916	\$ -	\$ 3,686,690	\$ 4,795,606
Analysis Of Balance: Claims Payable Case Reserves (Net Of Recoverables)						\$ 983,705	\$ 3,811,901
						\$ 4,795,606	\$ 4,795,606

SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION  
 AS OF JUNE 30, 2018

	FUND YEAR ENDED JUNE 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Earned Required Contribution And Investment Revenue:										
Earned	\$ 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	\$ 10,578,402
Ceded	4,822,556	4,908,165	5,596,309	5,872,503	6,083,425	6,777,775	7,004,354	7,537,145	7,147,053	7,568,910
Net Earned	1,365,397	849,021	992,389	884,402	817,715	1,432,535	724,811	1,111,218	1,853,833	3,009,492
Unallocated Expenses	550,637	565,836	586,066	654,489	615,729	610,343	656,706	731,710	837,083	883,649
Estimated Claims And Expenses, End of Policy Year:										
Incurred	802,114	537,340	524,486	-	-	459,100	380,001	-	14,000	880,754
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	802,114	537,340	524,486	-	-	459,100	380,001	-	14,000	880,754
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	802,114	537,340	524,486	-	-	459,100	380,001	-	14,000	880,754
One Year Later	62,614	883,840	425,000	-	-	583,787	285,148	-	-	-
Two Years Later	372,635	1,129,060	-	63,654	-	633,787	-	-	-	-
Three Years Later	315,006	1,381,758	197,190	83,521	-	781,193	-	-	-	-
Four Years Later	506,006	1,644,540	599,689	-	-	726,769	-	-	-	-
Five Years Later	576,872	268,556	565,932	-	-	-	-	-	-	-
Six Years Later	834,872	152,050	345,774	-	-	-	-	-	-	-
Seven Years Later	762,373	214,410	359,774	-	-	-	-	-	-	-
Eight Years Later	736,104	212,410	-	-	-	-	-	-	-	-
Nine Years Later	749,103	-	-	-	-	-	-	-	-	-
Increase (Decrease) In Estimated Net Incurred Claims And Expenses From End Of Policy Year	\$ 53,011	\$ 324,930	\$ 164,712	\$ -	\$ -	\$ (267,669)	\$ 380,001	\$ -	\$ 14,000	\$ -

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**



**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

None.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no findings in the prior year.

**APPRECIATION**

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

Bowman & Company LLP  
Certified Public Accountants  
& Consultants



James J. Miles  
Certified Public Accountant