

SCHOOL ALLIANCE INSURANCE FUND
Financial Statements
June 30, 2018 and 2017
With Independent Auditors' Report

**School Alliance Insurance Fund
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June 30, 2018 and 2017**

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**School Alliance Insurance Fund
Management's Discussion and Analysis
June 30, 2018 and 2017**

This section of School Alliance Insurance Fund's (SAIF) annual financial report presents a discussion and analysis of the financial performance of SAIF for the years ended June 30, 2018 and 2017. Please read it in conjunction with the financial statements, which follow this section. The following table summarizes the financial position and results of operations of SAIF as of and for the years ended June 30, 2018 and 2017:

	2018	2017
Assets		
Cash and investments	\$ 43,171,551	\$ 40,280,450
Accrued interest on investments	92,489	83,757
Other receivable	1,747,433	1,237,039
Assessments receivable	46,046	19,476
Prepaid expenses	5,460	16,598
	<u>\$ 45,062,979</u>	<u>\$ 41,637,320</u>
Liabilities and Fund Surplus		
Reserves for unpaid claims	\$ 29,714,964	\$ 28,405,647
Other liabilities	2,915,078	3,104,300
Fund surplus	12,432,937	10,127,373
	<u>\$ 45,062,979</u>	<u>\$ 41,637,320</u>
Revenue and Expenses		
Revenue	\$ 41,895,626	\$ 41,923,835
Investment and other income (loss)	189,319	(27,560)
	<u>42,084,945</u>	<u>41,896,275</u>
Claims expenses	13,188,124	14,265,686
Insurance and reinsurance premiums	17,540,883	18,117,142
Administrative expenses	9,050,374	8,849,089
	<u>39,779,381</u>	<u>41,231,917</u>
Net income	<u>\$ 2,305,564</u>	<u>\$ 664,358</u>

School Alliance Insurance Fund Management's Discussion and Analysis June 30, 2018 and 2017

Overview of the Financial Statements

School Alliance Insurance Fund's (SAIF) financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and insurance companies, where applicable. The primary purpose of SAIF is to provide local and regional school districts a joint self-insurance fund. The fund offers a full line of insurance coverage, such as workers' compensation and employers' liability, supplemental indemnity, property damage including auto physical damage, general and automobile liability, crime and fidelity, school leaders' professional liability, excess liability, environmental impairment, student accident, security guard and foreign travel. SAIF operates under the provisions of New Jersey Statutes (N.J.S.A. 18A:18B-1 et. seq.) and has 147 and 144 school districts in the fund as of June 30, 2018 and 2017, respectively. The three basic financial statements presented within the financial statements are as follows:

- Balance Sheet – This statement presents information reflecting SAIF's assets, liabilities and fund surplus. Fund surplus represents the amount of total assets less total liabilities.
- Statement of Revenues, Expenses and Changes in Fund Surplus – This statement reflects the operating revenues and expenses, as well as non-operating revenues during the operating year. Major sources of operating revenue are regular member contributions while major sources of operating expenses are claims paid, increases in case reserves, changes in the incurred but not reported claims, insurance and reinsurance premiums as well as administrative expenses. The change in fund surplus is similar to the net profit or loss for any other insurance company.
- Statement of Cash Flows – This statement presents changes in cash and cash equivalents resulting from operating, investing and financing activities.

Financial Highlights

- SAIF's revenue is consistent with the prior year.
- Claims' case reserves represent a life to date estimate as to the expected liability for the reported claims and incurred but not reported claims (IBNR). Computing the claims liability does not result in achieving an exact amount. Claims' case reserves must be estimated due to the complex factors that determine the liability. Some of these factors are changes in legal doctrine, inflation, historical settlements, claim frequency, damage awards and other statistical techniques.
- The increase in incurred but not reported claims (IBNR) is a result of calculations supplied by the Fund's Actuary and the trending of claims.
- The increase in investment income is due primarily to market changes.
- Fund surplus may be available to the membership pursuant to the Department of Banking and Insurance regulations.
- At this point in time, management is not aware of any facts, decisions, or conditions that would have a significant effect on the Fund's financial position or the results of its operations.
- For the upcoming fund year, the Fund will experience a net increase in membership of 5, for a total of 142 members.

Contacting the Fund's Management

This financial report is designed to provide the School Alliance Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, please contact the Fund Administrator of the School Alliance Insurance Fund at the office of the Fund located at 51 Everett Drive, Suite 40-B, West Windsor, NJ 08550, or by phone at (609) 275-1155.

Independent Auditors' Report

Fund Commissioners
School Alliance Insurance Fund

We have audited the accompanying financial statements of the School Alliance Insurance Fund ("the Fund") which comprise the balance sheets as of June 30, 2018 and 2017, and the related statements of revenue, expenses, and changes in fund surplus and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of School Alliance Insurance Fund as of June 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

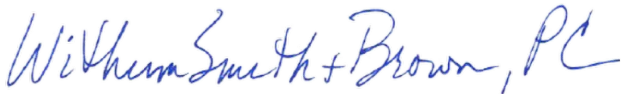
Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial as a whole. The supplementary information on pages 18 - 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



November 30, 2018

**School Alliance Insurance Fund
Balance Sheets
June 30, 2018 and 2017**

	2018	2017
Assets		
Cash and cash equivalents	\$ 19,082,356	\$ 16,104,764
Investments	24,089,195	24,175,686
Accrued interest on investments	92,489	83,757
Other receivable	1,747,433	1,237,039
Assessments receivable	46,046	19,476
Prepaid expenses	<u>5,460</u>	<u>16,598</u>
Total assets	<u>\$ 45,062,979</u>	<u>\$ 41,637,320</u>
Liabilities and Fund Surplus		
Liabilities		
Claims		
Case reserves	\$ 18,748,027	\$ 20,619,950
IBNR reserves	<u>10,966,937</u>	<u>7,785,697</u>
Total claims reserves	29,714,964	28,405,647
Other		
Administrative expenses payable	1,959,580	1,880,037
Insurance premium payable	851,978	1,123,787
Prepaid assessments	<u>103,520</u>	<u>100,476</u>
	<u>2,915,078</u>	<u>3,104,300</u>
Total liabilities	32,630,042	31,509,947
Fund surplus	<u>12,432,937</u>	<u>10,127,373</u>
Total liabilities and fund surplus	<u>\$ 45,062,979</u>	<u>\$ 41,637,320</u>

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

School Alliance Insurance Fund
Statements of Revenue, Expenses, and Changes in Fund Surplus
Years Ended June 30, 2018 and 2017

	2018	2017
Revenue		
Underwriting income - participating members	<u>\$ 41,895,626</u>	<u>\$ 41,923,835</u>
Expenses		
Claims		
Paid	11,878,807	12,285,032
(Decrease) increase in case reserves	(1,871,923)	2,898,468
Increase (decrease) in IBNR reserves	<u>3,181,240</u>	<u>(917,814)</u>
Claims - net	13,188,124	14,265,686
Insurance and reinsurance premiums	17,540,883	18,117,142
Administrative expenses	<u>9,050,374</u>	<u>8,849,089</u>
Total expenses	<u>39,779,381</u>	<u>41,231,917</u>
Operating income	<u>2,116,245</u>	<u>691,918</u>
Investment income, net	625,478	462,665
Change in fair value of investments	<u>(438,959)</u>	<u>(491,476)</u>
Investment income (loss), net	186,519	(28,811)
Other income	<u>2,800</u>	<u>1,251</u>
Total non-operating income (loss)	<u>189,319</u>	<u>(27,560)</u>
Net income	2,305,564	664,358
Fund surplus, beginning of year	<u>10,127,373</u>	<u>9,463,015</u>
Fund surplus, end of year	<u><u>\$ 12,432,937</u></u>	<u><u>\$ 10,127,373</u></u>

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

School Alliance Insurance Fund
Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Underwriting income - regular contribution received	\$ 41,872,100	\$ 41,928,466
Claims paid	(11,878,807)	(12,285,032)
Excess insurance premium paid	(18,323,086)	(17,935,620)
Administrative expenses paid	(8,959,693)	(8,840,292)
Other income received	2,800	1,251
Net cash provided by operating activities	<u>2,713,314</u>	<u>2,868,773</u>
Cash flows from investing activities		
Sale/maturity of investments	5,265,190	5,439,283
Purchases of investments	(5,643,707)	(5,821,012)
Investment income, net	642,795	393,544
Net cash provided by investing activities	<u>264,278</u>	<u>11,815</u>
Increase in cash and cash equivalents	2,977,592	2,880,588
Cash and cash equivalents		
Beginning of year	16,104,764	13,224,176
End of year	<u>\$ 19,082,356</u>	<u>\$ 16,104,764</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,116,245	\$ 691,918
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in other receivable	(510,394)	(209,584)
(Increase) decrease in assessments receivable	(26,570)	2,508
Decrease (increase) in prepaid expenses	11,138	(11,268)
Increase in case and IBNR reserves	1,309,317	1,980,655
Increase in administrative expenses payable	79,543	20,064
(Decrease) increase in premiums and due to reinsurer payable	(271,809)	391,106
Increase in prepaid assessments	3,044	2,123
Other income	2,800	1,251
Net cash provided by operating activities	<u>\$ 2,713,314</u>	<u>\$ 2,868,773</u>

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

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

1. ORGANIZATION

The School Alliance Insurance Fund ("the Fund") is a school district joint self insurance fund formed under the provisions of New Jersey statutes (N.J.S.A. 18A:18B-1 et seq.). The Fund's membership is comprised of local and regional school districts. The Fund commenced operations on July 1, 1996 with an original membership of 69 districts. There were 147 and 144 member school districts as of June 30, 2018 and 2017, respectively. The Fund's general objectives are to provide member districts with a long-term alternative to the insurance market as a means of stabilizing insurance expenditures and to develop comprehensive loss control programs for members.

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

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

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

The Fund offers its members the following coverages:

- Workers' Compensation and Employers' Liability
- Supplemental Indemnity *
- Property (includes boiler and machinery and automobile physical damage)
- Crime and Fidelity *
- Environmental Impairment Liability (EIL) *
- Comprehensive General and Automobile Liability (including employee benefits liability)
- School Leaders Professional Liability (including employment practices liability)
- Excess Liability ***
- Security Guard Liability *
- Foreign Travel Liability (including general liability, automobile liability, foreign workers' compensation/employers' liability) **
- Student Accident *

*Coverage added fund year 2000/2001. Environmental Impairment Liability was an individual member option until fund year 2002/2003

**Coverage added fund year 2002/2003, individual member option

***Coverage offered through the fund for fund year 1998/1999

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

The Fund's liability (self-insured retention or SIR) for claims is limited to the following coverages and amounts:

	<u>Fund Year(s)</u>	<u>Loss Type</u>	<u>Per Occurrence SIR</u>	<u>Aggregate SIR</u>
Workers' Compensation	1996/1997	Loss & ALAE	\$100,000	\$3,066,979
	1997/1998	Loss & ALAE	\$100,000	\$3,748,659
	1998/1999	Loss & ALAE	\$100,000	\$3,658,945
	1999/2000	Loss & ALAE	\$100,000	\$3,163,152
	2000/2001	Loss & ALAE	\$100,000	\$3,590,400
	2001/2002	Loss & ALAE	\$250,000	\$4,732,533
	2002/2003 - 2010/2011	Loss & ALAE	\$250,000	None
	2011/2012 - 2017/2018	Loss & ALAE	\$100,000	None
Property & Liability	1996/1997 - 2000/2001	ALAE only	Unlimited	None
Auto Liability	2001/2002	Loss & ALAE	\$50,000	\$121,145
General Liability	2001/2002	Loss & ALAE	\$50,000	\$285,741
Liability	2002/2003 - 2003/2004	Loss & ALAE	\$100,000	\$800,000
	2004/2005	Loss & ALAE	\$100,000	\$1,200,000
Property	2001/2002	ALAE only	Unlimited	None
	2002/2003 - 2003/2004	Loss & ALAE	\$100,000	\$850,000
	2004/2005	Loss & ALAE	\$100,000	\$1,075,000
Property & Liability	2005/2006	Loss & ALAE	\$100,000	\$2,850,000
	2006/2007	Loss & ALAE	\$100,000	\$3,333,256
	2007/2008	Loss & ALAE	\$100,000	\$3,368,480
	2008/2009	Loss & ALAE	\$100,000	\$3,850,000
	2009/2010 - 2010/2011	Loss & ALAE	\$100,000	\$3,500,000
	2011/2012	Loss & ALAE	\$100,000	\$3,550,000
	2012/2013 - 2013/2014	Loss & ALAE	\$100,000	\$3,850,000
	2014/2015	Loss & ALAE	\$100,000	\$3,750,000
	2015/2016	Loss & ALAE	\$100,000	\$3,780,327
	2016/2017	Loss & ALAE	\$100,000	\$3,725,000
2017/2018	Loss & ALAE	\$100,000	\$3,779,000	
SBILL	2000/2001	Loss & ALAE	\$50,000	\$183,333
School Leaders' Liability	2005/2006 - 2009/2010	Loss & ALAE	\$25,000	None
	2010/2011 - 2014/2015	Loss & ALAE	\$35,000 / \$50,000	None
	2015/2016 - 2017/2018	Loss & ALAE	\$100,000	None

Losses in excess of the above amounts are covered by reinsurance and excess insurance contracts. The payments for claim liabilities for all other lines of coverage are provided by reinsurance and excess insurance contracts.

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

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and insurance companies, where applicable. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. In addition, certain actuarial assumptions have been made in the preparation of these financial statements. Actual results could differ from those estimates. A summary of the significant accounting policies is set forth below.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses reflected as incurred.

Fair Value of Financial Instruments

The Fund follows the accounting pronouncement relating to fair value measurements, with respect to its financial assets and liabilities only. FASB ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under FASB ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under FASB ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Revenue Recognition

Budgetary premium revenue contributions from members (school districts) and investment income are recorded on the accrual basis. The assessments of the participating school districts are determined by the actuary and certified by vote of the Fund Commissioners. Revenues are recognized on a daily pro rata basis over the term of the policy. Premiums applicable to the unexpired terms of the policies in force are reported as a liability and classified as unearned premiums at the balance sheet date.

Assessments Receivable

Assessments receivable is comprised of member installments due to the Fund for the current year which remain unpaid at the end of the fiscal year. Assessments receivable are unsecured, are recorded when invoices are issued and are presented in the balance sheets. Per the Fund's by-laws, past due assessments shall bear interest at a rate determined annually by the Executive Committee. The interest rate assessed for both of the years ending June 30, 2018 and 2017 was prime plus 2%, although interest may be waived at the Board's discretion. Payments on assessments receivable are allocated to specific

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

invoices identified on the member's invoice or if unspecified, they are applied "on account" to the member until identification is received from the member. Assessments receivable are written off when they are determined to be uncollectible. As of both June 30, 2018 **and 2017**, no receivables were written off nor is there a reserve for bad debts.

Other Receivable

Other receivables represent amounts due from members deductible billings and from reinsurers.

Claims Liabilities

The Fund establishes claims liabilities for the Fund's SIR loss and claim adjustment expense based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund does not discount claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Subrogation and other recoverable claim amounts are recognized as a reduction of claim payments upon the receipt of cash or are accrued for the recoverable amount if known.

Reinsurance

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in these financial statements are fair market value of investments, case reserves and incurred but not reported ("IBNR") reserves.

Income Taxes

The Fund is a tax-exempt organization and is not subject to either federal or state taxes under Section 115 of the Internal Revenue Code.

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

3. CASH AND CASH EQUIVALENTS

At June 30, cash consisted of the following:

	2018	2017
Checking account	\$ 19,076,217	\$ 16,083,424
Investment account	<u>6,139</u>	<u>21,340</u>
	<u>\$ 19,082,356</u>	<u>\$ 16,104,764</u>

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The bank balances of the above accounts were \$18,978,836 and \$16,001,330 as of June 30, 2018 and 2017, respectively.

The bank balances have been deposited in a public depository, which is fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and in excess of \$250,000 is fully collateralized by the bank or institution through the Government Unit Deposit Protection Act (GUDPA).

4. INVESTMENTS

At June 30, 2018 and 2017, the Fund invested only in notes backed by the Federal Government and are triple A rated (AAA) by Moody's with various interest rates and maturity dates. The maturity dates range from 1/31/2019 to 10/31/2022 as of June 30, 2018 and from 3/31/2018 to 4/30/2022 as of June 30, 2017. Investments are stated at fair value. All investment activities were conducted through US Bank under an investment service agreement.

	2018	2017
Face value	\$ 24,595,000	\$ 24,150,000
Unamortized (discount) premium, net	(12,393)	80,139
Unrealized loss, net	<u>(493,412)</u>	<u>(54,453)</u>
Fair value	<u>\$ 24,089,195</u>	<u>\$ 24,175,686</u>

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

	2018	2017
Realized (loss) gain	\$ (9,192)	\$ 42,985
Amortization of (premium) discount, net	(16,857)	12,064
Interest income, net	<u>651,527</u>	<u>407,616</u>
Investment income	<u>\$ 625,478</u>	<u>\$ 462,665</u>

5. FAIR VALUE ACCOUNTING

Recurring Fair Value Measurements

Pursuant to the requirements of FASB ASC 820, the Fund has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following table summarizes assets (liabilities) which have been accounted for at fair value on a recurring basis as of June 30 along with the basis for the determination of fair value:

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

2018				
		Basis for Valuation		
	Total	Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments-US Treasury Bonds	\$ 24,089,195	\$24,089,195	--	--

2017				
		Basis for Valuation		
	Total	Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments-US Treasury Bonds	\$ 24,175,686	\$24,175,086	--	--

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

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

The valuation methods for these investments are consistent for the years ended June 30, 2018 and 2017.

6. LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of June 30, 2018 and 2017. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

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

	2018	2017
Case reserves	\$ 18,748,027	\$ 20,619,950
Reserves for losses incurred but not reported	<u>10,966,937</u>	<u>7,785,697</u>
	<u>\$ 29,714,964</u>	<u>\$ 28,405,647</u>

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

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

Unpaid claim liabilities, beginning of year	<u>\$ 28,405,647</u>	<u>\$ 26,424,992</u>
Incurred claims:		
Provision for insured events of the current period	13,146,026	13,572,384
Increase in provision for insured events of prior years	<u>42,098</u>	<u>693,303</u>
Total increase-incurred claims	<u>13,188,124</u>	<u>14,265,687</u>
Payments:		
Payments - net on claims for insured events of the current period	3,708,980	4,437,899
Payments - net on claims for insured events of prior years	<u>8,169,827</u>	<u>7,847,133</u>
Total payments	<u>11,878,807</u>	<u>12,285,032</u>
Unpaid claim liabilities, end of year	<u>\$ 29,714,964</u>	<u>\$ 28,405,647</u>

7. LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The following is information relating to incurred and paid claims development as of June 30, 2018, net of reinsurance, as well as cumulative claim frequency and the total of incurred-but-not-reported liabilities plus expected development on reported claims included within the net incurred claims amounts. The information relating to incurred and paid claims development for the year ended June 30, 2018 is as follows:

Workers' Compensation											As of June 30, 2018		
Incurred and Allocated Claim Adjustment Expenses, Net of Reinsurance											Total of incurred-but-not-reported liabilities plus expected development on report claims	Cumulative Number of Reported Claims	
Fund Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018			
2009	\$ 8,500,000	\$ 9,265,000	\$ 9,095,000	\$ 9,075,000	\$ 9,900,000	\$ 9,942,000	\$ 9,940,000	\$ 10,230,663	\$ 10,350,628	\$ 10,440,513	\$	21,412	1,128
2010		8,300,000	9,200,000	9,650,000	10,300,000	10,580,000	10,473,000	10,544,185	10,650,364	10,541,943		15,372	1,062
2011			8,700,000	9,500,000	9,500,000	9,500,000	9,215,000	8,785,868	8,765,027	8,840,686		22,257	1,006
2012				7,800,000	7,900,000	7,840,000	7,450,000	7,205,470	7,923,865	7,480,108		1,847	929
2013					10,200,000	10,700,000	10,600,000	10,100,000	10,229,881	10,034,129		12,284	1,063
2014						10,450,000	9,600,000	9,200,000	9,200,000	9,030,059		12,687	1,135
2015							9,700,000	9,500,000	9,600,000	9,150,477		66,205	977
2016								8,000,000	7,000,000	6,619,046		72,374	948
2017									7,000,000	6,378,595		236,235	853
2018										5,663,402		3,885,665	814
										<u>\$ 84,178,958</u>			

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
Fund Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
2009	\$ 3,080,458	\$ 5,575,044	\$ 6,547,183	\$ 7,375,676	\$ 8,298,196	\$ 8,646,890	\$ 8,843,272	\$ 9,129,694	\$ 9,339,082	\$ 9,545,228
2010		2,799,044	5,637,201	6,825,711	8,309,279	9,052,765	9,457,017	9,763,679	9,818,731	10,031,310
2011			3,054,978	5,233,412	6,545,545	7,125,150	7,712,874	7,916,468	8,040,569	8,254,525
2012				3,058,377	4,753,203	5,574,725	6,073,718	6,316,074	6,599,250	6,882,548
2013					3,676,535	6,918,884	7,983,244	8,661,300	9,038,216	9,318,180
2014						4,054,534	6,369,321	7,375,802	8,023,022	8,389,858
2015							3,570,038	5,965,855	6,860,379	7,536,310
2016								2,683,245	4,133,275	4,933,598
2017									2,143,702	3,410,094
2018										1,619,235
										<u>69,920,886</u>
										<u>1,340,138</u>
										<u>\$ 15,598,210</u>

School Alliance Insurance Fund

Notes to Financial Statements

June 30, 2018 and 2017

Automobile, Property and General Liability

Fund Year	Incurred and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of June 30, 2018	
	For the Years Ended June 30,										Total of incurred-but-not-reported liabilities plus expected development on report claims	Cumulative Number of Reported Claims
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
2009	\$ 3,427,416	\$ 3,427,416	\$ 3,427,416	\$ 3,368,480	\$ 3,427,416	\$ 3,757,272	\$ 3,765,272	\$ 3,756,272	\$ 3,750,693	\$ 3,750,693	\$ -	271
2010		3,371,884	3,371,884	3,371,884	3,371,884	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	-	293
2011			3,345,000	2,765,000	2,955,925	2,908,461	2,656,796	2,560,518	2,546,518	2,531,071	-	306
2012				3,160,000	3,352,712	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000	-	243
2013					3,447,834	3,850,000	3,850,000	3,695,145	3,469,145	3,419,677	22,840	231
2014						3,850,000	3,850,000	3,811,083	3,339,919	3,401,178	58,274	233
2015							3,750,000	3,473,000	3,212,353	3,353,578	81,070	249
2016								3,780,327	3,437,000	3,661,460	240,693	239
2017									2,297,385	3,725,000	763,359	195
2018										3,282,624	985,420	242
										<u>\$ 34,175,281</u>		

Fund Year	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
	For the Years Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
2009	\$ 1,470,332	\$ 1,789,759	\$ 2,152,911	\$ 2,609,348	\$ 3,143,159	\$ 3,332,230	\$ 3,501,552	\$ 3,644,539	\$ 3,750,693	\$ 3,750,693	
2010		1,778,987	2,263,319	2,560,426	3,249,031	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	
2011			1,092,173	1,678,631	1,830,530	2,214,705	2,365,997	2,470,532	2,507,092	2,531,071	
2012				1,170,151	1,910,869	2,340,851	2,957,722	3,413,247	3,548,621	3,550,000	
2013					1,453,097	2,243,816	2,442,868	2,972,656	3,183,144	3,296,072	
2014						1,619,894	1,992,274	2,356,628	2,740,039	3,176,317	
2015							1,582,223	2,020,596	2,203,810	2,564,891	
2016								1,493,327	2,199,457	2,709,839	
2017									1,576,891	2,234,356	
2018										<u>1,393,771</u>	
										Total	28,707,010
										All outstanding liabilities before 2009, net of reinsurance	-
										Liabilities for claims and claim adjustment expenses net of reinsurance	<u>\$ 5,468,271</u>

School Leaders' Liability

Fund Year	Incurred and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of June 30, 2018	
	For the Years Ended June 30,										Total of incurred-but-not-reported liabilities plus expected development on report claims	Cumulative Number of Reported Claims
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
2009	\$ 429,100	\$ 750,000	\$ 755,000	\$ 640,000	\$ 520,000	\$ 420,000	\$ 410,000	\$ 297,221	\$ 287,221	\$ 289,726	\$ -	17
2010		565,000	400,000	175,000	140,000	350,000	340,000	300,882	285,882	285,882	-	16
2011			775,000	550,000	255,000	475,000	495,000	529,000	455,577	570,577	-	25
2012				625,000	275,000	250,000	322,000	429,000	366,051	366,051	-	16
2013					850,000	350,000	340,000	715,000	720,000	662,000	78,583	29
2014						450,000	440,000	1,419,000	1,420,000	1,010,000	341,075	30
2015							400,000	440,000	600,000	509,000	74,858	20
2016								1,471,715	3,481,427	3,498,557	1,413,364	117
2017									2,297,385	3,919,811	2,174,658	101
2018										3,650,000	2,910,325	71
										<u>14,761,604</u>		

Fund Year	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
	For the Years Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
2009	\$ 78,607	\$ 202,827	\$ 269,917	\$ 281,176	\$ 281,176	\$ 287,221	\$ 287,221	\$ 287,221	\$ 287,221	\$ 289,726	
2010		25,043	40,679	62,473	82,473	285,882	285,882	285,882	285,882	285,882	
2011			74,084	117,122	117,122	400,621	455,577	455,577	455,577	570,577	
2012				126,525	185,694	218,486	251,225	336,051	366,051	366,051	
2013					380,995	149,939	237,235	462,666	553,417	583,417	
2014						48,605	108,705	431,370	668,925	668,925	
2015							30,000	87,970	394,142	434,142	
2016								119,391	1,307,430	1,724,958	
2017									167,306	1,043,470	
2018										<u>145,973</u>	
										Total	6,113,121
										All outstanding liabilities before 2009, net of reinsurance	-
										Liabilities for claims and claim adjustment expenses net of reinsurance	<u>\$ 8,648,483</u>

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

The reconciliation of the net incurred and paid claims development tables to the reserves for losses and loss adjustment expenses in the balance sheet as of June 30, 2018 is as follows:

	<u>June 30, 2018</u>
Net outstanding liabilities	
Workers compensation	\$ 15,598,210
Auto, property and general liability	5,468,271
School leaders' liability	<u>8,648,483</u>
Liabilities for unpaid claims and claim adjustment expenses, net of reinsurance	29,714,964
Reinsurance recoverable on unpaid claims	
Auto, property and general liability	<u>167,287</u>
Total gross liability for unpaid claims and claim adjustment expense	<u>\$ 29,882,251</u>

Methodology and Assumptions

In order to estimate the liability for unpaid claims and claim adjustment expenses as of June 30, 2018, the Fund utilized the Loss Development Factor Method and the Bornhuetter/Ferguson Method.

Loss Development Factor Method

For each fund year, losses are multiplied by a loss development factor yielding ultimate losses. Projections were made on a paid loss basis, case reserve basis, and an incurred loss basis. The loss development factors were derived from the Fund's loss experience. Incurred losses are the sum of paid losses and case reserves. Case reserves are set by adjusters on the individual cases.

Bornhuetter/Ferguson Method

This method generates ultimate losses as a function of actual losses to-date, expected ultimate losses, and loss developments factors. The actual losses can be either on a paid basis or an incurred basis. Expected ultimate losses for fund years prior to the year ended June 30, 2018 are the ultimate loss projections from the March 31, 2018 loss reserve analysis. For the fund year ended June 30, 2018, values based on the budgeted loss fund assessment were used. The Bornhuetter-Ferguson method involves the determination of an initial estimate of the ultimate incurred loss. The expected ultimate loss is then divided into two parts: that portion which we would expect to have been reported thus far and that portion which is expected to have been incurred but not reported.

The reported claim frequency is determined by claims, regardless of the number of claims per occurrence and includes claims that do not result in a liability.

Discount for the Time Value of Money

The Fund evaluated the unpaid loss and allocated loss adjustment expense on an undiscounted basis with respect to the time value of money. The Fund does not reduce reserves to reflect discounting.

School Alliance Insurance Fund
Notes to Financial Statements
June 30, 2018 and 2017

Average Annual Percentage Payout of Incurred Claims

The following information represents the average historical claims duration as of June 30, 2018:

Year	Average annual percentage payout of incurred claims by age, net of reinsurance									
	1	2	3	4	5	6	7	8	9	10
Workers' Compensation	35.5%	24.9%	11.3%	8.1%	5.6%	3.2%	2.5%	1.9%	2.0%	2.0%
Automobile, General & Property	42.9%	16.7%	9.0%	14.6%	9.9%	3.3%	1.5%	1.6%	1.4%	0.0%
School Leaders' Liability	16.3%	12.3%	19.6%	19.3%	19.6%	3.0%	0.0%	6.7%	0.0%	0.9%

8. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events occurring after the balance sheet date through the date of November 30, 2018 which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined that no subsequent events have occurred which require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**School Alliance Insurance Fund
Ten Year Claims Development Information
June 30, 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Underwriting Income - Regular Contributions	\$ 27,576,429	\$ 29,203,857	\$ 29,052,602	\$ 27,458,723	\$ 31,126,501	\$ 33,869,258	\$ 38,073,207	\$ 40,869,276	\$ 41,923,835	\$ 41,895,626
Investment Income	299,256	287,028	383,857	181,132	56,340	128,752	177,289	167,108	51,374	34,699
Other Income	8,745	3,383	6,771	6,010	8,042	5,426	9,366	3,874	1,252	2,800
	<u>27,884,430</u>	<u>29,494,268</u>	<u>29,443,230</u>	<u>27,645,865</u>	<u>31,190,883</u>	<u>34,003,436</u>	<u>38,259,862</u>	<u>41,040,258</u>	<u>41,976,461</u>	<u>41,933,125</u>
Insurance and Reinsurance Premiums	8,643,586	9,122,067	8,978,601	10,095,761	11,826,456	14,218,664	16,037,373	17,192,214	17,726,036	18,664,670
Administrative Expenses	5,758,578	6,022,954	6,321,779	5,932,809	6,609,507	7,179,065	7,988,147	8,762,802	8,987,512	9,279,689
	<u>14,402,164</u>	<u>15,145,021</u>	<u>15,300,380</u>	<u>16,028,570</u>	<u>18,435,963</u>	<u>21,397,729</u>	<u>24,025,520</u>	<u>25,955,016</u>	<u>26,713,548</u>	<u>27,944,359</u>
Estimated Incurred Claims, End of Policy Year	<u>12,390,568</u>	<u>12,236,984</u>	<u>12,820,000</u>	<u>11,584,999</u>	<u>14,689,833</u>	<u>14,721,698</u>	<u>13,850,000</u>	<u>13,527,041</u>	<u>13,572,384</u>	<u>13,146,026</u>
Cumulative Paid Claims as of:										
End of Policy Year	4,663,446	4,603,174	4,221,236	4,355,053	5,510,627	5,694,731	5,182,262	4,570,962	4,437,898	3,708,980
One Year Later	7,581,812	7,941,398	7,029,166	6,849,767	9,312,640	8,470,000	8,074,420	7,915,162	7,237,920	
Two Years Later	8,971,355	9,448,610	8,493,197	8,134,062	10,663,347	10,163,800	9,458,331	9,643,395		
Three Years Later	10,266,042	11,640,783	9,740,475	9,282,665	12,096,622	11,431,986	10,535,343			
Four Years Later	11,722,373	12,838,647	10,534,448	10,065,372	12,774,777	12,235,100				
Five Years Later	12,266,340	13,242,899	10,842,577	10,513,922	13,197,670					
Six Years Later	12,632,044	13,549,560	11,003,238	10,798,599						
Seven Years Later	13,061,454	13,604,613	11,356,173							
Eight Years Later	13,376,995	13,817,192								
Nine Years Later	13,585,647									
Cumulative Incurred Claims as of:										
End of Policy Year	12,390,568	12,236,984	12,820,000	11,584,999	14,689,833	14,721,698	13,850,000	13,527,041	13,572,384	13,146,026
One Year Later	13,456,597	12,972,084	12,815,000	11,701,362	14,900,000	13,890,000	13,412,999	14,193,429	14,573,406	
Two Years Later	13,278,759	13,196,884	12,710,925	11,640,000	14,790,000	14,430,083	13,412,523	14,054,064		
Three Years Later	13,083,322	13,811,884	12,883,461	11,322,000	14,510,145	13,959,918	13,013,056			
Four Years Later	13,847,258	14,430,000	12,366,796	11,184,469	14,419,026	13,441,236				
Five Years Later	14,119,272	14,313,000	11,875,386	11,209,916	14,115,806					
Six Years Later	14,115,271	14,345,067	11,767,122	11,396,159						
Seven Years Later	14,284,155	14,436,246	11,942,334							
Eight Years Later	14,388,542	14,327,825								
Nine Years Later	14,480,933									
Increase (Decrease) in Cumulative Incurred Claims from End of Policy Year	<u>\$ 2,090,365</u>	<u>\$ 2,090,841</u>	<u>\$ (877,666)</u>	<u>\$ (188,840)</u>	<u>\$ (574,027)</u>	<u>\$ (1,280,462)</u>	<u>\$ (836,944)</u>	<u>\$ 527,023</u>	<u>\$ 1,001,022</u>	<u>\$ --</u>

See Independent Auditors' Report.

School Alliance Insurance Fund
Combining Schedule of Changes in Fund Surplus (Deficit)
Fund Years 1997 Through 2018
Year Ended June 30, 2017

<u>Fund Year</u>	<u>Fund Surplus (Deficit) June 30, 2017</u>	<u>Net Income (Loss)</u>	<u>Less Surplus Returned to Members</u>	<u>Fund Surplus (Deficit) June 30, 2018</u>
1997	\$ 15,777.03	\$ 68.47	\$ --	\$ 15,845.50
1998	372,276.65	1,615.47	--	373,892.12
1999	335,349.03	1,380.57	--	336,729.60
2000	53,992.52	231.73	--	54,224.25
2001	313,017.48	1,160.49	--	314,177.97
2002	29,858.64	151.65	--	30,010.29
2003	55,670.70	(7,302.63)	--	48,368.07
2004	412,008.12	(4,979.76)	--	407,028.36
2005	1,020,407.13	(17,471.01)	--	1,002,936.12
2006	1,951,578.35	89,864.94	--	2,041,443.29
2007	1,919,359.51	(205,879.09)	--	1,713,480.42
2008	2,929,744.31	132,353.99	--	3,062,098.30
2009	(906,491.35)	(92,175.58)	--	(998,666.93)
2010	(87,108.45)	108,530.38	--	21,421.93
2011	2,320,232.07	(119,715.51)	--	2,200,516.56
2012	350,861.34	(129,725.77)	--	221,135.57
2013	(1,664,106.54)	303,220.45	--	(1,360,886.09)
2014	(1,358,524.43)	522,995.67	--	(835,528.76)
2015	795,791.90	425,493.95	--	1,221,285.85
2016	310,340.78	720,837.40	--	1,031,178.18
2017	957,338.42	(267,831.84)	--	689,506.58
2018	-	842,739.91	--	842,739.91
	<u>\$ 10,127,373.21</u>	<u>\$ 2,305,563.88</u>	<u>\$ --</u>	<u>\$ 12,432,937.09</u>

**School Alliance Insurance Fund
 Combined Cumulative Operating Results Analysis
 Fund Years 1997 Through 2018
 June 30, 2018**

Revenue	
Underwriting income - regular contributions	<u>\$ 522,443,676.20</u>
Expenses	
Claims	
Paid	184,455,366.50
Increase in case reserves	18,748,027.41
Increase in IBNR reserves	<u>10,966,937.00</u>
Claims - net	214,170,330.91
Insurance and reinsurance premiums	191,046,580.56
Administrative expenses	<u>109,421,132.07</u>
Total expenses	<u>514,638,043.54</u>
Operating income	<u>7,805,632.66</u>
Investment income	9,784,153.66
Other income	<u>222,249.77</u>
Total non-operating income	<u>10,006,403.43</u>
Net income	17,812,036.09
Less: surplus returned to members	<u>(5,379,099.00)</u>
Fund surplus	<u><u>\$ 12,432,937.09</u></u>

See Independent Auditors' Report.

School Alliance Insurance Fund
1997 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property & Auto Physical Damage</u>	<u>Auto Liability</u>	<u>Boiler Machinery & School Board Legal Liability</u>	<u>Totals</u>
Underwriting Income:						
Regular Contributions	\$ 3,873,672.00	\$ 516,907.10	\$ 677,699.04	\$ 378,206.86	\$ 226,407.00	\$ 5,672,892.00
Expenses:						
Claims:						
Paid	2,818,462.04	158,267.81	10,577.50	58,406.30	--	3,045,713.65
Case Reserves	--	--	--	--	--	--
IBNR Reserves	--	--	--	--	--	--
	<u>2,818,462.04</u>	<u>158,267.81</u>	<u>10,577.50</u>	<u>58,406.30</u>	<u>--</u>	<u>3,045,713.65</u>
Other:						
Insurance and Reinsurance Premiums	614,064.00	321,445.32	392,835.00	228,564.68	192,217.60	1,749,126.60
Administrative	654,894.98	137,772.08	179,552.15	97,859.91	30,189.17	1,100,268.29
	<u>1,268,958.98</u>	<u>459,217.40</u>	<u>572,387.15</u>	<u>326,424.59</u>	<u>222,406.77</u>	<u>2,849,394.89</u>
Total Expenses	<u>4,087,421.02</u>	<u>617,485.21</u>	<u>582,964.65</u>	<u>384,830.89</u>	<u>222,406.77</u>	<u>5,895,108.54</u>
Operating (Loss) Income	<u>(213,749.02)</u>	<u>(100,578.11)</u>	<u>94,734.39</u>	<u>(6,624.03)</u>	<u>4,000.23</u>	<u>(222,216.54)</u>
Investment Income (Loss)	315,897.00	(15,155.05)	59,997.17	16,290.98	3,098.94	380,129.04
Other Income	11,006.40	1,926.12	3,017.59	1,476.69	917.20	18,344.00
Transfers	(84,204.00)	108,931.00	(150,697.00)	(10,640.00)	(8,003.00)	(144,613.00)
Total Non-Operating Income (Loss)	<u>242,699.40</u>	<u>95,702.07</u>	<u>(87,682.24)</u>	<u>7,127.67</u>	<u>(3,986.86)</u>	<u>253,860.04</u>
Net Income (Loss)	28,950.38	(4,876.04)	7,052.15	503.64	13.37	31,643.50
Less: Surplus Returned to Members	(15,798.00)	--	--	--	--	(15,798.00)
Fund Surplus (Deficit)	<u>\$ 13,152.38</u>	<u>\$ (4,876.04)</u>	<u>\$ 7,052.15</u>	<u>\$ 503.64</u>	<u>\$ 13.37</u>	<u>\$ 15,845.50</u>

See Independent Auditors' Report.

School Alliance Insurance Fund
1998 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Property &</u> <u>Auto Physical</u> <u>Damage</u>	<u>Auto</u> <u>Liability</u>	<u>Boiler Machinery</u> <u>& School Board</u> <u>Legal</u> <u>Liability</u>	<u>Totals</u>
Underwriting Income:						
Regular Contributions	\$ 4,522,185.00	\$ 745,987.72	\$ 915,285.72	\$ 496,131.56	\$ 332,257.00	\$ 7,011,847.00
Expenses:						
Claims:						
Paid	3,013,797.93	69,777.31	192,452.45	93.00	--	3,276,120.69
Case Reserves	--	--	--	--	--	--
IBNR Reserves	--	--	--	--	--	--
	<u>3,013,797.93</u>	<u>69,777.31</u>	<u>192,452.45</u>	<u>93.00</u>	<u>--</u>	<u>3,276,120.69</u>
Other:						
Insurance and Reinsurance Premiums	614,630.00	450,865.18	503,132.99	294,765.82	279,239.52	2,142,633.51
Administrative	772,316.56	198,545.62	230,349.87	115,235.37	44,746.41	1,361,193.83
	<u>1,386,946.56</u>	<u>649,410.80</u>	<u>733,482.86</u>	<u>410,001.19</u>	<u>323,985.93</u>	<u>3,503,827.34</u>
Total Expenses	<u>4,400,744.49</u>	<u>719,188.11</u>	<u>925,935.31</u>	<u>410,094.19</u>	<u>323,985.93</u>	<u>6,779,948.03</u>
Operating Income (Loss)	<u>121,440.51</u>	<u>26,799.61</u>	<u>(10,649.59)</u>	<u>86,037.37</u>	<u>8,271.07</u>	<u>231,898.97</u>
Investment Income	510,794.54	42,903.57	37,729.32	47,452.33	4,657.39	643,537.15
Other Income	7,014.39	1,257.96	1,522.79	867.40	564.46	11,227.00
Transfers	(167,442.00)	--	--	(4,540.00)	(13,199.00)	(185,181.00)
Total Non-Operating Income (Loss)	<u>350,366.93</u>	<u>44,161.53</u>	<u>39,252.11</u>	<u>43,779.73</u>	<u>(7,977.15)</u>	<u>469,583.15</u>
Net Income	471,807.44	70,961.14	28,602.52	129,817.10	293.92	701,482.12
Less: Surplus Returned to Members	(157,563.00)	(25,000.00)	(25,000.00)	(119,762.00)	(265.00)	(327,590.00)
Fund Surplus	<u>\$ 314,244.44</u>	<u>\$ 45,961.14</u>	<u>\$ 3,602.52</u>	<u>\$ 10,055.10</u>	<u>\$ 28.92</u>	<u>\$ 373,892.12</u>

See Independent Auditors' Report.

School Alliance Insurance Fund
1999 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Property*</u>	<u>Auto</u> <u>Liability</u>	<u>School Board</u> <u>Legal</u> <u>Liability</u>	<u>Totals</u>
Underwriting Income:						
Regular Contributions	\$ 4,857,399.00	\$ 978,761.61	\$ 1,284,962.00	\$ 559,214.39	\$ 254,283.00	\$ 7,934,620.00
Expenses:						
Claims:						
Paid	3,127,216.03	434,818.18	74,939.35	44,475.42	--	3,681,448.98
Case Reserves	--	--	--	--	--	--
IBNR Reserves	--	--	--	--	--	--
	<u>3,127,216.03</u>	<u>434,818.18</u>	<u>74,939.35</u>	<u>44,475.42</u>	<u>--</u>	<u>3,681,448.98</u>
Other:						
Insurance and Reinsurance Premiums	642,658.00	582,447.62	756,419.00	372,721.38	221,622.72	2,575,868.72
Administrative	837,954.34	255,860.46	313,687.68	142,174.12	30,513.96	1,580,190.56
	<u>1,480,612.34</u>	<u>838,308.08</u>	<u>1,070,106.68</u>	<u>514,895.50</u>	<u>252,136.68</u>	<u>4,156,059.28</u>
Total Expenses	<u>4,607,828.37</u>	<u>1,273,126.26</u>	<u>1,145,046.03</u>	<u>559,370.92</u>	<u>252,136.68</u>	<u>7,837,508.26</u>
Operating Income (Loss)	<u>249,570.63</u>	<u>(294,364.65)</u>	<u>139,915.97</u>	<u>(156.53)</u>	<u>2,146.32</u>	<u>97,111.74</u>
Investment Income (Loss)	592,110.37	(27,590.27)	92,137.99	13,472.11	1,376.66	671,506.86
Other Income	7,504.00	1,349.38	1,407.00	880.38	586.24	11,727.00
Transfers	(348,609.00)	323,263.00	(200,000.00)	2,519.00	(3,983.00)	(226,810.00)
Total Non-Operating Income (Loss)	<u>251,005.37</u>	<u>297,022.11</u>	<u>(106,455.01)</u>	<u>16,871.49</u>	<u>(2,020.10)</u>	<u>456,423.86</u>
Net Income	500,576.00	2,657.46	33,460.96	16,714.96	126.22	553,535.60
Less: Surplus Returned to Members	(201,394.00)	(2,801.00)	(7,519.00)	(5,000.00)	(92.00)	(216,806.00)
Fund Surplus (Deficit)	<u>\$ 299,182.00</u>	<u>\$ (143.54)</u>	<u>\$ 25,941.96</u>	<u>\$ 11,714.96</u>	<u>\$ 34.22</u>	<u>\$ 336,729.60</u>

* Property includes Auto Physical Damage and Boiler and Machinery

See Independent Auditors' Report.

School Alliance Insurance Fund
2000 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Totals</u>
Underwriting Income:						
Regular Contributions	\$ 4,191,609.00	\$ 1,222,215.27	\$ 1,317,938.00	\$ 716,014.73	\$ 310,336.00	\$ 7,758,113.00
Expenses:						
Claims:						
Paid	3,163,152.00	343,793.45	22,369.52	17,990.81	--	3,547,305.78
Case Reserves	--	--	--	--	--	--
IBNR Reserves	--	--	--	--	--	--
	<u>3,163,152.00</u>	<u>343,793.45</u>	<u>22,369.52</u>	<u>17,990.81</u>	<u>-</u>	<u>3,547,305.78</u>
Other:						
Insurance and Reinsurance Premiums	525,905.00	755,014.00	791,407.00	492,583.00	267,069.44	2,831,978.44
Administrative	763,214.02	275,690.23	337,829.81	169,554.37	37,240.00	1,583,528.43
	<u>1,289,119.02</u>	<u>1,030,704.23</u>	<u>1,129,236.81</u>	<u>662,137.37</u>	<u>304,309.44</u>	<u>4,415,506.87</u>
Total Expenses	<u>4,452,271.02</u>	<u>1,374,497.68</u>	<u>1,151,606.33</u>	<u>680,128.18</u>	<u>304,309.44</u>	<u>7,962,812.65</u>
Operating (Loss) Income	<u>(260,662.02)</u>	<u>(152,282.41)</u>	<u>166,331.67</u>	<u>35,886.55</u>	<u>6,026.56</u>	<u>(204,699.65)</u>
Investment Income	226,683.54	25,620.05	73,318.11	19,592.69	1,784.51	346,998.90
Other Income	5,618.16	1,664.64	1,768.68	936.36	416.16	10,404.00
Transfers	27,331.00	159,100.00	(222,798.00)	(53,900.00)	(8,175.00)	(98,442.00)
Total Non-Operating Income (Loss)	<u>259,632.70</u>	<u>186,384.69</u>	<u>(147,711.21)</u>	<u>(33,370.95)</u>	<u>(5,974.33)</u>	<u>258,960.90</u>
Net (Loss) Income	<u>(1,029.32)</u>	<u>34,102.28</u>	<u>18,620.46</u>	<u>2,515.60</u>	<u>52.23</u>	<u>54,261.25</u>
Less: Surplus Returned to Members	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(37.00)</u>	<u>(37.00)</u>
Fund (Deficit) Surplus	<u>\$ (1,029.32)</u>	<u>\$ 34,102.28</u>	<u>\$ 18,620.46</u>	<u>\$ 2,515.60</u>	<u>\$ 15.23</u>	<u>\$ 54,224.25</u>

* Property includes Auto Physical Damage and Boiler and Machinery

See Independent Auditors' Report.

School Alliance Insurance Fund
2001 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Group Purchases</u>	<u>Totals</u>
Underwriting Income:							
Regular Contributions	\$ 5,035,265.00	\$ 1,204,485.00	\$ 1,519,900.00	\$ 643,589.00	\$ 630,291.00	\$ 52,433.00	\$ 9,085,963.00
Expenses:							
Claims:							
Paid	3,517,082.73	705,001.27	32,443.92	3,669.50	153,333.00	--	4,411,530.42
Case Reserves	--	--	--	--	--	--	--
IBNR Reserves	--	--	--	--	--	--	--
	<u>3,517,082.73</u>	<u>705,001.27</u>	<u>32,443.92</u>	<u>3,669.50</u>	<u>153,333.00</u>	<u>--</u>	<u>4,411,530.42</u>
Other:							
Insurance and Reinsurance Premiums	843,881.00	790,314.82	977,595.00	440,057.58	255,956.80	39,180.40	3,346,985.60
Administrative	887,150.98	280,745.76	372,160.38	158,752.71	181,295.47	13,223.39	1,893,328.69
	<u>1,731,031.98</u>	<u>1,071,060.58</u>	<u>1,349,755.38</u>	<u>598,810.29</u>	<u>437,252.27</u>	<u>52,403.79</u>	<u>5,240,314.29</u>
Total Expenses	<u>5,248,114.71</u>	<u>1,776,061.85</u>	<u>1,382,199.30</u>	<u>602,479.79</u>	<u>590,585.27</u>	<u>52,403.79</u>	<u>9,651,844.71</u>
Operating (Loss) Income	<u>(212,849.71)</u>	<u>(571,576.85)</u>	<u>137,700.70</u>	<u>41,109.21</u>	<u>39,705.73</u>	<u>29.21</u>	<u>(565,881.71)</u>
Investment Income (Loss)	250,533.52	(30,290.77)	40,177.05	14,625.64	44,082.38	27.86	319,155.68
Other Income	8,741.30	2,154.08	2,908.22	1,161.62	1,139.12	161.66	16,266.00
Transfers	35,341.00	812,351.00	(170,000.00)	(55,000.00)	(41,425.00)	(217.00)	581,050.00
Total Non-Operating Income (Loss)	<u>294,615.82</u>	<u>784,214.31</u>	<u>(126,914.73)</u>	<u>(39,212.74)</u>	<u>3,796.50</u>	<u>(27.48)</u>	<u>916,471.68</u>
Net Income	81,766.11	212,637.46	10,785.97	1,896.47	43,502.23	1.73	350,589.97
Less: Surplus Returned to Members	<u>(4,164.00)</u>	<u>(25,000.00)</u>	<u>(5,000.00)</u>	<u>(1,863.00)</u>	<u>(385.00)</u>	<u>--</u>	<u>(36,412.00)</u>
Fund Surplus	<u>\$ 77,602.11</u>	<u>\$ 187,637.46</u>	<u>\$ 5,785.97</u>	<u>\$ 33.47</u>	<u>\$ 43,117.23</u>	<u>\$ 1.73</u>	<u>\$ 314,177.97</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2002 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 7,380,316.00	\$ 1,609,449.32	\$ 1,907,229.00	\$ 654,399.68	\$ 834,093.00	\$ 152,670.20	\$ 12,538,157.20
Expenses:							
Claims:							
Paid	4,732,533.00	435,741.00	27,403.34	34,300.95	--	--	5,229,978.29
Case Reserves	--	--	--	--	--	--	--
IBNR Reserves	--	--	--	--	--	--	--
	<u>4,732,533.00</u>	<u>435,741.00</u>	<u>27,403.34</u>	<u>34,300.95</u>	<u>--</u>	<u>--</u>	<u>5,229,978.29</u>
Other:							
Insurance and Reinsurance Premiums	1,791,670.00	931,406.02	1,229,062.00	324,351.98	655,372.05	113,929.71	5,045,791.76
Administrative	1,264,257.08	355,406.33	536,449.44	140,839.14	163,428.37	17,673.64	2,478,054.00
	<u>3,055,927.08</u>	<u>1,286,812.35</u>	<u>1,765,511.44</u>	<u>465,191.12</u>	<u>818,800.42</u>	<u>131,603.35</u>	<u>7,523,845.76</u>
Total Expenses	<u>7,788,460.08</u>	<u>1,722,553.35</u>	<u>1,792,914.78</u>	<u>499,492.07</u>	<u>818,800.42</u>	<u>131,603.35</u>	<u>12,753,824.05</u>
Operating (Loss) Income	<u>(408,144.08)</u>	<u>(113,104.03)</u>	<u>114,314.22</u>	<u>154,907.61</u>	<u>15,292.58</u>	<u>21,066.85</u>	<u>(215,666.85)</u>
Investment Income	287,150.13	22,586.43	37,184.24	49,974.48	5,693.00	6,691.80	409,280.08
Other Income	9,778.23	2,017.73	2,793.78	620.84	155.21	341.27	15,707.06
Transfers	121,820.00	85,700.00	(133,806.00)	(52,898.00)	(4,407.00)	(1,633.00)	14,776.00
Total Non-Operating Income (Loss)	<u>418,748.36</u>	<u>110,304.16</u>	<u>(93,827.98)</u>	<u>(2,302.68)</u>	<u>1,441.21</u>	<u>5,400.07</u>	<u>439,763.14</u>
Net Income (Loss)	<u>10,604.28</u>	<u>(2,799.87)</u>	<u>20,486.24</u>	<u>152,604.93</u>	<u>16,733.79</u>	<u>26,466.92</u>	<u>224,096.29</u>
Less: Surplus Returned to Members	--	--	(16,194.00)	(137,102.00)	(15,623.00)	(25,167.00)	(194,086.00)
Fund Surplus (Deficit)	<u>\$ 10,604.28</u>	<u>\$ (2,799.87)</u>	<u>\$ 4,292.24</u>	<u>\$ 15,502.93</u>	<u>\$ 1,110.79</u>	<u>\$ 1,299.92</u>	<u>\$ 30,010.29</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2003 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 7,111,164.00	\$ 2,397,724.70	\$ 2,472,603.00	\$ 870,496.30	\$ 1,203,685.00	\$ 163,258.00	\$ 14,218,931.00
Expenses:							
Claims:							
Paid	5,479,882.63	719,443.47	772,970.56	67,928.53	--	--	7,040,225.19
Case Reserves	43,619.28	--	--	--	--	--	43,619.28
IBNR Reserves	--	--	--	--	--	--	--
	<u>5,523,501.91</u>	<u>719,443.47</u>	<u>772,970.56</u>	<u>67,928.53</u>	<u>--</u>	<u>--</u>	<u>7,083,844.47</u>
Other:							
Insurance and Reinsurance Premiums	682,359.00	1,082,726.56	777,691.00	387,401.44	966,248.00	134,220.10	4,030,646.10
Administrative	1,250,942.36	581,332.89	553,354.26	247,475.92	235,706.49	21,005.58	2,889,817.50
	<u>1,933,301.36</u>	<u>1,664,059.45</u>	<u>1,331,045.26</u>	<u>634,877.36</u>	<u>1,201,954.49</u>	<u>155,225.68</u>	<u>6,920,463.60</u>
Total Expenses	<u>7,456,803.27</u>	<u>2,383,502.92</u>	<u>2,104,015.82</u>	<u>702,805.89</u>	<u>1,201,954.49</u>	<u>155,225.68</u>	<u>14,004,308.07</u>
Operating (Loss) Income	<u>(345,639.27)</u>	<u>14,221.78</u>	<u>368,587.18</u>	<u>167,690.41</u>	<u>1,730.51</u>	<u>8,032.32</u>	<u>214,622.93</u>
Investment Income	280,813.72	81,038.36	83,449.11	39,715.89	544.41	1,566.65	487,128.14
Other Income	4,203.10	1,375.56	1,299.14	611.36	76.42	76.42	7,642.00
Transfers	4,875.00	(4,817.00)	(29,397.00)	--	--	--	(29,339.00)
Total Non-Operating Income	<u>289,891.82</u>	<u>77,596.92</u>	<u>55,351.25</u>	<u>40,327.25</u>	<u>620.83</u>	<u>1,643.07</u>	<u>465,431.14</u>
Net (Loss) Income	<u>(55,747.45)</u>	<u>91,818.70</u>	<u>423,938.43</u>	<u>208,017.66</u>	<u>2,351.34</u>	<u>9,675.39</u>	<u>680,054.07</u>
Less: Surplus Returned to Members	<u>--</u>	<u>(80,919.00)</u>	<u>(364,268.00)</u>	<u>(174,662.00)</u>	<u>(2,237.00)</u>	<u>(9,600.00)</u>	<u>(631,686.00)</u>
Fund (Deficit) Surplus	<u>\$ (55,747.45)</u>	<u>\$ 10,899.70</u>	<u>\$ 59,670.43</u>	<u>\$ 33,355.66</u>	<u>\$ 114.34</u>	<u>\$ 75.39</u>	<u>\$ 48,368.07</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2004 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Group Purchases</u>	<u>Totals</u>
Underwriting Income:							
Regular Contributions	\$ 8,238,238.00	\$ 2,937,164.92	\$ 3,088,546.00	\$ 1,014,509.08	\$ 1,782,909.00	\$ 227,468.00	\$ 17,288,835.00
Expenses:							
Claims:							
Paid	6,338,672.71	685,999.32	850,000.00	114,000.68	--	--	7,988,672.71
Case Reserves	11,805.00	--	--	--	--	--	11,805.00
IBNR Reserves	8,879.00	--	--	--	--	--	8,879.00
	<u>6,359,356.71</u>	<u>685,999.32</u>	<u>850,000.00</u>	<u>114,000.68</u>	<u>--</u>	<u>--</u>	<u>8,009,356.71</u>
Other:							
Insurance and Reinsurance Premiums	889,015.00	1,459,110.51	1,269,936.00	468,825.49	1,373,351.00	186,029.93	5,646,267.93
Administrative	1,425,059.28	626,765.26	798,941.62	270,112.07	375,949.26	26,512.75	3,523,340.24
	<u>2,314,074.28</u>	<u>2,085,875.77</u>	<u>2,068,877.62</u>	<u>738,937.56</u>	<u>1,749,300.26</u>	<u>212,542.68</u>	<u>9,169,608.17</u>
Total Expenses	<u>8,673,430.99</u>	<u>2,771,875.09</u>	<u>2,918,877.62</u>	<u>852,938.24</u>	<u>1,749,300.26</u>	<u>212,542.68</u>	<u>17,178,964.88</u>
Operating (Loss) Income	<u>(435,192.99)</u>	<u>165,289.83</u>	<u>169,668.38</u>	<u>161,570.84</u>	<u>33,608.74</u>	<u>14,925.32</u>	<u>109,870.12</u>
Investment Income	248,831.69	99,994.74	35,394.56	40,419.95	6,689.05	2,829.95	434,159.94
Other Income	8,518.70	2,662.09	3,371.99	1,242.31	1,774.73	177.48	17,747.30
Transfers	550,041.00	(157,848.00)	(117,801.00)	(95,841.00)	(27,534.00)	(8,877.00)	142,140.00
Total Non-Operating Income (Loss)	<u>807,391.39</u>	<u>(55,191.17)</u>	<u>(79,034.45)</u>	<u>(54,178.74)</u>	<u>(19,070.22)</u>	<u>(5,869.57)</u>	<u>594,047.24</u>
Net Income	<u>372,198.40</u>	<u>110,098.66</u>	<u>90,633.93</u>	<u>107,392.10</u>	<u>14,538.52</u>	<u>9,055.75</u>	<u>703,917.36</u>
Less: Surplus Returned to Members	<u>-</u>	<u>(107,152.00)</u>	<u>(82,199.00)</u>	<u>(84,159.00)</u>	<u>(14,366.00)</u>	<u>(9,013.00)</u>	<u>(296,889.00)</u>
Fund Surplus	<u>\$ 372,198.40</u>	<u>\$ 2,946.66</u>	<u>\$ 8,434.93</u>	<u>\$ 23,233.10</u>	<u>\$ 172.52</u>	<u>\$ 42.75</u>	<u>\$ 407,028.36</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2005 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 10,989,811.00	\$ 3,508,934.75	\$ 3,945,540.00	\$ 1,344,474.25	\$ 2,082,821.00	\$ 246,921.00	\$ 22,118,502.00
Expenses:							
Claims:							
Paid	4,969,776.89	1,106,189.25	795,127.05	93,564.71	--	--	6,964,657.90
Case Reserves	328,594.10	--	--	--	--	--	328,594.10
IBNR Reserves	14,804.00	--	--	--	--	--	14,804.00
	<u>5,313,174.99</u>	<u>1,106,189.25</u>	<u>795,127.05</u>	<u>93,564.71</u>	<u>--</u>	<u>--</u>	<u>7,308,056.00</u>
Other:							
Insurance and Reinsurance Premiums	1,518,218.00	1,703,445.50	1,564,106.00	584,190.50	1,582,860.81	205,770.01	7,158,590.82
Administrative	1,920,258.54	769,626.88	939,413.47	333,625.77	434,379.72	33,481.28	4,430,785.66
	<u>3,438,476.54</u>	<u>2,473,072.38</u>	<u>2,503,519.47</u>	<u>917,816.27</u>	<u>2,017,240.53</u>	<u>239,251.29</u>	<u>11,589,376.48</u>
Total Expenses	<u>8,751,651.53</u>	<u>3,579,261.63</u>	<u>3,298,646.52</u>	<u>1,011,380.98</u>	<u>2,017,240.53</u>	<u>239,251.29</u>	<u>18,897,432.48</u>
Operating Income (Loss)	<u>2,238,159.47</u>	<u>(70,326.88)</u>	<u>646,893.48</u>	<u>333,093.27</u>	<u>65,580.47</u>	<u>7,669.71</u>	<u>3,221,069.52</u>
Investment Income	822,149.51	141,425.87	117,551.20	63,636.53	13,897.43	1,343.18	1,160,003.72
Other Income	17,961.37	4,954.86	5,883.91	1,858.07	--	309.67	30,967.88
Transfers	(145,149.00)	169,437.00	(77,870.00)	--	--	--	(53,582.00)
Total Non-Operating Income	<u>694,961.88</u>	<u>315,817.73</u>	<u>45,565.11</u>	<u>65,494.60</u>	<u>13,897.43</u>	<u>1,652.85</u>	<u>1,137,389.60</u>
Net Income	2,933,121.35	245,490.85	692,458.59	398,587.87	79,477.90	9,322.56	4,358,459.12
Less: Surplus Returned to Members	(2,304,847.00)	--	(597,317.00)	(364,815.00)	(79,245.00)	(9,299.00)	(3,355,523.00)
Fund Surplus	<u>\$ 628,274.35</u>	<u>\$ 245,490.85</u>	<u>\$ 95,141.59</u>	<u>\$ 33,772.87</u>	<u>\$ 232.90</u>	<u>\$ 23.56</u>	<u>\$ 1,002,936.12</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2006 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Group Purchases</u>	<u>Totals</u>
Underwriting Income:							
Regular Contributions	\$ 11,645,471.00	\$ 3,812,506.50	\$ 4,591,980.00	\$ 1,402,148.50	\$ 2,241,849.00	\$ 69,615.00	\$ 23,763,570.00
Expenses:							
Claims:							
Paid	7,433,431.58	1,318,884.65	1,388,967.10	141,557.80	129,692.50	--	10,412,533.63
Case Reserves	220,200.91	--	--	--	--	--	220,200.91
IBNR Reserves	9,593.00	--	--	--	--	--	9,593.00
	<u>7,663,225.49</u>	<u>1,318,884.65</u>	<u>1,388,967.10</u>	<u>141,557.80</u>	<u>129,692.50</u>	<u>--</u>	<u>10,642,327.54</u>
Other:							
Insurance and Reinsurance Premiums	1,655,671.00	1,809,442.25	1,989,948.00	641,185.75	1,228,096.00	57,597.29	7,381,940.29
Administrative	2,053,697.03	755,992.79	1,227,753.15	308,804.96	450,535.00	8,431.00	4,805,213.93
	<u>3,709,368.03</u>	<u>2,565,435.04</u>	<u>3,217,701.15</u>	<u>949,990.71</u>	<u>1,678,631.00</u>	<u>66,028.29</u>	<u>12,187,154.22</u>
Total Expenses	<u>11,372,593.52</u>	<u>3,884,319.69</u>	<u>4,606,668.25</u>	<u>1,091,548.51</u>	<u>1,808,323.50</u>	<u>66,028.29</u>	<u>22,829,481.76</u>
Operating Income (Loss)	<u>272,877.48</u>	<u>(71,813.19)</u>	<u>(14,688.25)</u>	<u>310,599.99</u>	<u>433,525.50</u>	<u>3,586.71</u>	<u>934,088.24</u>
Investment Income	738,046.08	210,308.26	30,653.90	90,942.52	133,586.65	724.59	1,204,262.00
Other Income	3,608.88	1,031.11	1,620.31	368.25	736.50	--	7,365.05
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>741,654.96</u>	<u>211,339.37</u>	<u>32,274.21</u>	<u>91,310.77</u>	<u>134,323.15</u>	<u>724.59</u>	<u>1,211,627.05</u>
Net Income	<u>1,014,532.44</u>	<u>139,526.18</u>	<u>17,585.96</u>	<u>401,910.76</u>	<u>567,848.65</u>	<u>4,311.30</u>	<u>2,145,715.29</u>
Less: Surplus Returned to Members	--	--	--	(100,000.00)	--	(4,272.00)	(104,272.00)
Fund Surplus	<u>\$ 1,014,532.44</u>	<u>\$ 139,526.18</u>	<u>\$ 17,585.96</u>	<u>\$ 301,910.76</u>	<u>\$ 567,848.65</u>	<u>\$ 39.30</u>	<u>\$ 2,041,443.29</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2007 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 12,566,638.00	\$ 4,220,267.00	\$ 5,397,003.00	\$ 1,508,768.00	\$ 2,404,020.00	\$ 72,617.00	\$ 26,169,313.00
Expenses:							
Claims:							
Paid	7,973,547.80	1,488,818.32	1,702,683.37	141,754.31	209,491.14	--	11,516,294.94
Case Reserves	480,135.69	--	--	--	--	--	480,135.69
IBNR Reserves	10,014.00	--	--	--	--	--	10,014.00
	<u>8,463,697.49</u>	<u>1,488,818.32</u>	<u>1,702,683.37</u>	<u>141,754.31</u>	<u>209,491.14</u>	<u>--</u>	<u>12,006,444.63</u>
Other:							
Insurance and Reinsurance Premiums	1,785,737.00	2,010,939.50	2,437,417.00	468,042.50	1,291,481.36	62,871.69	8,056,489.05
Administrative	2,284,765.07	920,606.76	1,266,984.09	332,686.68	539,890.52	8,854.00	5,353,787.12
	<u>4,070,502.07</u>	<u>2,931,546.26</u>	<u>3,704,401.09</u>	<u>800,729.18</u>	<u>1,831,371.88</u>	<u>71,725.69</u>	<u>13,410,276.17</u>
Total Expenses	<u>12,534,199.56</u>	<u>4,420,364.58</u>	<u>5,407,084.46</u>	<u>942,483.49</u>	<u>2,040,863.02</u>	<u>71,725.69</u>	<u>25,416,720.80</u>
Operating Income (Loss)	<u>32,438.44</u>	<u>(200,097.58)</u>	<u>(10,081.46)</u>	<u>566,284.51</u>	<u>363,156.98</u>	<u>891.31</u>	<u>752,592.20</u>
Investment Income	736,854.41	141,433.87	57,176.30	115,978.12	101,844.96	569.06	1,153,856.72
Other Income	3,444.95	984.27	1,546.71	351.53	703.04	--	7,030.50
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>740,299.36</u>	<u>142,418.14</u>	<u>58,723.01</u>	<u>116,329.65</u>	<u>102,548.00</u>	<u>569.06</u>	<u>1,160,887.22</u>
Net Income (Loss)	<u>772,737.80</u>	<u>(57,679.44)</u>	<u>48,641.55</u>	<u>682,614.16</u>	<u>465,704.98</u>	<u>1,460.37</u>	<u>1,913,479.42</u>
Less: Surplus Returned to Members	<u>(99,999.00)</u>	<u>--</u>	<u>--</u>	<u>(100,000.00)</u>	<u>--</u>	<u>--</u>	<u>(199,999.00)</u>
Fund Surplus (Deficit)	<u>\$ 672,738.80</u>	<u>\$ (57,679.44)</u>	<u>\$ 48,641.55</u>	<u>\$ 582,614.16</u>	<u>\$ 465,704.98</u>	<u>\$ 1,460.37</u>	<u>\$ 1,713,480.42</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2008 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 13,362,210.00	\$ 4,293,508.25	\$ 6,044,143.00	\$ 1,571,052.75	\$ 2,418,283.00	\$ 144,422.00	\$ 27,833,619.00
Expenses:							
Claims:							
Paid	7,616,957.17	1,279,977.99	1,948,762.07	137,121.85	242,047.13	--	11,224,866.21
Case Reserves	200,643.97	--	--	--	--	--	200,643.97
IBNR Reserves	11,849.00	--	--	--	--	--	11,849.00
	<u>7,829,450.14</u>	<u>1,279,977.99</u>	<u>1,948,762.07</u>	<u>137,121.85</u>	<u>242,047.13</u>	<u>--</u>	<u>11,437,359.18</u>
Other:							
Insurance and Reinsurance Premiums	1,807,898.00	1,862,274.00	2,860,134.00	673,118.00	1,244,924.27	126,485.45	8,574,833.72
Administrative	2,326,683.83	935,034.83	1,475,226.88	344,276.37	479,622.34	17,937.00	5,578,781.25
	<u>4,134,581.83</u>	<u>2,797,308.83</u>	<u>4,335,360.88</u>	<u>1,017,394.37</u>	<u>1,724,546.61</u>	<u>144,422.45</u>	<u>14,153,614.97</u>
Total Expenses	<u>11,964,031.97</u>	<u>4,077,286.82</u>	<u>6,284,122.95</u>	<u>1,154,516.22</u>	<u>1,966,593.74</u>	<u>144,422.45</u>	<u>25,590,974.15</u>
Operating Income (Loss)	<u>1,398,178.03</u>	<u>216,221.43</u>	<u>(239,979.95)</u>	<u>416,536.53</u>	<u>451,689.26</u>	<u>(0.45)</u>	<u>2,242,644.85</u>
Investment Income	544,519.12	124,189.99	13,331.77	59,289.41	65,926.27	44.89	807,301.45
Other Income	5,832.96	1,579.76	3,038.00	607.60	1,093.68	--	12,152.00
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>550,352.08</u>	<u>125,769.75</u>	<u>16,369.77</u>	<u>59,897.01</u>	<u>67,019.95</u>	<u>44.89</u>	<u>819,453.45</u>
Net Income (Loss)	<u>1,948,530.11</u>	<u>341,991.18</u>	<u>(223,610.18)</u>	<u>476,433.54</u>	<u>518,709.21</u>	<u>44.44</u>	<u>3,062,098.30</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund Surplus (Deficit)	<u>\$ 1,948,530.11</u>	<u>\$ 341,991.18</u>	<u>\$ (223,610.18)</u>	<u>\$ 476,433.54</u>	<u>\$ 518,709.21</u>	<u>\$ 44.44</u>	<u>\$ 3,062,098.30</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2009 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 13,907,711.00	\$ 4,014,139.00	\$ 6,051,194.00	\$ 1,428,321.00	\$ 2,007,925.00	\$ 167,139.00	\$ 27,576,429.00
Expenses:							
Claims:							
Paid	9,545,228.29	2,045,421.26	1,585,657.81	119,614.07	289,725.94	--	13,585,647.37
Case Reserves	873,873.47	--	--	--	--	--	873,873.47
IBNR Reserves	21,412.00	--	--	--	--	--	21,412.00
	<u>10,440,513.76</u>	<u>2,045,421.26</u>	<u>1,585,657.81</u>	<u>119,614.07</u>	<u>289,725.94</u>	<u>--</u>	<u>14,480,932.84</u>
Other:							
Insurance and Reinsurance Premiums	2,259,993.00	1,779,490.50	2,921,543.94	525,977.50	1,010,368.00	146,213.29	8,643,586.23
Administrative	2,519,701.85	923,612.92	1,549,523.75	332,419.65	412,391.84	20,928.00	5,758,578.01
	<u>4,779,694.85</u>	<u>2,703,103.42</u>	<u>4,471,067.69</u>	<u>858,397.15</u>	<u>1,422,759.84</u>	<u>167,141.29</u>	<u>14,402,164.24</u>
Total Expenses	<u>15,220,208.61</u>	<u>4,748,524.68</u>	<u>6,056,725.50</u>	<u>978,011.22</u>	<u>1,712,485.78</u>	<u>167,141.29</u>	<u>28,883,097.08</u>
Operating (Loss) Income	<u>(1,312,497.61)</u>	<u>(734,385.68)</u>	<u>(5,531.50)</u>	<u>450,309.78</u>	<u>295,439.22</u>	<u>(2.29)</u>	<u>(1,306,668.08)</u>
Investment Income	174,176.90	44,703.66	7,599.60	35,601.25	36,918.77	255.98	299,256.16
Other Income	2,758.11	746.72	1,436.00	287.20	516.96	3,000.00	8,744.99
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>176,935.01</u>	<u>45,450.38</u>	<u>9,035.60</u>	<u>35,888.45</u>	<u>37,435.73</u>	<u>3,255.98</u>	<u>308,001.15</u>
Net (Loss) Income	<u>(1,135,562.60)</u>	<u>(688,935.30)</u>	<u>3,504.10</u>	<u>486,198.23</u>	<u>332,874.95</u>	<u>3,253.69</u>	<u>(998,666.93)</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ (1,135,562.60)</u>	<u>\$ (688,935.30)</u>	<u>\$ 3,504.10</u>	<u>\$ 486,198.23</u>	<u>\$ 332,874.95</u>	<u>\$ 3,253.69</u>	<u>\$ (998,666.93)</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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School Alliance Insurance Fund
2010 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 14,692,844.00	\$ 4,148,386.25	\$ 6,510,114.00	\$ 1,436,302.75	\$ 2,192,205.00	\$ 224,005.00	\$ 29,203,857.00
Expenses:							
Claims:							
Paid	10,031,309.78	1,142,489.68	2,169,537.71	187,972.61	285,881.99	--	13,817,191.77
Case Reserves	495,261.56	--	--	--	--	--	495,261.56
IBNR Reserves	15,372.00	--	--	--	--	--	15,372.00
	<u>10,541,943.34</u>	<u>1,142,489.68</u>	<u>2,169,537.71</u>	<u>187,972.61</u>	<u>285,881.99</u>	<u>--</u>	<u>14,327,825.33</u>
Other:							
Insurance and Reinsurance Premiums	2,586,429.00	1,282,767.60	3,198,703.42	808,259.40	1,050,122.50	195,784.82	9,122,066.74
Administrative	2,666,313.16	953,932.62	1,635,365.30	337,372.98	401,761.63	28,208.23	6,022,953.92
	<u>5,252,742.16</u>	<u>2,236,700.22</u>	<u>4,834,068.72</u>	<u>1,145,632.38</u>	<u>1,451,884.13</u>	<u>223,993.05</u>	<u>15,145,020.66</u>
Total Expenses	<u>15,794,685.50</u>	<u>3,379,189.90</u>	<u>7,003,606.43</u>	<u>1,333,604.99</u>	<u>1,737,766.12</u>	<u>223,993.05</u>	<u>29,472,845.99</u>
Operating (Loss) Income	<u>(1,101,841.50)</u>	<u>769,196.35</u>	<u>(493,492.43)</u>	<u>102,697.76</u>	<u>454,438.88</u>	<u>11.95</u>	<u>(268,988.99)</u>
Investment Income	157,590.65	80,600.11	2,557.68	10,163.86	36,032.64	83.09	287,028.03
Other Income	1,623.79	439.78	845.72	169.15	304.45	--	3,382.89
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>159,214.44</u>	<u>81,039.89</u>	<u>3,403.40</u>	<u>10,333.01</u>	<u>36,337.09</u>	<u>83.09</u>	<u>290,410.92</u>
Net (Loss) Income	<u>(942,627.06)</u>	<u>850,236.24</u>	<u>(490,089.03)</u>	<u>113,030.77</u>	<u>490,775.97</u>	<u>95.04</u>	<u>21,421.93</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ (942,627.06)</u>	<u>\$ 850,236.24</u>	<u>\$ (490,089.03)</u>	<u>\$ 113,030.77</u>	<u>\$ 490,775.97</u>	<u>\$ 95.04</u>	<u>\$ 21,421.93</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

School Alliance Insurance Fund
2011 Fund Year
Cumulative Operating Results Analysis
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	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 14,607,350.00	\$ 3,985,452.00	\$ 6,665,327.00	\$ 1,360,292.00	\$ 2,289,818.00	\$ 144,363.00	\$ 29,052,602.00
Expenses:							
Claims:							
Paid	8,254,524.96	825,552.58	1,575,854.40	129,663.52	570,577.12	--	11,356,172.58
Case Reserves	563,904.04	0.00	--	--	--	--	563,904.04
IBNR Reserves	22,257.00	0.00	--	--	--	--	22,257.00
	<u>8,840,686.00</u>	<u>825,552.58</u>	<u>1,575,854.40</u>	<u>129,663.52</u>	<u>570,577.12</u>	<u>--</u>	<u>11,942,333.62</u>
Other:							
Insurance and Reinsurance Premiums	2,655,987.50	1,465,831.75	3,030,444.20	680,037.25	1,020,258.00	126,042.17	8,978,600.87
Administrative	2,787,184.97	934,805.63	1,850,123.58	327,569.75	404,878.13	17,217.00	6,321,779.06
	<u>5,443,172.47</u>	<u>2,400,637.38</u>	<u>4,880,567.78</u>	<u>1,007,607.00</u>	<u>1,425,136.13</u>	<u>143,259.17</u>	<u>15,300,379.93</u>
Total Expenses	<u>14,283,858.47</u>	<u>3,226,189.96</u>	<u>6,456,422.18</u>	<u>1,137,270.52</u>	<u>1,995,713.25</u>	<u>143,259.17</u>	<u>27,242,713.55</u>
Operating Income	<u>323,491.53</u>	<u>759,262.04</u>	<u>208,904.82</u>	<u>223,021.48</u>	<u>294,104.75</u>	<u>1,103.83</u>	<u>1,809,888.45</u>
Investment Income	209,665.90	82,011.77	32,032.45	19,314.83	40,728.26	103.52	383,856.73
Other Income (Loss)	4,492.36	1,216.67	(248.88)	467.97	842.26	1.00	6,771.38
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>214,158.26</u>	<u>83,228.44</u>	<u>31,783.57</u>	<u>19,782.80</u>	<u>41,570.52</u>	<u>104.52</u>	<u>390,628.11</u>
Net Income	<u>537,649.79</u>	<u>842,490.48</u>	<u>240,688.39</u>	<u>242,804.28</u>	<u>335,675.27</u>	<u>1,208.35</u>	<u>2,200,516.56</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund Surplus	<u>\$ 537,649.79</u>	<u>\$ 842,490.48</u>	<u>\$ 240,688.39</u>	<u>\$ 242,804.28</u>	<u>\$ 335,675.27</u>	<u>\$ 1,208.35</u>	<u>\$ 2,200,516.56</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 13,332,062.00	\$ 3,799,894.00	\$ 6,533,496.00	\$ 1,374,380.00	\$ 2,272,544.00	\$ 146,347.00	\$ 27,458,723.00
Expenses:							
Claims:							
Paid	6,882,548.03	1,121,032.51	1,916,215.93	512,751.56	366,050.96	--	10,798,598.99
Case Reserves	595,712.85	-	--	-	--	--	595,712.85
IBNR Reserves	1,847.00	--	--	--	--	--	1,847.00
	<u>7,480,107.88</u>	<u>1,121,032.51</u>	<u>1,916,215.93</u>	<u>512,751.56</u>	<u>366,050.96</u>	<u>--</u>	<u>11,396,158.84</u>
Other:							
Insurance and Reinsurance Premiums	3,686,029.00	1,322,587.30	2,950,604.32	774,184.44	1,232,861.75	129,494.44	10,095,761.25
Administrative	2,677,725.14	899,248.25	1,614,989.07	327,393.98	394,815.89	18,637.00	5,932,809.33
	<u>6,363,754.14</u>	<u>2,221,835.55</u>	<u>4,565,593.39</u>	<u>1,101,578.42</u>	<u>1,627,677.64</u>	<u>148,131.44</u>	<u>16,028,570.58</u>
Total Expenses	<u>13,843,862.02</u>	<u>3,342,868.06</u>	<u>6,481,809.32</u>	<u>1,614,329.98</u>	<u>1,993,728.60</u>	<u>148,131.44</u>	<u>27,424,729.42</u>
Operating (Loss) Income	<u>(511,800.02)</u>	<u>457,025.94</u>	<u>51,686.68</u>	<u>(239,949.98)</u>	<u>278,815.40</u>	<u>(1,784.44)</u>	<u>33,993.58</u>
Investment Income	89,730.82	49,911.99	14,597.46	6,291.88	20,559.61	40.21	181,131.97
Other Income	2,884.81	781.30	1,502.51	300.50	540.90	--	6,010.02
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>92,615.63</u>	<u>50,693.29</u>	<u>16,099.97</u>	<u>6,592.38</u>	<u>21,100.51</u>	<u>40.21</u>	<u>187,141.99</u>
Net (Loss) Income	<u>(419,184.39)</u>	<u>507,719.23</u>	<u>67,786.65</u>	<u>(233,357.60)</u>	<u>299,915.91</u>	<u>(1,744.23)</u>	<u>221,135.57</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ (419,184.39)</u>	<u>\$ 507,719.23</u>	<u>\$ 67,786.65</u>	<u>\$ (233,357.60)</u>	<u>\$ 299,915.91</u>	<u>\$ (1,744.23)</u>	<u>\$ 221,135.57</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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School Alliance Insurance Fund
2013 Fund Year
Cumulative Operating Results Analysis
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	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Group Purchases</u>	<u>Totals</u>
Underwriting Income:							
Regular Contributions	\$ 15,471,076.00	\$ 4,031,171.00	\$ 7,444,715.00	\$ 1,491,045.00	\$ 2,532,467.00	\$ 156,027.00	\$ 31,126,501.00
Expenses:							
Claims:							
Paid	9,318,180.18	1,160,927.12	1,962,372.79	172,772.51	583,416.93	--	13,197,669.53
Case Reserves	703,664.87	100,764.49	--	--	--	--	804,429.36
IBNR Reserves	12,284.00	22,840.00	--	--	78,583.00	--	113,707.00
	<u>10,034,129.05</u>	<u>1,284,531.61</u>	<u>1,962,372.79</u>	<u>172,772.51</u>	<u>661,999.93</u>	<u>--</u>	<u>14,115,805.89</u>
Other:							
Insurance and Reinsurance Premiums	4,211,238.00	1,565,932.70	3,795,404.80	736,202.30	1,381,858.00	135,820.00	11,826,455.80
Administrative	2,982,618.94	955,851.61	1,851,369.01	356,464.87	443,289.65	19,913.00	6,609,507.08
	<u>7,193,856.94</u>	<u>2,521,784.31</u>	<u>5,646,773.81</u>	<u>1,092,667.17</u>	<u>1,825,147.65</u>	<u>155,733.00</u>	<u>18,435,962.88</u>
Total Expenses	<u>17,227,985.99</u>	<u>3,806,315.92</u>	<u>7,609,146.60</u>	<u>1,265,439.68</u>	<u>2,487,147.58</u>	<u>155,733.00</u>	<u>32,551,768.77</u>
Operating (Loss) Income	<u>(1,756,909.99)</u>	<u>224,855.08</u>	<u>(164,431.60)</u>	<u>225,605.32</u>	<u>45,319.42</u>	<u>294.00</u>	<u>(1,425,267.77)</u>
Investment Income (Loss)	5,891.65	32,855.79	(1,486.29)	6,955.49	12,033.76	89.78	56,340.18
Other Income	2,539.92	687.90	1,322.88	264.58	476.22	2,750.00	8,041.50
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income (Loss)	<u>8,431.57</u>	<u>33,543.69</u>	<u>(163.41)</u>	<u>7,220.07</u>	<u>12,509.98</u>	<u>2,839.78</u>	<u>64,381.68</u>
Net (Loss) Income	<u>(1,748,478.42)</u>	<u>258,398.77</u>	<u>(164,595.01)</u>	<u>232,825.39</u>	<u>57,829.40</u>	<u>3,133.78</u>	<u>(1,360,886.09)</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ (1,748,478.42)</u>	<u>\$ 258,398.77</u>	<u>\$ (164,595.01)</u>	<u>\$ 232,825.39</u>	<u>\$ 57,829.40</u>	<u>\$ 3,133.78</u>	<u>\$ (1,360,886.09)</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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School Alliance Insurance Fund
2014 Fund Year
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	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 16,116,807.00	\$ 3,925,901.00	\$ 9,148,328.00	\$ 1,469,792.00	\$ 3,078,268.00	\$ 130,162.00	\$ 33,869,258.00
Expenses:							
Claims:							
Paid	8,389,857.72	1,149,139.44	1,863,868.51	163,309.00	668,925.04	--	12,235,099.71
Case Reserves	627,513.56	166,586.89	--	-	--	--	794,100.45
IBNR Reserves	12,687.00	58,274.00	--	-	341,075.00	--	412,036.00
	<u>9,030,058.28</u>	<u>1,374,000.33</u>	<u>1,863,868.51</u>	<u>163,309.00</u>	<u>1,010,000.04</u>	<u>--</u>	<u>13,441,236.16</u>
Other:							
Insurance and Reinsurance Premiums	4,583,495.00	1,493,953.00	5,434,584.30	632,262.00	1,960,771.00	113,599.13	14,218,664.43
Administrative	3,141,761.93	953,109.63	2,153,065.54	378,504.23	536,059.76	16,562.99	7,179,064.08
	<u>7,725,256.93</u>	<u>2,447,062.63</u>	<u>7,587,649.84</u>	<u>1,010,766.23</u>	<u>2,496,830.76</u>	<u>130,162.12</u>	<u>21,397,728.51</u>
Total Expenses	<u>16,755,315.21</u>	<u>3,821,062.96</u>	<u>9,451,518.35</u>	<u>1,174,075.23</u>	<u>3,506,830.80</u>	<u>130,162.12</u>	<u>34,838,964.67</u>
Operating (Loss) Income	<u>(638,508.21)</u>	<u>104,838.04</u>	<u>(303,190.35)</u>	<u>295,716.77</u>	<u>(428,562.80)</u>	<u>(0.12)</u>	<u>(969,706.67)</u>
Investment Income	64,476.03	41,831.93	605.71	12,832.55	8,731.10	274.24	128,751.56
Other Income	2,605.61	705.19	1,356.13	271.23	488.19	--	5,426.35
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>67,081.64</u>	<u>42,537.12</u>	<u>1,961.84</u>	<u>13,103.78</u>	<u>9,219.29</u>	<u>274.24</u>	<u>134,177.91</u>
Net (Loss) Income	<u>(571,426.57)</u>	<u>147,375.16</u>	<u>(301,228.51)</u>	<u>308,820.55</u>	<u>(419,343.51)</u>	<u>274.12</u>	<u>(835,528.76)</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ (571,426.57)</u>	<u>\$ 147,375.16</u>	<u>\$ (301,228.51)</u>	<u>\$ 308,820.55</u>	<u>\$ (419,343.51)</u>	<u>\$ 274.12</u>	<u>\$ (835,528.76)</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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School Alliance Insurance Fund
2015 Fund Year
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June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 16,547,927.00	\$ 4,899,172.00	\$ 11,343,735.00	\$ 1,825,254.00	\$ 3,434,711.00	\$ 22,408.00	\$ 38,073,207.00
Expenses:							
Claims:							
Paid	7,536,309.95	647,436.57	1,529,596.26	387,858.60	434,141.91	--	10,535,343.29
Case Reserves	1,547,962.49	498,343.23	-	209,274.06	-	--	2,255,579.78
IBNR Reserves	66,205.00	57,094.00	-	23,976.00	74,858.00	--	222,133.00
	<u>9,150,477.44</u>	<u>1,202,873.80</u>	<u>1,529,596.26</u>	<u>621,108.66</u>	<u>508,999.91</u>	<u>--</u>	<u>13,013,056.07</u>
Other:							
Insurance and Reinsurance Premiums	4,208,888.48	1,482,432.20	6,931,651.55	1,085,984.80	2,308,606.00	19,810.00	16,037,373.03
Administrative	3,293,472.20	1,085,419.69	2,536,526.25	434,311.61	636,285.16	2,132.30	7,988,147.21
	<u>7,502,360.68</u>	<u>2,567,851.89</u>	<u>9,468,177.80</u>	<u>1,520,296.41</u>	<u>2,944,891.16</u>	<u>21,942.30</u>	<u>24,025,520.24</u>
Total Expenses	<u>16,652,838.12</u>	<u>3,770,725.69</u>	<u>10,997,774.06</u>	<u>2,141,405.07</u>	<u>3,453,891.07</u>	<u>21,942.30</u>	<u>37,038,576.31</u>
Operating (Loss) Income	<u>(104,911.12)</u>	<u>1,128,446.31</u>	<u>345,960.94</u>	<u>(316,151.07)</u>	<u>(19,180.07)</u>	<u>465.70</u>	<u>1,034,630.69</u>
Investment Income	95,671.37	54,421.19	13,597.33	2,991.03	10,602.26	5.66	177,288.84
Other Income (Loss)	4,495.91	1,217.64	2,341.62	468.32	842.99	(0.16)	9,366.32
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>100,167.28</u>	<u>55,638.83</u>	<u>15,938.95</u>	<u>3,459.35</u>	<u>11,445.25</u>	<u>5.50</u>	<u>186,655.16</u>
Net (Loss) Income	<u>(4,743.84)</u>	<u>1,184,085.14</u>	<u>361,899.89</u>	<u>(312,691.72)</u>	<u>(7,734.82)</u>	<u>471.20</u>	<u>1,221,285.85</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ (4,743.84)</u>	<u>\$ 1,184,085.14</u>	<u>\$ 361,899.89</u>	<u>\$ (312,691.72)</u>	<u>\$ (7,734.82)</u>	<u>\$ 471.20</u>	<u>\$ 1,221,285.85</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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School Alliance Insurance Fund
2016 Fund Year
Cumulative Operating Results Analysis
June 30, 2018

	Workers' Compensation	General Liability	Property *	Auto Liability	School Board Legal Liability	Group Purchases	Totals
Underwriting Income:							
Regular Contributions	\$ 17,323,800.00	\$ 4,921,932.00	\$ 12,357,408.00	\$ 1,775,880.00	\$ 4,461,228.00	\$ 29,028.00	\$ 40,869,276.00
Expenses:							
Claims:							
Paid	5,208,598.08	686,078.58	1,877,460.47	146,299.54	1,724,958.11	--	9,643,394.78
Case Reserves	1,613,073.82	604,653.82	14,999.98	91,275.51	360,235.17	--	2,684,238.30
IBNR Reserves	72,374.00	204,713.00	5,078.00	30,902.00	1,413,364.00	--	1,726,431.00
	<u>6,894,045.90</u>	<u>1,495,445.40</u>	<u>1,897,538.45</u>	<u>268,477.05</u>	<u>3,498,557.28</u>	<u>--</u>	<u>14,054,064.08</u>
Other:							
Insurance and Reinsurance Premiums	5,060,167.00	2,067,551.20	7,313,512.99	703,876.80	2,023,283.19	23,823.00	17,192,214.18
Administrative	3,423,396.00	1,151,010.63	2,914,134.13	414,310.01	855,881.54	4,069.60	8,762,801.91
	<u>8,483,563.00</u>	<u>3,218,561.83</u>	<u>10,227,647.12</u>	<u>1,118,186.81</u>	<u>2,879,164.73</u>	<u>27,892.60</u>	<u>25,955,016.09</u>
Total Expenses	<u>15,377,608.90</u>	<u>4,714,007.23</u>	<u>12,125,185.57</u>	<u>1,386,663.86</u>	<u>6,377,722.01</u>	<u>27,892.60</u>	<u>40,009,080.17</u>
Operating Income (Loss)	<u>1,946,191.10</u>	<u>207,924.77</u>	<u>232,222.43</u>	<u>389,216.14</u>	<u>(1,916,494.01)</u>	<u>1,135.40</u>	<u>860,195.83</u>
Investment Income	98,302.57	27,417.15	11,615.90	10,028.93	19,730.84	12.46	167,107.85
Other Income	1,683.84	465.00	1,162.51	155.00	386.97	21.18	3,874.50
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>99,986.41</u>	<u>27,882.15</u>	<u>12,778.41</u>	<u>10,183.93</u>	<u>20,117.81</u>	<u>33.64</u>	<u>170,982.35</u>
Net Income (Loss)	<u>2,046,177.51</u>	<u>235,806.92</u>	<u>245,000.84</u>	<u>399,400.07</u>	<u>(1,896,376.20)</u>	<u>1,169.04</u>	<u>1,031,178.18</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund Surplus (Deficit)	<u>\$ 2,046,177.51</u>	<u>\$ 235,806.92</u>	<u>\$ 245,000.84</u>	<u>\$ 399,400.07</u>	<u>\$ (1,896,376.20)</u>	<u>\$ 1,169.04</u>	<u>\$ 1,031,178.18</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

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**School Alliance Insurance Fund
2017 Fund Year
Cumulative Operating Results Analysis
June 30, 2018**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Physical Damage *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Group Purchases</u>	<u>Totals</u>
Underwriting Income:							
Regular Contributions	\$ 18,558,429.00	\$ 3,888,451.00	\$ 13,229,256.00	\$ 1,716,947.00	\$ 4,416,546.00	\$ 114,206.00	\$ 41,923,835.00
Expenses:							
Claims:							
Paid	3,960,094.25	159,530.23	2,020,755.30	54,070.00	1,043,470.15	--	7,237,919.93
Case Reserves	2,732,265.70	686,456.52	5,096.12	35,732.95	701,682.83	--	4,161,234.12
IBNR Reserves	236,235.00	720,505.00	5,349.00	37,505.00	2,174,658.00	--	3,174,252.00
	<u>6,928,594.95</u>	<u>1,566,491.75</u>	<u>2,031,200.42</u>	<u>127,307.95</u>	<u>3,919,810.98</u>	<u>--</u>	<u>14,573,406.05</u>
Other:							
Insurance and Reinsurance Premiums	5,535,121.00	1,612,239.00	7,687,448.17	779,122.00	2,010,769.62	101,336.00	17,726,035.79
Administrative	3,554,366.06	951,620.13	3,159,798.05	430,020.80	879,449.90	12,257.39	8,987,512.33
	<u>9,089,487.06</u>	<u>2,563,859.13</u>	<u>10,847,246.22</u>	<u>1,209,142.80</u>	<u>2,890,219.52</u>	<u>113,593.39</u>	<u>26,713,548.12</u>
Total Expenses	<u>16,018,082.01</u>	<u>4,130,350.88</u>	<u>12,878,446.64</u>	<u>1,336,450.75</u>	<u>6,810,030.50</u>	<u>113,593.39</u>	<u>41,286,954.17</u>
Operating Income (Loss)	<u>2,540,346.99</u>	<u>(241,899.88)</u>	<u>350,809.36</u>	<u>380,496.25</u>	<u>(2,393,484.50)</u>	<u>612.61</u>	<u>636,880.83</u>
Investment Income	29,627.57	5,609.86	7,978.59	2,163.84	5,913.34	80.52	51,373.72
Other Income	555.66	116.39	395.86	51.31	132.81	--	1,252.03
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>30,183.23</u>	<u>5,726.25</u>	<u>8,374.45</u>	<u>2,215.15</u>	<u>6,046.15</u>	<u>80.52</u>	<u>52,625.75</u>
Net Income (Loss)	<u>2,570,530.22</u>	<u>(236,173.63)</u>	<u>359,183.81</u>	<u>382,711.40</u>	<u>(2,387,438.35)</u>	<u>693.13</u>	<u>689,506.58</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund Surplus (Deficit)	<u>\$ 2,570,530.22</u>	<u>\$ (236,173.63)</u>	<u>\$ 359,183.81</u>	<u>\$ 382,711.40</u>	<u>\$ (2,387,438.35)</u>	<u>\$ 693.13</u>	<u>\$ 689,506.58</u>

* Property includes Auto Physical Damage, Boiler and Machinery, Crime and Environmental Impairment Liability

See Independent Auditors' Report.

**School Alliance Insurance Fund
2018 Fund Year
Cumulative Operating Results Analysis
June 30, 2018**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property & Auto Physical Damage *</u>	<u>Auto Liability</u>	<u>School Board Legal Liability</u>	<u>Group Purchases</u>	<u>Totals</u>
Underwriting Income:							
Regular Contributions	\$ 17,261,977.00	\$ 3,847,901.00	\$ 13,855,927.00	\$ 2,004,230.00	\$ 4,831,055.00	\$ 94,536.00	\$ 41,895,626.00
Expenses:							
Claims:							
Paid	2,169,234.47	22,808.36	1,311,095.44	59,868.15	145,973.74	--	3,708,980.16
Case Reserves	2,737,561.07	210,243.00	657,676.58	35,512.62	593,701.26	--	4,234,694.53
IBNR Reserves	1,306,606.00	229,322.00	717,362.00	38,736.00	2,910,325.00	--	5,202,351.00
	<u>6,213,401.54</u>	<u>462,373.36</u>	<u>2,686,134.02</u>	<u>134,116.77</u>	<u>3,650,000.00</u>	<u>--</u>	<u>13,146,025.69</u>
Other:							
Insurance and Reinsurance Premiums	5,215,012.00	1,754,570.00	8,461,158.00	982,162.00	2,166,714.00	85,053.70	18,664,669.70
Administrative	3,568,152.16	940,422.74	3,293,057.90	501,285.07	967,289.86	9,481.91	9,279,689.64
	<u>8,783,164.16</u>	<u>2,694,992.74</u>	<u>11,754,215.90</u>	<u>1,483,447.07</u>	<u>3,134,003.86</u>	<u>94,535.61</u>	<u>27,944,359.34</u>
Total Expenses	<u>14,996,565.70</u>	<u>3,157,366.10</u>	<u>14,440,349.92</u>	<u>1,617,563.84</u>	<u>6,784,003.86</u>	<u>94,535.61</u>	<u>41,090,385.03</u>
Operating (Loss) Income	<u>2,265,411.30</u>	<u>690,534.90</u>	<u>(584,422.92)</u>	<u>386,666.16</u>	<u>(1,952,948.86)</u>	<u>0.39</u>	<u>805,240.97</u>
Investment Income	14,344.51	3,171.49	11,481.89	1,675.96	3,934.88	90.21	34,698.94
Other Income	1,159.76	258.45	928.20	135.52	318.07	--	2,800.00
Transfers	--	--	--	--	--	--	--
Total Non-Operating Income	<u>15,504.27</u>	<u>3,429.94</u>	<u>12,410.09</u>	<u>1,811.48</u>	<u>4,252.95</u>	<u>90.21</u>	<u>37,498.94</u>
Net (Loss) Income	<u>2,280,915.57</u>	<u>693,964.84</u>	<u>(572,012.83)</u>	<u>388,477.64</u>	<u>(1,948,695.91)</u>	<u>90.60</u>	<u>842,739.91</u>
Less: Surplus Returned to Members	--	--	--	--	--	--	--
Fund (Deficit) Surplus	<u>\$ 2,280,915.57</u>	<u>\$ 693,964.84</u>	<u>\$ (572,012.83)</u>	<u>\$ 388,477.64</u>	<u>\$ (1,948,695.91)</u>	<u>\$ 90.60</u>	<u>\$ 842,739.91</u>

* Property includes Crime and Boiler & Machinery.

See Independent Auditors' Report.

**School Alliance Insurance Fund
2017 through 2018 Fund Years
Administrative Expenses Analysis
June 30, 2018**

2017 Fund Year

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Acquisition Costs	\$ 4,497,122.11	\$ --	\$ 4,497,122.11
Actuary	47,935.00	--	47,935.00
Administrator	2,091,903.00	--	2,091,903.00
Attorney	120,858.00	--	120,858.00
Auditor	24,465.00	--	24,465.00
Claims Service	730,691.59	47,221.41	777,913.00
Loss Control	316,248.72	--	316,248.72
Treasurer	5,506.00	--	5,506.00
Contingency	620,070.20	44,929.80	665,000.00
Website Services	9,455.60	-	9,455.60
Non-Contracted	115,761.90	--	115,761.90
Regional Focus Safety Group	191,457.00	73,887.00	265,344.00
MEL Safety Institute	50,000.00	--	50,000.00
	<u>\$ 8,821,474.12</u>	<u>\$ 166,038.21</u>	<u>\$ 8,987,512.33</u>

2018 Fund Year

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Acquisition Costs	\$ 4,591,517.24	\$ 4,461.40	\$ 4,595,978.64
Actuary	40,646.00	8,008.00	48,654.00
Administrator	1,915,239.67	174,815.33	2,090,055.00
Attorney	102,729.20	20,545.80	123,275.00
Auditor	--	24,954.00	24,954.00
Claims Service	635,452.99	190,382.01	825,835.00
Loss Control	314,781.70	34,041.30	348,823.00
Treasurer	5,170.00	470.00	5,640.00
Contingency	143,179.44	581,820.56	725,000.00
Website Services	10,490.14	19,509.86	30,000.00
Non-Contracted	119,074.66	35,925.34	155,000.00
Regional Focus Safety Group	--	256,475.00	256,475.00
MEL Safety Institute	50,000.00	--	50,000.00
	<u>\$ 7,928,281.04</u>	<u>\$ 1,351,408.60</u>	<u>\$ 9,279,689.64</u>

See Independent Auditors' Report.

**School Alliance Insurance Fund
Comments and Recommendations
June 30, 2018 and 2017**

None