

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS  
JOINT INSURANCE FUND  
REPORT ON AUDIT OF FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2025 AND 2024**



## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
School Pool For Excess Liability  
Limits Joint Insurance Fund  
P.O. Box 449  
6000 Sagemore Drive, Suite 6203  
Marlton, New Jersey 08053

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2025 and 2024 and the respective changes in its financial position and its cash flows for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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.

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

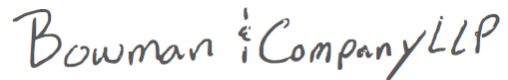
**Supplementary Information**

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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, 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 effectiveness of the 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 the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
January 30, 2026

**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 449  
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 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 Limits Joint Insurance Fund (the "Fund"), as of June 30, 2025, 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 January 30, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing 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 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 to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

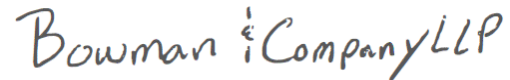
**Report on Compliance and Other Matters**

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 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 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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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 in considering the Fund'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  
January 30, 2026

# **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, 2025, 2024, and 2023. 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** – These statements present 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** – These statements reflect 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 are 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, 2025, 2024, and 2023.

Statement Of Net Position	6/30/2025	6/30/2024	6/30/2023	2024 to 2025 Change	
				Amount	Percentage
<b>Assets</b>					
Cash And Cash Equivalents	\$ 11,777,397	\$ 11,076,981	\$ 6,464,888	\$ 700,416	6.3%
Investments	-	-	3,000,000	-	0.0%
Other Assets	974,772	756,158	3,936,258	218,614	28.9%
<b>Total Assets</b>	<b>12,752,169</b>	<b>11,833,139</b>	<b>13,401,146</b>	<b>919,030</b>	<b>7.8%</b>
<b>Liabilities And Reserves &amp; Net Position</b>					
<b>Liabilities And Reserves</b>					
Loss Reserves	1,263,167	1,091,949	3,268,940	171,218	15.7%
Other Liabilities	375,957	216,033	936,643	159,924	74.0%
<b>Total Liabilities And Reserves</b>	<b>1,639,124</b>	<b>1,307,982</b>	<b>4,205,583</b>	<b>331,142</b>	<b>25.3%</b>
<b>Net Position - Unrestricted</b>	<b>\$ 11,113,045</b>	<b>\$ 10,525,157</b>	<b>\$ 9,195,563</b>	<b>\$ 587,888</b>	<b>5.6%</b>

Statement Of Revenues, Expenses, And Changes In Net Position Summary	6/30/2025	6/30/2024	6/30/2023	2024 to 2025 Change	
				Amount	Percentage
<b>Operating Revenue</b>					
Regular Contributions & Other Income	\$ 22,493,793	\$ 16,822,533	\$ 17,207,477	\$ 5,671,260	33.7%
<b>Operating Expenses</b>					
Provision For Claims And Claims					
Adjustment Expenses (Recoveries)	2,072,963	(2,199,700)	(196,124)	4,272,663	194.2%
Insurance Premiums	18,772,800	16,572,947	15,571,513	2,199,853	13.3%
Professional & Contractual Services	1,745,278	1,741,430	1,262,647	3,848	0.2%
<b>Total Operating Expenses</b>	<b>22,591,041</b>	<b>16,114,677</b>	<b>16,638,036</b>	<b>6,476,364</b>	<b>40.2%</b>
<b>Operating Income (Loss)</b>	<b>(97,248)</b>	<b>707,856</b>	<b>569,441</b>	<b>(805,104)</b>	<b>-113.7%</b>
Investment Income	685,136	621,738	372,077	63,398	10.2%
<b>Change In Net Position</b>	<b>\$ 587,888</b>	<b>\$ 1,329,594</b>	<b>\$ 941,518</b>	<b>\$ (741,706)</b>	<b>-55.8%</b>

## **Financial Highlights Continued**

During the fiscal year, the Fund continued its long-term success in controlling administrative and operating costs. The Fund saw a 12.3% increase in the Fund's overall Budget inclusive of six new members. Reinsurance costs increased 9.5% while Group Insurance costs increased 35.4% and Student Accident decreased 0.7%. Operating Expenses increased 11.5%, which is primarily a result of increasing the funding for Risk Management Seminars (\$30,000) and Virtual Safety Director (\$50,000) along with a new Budget line item for Specialty Safety 360 Providers (\$40,000).

The Fund reported marginal deficits for the 2023-2024, 2021-2022, 2013-2014, 2010-2011, 2009-2010, and 2008-2009 Fund Years. These deficits are caused by current ultimate loss projection costs exceeding actuarial expectations. As current incurred loss projection levels improve with reserve reductions, the deficits are expected to improve to surplus positions. The ultimate liability to the applicable fund years was capped as a result of aggregate excess liability insurance protection.

## **Economic Conditions**

The increase of 10.2% (\$63,398) in Investment Income is the result of current market conditions. The Fund currently has investments in Certificate of Deposit.

Although the trend improved, reinsurance costs globally have continued to develop in an extended hard marketplace. Global property markets, in particular, continue to experience significant rate pressure because of catastrophic hurricane, fire, flood and hail loss events averaging between \$50+ billion annually from 2018-2023. Global property market rates increased at a slower pace as capacity has stabilized. The United States continued to experience a materially greater number of annual weather-related / natural disaster property loss events in 2023-2024, compared to the historic average annual of eight (8) such events. The liability market continues to see pricing pressures as a result of various high dollar verdicts that are becoming more frequent across coverage lines, specifically in the area of sexual abuse and molestation. In the State of NJ, coverage for such losses has become materially restrictive and more difficult to secure due to the reviver law that provides broad expansion of the applicable statute of limitations with regard to reporting. Cyber Liability losses worldwide are driving material increases in premiums and this trend is expected to continue in some regard for stronger coverage packages. Some cyber coverage packages are seeing price stabilization or reduction as immature capacity enters the market, but the buyer needs to note that many of these pricing opportunities come with diminished coverages overall and limited services in the event of a loss. Workers' compensation costs remain relatively stable but 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, but the post-Covid 19 work environment and changing workplace landscape has brought with it some upticks in Workers' compensation loss trends that will continue to be closely monitored for longer term potential impact. Employment practice exposures are always a material concern, and exposures continue to grow because 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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 11,777,397	\$ 11,076,981
Excess Insurance Receivable	38,293	28,933
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	925,827	716,573
Prepaid Expenses	<u>10,652</u>	<u>10,652</u>
 Total Assets	 <u>12,752,169</u>	 <u>11,833,139</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Claims Payable	71,827	62,467
Accrued Expenses	177,382	153,566
Specific Reimbursement Due to Members	<u>126,748</u>	<u>-</u>
 Total Liabilities	 <u>375,957</u>	 <u>216,033</u>
Claims Reserves:		
Case Reserves	1,695,760	1,543,746
Provision For Excess Insurance Recoverable	<u>(432,593)</u>	<u>(451,797)</u>
 Net Claims Reserves	 <u>1,263,167</u>	 <u>1,091,949</u>
 Total Liabilities And Reserves	 <u>1,639,124</u>	 <u>1,307,982</u>
 <u>NET POSITION</u>		
 Unrestricted	 <u>\$ 11,113,045</u>	 <u>\$ 10,525,157</u>

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

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating Revenue:		
Regular Contributions	\$ 22,284,539	\$ 19,835,969
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions Change	<u>209,254</u>	<u>(3,013,436)</u>
Total Operating Revenue	<u>22,493,793</u>	<u>16,822,533</u>
Operating Expenses:		
Provision For Claims And Claims Adjustment Expenses (Recoveries)	2,072,963	(2,199,700)
Insurance Premiums	18,772,800	16,572,947
Administrative Expenses:		
Actuary - The Actuarial Advantage	7,544	7,395
Attorney - Law Offices of Patrick Madden, LLC	9,504	9,503
Auditor - Bowman & Company LLP	17,750	15,602
Collaborative Network - Cloudburst Development LLC	171,440	92,490
Contingency - Various	40,309	63,029
Extranet Provider - Safe & Secure Legal Files Exchange LLC	44,169	38,502
Fund Administrator - Risk Program Administrators	4,992	4,992
General Ledger Management - Verrill & Verrill, LLC	18,980	18,500
Marketing - Various	186,773	336,585
Miscellaneous And Other Expenses - Various	166,250	158,009
Property Appraisals - Duff & Phelps, LLC	65,500	81,955
Recording Secretary - Annette Reap	1,200	2,700
Safety Director - Risk Assessment Services	138,000	85,900
Training - Various	425	-
Treasurer - Verrill & Verrill, LLC	9,120	8,940
Underwriting Mgr - Risk Program Administrators	849,672	805,684
Website Hosting & Maintenance - Big Boom Design	<u>13,650</u>	<u>11,644</u>
Total Operating Expenses	<u>22,591,041</u>	<u>16,114,677</u>
Operating Income (Loss)	(97,248)	707,856
Non-Operating Revenue:		
Investment Income	<u>685,136</u>	<u>621,738</u>
Change In Net Position	587,888	1,329,594
Net Position, Beginning	<u>10,525,157</u>	<u>9,195,563</u>
Net Position, Ending	<u>\$ 11,113,045</u>	<u>\$ 10,525,157</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 22,284,539	\$ 19,835,969
Payment For Claims	(1,774,997)	(570,829)
Payments For Insurance Premiums	(18,772,800)	(16,572,947)
Payments To Professionals And Suppliers	(1,721,462)	(1,709,953)
	<u>15,280</u>	<u>982,240</u>
Net Cash Flows Provided By Operating Activities		
Cash Flows From Investing Activities:		
Sale of Investments	-	3,000,000
Investment Income	685,136	629,853
	<u>685,136</u>	<u>3,629,853</u>
Net Cash Flows Provided By Investing Activities		
Net Increase In Cash And Cash Equivalents	700,416	4,612,093
Cash And Cash Equivalents, Beginning	<u>11,076,981</u>	<u>6,464,888</u>
Cash And Cash Equivalents, Ending	<u>\$ 11,777,397</u>	<u>\$ 11,076,981</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ (97,248)	\$ 707,856
Adjustments To Reconcile Operating Income (Loss) To		
Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Excess Insurance Receivable	(9,360)	158,549
Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	(209,254)	3,013,436
Claims Payable	9,360	(752,087)
Accrued Expenses	23,816	31,477
Specific Reimbursement Due To Member	126,748	-
Case Reserves	171,218	(2,176,991)
	<u>15,280</u>	<u>982,240</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 15,280</u>	<u>\$ 982,240</u>

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

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND**

The School Pool For Excess Liability Limits Joint Insurance Fund (the "Fund") was formed on July 1, 2001, in accordance with P.L. 1983, C.108, entitled "An Act Concerning Board of Education Insurance", under the provisions of N.J.S.A. 18A: 18B1-10. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Board of Trustees and owner group delegates of the Fund may approve the membership of any New Jersey School Board Group by a two-thirds vote or may terminate any member by a two-thirds vote, after proper notice has been given. Approval of participation is granted for a specific term of three years.

During the fiscal year ended June 30, 2025, members of the Fund included the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund, Burlington County Insurance Pool Joint Insurance Fund, and the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund.

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the following excess coverages to its members:

- Property (including Crime, Inland Marine and Auto Physical Damage)
- General Liability
- Automobile Liability
- Workers' Compensation
- Educator's Legal Liability
- Boiler and Machinery (Group Purchase)
- Pollution Legal Liability (Group Purchase)
- Student Accident Insurance (Group Purchase)
- Cyber Liability (Group Purchase)
- Violent Malicious Acts (Group Purchase)
- Disaster Management (Group Purchase)
- Unmanned Aerial Systems (Group Purchase)

The Fund also provides aggregate excess insurance to its members. Each member's annual attachment point is set at the total of its current budgeted accumulated loss funding for specific retention plus an additional ten percent. The Fund maintains an aggregate excess loss contingency trust fund for losses in excess of the Fund's budgeted specific loss trust funds. Funding of the aggregate excess loss contingency trust fund is determined according to the Fund's bylaws.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant policies followed by the Fund in the preparation of the accompanying financial statements:

**Component Unit**

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in Governmental Auditing Standards Board ("GASB") Statements No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Component Unit (Cont'd)**

The basic, but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Fund has no component units and is not includable in any other reporting entity.

**Basis of Presentation**

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

**Revenues - Exchange and Non-Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

**Expenses** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

**Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units.

These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents, and Investments (Cont'd)**

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally-insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Fund has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

**Investment Income Allocation**

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on the fair value of investments are allocated every month based upon each line of coverage's share of opening cash and investment balances.

**Annual Contributions**

Annual contributions, as determined by the Fund's Board of Trustees, are due within 30 days of the due date fixed by the Board of Trustees, but not later than February 1. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different.

**Supplemental Contributions**

The Board of Trustees shall by majority vote levy upon the participants additional assessments whenever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

**Unpaid Claims Liabilities**

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) 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.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Unpaid Claims Liabilities (Cont'd)**

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. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **Reported Claims Case Reserves**

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.

B. **Claims Incurred But Not Reported ("IBNR") Reserve**

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage, Inc.

Case and IBNR Reserve loss calculations represent the estimated liability on expected future development on claims already reported to the Fund and claims incurred but not reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through June 30, 2025.

These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors. Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in current operations.

**Specific/Aggregate Excess Insurance**

**Specific Excess Insurance** - The Fund records each claim at the estimated ultimate cost of settlement even if the costs should exceed the Fund's specific claim self-insured retention level.

Although the excess carrier is liable to the Fund for the amounts insured, the Fund remains liable to its insured for the full amount of the policies written whether or not the excess carrier meets its obligations to the Fund. Failure of the excess carrier to honor its obligations could result in losses to the Fund. The Fund's Insurance Broker evaluates the financial condition of the excess carrier and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the excess carrier to minimize the Fund's exposure to significant losses from excess carrier insolvencies.

**Aggregate Excess Insurance** - The Fund secured \$2,000,000 of commercial aggregate coverage above the combined budgeted loss funds and unfunded risk windows of the Fund and its four (4) owner groups effective July 1, 2004, thus significantly reducing the likelihood of potential supplemental liabilities to each group.

The Fund has the flexibility to manage the allocation strategy for "shared" aggregate losses to minimize and/or eliminate the remaining exposure to potential supplemental liabilities. With the addition of commercial aggregate protection in 2003-2004, the loss funding was structured to maximize savings under the law of large numbers theory. The Fund and each owner group have a specific level of total funding responsibility (attachment point) that they have the flexibility of managing with or without an unfunded risk window.

The ultimate incurred losses of the Fund and each owner group are limited to each entity's specific attachment point. Aggregate loss development of the Fund and each owner group beyond their applicable attachment point is shared across all groups, eroding any available loss fund surpluses as measured at a point in time. The combined funding responsibility of the Fund and its owner groups for 2024-2025 and 2023-2024 is \$25,227,168 and \$23,425,095, respectively.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Specific/Aggregate Excess Insurance (Cont'd)**

The aggregation of losses up to the required combined funding level are allocated on a shared basis to erode all available budgeted loss funds before attaching to the \$2,000,000 commercial aggregate coverage.

An individual owner group may experience a reduction to available 2024-2025 budget surplus as a result of "shared" aggregate loss allocation strategy, but the owner group's ultimate liability would not exceed their respective initial level of total funding responsibility.

The Fund ceded \$17,574 and \$37,563 of losses to excess carriers during the fiscal years ended June 30, 2025 and 2024, respectively.

**Fund Transfers**

All fund transfers are recognized at the time actual transfers take place.

Intra-fund transfers may be conducted by the Fund at any time. Intra-fund transfers require prior approval of the Department of Banking and Insurance and may be conducted only where each member participates in every loss retention fund account during that fund year.

The Commissioner of the Department of Banking and Insurance shall waive the full participation requirement provided the Fund demonstrates to the Department that it maintains records of each members pro-rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.

Intra-fund transfers require thirty days prior written notification to the Department of Banking and Insurance. The Fund may seek approval from the Commissioner to make intra-fund transfers at any time from a claims or loss retention trust account from any fund year that has been completed for at least twenty-four months. The intra-fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

The membership for each fiscal year involving intra-fund transfers must be identical between fiscal years. The Commissioner of the Department of Banking and Insurance shall waive the identical membership requirement provided the Fund demonstrates to the Department that it maintains records of each members pro-rata share of each claim or loss retention Fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

**Subrogation**

In the event of any payment by the Fund, the rights of recovery of the member group on whose behalf the payment was made shall be subrogated to the rights of the Fund. Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

**Return of Surplus/Dividends**

Refunds (dividends) are recognized upon authorization of the Fund's Trustees. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year may be declared to be refundable by the Fund no less than twenty-four months after the end of the fiscal year. The initial and any subsequent refund for any year from a Claim or Loss Retention Account may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

A full and final refund of net current surplus will not be allowed until all case reserves and all unpaid claim reserves are closed. A refund for any fiscal year shall be paid only in proportion to the members' participation (percentage of contribution to all contributions) to the Fund for such year. Payment of a refund on a previous year shall not be contingent on the members' continued membership in the Fund after that year.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Administrative Expenses**

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Delegates/Board of Trustees. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

**Income Taxes**

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

**Net Position**

In accordance with the provisions of GASB 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and investments in certificates of deposit.

Operating expenses include expenses associated with the Fund operations, including claims expense, insurance, and administrative expenses.

**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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Fund in excess of FDIC-insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$12,169,774 as of June 30, 2025, \$500,000 was insured while \$11,669,774 was collateralized under GUDPA.

Of the Fund's bank balance of \$13,988,668 as of June 30, 2024, \$750,000 was insured while \$13,238,667 was collateralized under GUDPA.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3: CASH AND CASH EQUIVALENTS (CONT'D)**

**New Jersey Cash Management Fund**

During the fiscal year, the Fund participated in the New Jersey Cash Management Fund. The Cash Management Fund is governed by regulations of the State Investment Council, who prescribe standards designed to ensure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2025 and 2024, the Fund's deposits with the New Jersey Cash Management Fund were \$1,150,303 and \$1,098,517, respectively.

**Note 4: CHANGES IN UNPAID CLAIMS LIABILITIES**

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the fiscal years ended June 30, 2025 and 2024, and for all open Fund years net of excess insurance recoveries:

	<u>2025</u>	<u>2024</u>
Total Unpaid Claim And Claim		
Adjustment Expenses - Beginning	\$ 1,154,416	\$ 4,083,494
Incurred Claims And Claims Adjustment Expenses (Recoveries):		
Provision For Insured Events Of Current Fund Year	-	-
Changes In Provision For Insured Events Of		
Prior Fund Years	2,072,963	(2,199,700)
Total Incurred Claims And Claims	2,072,963	(2,199,700)
Adjustment Expenses (Recoveries) All Fund Years	2,072,963	(2,199,700)
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	1,892,385	729,378
Total Payments All Fund Years	1,892,385	729,378
Total Unpaid Claim And Claim		
Adjustment Expenses - Ending	\$ 1,334,994	\$ 1,154,416
Analysis of Balance		
Claims Payable	\$ 71,827	\$ 62,467
Case Reserves (Net Of Recoverables)	1,263,167	1,091,949
	<u>\$ 1,334,994</u>	<u>\$ 1,154,416</u>

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5: PROSPECTIVE SUPPLEMENTAL CONTRIBUTIONS**

As of June 30, 2025 and 2024, the Fund recorded loss reserves resulting in a \$925,827 and \$716,573 deficit in its loss funds for all fund years, respectively. Should the reserves develop into actual paid claims, the Fund has calculated that the members will be assessed supplemental contributions as follows:

	<u>2025</u>	<u>2024</u>
Fund Year June 30, 2003		
Burlington County Insurance Pool JIF	\$ 17,998	\$ 17,998
Total Fund Year June 30, 2003	<u>17,998</u>	<u>17,998</u>
Fund Year June 30, 2008		
Atlantic & Cape May Counties Association Of Business Officials JIF	306	306
Burlington County Insurance Pool JIF	35,070	35,070
Gloucester, Cumberland, Salem School Districts JIF	<u>4,666</u>	<u>4,666</u>
Total Fund Year June 30, 2008	<u>40,042</u>	<u>40,042</u>
Fund Year June 30, 2009		
Burlington County Insurance Pool JIF	10,097	9,819
Gloucester, Cumberland, Salem School Districts JIF	4,752	4,722
Suburban Essex Municipal JIF	<u>1,425</u>	<u>1,410</u>
Total Fund Year June 30, 2009	<u>16,274</u>	<u>15,951</u>
Fund Year June 30, 2010		
Burlington County Insurance Pool JIF	23,286	22,100
Gloucester, Cumberland, Salem School Districts JIF	1,381	1,391
Suburban Essex Municipal JIF	<u>2,149</u>	<u>2,165</u>
Total Fund Year June 30, 2010	<u>26,816</u>	<u>25,656</u>
Fund Year June 30, 2011		
Burlington County Insurance Pool JIF	26,358	-
Gloucester, Cumberland, Salem School Districts JIF	253,914	237,176
Suburban Essex Municipal JIF	<u>78,001</u>	<u>76,907</u>
Total Fund Year June 30, 2011	<u>358,273</u>	<u>314,083</u>
Fund Year June 30, 2014		
Atlantic & Cape May Counties Association Of Business Officials JIF	8,392	8,393
Burlington County Insurance Pool JIF	<u>5,408</u>	<u>5,407</u>
Total Fund Year June 30, 2014	<u>13,800</u>	<u>13,800</u>

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5: PROSPECTIVE SUPPLEMENTAL CONTRIBUTIONS (CONT'D)**

	<u>2025</u>	<u>2024</u>
Fund Year June 30, 2018		
Atlantic & Cape May Counties Association Of		
Business Officials JIF	\$ (1,404)	\$ -
Burlington County Insurance Pool JIF	(1,005)	-
Suburban Essex Municipal JIF	(250)	-
	<hr/>	<hr/>
Total Fund Year June 30, 2018	(2,659)	-
	<hr/>	<hr/>
Fund Year June 30, 2023		
Atlantic & Cape May Counties Association Of		
Business Officials JIF	263,971	190,664
Burlington County Insurance Pool JIF	34,642	3,829
Gloucester, Cumberland, Salem School Districts JIF	156,670	94,550
	<hr/>	<hr/>
Total Fund Year June 30, 2023	455,283	289,043
	<hr/>	<hr/>
Total Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	\$ 925,827	\$ 716,573
	<hr/>	<hr/>
Summary By Member		
Atlantic & Cape May Counties Association Of		
Business Officials JIF	\$ 271,265	\$ 199,363
Burlington County Insurance Pool JIF	151,854	94,223
Gloucester, Cumberland, Salem School Districts JIF	421,383	342,505
Suburban Essex Municipal JIF	81,325	80,482
	<hr/>	<hr/>
Total Aggregate Loss Fund Contingency		
Prospective Supplemental Contributions	\$ 925,827	\$ 716,573
	<hr/>	<hr/>

**Note 6: PROVISION FOR EXCESS INSURANCE RECOVERABLE**

The provision for excess insurance recoverable is the estimated amount of claims recoverable under the Fund's excess insurance contracts. This provision is subject to the variability between the estimated ultimate net cost of claims incurred and the actual loss experience as claims develop.

The provision at June 30, 2025 and 2024, represents the aggregate of claim reserves in excess of the Fund's self-insured retention limits under the excess insurance contracts.

**Note 7: GROUP PURCHASE ACCOUNT**

The Fund offers additional coverage to its members for Boiler and Machinery Liability, Pollution Legal Liability and Student Accident Liability. The assessments and premium expense for these coverages are treated as pass-through items in the Group Purchase Account.

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS**  
**JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 8: RELATED-PARTY TRANSACTIONS**

The Fund recorded loss reserves resulting in a deficit in its loss funds for all fund years in the amount of \$925,827 and \$716,573, as of June 30, 2025 and 2024, respectively. The Fund's members are assessed prospective supplemental contributions in the event the reserves develop into actual paid claims. See Note 5 for details.

Each member is an owner of the School Pool For Excess Liability Limits Joint Insurance Fund and pays excess insurance premiums to the Fund. Total excess insurance premiums paid to the Fund for the fiscal years ended June 30, 2025 and 2024, were as follows:

<u>Member</u>	<u>2025</u>	<u>2024</u>
Atlantic & Cape May Counties Association Of Business Officials JIF	\$ 6,288,101	\$ 5,446,467
Burlington County Insurance Pool JIF	12,488,122	11,565,580
Gloucester, Cumberland, Salem School Districts JIF	3,508,316	2,823,922
	<u>\$ 22,284,539</u>	<u>\$ 19,835,969</u>

**Note 9: CONTINGENCIES**

*Claims Activity* - In the normal course of its operations, the Fund has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Fund, a number of these cases may possibly be settled for amounts in excess of the Fund's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

Workers' compensation claims continue to be affected due to the changes in the public employee pension plans that reduce the plans' contribution to total disability claims. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims continue to be affected due to the New Jersey Tort Claims Act (NJTCA) where the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply. Property claims continue to be affected due to the increased frequency and severity of natural catastrophes.

The Fund continues to monitor these developments and will assess any material impact on the Fund's net position or results of operations in future reporting periods.

**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, 2025

	<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	\$ -	\$ -	\$ -	\$ 313,191	\$ -	\$ 841,225	\$ 1,154,416
Incurred Claims And Claims Adjustment Expenses:							
Provision For Insured Events Of Current Fund Year							-
Changes In Provision For Insured Events Of Prior Fund Years		506,270		189,218		1,377,475	2,072,963
Total Incurred Claims And Claims Adjustment Expenses All Fund Years		506,270		189,218		1,377,475	2,072,963
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		506,269		13,619		1,372,497	1,892,385
Total Payments All Fund Years	-	506,269	-	13,619	-	1,372,497	1,892,385
Total Unpaid Claim And Claim Adjustment Expenses - Ending	\$ -	\$ 1	\$ -	\$ 488,790	\$ -	\$ 846,203	\$ 1,334,994
Analysis Of Balance:							
Claims Payable							\$ 71,827
Case Reserves (Net Of Recoverables)							1,263,167
							<u>\$ 1,334,994</u>

SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF JUNE 30, 2025

	FUND YEAR ENDED JUNE 30									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net Earned Required Contribution										
And Investment Revenue:										
Earned	\$ 8,752,730	\$ 9,119,873	\$ 9,919,747	\$ 11,027,065	\$ 12,295,047	\$ 13,114,299	\$ 15,149,420	\$ 18,120,280	\$ 19,856,202	\$ 22,322,259
Ceded	7,037,145	7,352,504	7,220,410	7,999,559	8,050,963	11,176,945	13,433,604	14,707,208	18,225,891	18,774,193
Net Earned	1,715,585	1,767,369	2,699,337	3,027,506	4,244,084	1,937,354	1,715,816	3,413,072	1,630,311	3,548,066
Unallocated Expenses	731,710	838,789	883,684	988,818	941,194	1,076,600	1,145,790	1,288,482	1,717,443	1,742,937
Estimated Claims And Expenses, End of Policy Year:										
Incurred	-	14,000	880,754	-	-	-	677,966	218,311	-	-
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	-	14,000	880,754	-	-	-	677,966	218,311	-	-
Paid (Cumulative) As Of:										
End Of Policy Year	-	-	-	-	-	-	135,191	-	-	-
One Year Later	-	-	-	-	-	-	135,447	-	40,417	-
Two Years Later	-	-	-	200,000	-	-	135,447	-	-	-
Three Years Later	-	-	200,000	200,000	-	-	737,747	-	-	-
Four Years Later	-	7,120	200,000	200,000	-	293,142	-	-	-	-
Five Years Later	-	294,549	200,000	200,000	4,285	-	-	-	-	-
Six Years Later	-	294,549	200,000	258,430	-	-	-	-	-	-
Seven Years Later	-	294,549	1,080,193	-	-	-	-	-	-	-
Eight Years Later	-	294,549	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Re-Estimated Ceded Claims And Expenses	-	-	-	-	-	-	-	-	-	-
Re-Estimated Net Incurred Claims And Expenses:										
End of Policy Year	-	14,000	880,754	-	-	-	677,966	218,311	-	-
One Year Later	-	-	68,289	-	-	-	161,891	289,043	40,417	-
Two Years Later	-	18,514	198,494	200,000	-	-	135,447	455,283	-	-
Three Years Later	-	-	523,126	200,000	-	-	737,747	-	-	-
Four Years Later	-	7,406	347,109	200,000	-	293,142	-	-	-	-
Five Years Later	-	294,835	216,134	200,000	4,285	-	-	-	-	-
Six Years Later	-	294,835	200,000	258,430	-	-	-	-	-	-
Seven Years Later	-	294,549	1,077,534	-	-	-	-	-	-	-
Eight Years Later	-	294,549	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) In Estimated Net Incurred Claims And Expenses From End Of Policy Year	\$ -	\$ 280,549	\$ 196,780	\$ 258,430	\$ 4,285	\$ 293,142	\$ 59,781	\$ (236,972)	\$ (40,417)	\$ -

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *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, requires.

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

None.

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

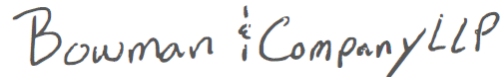
This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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



Dennis J. Skalkowski  
Certified Public Accountant