



PRISM

Annual Comprehensive Financial Report

Public Risk Innovation, Solutions, and Management

Fiscal Years Ended June 30, 2025 and 2024

- California -

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
(PRISM)**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 and 2024

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**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

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December 10, 2025

Public Risk Innovation, Solutions, and Management (PRISM)
Members, Board of Directors
Ladies and Gentlemen:

As we reflect on fiscal year 2024/25, we are very pleased with all that was accomplished. PRISM was able to expand member services, increase member engagement and continue to provide robust coverage for its membership in a hard insurance market.

Overall, PRISM continues to maintain a surplus (net position), membership has grown in most programs, and in spite of some challenging reinsurance renewals this year, the programs continued to evolve and use creative solutions to maintain broad coverage. Demand for PRISM's services is strong and the Member Services Department is responding to meet this demand.

PRISM continues to be a leader in our industry. We are recognized as one of the largest and most successful pools in the nation. For 2024/25, our annual revenue was \$2.27B, and for 2025/26 we estimate the revenue at \$2.65B.

Membership is growing at a steady and healthy pace. Year-over-year, our number of members, as well as the number of member units (each member in each major program), increased. There are more than 2,000 public entities, including members of members, who are covered in one or more of our major programs.

We are very pleased to report that *Spectra*, PRISM's claims management system, launched for liability claims in October 2023. Workers' compensation functionality was added in February 2025. The next phases will involve conversion of the Primary Workers' Compensation TPAs as well building out a member usage option. We are very proud to report that this large IT project has continued to be on-time and within budget.

PRISM continues to increase information on its website and functionality for managing our pool. Development continues with the objective of streamlining the annual workers' compensation payroll audit, and offering new information intake and tracking functionality. Also, a new PRISM AI Chatbot was launched in July 2025 to help members navigate the website.

Participation in PRISM's Paid Family Leave (PFL) coverage program has grown over the last several years. Starting January 1, 2025, PRISM is reporting PFL as a stand-alone major program, rather than an ancillary coverage under the Miscellaneous Programs.

We continued to market the PRISM programs utilizing ARC as a vehicle to expand outside of California. National expansion enables PRISM to spread and diversify risk, leverage reinsurance markets, and to identify and implement industry-wide best practices, all of which will provide financial benefit for PRISM's California members. Actual implementation continues to be on a program-by-program basis. Effective July 1, 2023, ARC entered into a fronting agreement with Starstone National Insurance Company. Under the agreement, policies are written to participants

by Starstone which is then reinsured by ARC. As of October 2025, ARC has 11 entities as participants from outside of California: Boulder County, Colorado; Cook County, Illinois; Douglas County, Colorado; Pima County, Arizona; City of Glendale, Arizona; City of Elgin, Illinois; City of Waukegan, Illinois; Arizona Schools Risk Retention Trust; Oklahoma School Insurance Group; and Housing Authorities Risk Retention Program, and Water and Sewer Risk Management Pool, both based out of Washington state.

Ensuring PRISM has adequate staff resources to meet the members' needs is extremely important. For 2025/26, 9 new staff positions were approved. These new positions include 1 Liability Claims Assistant, 3 Senior Workers' Compensation Claims Specialists, 1 Senior Underwriting Specialist, 1 Accountant, 1 Senior Accountant, 1 Senior Information Technology Specialist and 1 Information Technology Project Manager (specifically to assist with claims systems). As of July 1, 2025, PRISM has 119 approved staff positions.

All these strategic initiatives influence our Annual Comprehensive Financial Report. PRISM is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures.

Based upon our comprehensive framework of internal control, we believe our report is accurate in all material respects, that it fairly sets forth the financial position and results of operations of PRISM as measured by the financial activity of its various programs and policy periods, and that all necessary disclosures for understanding the report have been included. Because the cost of control should not exceed the benefits to be derived, our objective is to provide reasonable, rather than absolute assurance, that our financial statements are free of any material misstatements. Gilbert CPAs, independent auditors, has issued an unmodified opinion that PRISM's financial statements for the fiscal years ended June 30, 2025 and 2024, are fairly presented in conformity with Generally Accepted Accounting Principles. The Independent Auditor's Report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

WHO WE ARE

Public Risk Innovation, Solutions, and Management (PRISM) is a Joint Powers Authority (previously known as CSAC Excess Insurance Authority) that was established under Article 1, Chapter 5, Division 7, Title I of the California Government Code (§ 6500 et seq.) in October 1979. PRISM provides 2 classes of membership – county members and public entity members (any other public entity in California). The 61-member Board of Directors is comprised of representatives from each of the 54 county members appointed by their respective Boards of Supervisors, and 7 public entity representatives (plus 3 alternates) elected by the public entity membership.

As of July 1, 2025, PRISM has 371 members, consisting of 54 California counties and 317 other public entities. The 54-member counties represent more than a 91% market share of the 58 California counties. Public entity membership consists of individual cities, schools, special districts, and 30 joint powers authorities consisting of pools of cities, schools, or special districts. The members collectively represent over 2,000 public agencies. Representatives from member entities actively participate in PRISM's policy making and governance by their service on the Board of Directors and committees. Currently 174 such individuals hold positions in PRISM's governing body.

WHAT WE DO

PRISM operates programs for excess and primary workers' compensation, two excess liability programs, a property program, a medical malpractice program, a master rolling owner-controlled insurance program, an employee health benefit program, dental program and a paid family leave program, as well as several miscellaneous programs for other coverages. Starting in 2024, the PRISM Internal Guarantee Account (PIGA) was initiated to act as a backstop to participating programs in the event of carrier insolvency, or in the event of aggregate limit exhaustion in the Miscellaneous Programs. PRISM also provides support services for selected programs such as claims administration, risk management, claims audits, risk control and training, and subsidies for actuarial studies and risk management services. PRISM's reporting entity includes financial activities relating to all programs and insurance pools of PRISM and the wholly-owned captive insurance company, ARC.

THE RENEWAL CYCLE

PRISM operates in an environment that is affected by the evolving exposures of our membership, as well as the overall insurance market. PRISM's programs typically feature layers of member self-insurance, layers of pooled risk, and layers of risk transfer to other Joint Powers Authorities or the commercial insurance market. Based on the loss trends of our membership and the state of the insurance market, the structure of PRISM's programs continually evolves to provide the most stable and most cost-effective solution for our members.

Currently, PRISM faces the most instability in the liability (including medical malpractice) and property markets. Across the insurance industry, for public entities in particular, liability premiums are increasing in step with increased plaintiff demands and very large jury verdicts. As the industry is affected, PRISM's liability and medical malpractice programs have also experienced higher claim costs. Due to adverse loss development and the hardening liability insurance market, General Liability 1 (GL1), General Liability 2 (GL2), and Medical Malpractice members worked through difficult renewals for 2024/25 and 2025/26, with premium increases. Property Program rates have increased as property insurance capacity has decreased globally in response to natural disasters. In response to the hard market for property coverage, PRISM began self-insuring the primary \$10M in coverage per tower with its March 2022 renewal.

The GL1 Program faced its own challenges due to a sudden increase in loss development that was first seen in 2018/19, similar to the change in the claims and legal environment felt by all public agencies in California. This resulted in a drop in net position of nearly \$21M in that year. In 2018/19, in response to the adverse loss development and the deterioration of the Program's surplus, PRISM's Board approved a Loss Portfolio Transfer (LPT) deal that transferred the Program's pool liabilities (SIR to \$5M), to a reinsurer, MultiStrat Re (MS Re), for claims going back to July 1, 2007 and forward through June 30, 2024. During 2022/23, an extension of this

agreement through June 30, 2026 was negotiated and approved by the Board of Directors. As the LPT agreement is subject to certain aggregate limits, liabilities in the GL1 Program have continued to develop. The program's net position increased \$9.3M in 2024/25 changing its net position from a deficit of \$8.2M at June 30, 2024 to a surplus of \$1.0M at June 30, 2025.

Although the liability, property, and medical malpractice markets' coverages are experiencing rate increases, we have successfully leveraged relationships with carriers and have used multi-year reinsurance agreements to mitigate rates increases in the GL1, GL2, Property, and Medical Malpractice Programs. We have also used rate stabilization plans to help smooth fluctuations in reinsurance costs for our members in our EWC and PWC Programs. In general, these agreements outline the potential rate change at the next renewal if loss development falls within a specified range. Another mechanism used to mitigate the impact of changing market conditions is to increase or decrease PRISM's retained risk, and there are many ways this can be accomplished.

PRISM's employee benefit programs continue to produce stable, equitable, and below- traditional market rate renewals. The PRISMHealth Program renewed with a rate increase of 14.24% in 2025 and 12.26% in 2024 – the highest renewals in more than a decade. These increases prompted the PRISMHealth Committee to take steps to fundamentally change the Program's structure. Effective October 1, 2025, PRISMHealth will end its partnership with Self Insured Schools of California (SISC) and start pooling member claims. The Dental Program renewed with varying member rate increases between 2.3% and 3.8% year-over-year. In addition to health and dental, PRISM offers employee benefits coverages for Paid Family Leave, Vision, Life/Disability, and Employee Assistance.

PRIMARY WORKERS' COMPENSATION

The Primary Workers' Compensation (PWC) Program provides first dollar coverage to its members up to the \$125K limit, at which point coverage then feeds into the Excess Workers' Compensation (EWC) Program. The Program provides members with claims administration services and several cost containment programs including a Medical Provider Network (MPN), a 24/7 Nurse Triage Service, and a Return-to-Work Program. The Program pays for claims with a blending of pooling (both un-aggregated pooling and corridor pooling) and excess insurance. In 2024/25, the structure of the PWC Program provided that the first \$10k of each claim is paid out of the Program's pool and the Program's excess insurer pays for the balance of the claim, up to the Program limit of \$125k, per occurrence. This layer is also subject to a corridor retention of \$17.4M. As in prior years, the corridor risk was transferred to ARC.

The PWC Program maintained a strong net position in 2024/25 ending the year with surplus of \$54.1M. This very healthy funding position has enabled the PWC Committee to declare dividends in 13 of the last 15 years, including \$9.5M approved during 2024/25.

EXCESS WORKERS' COMPENSATION

The Excess Workers' Compensation (EWC) Program provides members with statutory coverage for workers' compensation, subject to the members' self-insured retentions ranging from \$125k to \$5M. Because members maintain self-insured retentions in this Program, they are able to manage their own claims, either through a third-party administrator or with their own claims staff. There are 2 Towers in this Program - the Educational Tower for our school members and the Core Tower for all other members.

In the Educational Tower, the Program funds a pool between \$125k and \$2.5M, subject to member self-insured retentions. The Educational Tower purchases reinsurance from Safety National above the pooled layer to secure statutory limits.

In the Core Towers, the Program funds a \$5M pool, subject to members' self-insured retentions, then purchases reinsurance to secure statutory limits with the exception of a \$5M corridor reinsured by ARC which attaches at \$5M. Pooled layers for both Towers are reinsured by Great American and are subject to a \$67.9M corridor retention. The Educational Tower maintained a \$7.3M corridor in its primary layer. Both corridors were transferred to ARC.

The Program's net position increased by \$23.7M during 2024/25 and ended the year with a surplus of \$52.5M at June 30, 2025.

GENERAL LIABILITY 1

The GL1 Program provides members with coverage for third party liabilities (including general, automobile, employment practices, and errors and omissions) up to a limit of \$25M, subject to each member's self-insured retention, which can range from \$100k to \$2M. Through June 30, 2026, the Program is offering a \$10k deductible through the Deductible Buy-Down (DBD) option, previously known as the Primary General Liability (PGL) Program. Members who elected the DBD option have a deductible instead of a self-insured retention and are required to utilize one of the Program's contracted third-party claim administrators. The DBD option will terminate effective July 1, 2026, though tail claims will remain open. All other GL1 Program members are able to manage their own claims, either through a third-party administrator of their choice or with their own claims staff. The Program funds a \$5M pool, which is transferred to MS Re, and purchases \$20M in reinsurance from various reinsurers to achieve the \$25M program limit.

The net position in this Program had been stable for many years and was within the Board's target funding range of \$30M to \$40M, but that changed in the 2017/18 fiscal year. At June 30, 2018, the net position had deteriorated to \$8.8M due to adverse development in claims. As explained earlier, PRISM entered into a LPT deal with MS Re to transfer their claims from July 1, 2007 to June 30, 2026 for their pool layer of SIR to \$5M. As of June 30, 2022, the net position for this Program was in deficit of \$40M. This deficit decreased to \$8.2M at June 30, 2024 and the program is showing a positive net position of \$1.0M at June 30, 2025. It is important to note that the adverse loss development over the past few years is not isolated to PRISM and its members. It is an industrywide phenomenon being felt by most entities and private companies.

GENERAL LIABILITY 2

The GL2 Program also provides members with coverage for third party liabilities (general, automobile, employment practices, and errors and omissions) up to a limit of \$25M. This Program is designed for larger members with higher self-insured retentions, which range from \$1M to \$5M. Each member of the Program (with a few exceptions) has a representative on the GL2 Committee, which was established to administer and govern the Program including determining the structure and reinsurance placements.

At the 2024/25 renewal, the 1st reinsurance layer (SIR to \$10M) was placed with National Indemnity and Starstone National providing coverage to a \$144M aggregate limit subject to a \$5.5M corridor deductible (which was transferred from PRISM to ARC), and ACE American (a.k.a. Chubb) providing an additional \$52M aggregate limit. In this structure, National Indemnity and Starstone National will pay claims first, then Chubb. If both of these aggregates are exhausted, PRISM will pick up all future losses in the layer for the 2024/25 coverage year.

The 2nd reinsurance layer (\$5M excess \$10M) has seven carriers providing coverage in the quota-share layer to a \$75M aggregate limit. This 2nd reinsurance layer is also subject to a \$17.9M corridor deductible which pays out before any quota-share reinsurer; this corridor was transferred to ARC. The 3rd and final layer (\$10M excess \$15M) of the GL2 Program was renewed with Safety National who increased their aggregate limit to \$50M from \$41.8M in the prior year.

In 2023/24, the GL2 Program commuted claims for the policy years 2011/12 to 2015/16, hence claims from those years returned to it, driving the net position into a deficit. In response, the GL2 Committee declared a \$25M assessment in 2023/24 and a then a \$7.1M assessment in 2024/25 after the commuted claims experienced adverse development. The Program ended the year with a small positive net position of \$328k at June 30, 2025.

PROPERTY

The Property Program provides coverage for physical damage to members' real and personal property, with limits up to \$700M for All Risk, \$465M for earthquake buyers, and \$200M in Flood. The structure of the Program is unique in that there are Towers, which spread risk both geographically and by occupancy type. This spread of risk allows the Program to access higher limits at reduced costs.

As of March 31, 2022, the Property Program is self-insured for all risk perils in each tower providing \$10M of coverage per occurrence (per tower) and a \$10M aggregate limit specific to the peril of flood (per tower). Since March 31, 2022, aggregate stop loss coverage has been purchased to limit the Program's exposure. For the program year starting March 31, 2025, the \$55M of aggregate stop loss coverage attaches at \$120M. Should carriers pay claims up to their limit of \$55M, then any remaining exposure would return to PRISM.

The Property Program provides members with all-risk coverage, including flood, boiler and machinery, and earthquake limits. Coverage is structured across nine Towers to diversify geographic exposure, with member deductibles ranging from \$25k to \$100k. For the policy year ending March 31, 2025, PRISM self-insured the first \$10M of each tower, per occurrence, supported by aggregate stop-loss coverage purchased from Nationwide, Berkshire Hathaway, and other reinsurers. Under this structure, PRISM is responsible for the first \$120M of claims in the \$10M primary layer across all towers combined, with reinsurance partners providing \$55M of stop-loss protection. The Program maintains total all-risk limits of \$600M, earthquake limits of \$465M, and flood limits of \$400M.

The Program experienced large losses in 2023/24 that were largely the result of storm damage. Storm claims drove estimates of total losses up to the \$110M aggregate stop loss and contributed to the \$16.8M loss in the Property Program for 2023/24. The Program experienced large losses in 2024/25 due to wildfire. Those losses were largely concentrated to one geographic area covered by a single tower, which pushed those losses into the excess layers. Program surplus

dropped to \$17.4M at June 30, 2024 due to losses in the Pool Layer beyond expectations, primarily from storm claims. For the fiscal year ended June 30, 2025, there was an increase in net position to \$51.6M.

MEDICAL MALPRACTICE

The Medical Malpractice Program provides professional liability insurance for PRISM's members with clinic, public health, and healthcare provider exposures. The Program offers limits of \$21.5M, in addition to each member's deductible or self-insured retention, which ranges from \$25k to \$1.1M. For members who maintain a deductible, claims administration is provided by the Program's third-party administrator, George Hills Company. Members who maintain a self-insured retention are able to manage their own claims either through a third-party claims administrator or their own claims staff.

For the 2024/25 year, the pool provided coverage on a claims-made basis. The first reinsurance layer provided by Beta Healthcare Group (a JPA which PRISM has partnered with for this coverage) was also on a claims-made basis. Excess of \$10M, reinsurance was provided on a claims-made basis by Medical Protective Company (Med Pro), a Berkshire Hathaway Company, and Coverys, a medical liability insurer. The medical malpractice marketplace is hardening for the same reasons as the general liability marketplace; carriers are looking to reduce capacity and increase premiums. In order to provide some premium relief for the members, a \$2M corridor annual deductible within the pool layer has been established, and that risk has been transferred to ARC annually for the past six years. Pooled claims in this program showed adverse development in 2024/25, leading to a net loss of \$9.1M for the year, reducing the Program surplus to \$13.9M at June 30, 2025.

MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM

The Master Rolling Owner Controlled Insurance Program (MR OCIP) enables members to purchase workers' compensation and general liability coverage for all eligible parties (owner, general contractor, and sub-contractors) working on covered construction projects. These policies (also known as "wrap-ups") are widely used on public sector construction projects and capital improvement programs. The MR OCIP had historically included projects as small as \$20M; thereby, enabling members to receive the benefits of a "wrap-up" on projects that otherwise would not qualify because of their size. This Program continues to see growth, adding 3 new projects with additional construction values of \$194M during the 2024/25 year. Total construction values covered in the Program exceed \$2.3B. The program experienced a small increase in net position for 2024/25, increasing its surplus from \$387k at June 30, 2024 to \$394k at June 30, 2025.

PRISMHEALTH

The PRISMHealth Program, in partnership with Self Insured Schools of California (SISC), a California Joint Powers Authority, provides members with an alternative to traditional group health insurance plans using the concept of pooling to reduce insurance premiums by consolidating the fixed costs over a larger population. Members are able to create and maintain their own plan designs within the context of the pooling arrangement, which provides much greater stability than a standalone program. In addition, small group programs are available with predefined benefit options for public employers with less than 200 employees/retirees. Both PPO and HMO options are available to members. The Program added 1 new large member in 2024 representing an additional 250 employee/retiree lives. The Program now consists of 49 members, providing

coverage for 43,000 employees/retirees. Starting October 1, 2025, PRISMHealth will leave the SISC JPA and start pooling its own claims. In preparation for this transition, the PRISMHealth Committee approved the collection of contributions for retained risk from members starting January 1, 2025. Through June 30, 2025, the program earned \$12.7M of contributions for retained risk. The Program ended the year with a surplus of \$18.7M.

DENTAL

The Dental Program offers 3 segments of participation: pooled (fixed-rate), standalone self-funded, and Dental Health Maintenance Organization (DHMO). The DHMO is a fee-for-service, fully-insured product that offers members a cost-effective alternative to traditional PPO dental coverage. The Program partners with Delta Dental and Ameritas to provide administrative services and access a network of providers. The Program returned \$3M to members during 2024/25 and still ended the year with a strong net position of \$8.4M. The Committee plans to monitor net position for the ability to issue more dividends in future years.

PAID FAMILY LEAVE

PRISM began offering Paid Family Leave (PFL) coverage through Lincoln Financial as an ancillary employee benefit line under PRISM's Miscellaneous Programs on January 1, 2022. From inception to December 31, 2024, the PFL line earned net income of \$382k. These funds were transferred from the Miscellaneous Programs to the stand-alone PFL Program reporting in the 2024/25 fiscal year. Including this transfer, the PFL Program showed an increase in net position to \$842k at June 30, 2025.

PRISM INTERNAL GUARANTEE ACCOUNT (PIGA)

The PIGA program was launched in 2024 to protect PRISM property and casualty programs from the impacts of carrier insolvencies and, for Miscellaneous Programs where there are aggregate limits, provide a layer of protection in the event of aggregate limit exhaustion. PIGA is conceptually similar to a guarantee fund like the California Insurance Guarantee Association (CIGA). The Program pools amongst the participating programs to essentially act as a backstop to provide some financial assistance. Participants are the following PRISM programs: Primary Workers' Compensation, Excess Workers' Compensation, General Liability 1, Property, Medical Malpractice, Aircraft, Airport, Crime, Cyber Liability, Optional Excess Liability (OEL), Pollution, and Watercraft Programs. Initial coverage begins for all programs effective July 1, 2024, except for the Property program, which follows a renewal cycle from March 31, 2024, to March 31, 2025, resulting in partial coverage during the 2023/24 fiscal year. Premiums generated by all the participating programs in the 2024/25 fiscal year totaled \$5.1M and were transferred in full to PRISM ARC.

PRISM AFFILIATE RISK CAPTIVE (ARC)

A captive insurance company, PRISM Affiliate Risk Captive (ARC), domiciled in and subject to the Utah Insurance Department's regulations, was formed to insure PRISM's risks and enhance investment earnings. As a captive insurance company, ARC may invest in equities whereas PRISM may not. ARC's equity portfolio returned 12.39% and 14.98% after mark-to-market adjustments for the 2024/25 and 2023/24 fiscal years, respectively. Since inception, the equity portfolio has yielded 9.57%. The consolidated ARC portfolio as a whole is less subject to market volatility and had a total rate of return of 7.70% and 6.04% in the 2024/25 and 2023/24 years, respectively, with a return since inception of 3.85%. ARC is also helping to diversify risk by allowing out-of-state participants to purchase coverage from ARC which is then reinsured by PRISM.

ARC has assumed risk from PRISM within fixed corridors in the Workers' Compensation, Liability, Property, and Medical Malpractice Programs. These risks were fully funded except for anticipated investment earnings. ARC assumed \$154M of fixed corridor risk for the program year 2024/25 as compared to \$125M in program year 2023/24. PRISM has also transferred corridor risk estimated at \$631M resulting from its Loss Portfolio Transfer agreement with MultiStrat Re to the Captive. The corridor for this risk is not fixed. PRISM has paid \$521M in discounted premiums to ARC to fund this risk. In total, over \$1.5B in premiums has been collected by ARC in its first 9 years of operations from 7 PRISM programs.

AWARDS & ACKNOWLEDGMENT

The Government Finance Officers Association (GFOA) of the United States and Canada awarded us with a Certificate of Achievement for Excellence in Financial Reporting for our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the 31st consecutive year that we have received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

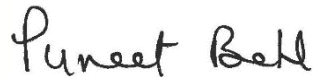
PRISM is a member of the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation's first risk management accreditation program. This program establishes a model of professional standards, which serves as a guideline for all risk management pools regardless of size, scope of operation or membership structure. The accreditation process entails a detailed examination of legal and operational documents, risk management, loss control and claims programs, and statutory compliance. CAJPA recently renewed PRISM's Accreditation with Excellence for a 3-year period ending in March 2028.

PRISM is also a member of the Association of Governmental Risk Pools (AGRiP). AGRiP, a national organization comprised of over 200 pools, has established Advisory Standards, which are an industry specific method for pools to conduct a comprehensive review and evaluation of internal operational procedures. The Advisory Standards prescribe best practices for pools in categories such as governance, staffing, claims management, finance, business continuity, and

data security. Pools that meet the Advisory Standards are granted recognition for 3 years. In 2024, PRISM was once again granted Recognition with AGRiP for 2024-2027.

The preparation of this report would not have been possible without the best efforts of the Finance and Administrative Departments, and we thank them for their contribution. We commend the members of PRISM's Finance Committee and Executive Committee for their support in maintaining the highest standards of professionalism in the management of PRISM's finances, and each Board of Director member and alternate, and all committee members, for their commitment to PRISM.

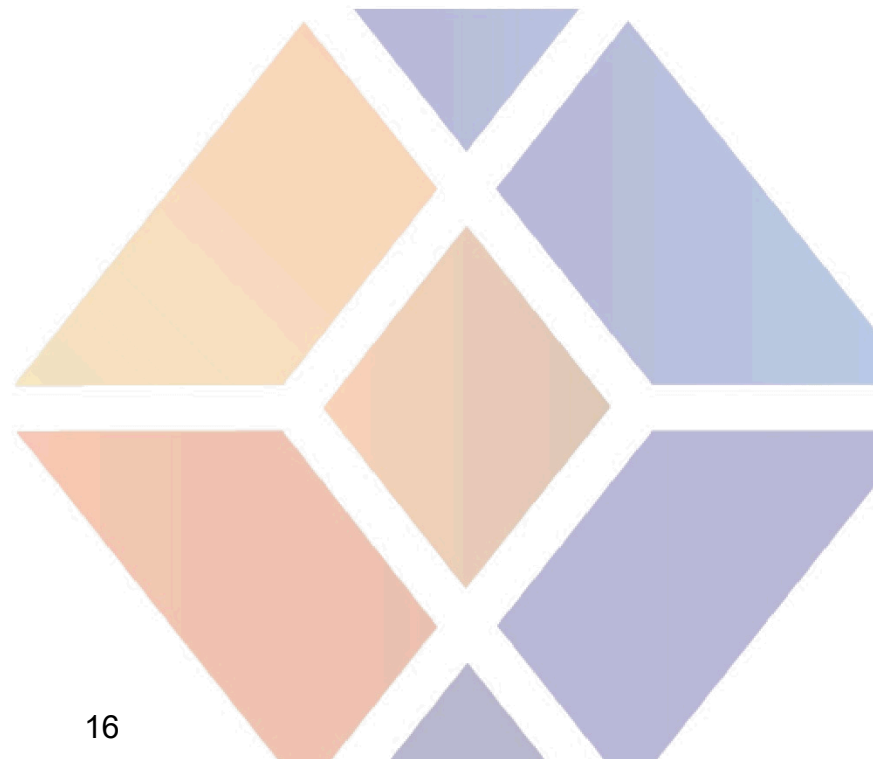
Respectfully Submitted,



Puneet Behl, CPA
Chief Financial Officer



Gina Dean
Chief Executive Officer





Board of Directors and Alternates With Programs

As of 6/30/2025

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	PFL	Board Primary	Board Alternate
Alameda County		✓		✓	✓	✓					Lucretia Akil, Director, Risk Management	Timothy Leibowitz, Senior Risk & Insurance Analyst
Alpine County		✓	✓		✓	✓		✓	✓		Nichole Williamson, CAO/Health and Human Services Director	Matt McSorley, Director of Budget and Procurement
Amador County	✓	✓	✓		✓	✓		✓	✓		Vacant	Sarah Duarte, Risk Analyst
Butte County		✓	✓		✓	✓					Julia Ogonowski, Risk Manager	Sheri Waters, Human Resources Director
Calaveras County	✓	✓	✓		✓	✓		✓	✓		Judy Hawkins, Deputy CAO/Director of Human Resources & Risk Management	Nicholas William Marvin, Human Resources Analyst
Colusa County		✓	✓		✓	✓			✓		Kaline Moore, CAO Budget Management Analyst	Ignacio Prado, Safety Officer/Assistant Risk Manager
Contra Costa County		✓		✓	✓	✓					Karen Caoile, Director of Risk Management	Adam Nguyen, County Finance Director
Del Norte County		✓	✓		✓	✓		✓	✓		Neal Lopez, County Administrative Officer	Randy Hooper, Assistant County Administrative Officer
El Dorado County	✓	✓		✓	✓	✓		✓	✓		Karen Bianchini, Risk Manager	Joseph Carruesco, Director of Human Resources
Fresno County		✓	✓		✓	✓					Jenny Thompson, Risk Manager	Hollis Magill, Director of Human Resources



Board of Directors and Alternates With Programs

As of 6/30/2025

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	PFL	Board Primary	Board Alternate
Glenn County		✓	✓		✓	✓			✓		Scott H. De Moss, County Administrative Officer	Scott Schimke, GSRMA Executive Director
Humboldt County	✓	✓	✓		✓	✓			✓		Amanda Phillips, Risk Manager	Zach O'Hanen, Human Resources Director
Imperial County		✓	✓		✓	✓		✓			Rodolfo Aguayo, Director of HR & RM	Brenda Olivas-Neujahr, Human Resources Manager
Inyo County	✓	✓	✓		✓	✓			✓		Aaron Holmberg, Risk Manager	Nate Greenberg, County Administrator
Kern County						✓					Lisa Dearmore, Risk Manager	Pablo Muro, Loss Prevention Specialist
Kings County		✓	✓		✓	✓					Sarah Poots, Risk Manager	Kyria Martinez, County Administrative Officer
Lake County	✓	✓	✓			✓		✓	✓		Lloyd Guintivano, County Counsel – County of Lake	Diana Rico, Deputy Human Resources Director
Lassen County		✓	✓		✓	✓			✓		Vacant	Samantha McMullen, Assistant to the CAO/Budget Analyst
Madera County		✓	✓		✓	✓					Darin McCandless, Deputy CAO	Jason Blanks, Risk Management Analyst
Marin County					✓						Vacant	Vicky Willard, Assistant Human Resources Director



Board of Directors and Alternates With Programs

As of 6/30/2025

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	PFL	Board Primary	Board Alternate
Mariposa County		✓	✓		✓	✓			✓		Walter Wall, County Counsel	Kevin Briggs, Assistant County Counsel
Mendocino County	✓	✓	✓		✓	✓		✓	✓		Heather Rose, Risk Manager, ARM	Emma Saucedo, Principal Analyst Over Health Insurance
Merced County		✓	✓		✓	✓		✓	✓		Sommer Moniz, Deputy County Executive Officer	Marci Barrera, Assistant County Executive Officer
Modoc County		✓	✓		✓	✓					Chester Robertson, County Administrative Officer	Pamela Randall, HR Director/Risk Management
Mono County		✓	✓		✓	✓			✓		Sandra Moberly, CAO	Vacant
Monterey County		✓		✓		✓					David Bolton, Risk Manager	Susan K. Blich, Chief Assistant County Counsel
Napa County		✓	✓		✓	✓			✓		Rebecca Craig, Assistant Executive Officer	Alfredo Larranaga, Safety Officer & ADA Coordinator
Nevada County	✓	✓	✓		✓	✓					Brittni Inks, Risk Manager	Erin Mettler, Deputy CEO/CFO
Placer County		✓	✓		✓	✓			✓		Sara Born, Risk Manager	Helaina Wilkinson, Risk Management Administrator HR Dept Workforce Optimization
Plumas County		✓	✓		✓	✓			✓		Travis Goings, Director of Risk Management	Vacant



Board of Directors and Alternates With Programs

As of 6/30/2025

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	PFL	Board Primary	Board Alternate
Riverside County		✓		✓	✓	✓					Ronak Patel, Assistant Human Resources Director	Tami Douglas-Schatz, Human Resources Director
Sacramento County	✓	✓	✓	✓		✓					Sarah Baker, Risk Manager	Donna Abbott, Liability & Property Supervisor
San Benito County		✓	✓		✓	✓			✓		Henie Ring, Human Resources Manager	Gracie Rodriguez, Associate Administrative Analyst
San Bernardino County		✓	✓	✓		✓					Vacant	Paul Kiehl, Risk Management Deputy Director
San Diego County		✓		✓		✓				✓	Brad Rankin, Risk Management	Vacant
San Joaquin County		✓		✓	✓	✓			✓		Tanya Moreno, Risk Manager	Jennifer Goodman, Director of Human Resources
San Luis Obispo County		✓	✓		✓	✓		✓	✓		Pamela Mitchell, Liability Manager	Ashleigh Szkubiel, Principal Human Resources Analyst
Santa Barbara County	✓	✓	✓		✓	✓		✓	✓		Greg Milligan, Risk Manager	Wade Horton, Assistant County Executive Officer
Santa Clara County				✓	✓	✓					Lance Sposito, Director of Risk Management	Vacant
Santa Cruz County		✓		✓	✓	✓			✓		Gina Occhipinti Borasi, Risk Manager	Franchesca Diaz, Assistant Personnel Analyst



Board of Directors and Alternates With Programs

As of 6/30/2025

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	PFL	Board Primary	Board Alternate
Shasta County		✓	✓		✓	✓			✓		Monica Fugitt, Assistant Director of Support Services	Dolyene Lane, Risk Manager
Sierra County		✓	✓		✓	✓		✓	✓		Vacant	Judi Behlke, Personnel Director/Risk Manager
Siskiyou County	✓	✓	✓		✓	✓			✓		Hayley Hudson, Deputy County Administrator	Ed Valenzuela, Elected County Supervisor
Solano County		✓	✓		✓	✓			✓		Cynthia Gordon Foreman, Claims & Civil Litigation Manager	Bernadette Curry, County Counsel
Sonoma County		✓	✓		✓	✓					Janell Crane, Risk Manager	Jamie Bloom, Insurance Manager
Stanislaus County		✓	✓		✓	✓			✓		Derick Holt, Insurance/Claims Manager	Ryan Leupp, Assistant HR Director
Sutter County		✓	✓		✓	✓		✓	✓		Jason Claunch, Risk Management Administrator	William J. Vanasek, County Counsel
Tehama County		✓	✓		✓	✓		✓	✓		Gabriel Hydrick, Chief Administrative Officer	Coral Ferrin, Personnel Director
Trinity County		✓	✓		✓	✓			✓		Trent Tuthill, County Administrative Officer	Suzie Hawkins, Senior Financial Analyst
Tulare County		✓	✓	✓	✓	✓					Robert (Rob) Anderson, Risk Manager	Danny Mendes, Deputy Risk Manager



Board of Directors and Alternates With Programs

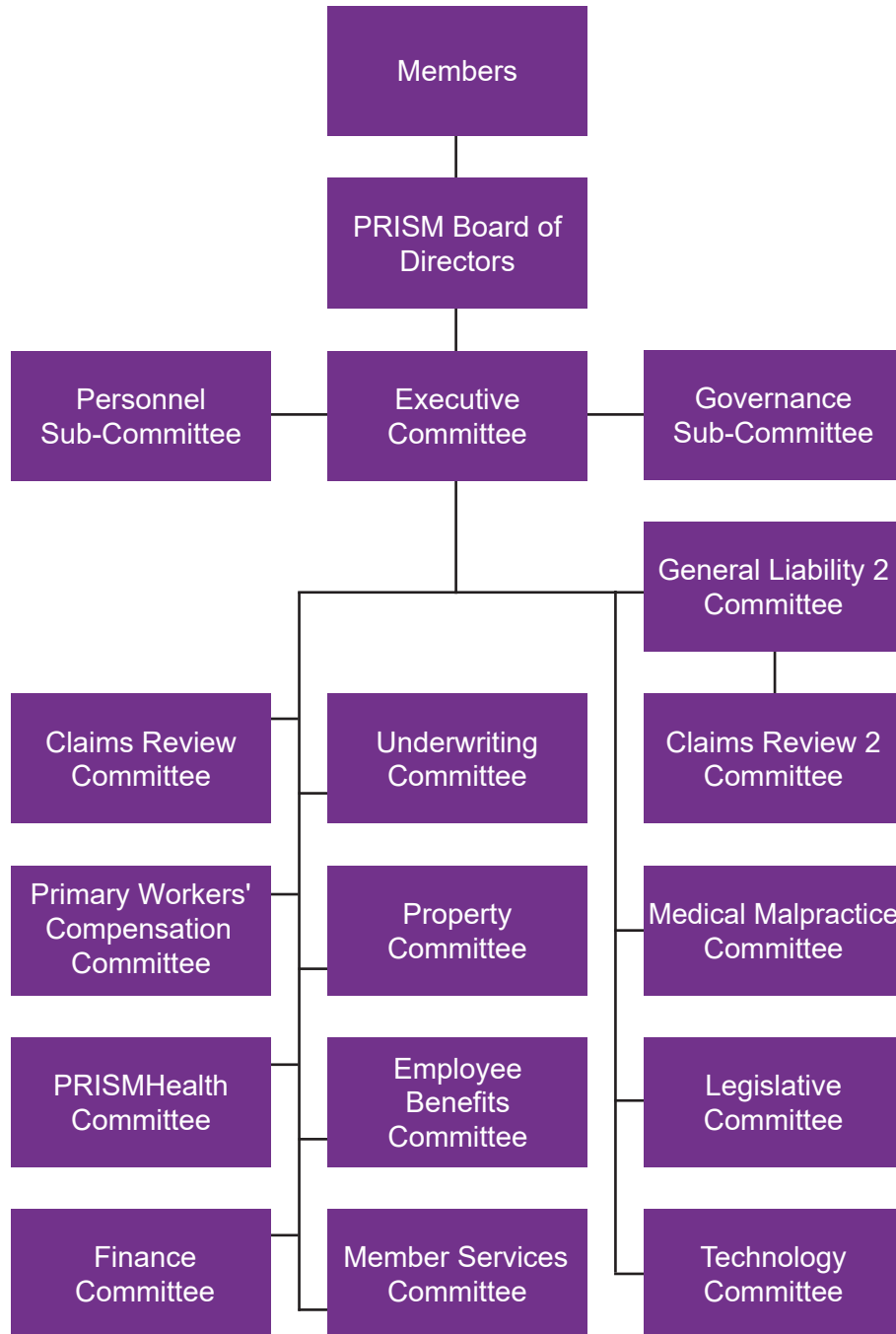
As of 6/30/2025

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	PFL	Board Primary	Board Alternate
Tuolumne County		✓	✓		✓	✓		✓	✓		Karen McGettigan, HR Director/Risk Manager	Sarah Olson, Risk Analyst
Ventura County				✓		✓					Danielle Mancuso, Deputy Executive Officer, County Executive Office / Risk Management	Catherine Laveau
Yolo County		✓	✓		✓	✓			✓		Barbara Lubben, Yolo/YCPARMIA Executive Director	Vacant
Yuba County	✓	✓	✓		✓	✓			✓		Tiffany Manuel, Human Resources Director & Risk Manager	Karen Fassler, Assistant Human Resources Director



PRISM

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Public Risk Innovation, Solutions, and Management
(PRISM)
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



CAJPA
California Association of
Joint Powers Authorities

Trusted Leadership
for California's Public
Risk Sharing Pools

*It is the purpose of this organization to give professional recognition
to properly qualified self-insurance pools.*

*THEREFORE, the Board of Directors of the
California Association of Joint Powers Authorities,
has conferred upon*

PRISM

This

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.



Accreditation Period: March 28, 2025 – March 28, 2028

Marinda Griese
President

David deBernardi
Chair, Accreditation Committee

James P. Marta
Accreditation Program Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**Board of Directors and Members
Public Risk Innovation, Solutions, and Management
Folsom, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Public Risk Innovations, Solutions, and Management (PRISM) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise PRISM's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PRISM and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PRISM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PRISM's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, schedule of pension plan contributions, schedule of changes in the net OPEB liability and related ratios, schedule of PRISM OPEB contributions, reconciliation of unpaid claims liabilities, and schedule of earned premium and claims development on pages 30-42, 103-107, and 109 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PRISM's basic financial statements. The accompanying combining schedule of programs and the individual programs statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows (supplementary information) are presented for purposes of additional analysis and are 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 combining schedule of programs and the individual programs statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and budget highlights sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of PRISM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PRISM's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PRISM's internal control over financial reporting and compliance.

Gilbert CPAs

**GILBERT CPAs
Sacramento, California**

December 1, 2025

Management's Discussion & Analysis

As management of PRISM, we offer readers of PRISM's financial statements this narrative overview and analysis of the financial activities for the fiscal years ended June 30, 2025, and 2024. All references to years are to the fiscal year ending at June 30th.

Overview of the Financial Statements

PRISM reports as a government enterprise fund because its activities, the development and operation of public entity risk pools (Retained Risk), and group purchase of insurance (Transferred Risk) are paid for by its member users.

PRISM's basic financial statements are comprised of two components: 1) combined financial statements including the PRISM Affiliate Risk Captive (ARC), a component unit; and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, which includes fund financial information for the individual programs.

The *Combined Financial Statements* are designed to provide readers with a broad overview of PRISM's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of PRISM's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets plus deferred outflows of resources minus liabilities and deferred inflows of resources is reported as net position. Net position includes the amount invested in capital assets.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing total revenues and total expenses, and how PRISM's net position changed during the most recent fiscal year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. - claims incurred but not paid, unrealized market gains on investments, earned but unused compensated absences, and net pension and OPEB liabilities).

The *Statement of Cash Flows* presents information on the sources and uses of cash during the most recent fiscal year. The Statement of Cash Flows is subdivided into 3 major sections to show cash provided or used by Operating, Capital and Related Financing, and Investing Activities.

The Combined financial statements can be found on pages 43 through 47 of this report.

Notes to the Financial Statements

The notes provide additional information that are essential to a full understanding of the data provided in the financial statements and can be found beginning on page 48 of this report.

Captive

On June 30, 2025, PRISM's captive insurance company, PRISM Affiliate Risk Captive (ARC), a blended component unit of PRISM, completed its ninth year of operations. ARC is domiciled in, and subject to, the Utah Department of Insurance regulations to insure only PRISM's risks, though other entities may participate in ARC to access coverage from PRISM or reinsurers in a pass-through capacity. ARC allows PRISM to better link their long-term claim liabilities with an appropriate type and term of investment. See Footnote 3 for the Investment Policy of ARC and Footnote 4 for a schedule of the liabilities insured through ARC. The governing board is made up of three current PRISM Board members, two staff members, PRISM's former CEO, and ARC's designated Utah Legal Counsel. ARC's separately-issued financial statements are available at <https://www.prismarc.org/>.

Management's Discussion & Analysis

Fund Financial Statements

PRISM operates one enterprise, proprietary fund to account for its 12 risk management programs, general administration, operation of PRISM's building, and ARC. Each program has established its own set of accounts, so that each program can be independently evaluated.

The following table shows the net position in each fund at June 30, 2025:

	Net Position
Primary Workers' Compensation	54,129,586
Excess Workers' Compensation	52,502,799
General Liability 1	1,018,919
General Liability 2	328,399
Property	51,632,759
Medical Malpractice	13,878,460
Master Rolling Owner Controlled Ins. Program	393,675
PRISMHealth	18,678,593
Dental Program	8,357,599
Paid Family Leave Program	842,493
PRISM Internal Guarantee Account	-
Miscellaneous Programs	6,747,989
Administration and Building	16,667,504
ARC net of Elimination	85,148,393
Total Net Position	\$310,327,168

Financial Highlights

Combined Financial Analysis

PRISM's assets and deferred outflows exceeded liabilities and deferred inflows by \$310M, \$221M, and \$264M at June 30, 2025, 2024, and 2023, respectively. Following is a condensed Statement of Net Position:

Combined Statement of Net Position

	June 30, 2025	June 30, 2024	June 30, 2023
Other Assets	\$ 1,827,443,459	\$ 1,434,866,913	\$ 1,171,449,047
Capital Assets	13,010,036	13,038,230	13,402,523
Total Assets	1,840,453,495	1,447,905,143	1,184,851,570
Deferred Outflows	3,656,547	4,372,357	4,727,766
Current Liabilities	403,330,575	307,166,355	258,256,027
Noncurrent Liabilities	1,124,749,473	919,770,565	663,577,279
Total Liabilities	1,528,080,048	1,226,936,920	921,833,306
Deferred Inflows	5,702,826	4,005,637	4,229,528
Invested in Capital Assets	13,010,036	13,038,230	13,402,523
Unrestricted Net Position	297,317,132	208,296,713	250,113,979
Total Net Position	\$ 310,327,168	\$ 221,334,943	\$ 263,516,502

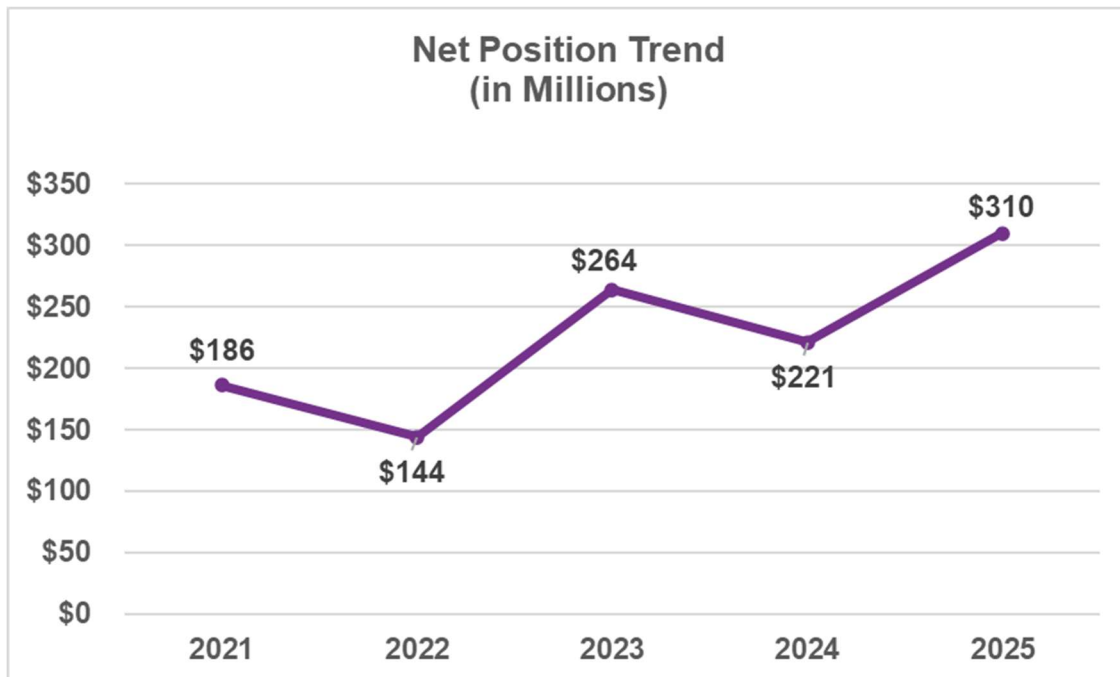
Management's Discussion & Analysis

Net Position

Net position is defined as the difference between Total Assets plus Deferred Outflows and Total Liabilities plus Deferred Inflows. PRISM started fiscal year 2024/25 with a net position of \$221M. The ending balance in net position at June 30, 2025 was \$310M, which is an increase of \$89M, over the prior year. The operating loss of \$10M was offset by nonoperating revenue – mainly investment income – of \$99M.

PRISM started fiscal year 2023/24 with a net position of \$264M. The ending balance in net position at June 30, 2024 was \$221M, which is a decrease of \$42M from fiscal year 2022/23. The net operating loss of \$108M was offset by nonoperating revenue – mainly investment income of \$66M.

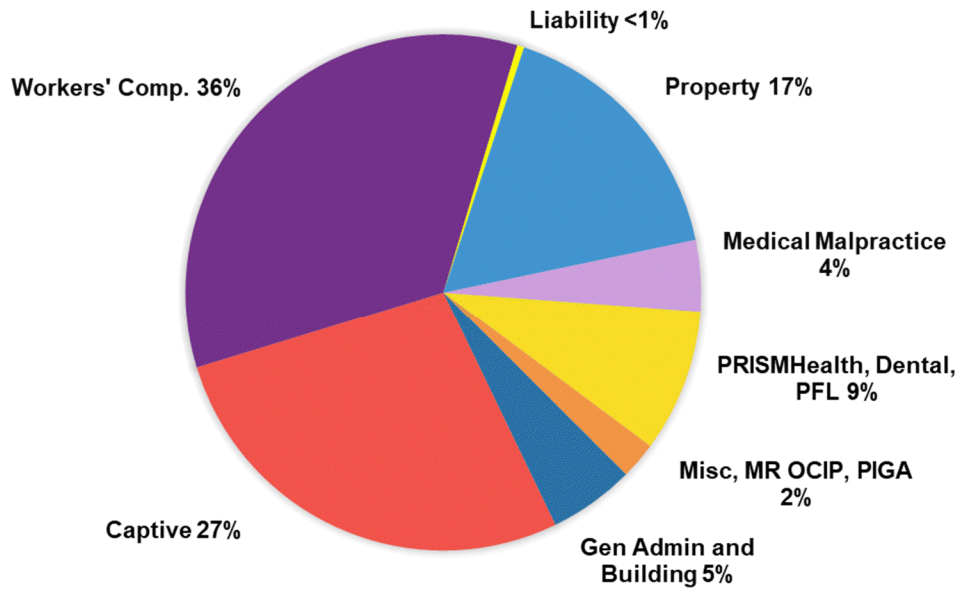
PRISM's net position balances over the past 5 years are illustrated as follows:



Management's Discussion & Analysis

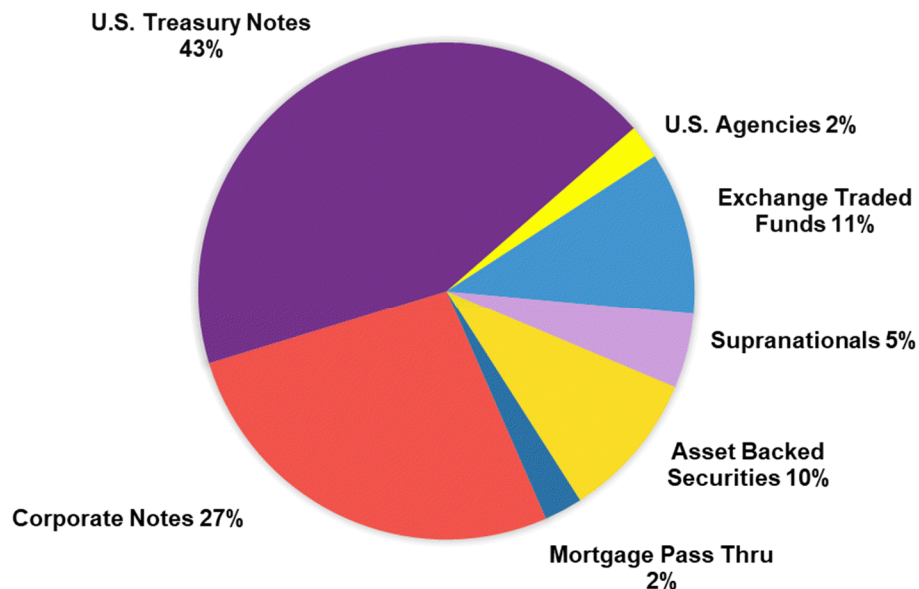
Our large pooled risk programs, workers' compensation and liability programs, account for 36% and <1% of net position, respectively, as of June 30, 2025, as show below:

NET POSITION BY PROGRAM



Treasury assets consist of funds held for the payment of claims. Of these funds, 13% was in cash and 87% was invested at June 30, 2025. Payment on an excess layer claim of \$98M was received immediately before the fiscal year end and released to the impacted member immediately after the fiscal year end. If this \$98M was excluded from the calculation, treasury assets would consist of 7% cash and 93% investments. The following chart shows the asset allocation for the invested funds at June 30, 2025:

INVESTMENT ALLOCATION



Management's Discussion & Analysis

Unrealized gains on investments from increases in the fair value of \$40M and \$25M were recognized in fiscal years 2024/25 and 2023/24, respectively. During the fiscal year 2022/23, there was modest net increase of \$907k in the fair value of PRISM's investments. Changes in the fair value are driven by fluctuations in the market interest rate and mark-to-market valuation of equities held in PRISM ARC. The potential direction of interest rates, up or down, and the interest earned are both considered at the time the investment is made.

Claim Liabilities

As another year is added to our programs (some with a long payout pattern), claim liabilities will naturally increase. Claim payments will cause a decrease in outstanding claim liabilities. Claim liabilities increased \$187M from \$1.19B at June 30, 2024, to \$1.37B at June 30, 2025. Comparatively, claim liabilities increased \$297M in the 2023/24 fiscal year largely due to claims taken on the AmTrust Commutation in the PWC, EWC, GL1 and GL2 programs.

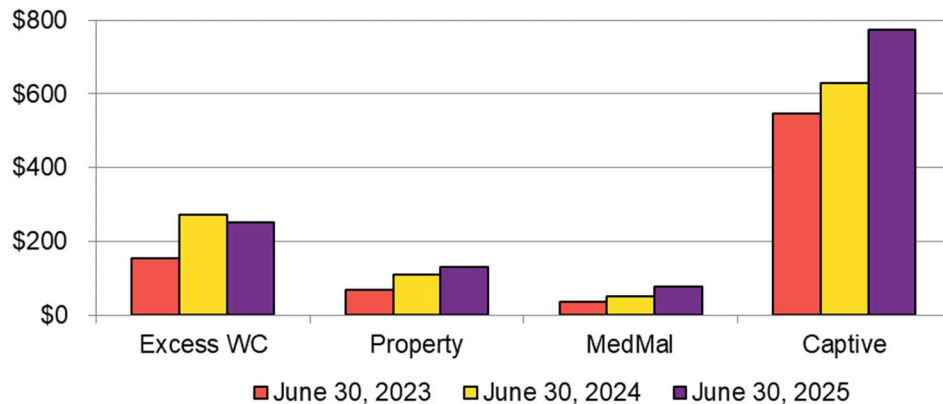
The EWC Program saw a decrease in claim liabilities of \$24M from \$274M at June 30, 2024, to \$250M at June 30, 2025. The decrease was driven by claims payments in excess of adjustments to estimated losses, not due to favorable experience. The EWC Program saw increases in claim liabilities of \$118M from \$156M at June 30, 2023 to \$274M at June 30, 2024, largely as a result of the commutation.

The Property Program began to retain risk for claims starting March 31, 2022. Prior to this the Property Program was fully reinsured. Now the Property Program is self-insured for the primary \$10M in coverage per tower (occurrence) and aggregate stop loss coverage is purchased each year to limit the Program's exposure. For the year ending March 31, 2023 PRISM paid the first \$100M of claims in the \$10M primary layer from all towers combined, the aggregate carrier paid the next \$50M – up to their limit – and the remaining claims returned to PRISM. For the years ending March 31, 2024, 2025 and 2026, PRISM is obligated to pay the first \$110M, \$130M, and \$120M of claims, respectively, before stop loss coverage attaches. Currently claims are not estimated to exceed the stop loss coverage for the 2023/24, 2024/25 or 2025/26 policy years. Claim liabilities in the Property Program increased by \$18.2M in fiscal year 2024/25 to \$129.7M at June 30, 2025.

Medical Malpractice Program claims liabilities increased by \$28M from \$51M at June 30, 2024, to \$79M at June 30, 2025, largely due to increases in estimated losses driven by adverse development.

The PRISM Captive continued to cover corridor risks for PRISM, including claim liabilities arising from the MsRe LPT agreement. Claim liabilities for the Captive increased by \$145M from \$630M at June 30, 2024, to \$775M at June 30, 2025.

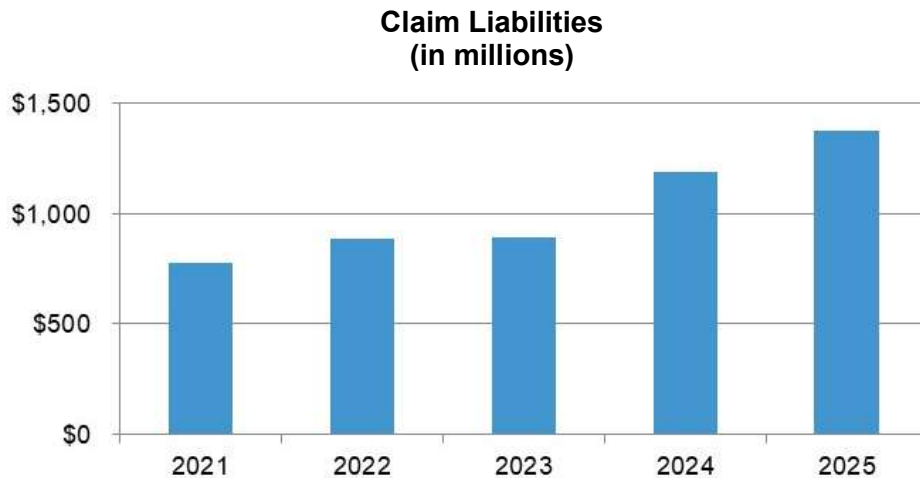
**Claim Liabilities
(in millions)**



Management's Discussion & Analysis

Smaller changes in claim liabilities were seen in the Primary Workers' Compensation (PWC) Program (\$8M increase), GL1 Program (\$14M increase), GL2 Program (\$2M decrease), Dental Program (\$35k increase), and Paid Family Leave (\$250K increase) from June 30, 2024, to June 30, 2025.

PRISM's claim liabilities are discounted, meaning they are stated at the present value of the future stream of claim payments. The discount rate is based on what PRISM expects to earn on the funds set aside to pay claims. This estimate is sensitive to interest rate risk. PRISM made downward adjustments to the discount rates in 2011, 2012, 2013, and 2016 in response to the low-interest-rate environment. After a short period of volatility, there was a sharp rise in interest rates in 2021/22. In response to the rising interest rate environment, the discount rate was increased incrementally. The PRISM Captive's discount factor was increased from 2.85% to 4.2% in 2021/22, and was adjusted up further to 4.4% for the fiscal year 2024/25. During 2024/25, discount factors applied to claim liabilities were also increased in the EWC program from 3.75% to 4.0%, and in the GL2 program from 2.25% to 2.5%. Discount rates for the GL1 and Medical Malpractice Programs remained at 2.5% and 3.0%, respectively, during 2024/25. The Property Program used a discount factor of 1.75% since 2022/23. The claim liability trend over the past 5 years is as follows:



Net Pension Liability

PRISM calculates and reports its net pension liability annually in accordance with Government Accounting Standards Board (GASB) Statement No. 68. The net pension liability was \$5M, \$5M, and \$4M at June 30, 2025, 2024, and 2023, respectively.

Other Post Employment Benefit (OPEB)

For the year ended June 30, 2018, PRISM implemented GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. In 2024/25, OPEB liability calculations were based on a blended discount rate. OPEB liability consists of explicit and implicit liability. PRISM's current policy is to prefund only the explicit liability, creating an unfunded liability for the implicit portion. Since fiduciary net position is not sufficient to pay all future obligations, in 2018/19, the PRISM Finance Committee approved the use of a split rate to discount future obligations. PRISM will use long-term rate of return for future projected benefits that can be covered by trust assets, while future projected benefits not covered by the available trust assets shall be discounted by the 20-year municipal bond rate. These 2 components are then simply added together to calculate the total OPEB liability.

This approach is more logical and straightforward, since PRISM has a clear line drawn around what will and will not be prefunded. PRISM reported net OPEB liability of \$36k for 2024/25, \$100k for 2023/24, and \$362k for 2022/23.

Management's Discussion & Analysis

Compensated Absences

GASB Statement No. 101 (GASB 101), Accounting and Financial Report for Compensated Absences, requires that liabilities for compensated absences be recognized for leave that has been earned but not been used, paid in cash, or settled through noncash means at the end of the fiscal year. Compensation absences under GASB 101 can include vacation, sick leave, paid time off, holiday, parental leave, bereavement leave, and sabbaticals, but measurement of liabilities is limited to an estimate of the amount that has both been earned and is "more likely than not" to be used or cashed out. PRISM has always accrued a liability for accrued vacation, but added an estimated liability for sick leave "more likely than not to be used" in accordance with GASB 101 starting with this report. Adoption of the standard required a restatement of the liability for compensated absences at June 30, 2024 and 2023, of \$276k and \$311k, respectively.

Lease Receivable/Deferred Inflows – Leases

PRISM implemented GASB Statement No. 87, Leases starting with its June 30, 2022 report. GASB 87 is intended to enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. See Footnote 7 for additional information on Leases.

Target Equity

Each of the pooled programs has established Target Funding Guidelines, which determine the range of net position to retain in the program in order to provide for the uncertainty of actuarial estimates, inconsistent or inaccurate reserving, and the possibility of catastrophic claims. The purpose of the guidelines is to assist Board and Committee members in making funding decisions. A range is determined by looking at various ratios; for instance, Gross Premium to Net Position, Net Position to Pool retention, Outstanding Case Reserves to Net Position, and Outstanding Ultimate Reserves to Net Position. The following table shows the Target Net Position Range for the pooled programs and program net position at June 30, 2025:

Program	Target Net Position Range (in millions)		Program Net Position (in millions)
	Low	High	As of June 30, 2025
Primary Workers' Compensation	\$19.2	\$51.0	\$54.1
Excess Workers' Compensation	30.2	111.0	52.5
General Liability 1	110.8	149.1	1.0
Medical Malpractice	14.3	27.3	13.9

At June 30, 2025, the PWC Program's net position is above the target net position range, and the EWC Program's net position is within the target net position range. The Medical Malpractice Program slightly fell below the target net position range at June 30, 2025.

The GL1 Program net position has been improving, but continues to fall below the target net position range. Adverse loss development is an industry-wide phenomenon being felt by most entities in the general liability insurance market. The Program's net position fell into a deficit as a result of adverse development in claims. In response, the PRISM Board approved a Loss Portfolio Transfer (LPT) in fiscal year 2019/20. This deal transferred the Program's liabilities to a reinsurer, MultiStrat Re, going back to July 1, 2007, and providing coverage for liabilities through June 30, 2024. This deal was extended during 2022/23 to cover claims through June 30, 2026. The LPT transaction enabled the Program to gradually increase rates. As new premiums are collected at higher confidence levels, it is expected that the GL1 Program will improve its net position. At June 30, 2025, the GL1 Program is in a surplus position of \$1M, as compared to the prior year deficit

Management's Discussion & Analysis

position at \$8.2M. The equity in this program is expected to be within its target net position range in 2025/26.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Position:

Statement of Revenues, Expenses, and Changes in Net Position

	June 30, 2025	June 30, 2024	June 30, 2023
Operating Revenues:			
Premiums for Transferred Risk	\$ 1,518,545,602	\$ 1,376,138,017	\$ 1,142,729,744
Broker Fees	38,121,796	30,093,484	26,884,483
Contributions for Retained Risk	568,816,380	443,940,217	385,724,427
All Other Sources	48,507,031	117,206,810	32,828,733
Total Operating Revenues	<u>2,173,990,809</u>	<u>1,967,378,528</u>	<u>1,588,167,387</u>
Operating Expenses:			
Insurance Expense & Broker Fee	1,517,694,112	1,343,645,080	1,160,841,312
GL1 LPT Premium Expense & Broker Fee	38,492,308	43,551,806	40,371,450
Provisions for Claims & ULAE	566,591,693	627,581,044	235,003,147
Program Services & Loss Prevention Expenses	19,705,875	22,824,740	24,622,700
General Administrative Services	26,452,373	24,482,093	23,162,873
Member Dividends & Stabilization Funds Distributed	14,737,473	13,197,766	7,009,958
Total Operating Expenses	<u>2,183,673,834</u>	<u>2,075,282,529</u>	<u>1,491,011,440</u>
Operating Income (Loss)	<u>(9,683,025)</u>	<u>(107,904,001)</u>	<u>97,155,947</u>
Nonoperating Revenues (Expenses):			
Investment Income, Financing Fees, net of Investment Exp.	98,575,237	65,409,866	22,395,857
Lease Income, net of Building Maintenance and Depreciation	100,013	312,576	237,143
Total Nonoperating Revenues (Expenses)	<u>98,675,250</u>	<u>65,722,442</u>	<u>22,633,000</u>
Changes in Net Position	<u>88,992,225</u>	<u>(42,181,559)</u>	<u>119,788,947</u>
Net Position:			
Beginning Balance, July 1, as previously reported	221,610,493	263,827,419	144,038,472
Restatements	(275,550)	(310,917)	-
Beginning Balance, July 1, as restated	<u>221,334,943</u>	<u>263,516,502</u>	<u>144,038,472</u>
Ending Balance, June 30	<u>\$ 310,327,168</u>	<u>\$ 221,334,943</u>	<u>\$ 263,827,419</u>

Revenues

In fiscal year 2024/25, total revenues were \$2.27B, which was an increase of \$240M from \$2.03B in 2023/24. Operating revenues increased by \$210M to \$2.17B for fiscal year 2024/25 as compared to \$1.97B in the prior year. All major programs except the EWC and MROCIP programs reported higher operating revenue as compared to 2023/24. The EWC Program saw a decrease in operating revenue due to zero Amtrust Commutation revenue recognized in the current year, whereas \$68.5M Amtrust Commutation revenue was recognized in the prior year. MROCIP operating activity is subject to change when underlying insured projects start and stop and necessarily varies from year to year. The exposure base (e.g., payroll for Workers' Compensation and Liability Programs and total insured value for Property Program) increased for all major programs in 2024/25, over the prior year.

In the GL1 Program, Schools Excess Liability Fund (SELF) modified their Sexual Abuse and Molestation (SAM) coverage from an occurrence to a claims-made basis beginning July 1, 2021, which impacts school members that participate in SELF after PRISM's Pool. Unlike full occurrence rates, claims-made rates increase over time, holding all things equal, as more and more claims are able to be reported and covered. This often means a steep rate discount for the first year of claims-made coverage (i.e., 2022/23), but large increases in the second and the next several, subsequent years. As a result, GL1 rates increases differed by member type: 20% for non-schools, 32% for schools not in SELF, and 43% for SELF members. Overall, the GL1 Program

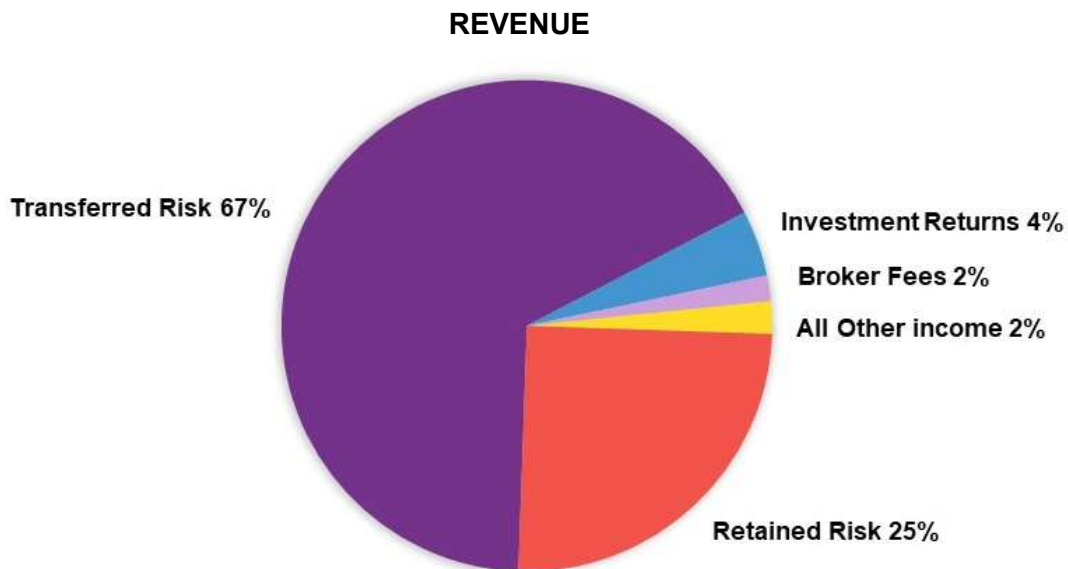
Management's Discussion & Analysis

saw transferred risk, broker fees, and retained risk revenue increase by a total of \$80M from \$233M in 2023/24 to \$313M in 2024/25.

Increases in the cost of excess coverage in the PWC, EWC, GL2, Property, and Medical Malpractice Programs were passed through to the members through higher transferred risk premiums. The GL2 Committee declared a \$7.1M assessment on its membership in 2024/25 in addition to the \$25M assessment declared in 2023/24. The PRISMHealth, Dental, and Miscellaneous Programs all saw increased rates in 2024/25, over the prior period. Nonoperating revenues consist of investment earnings and lease income, each net of related expenses. Net nonoperating revenue was by \$99M in fiscal year 2024/25, nearly all of which was investment earnings.

In fiscal year 2023/24, total revenues were \$2.03B, which was an increase of \$422M from \$1.61B in 2022/23. All major programs reported higher total revenue as compared to 2022/23. Both premiums for transferred risk and contributions for retained risk increased partly due to an increase in payrolls, which is the exposure base for many programs, and partly due to rising pool and excess rates. Net nonoperating revenue was \$66M in fiscal year 2023/24, nearly all of which was investment earnings.

The total revenue allocation as of June 30, 2025 is shown in the following chart:



Membership: PRISM represents around 1,700 public agencies statewide. Our membership includes 93% of the counties in California and nearly 73% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and 31 other Joint Powers Authorities. Our employee benefits programs continue to add new members. In addition to our direct members, which include cities, counties, and special districts, we have an additional 1,769 indirect members that are underlying members of other Joint Powers Authorities that participate in our programs.

Premiums for Transferred Risk: Premiums for transferred risk revenues were \$1.52B for 2024/25, an increase of \$142M from \$1.38B for 2023/24. Much of the increase is in our Liability, Property and PRISMHealth Programs and is driven by excess and reinsurance carrier rate increases.

Contributions for Retained Risk: PRISM's contributions for retained risk revenues were \$569M in 2024/25 as compared to \$444M in 2023/24 and \$386M in 2022/23. Contributions for retained risk

Management's Discussion & Analysis

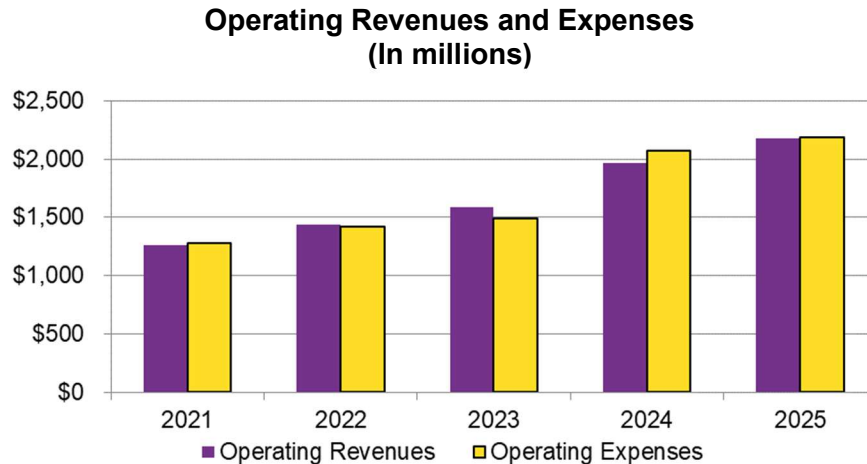
rose for all programs except GL2, which saw a \$17.9M decrease due to a \$7.1M assessment declared in 2024/25 as compared to a \$25M assessment declared in 2023/24. Both assessments are to cover claims commuted from AmTrust to the GL1 program in 2023/24. PRISMHealth started collection of contributions for retained risk effective January 1, 2025, anticipating the start of pooling claims effective October 1, 2025. For 2024/25, the contributions for retained risk totaled \$12.7M for the PRISMHealth program. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims.

AmTrust Commutation Income: In 2023/24, claims were commuted from AmTrust in the PWC, EWC, GL1, and GL2 Programs in exchange for a one-time payment of \$150M. The payment was first applied to any outstanding amounts due from AmTrust at March 31, 2024. Any amounts above this were recognized as AmTrust Commutation Income in 2024/25: \$5.6M in the PWC Program, \$68.5M in the EWC Program, and \$2.9M in the GL1 Program. The amounts recovered by the GL2 Program were less than the amounts owed from AmTrust at March 31, 2024, resulting in a bad debt expense of \$931k, which was included in Program Services expense line for 2023/24.

Expenses

Total operating expenses increased by 5%, or \$108M in fiscal year 2024/25, compared to a 39%, or \$584M increase in 2023/24, compared to fiscal year 2022/23. The increase in 2024/25 was primarily due to an increase in the premiums for transferred risk and related broker fees of \$169M (including GL1 LPT). The increase in 2023/24 was primarily due to a \$351M increase in provision for prior year claims, which includes the claims expense resulting from the AmTrust Commutation. Both the 2024/25 and 2023/24 operating expenses were impacted by an increase in insurance expenses, especially in the Liability, Property, and PRISMHealth Programs, with a corresponding increase in revenue.

Operating expenses compared to revenues are shown in the following chart:



Management's Discussion & Analysis

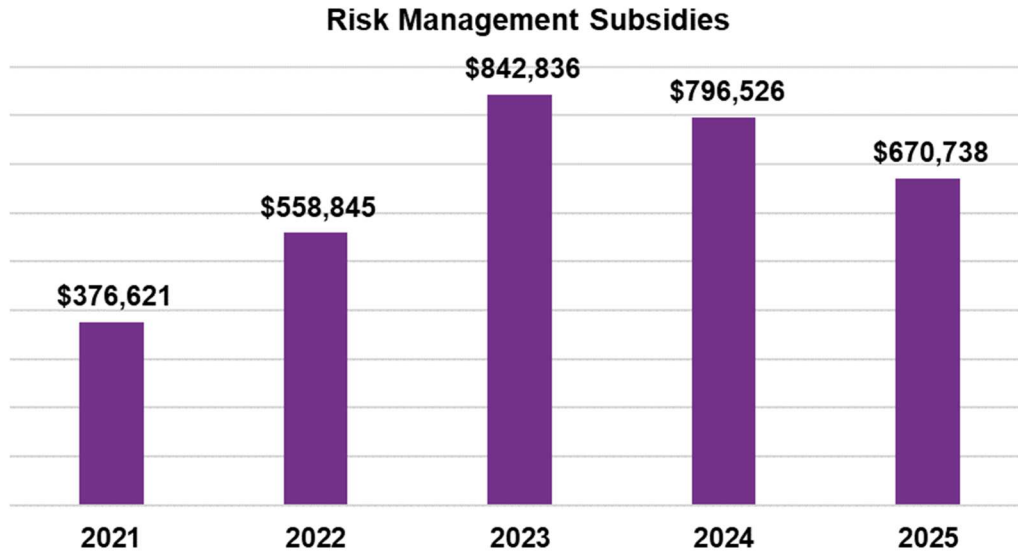
Significant expense items in the 2024/25 fiscal year included:

- In 2024/25, the PWC Program declared a \$9.5M dividend, the Dental Program declared a \$3M dividend, and the Medical Malpractice Program returned unspent assessment funds of \$2.2M to the members of this program.
- Insurance premiums and broker fees expense for 2024/25, including those attributed to the GL1 LPT, increased by \$169M over the prior year. This is mirrored by the revenues increase in the premiums for transferred risk and broker fees.
- The provision for claims is a management estimate of the cost of pooled, or shared, claims. This estimate is based on a variety of actuarial and statistical techniques considering claims history, claim payment history and frequency, changes in the law, inflation, and other socio-economic factors. Because our claims are discounted to the present value, the effect of changes in the discount rate is included in the provision for claims. The provision for claims expense, excluding the change in Unallocated Loss Adjustment expense (ULAE), decreased by \$67M, from \$631M in 2023/24 to \$564M in 2024/25. The 2023/24 totals included expense resulting from the AmTrust commutation; there was no comparable activity in 2024/25 – this was a major contributor to the decrease in year over year claims expense in the PWC program of \$2M, EWC program of \$130M, and GL2 program of \$29M. Claims expense in the GL1 and Medical Malpractice programs increased year-over-year by \$13M and \$18M, respectively, largely due to adverse claims development in prior years. Meanwhile, the Property program had favorable claims development, driving a year-over-year decrease of \$24M. Increases in the Captive year-over-year claims expenses were \$82M and are largely driven by the LPT corridor risk transferred from the GL1 Program. Smaller increases in the Dental (\$3M) and Paid Family Leave (\$1M) Programs are responsible for the remaining year-over-year change.
- Changes in ULAE expense are driven by changes in the actuarial estimates for ULAE liability, largely in the PWC Program. A lowering of the overall ULAE liability estimate serves to offset expenses whereas increases add to expense. Changes in estimates included in expenses for the last three years were (\$10)M, (\$3)M, and \$2M at June 30, 2023, 2024, and 2025, respectively.
- General Administrative Services expenses were 8% higher in 2024/25 at \$26.5M compared to \$24.5M in 2023/24. General Administrative Services include salaries and benefits of PRISM staff, meetings and conferences, office expenses, and other expenses necessary for the operation of PRISM and represent 1.2% of operating expenses in both the 2024/25 and 2023/24 years.
- Program Services and Loss Prevention Expenses decreased by 13.7% to \$19.7M in the 2024/25 fiscal year, as compared to \$22.8M in the 2023/24 fiscal year. The decrease was largely driven by a decrease in bad debt expense. Write-downs of accounts receivable from carriers were over \$3M for the fiscal year 2023/24, whereas there was less than \$150k of bad debt expense in 2024/25.

An actuarial subsidy of \$2k is available to members in many programs. All members of the property and casualty programs are eligible for a risk management subsidy of \$1k, per program. In 2018, a total of \$8.9M was reclassified from the net position to PRISM's liabilities on the Statement of Net Position because these are being held by PRISM on behalf of their members. Therefore, risk management subsidy is no longer considered an expense but a reduction of liability.

Management's Discussion & Analysis

The following chart shows the total dollars that were distributed through member subsidies for the last 5 years:



PRISM offers a variety of risk control, claims, and risk management services for our members. Services are continually expanding; offering in 2024/25 included:

- Continued to offer four (4) POST-Certified Courses
 - Launch of second self-paced offering - Stress Management Strategies
 - Use of Force/De-Escalation (self-paced)
- Critical Incident Stress Management (CISM) for Peer Supporters training, offered in partnership with, The Counseling Team International (TCTI), was hosted by three member first responder agencies throughout California
- Workplace Violence – Hazard Assessment, Identification and Correction – the delivery of this regional training took place in 5 locations throughout California
- Developed 8 courses in partnership with Vector Solutions
- Open Forums for risk control, and a podcast called Perspectives, held monthly on general risk management topics;
- Online courses through Vector Solutions added 13 new OSHA & Compliance courses, 5 Education Courses, 13 new HR & Business Skills Courses, 3 Office Productivity Courses, and over 50 new/updated courses within the various course catalogs;
- Expanded offerings for cyber security and dangerous conditions risk assessments;
- Held Cyber Symposiums in two locations, one in both Northern and Southern California;
- Added Entry Level Driver Training (ELDT) at no additional cost for PRISM Members.

New and Updated Services include:

- First Responder Peer Support Services offered by The Counseling Team International (TCTI)
- Property Program Emergency Restoration Services offered by Belfor
- An Accelerator Program incentivizing utilization of Early Intervention System (EIS) Services for the GL1 Program offered by Benchmark Analytics
- Enterprise Risk Consultants now have 28 available consultants and 5 active assignments
- Employment Practices Legal Advice Service – brought in-house effective January 1, 2025. Since then, the hotline has provided legal support on over 400 unique matters on behalf of 137 PRISM members and sub-members, this reflects an average of 62 matters per month.

Management's Discussion & Analysis

Capital Assets

In January 2010, the new office facility at 75 Iron Point Circle in Folsom, California was purchased at a cost of \$9.2M. We have invested in tenant improvements, both for the space occupied by PRISM and for the 44% of the building that is leased out. Capital assets include scheduled replacements of office equipment and computers, and investments in new technology, including the ongoing development of a proprietary claims system. More detail on the Capital Assets and depreciation is available under Notes to Financial Statements in Footnote 6 on page 86 of this report.

Economic Factors

The most significant economic factors that continue to have an effect on all public entities, including PRISM members, are legislation that affects changes or expands coverage, the hard insurance market, and the investment market. The least stable environment is the liability market, where the trend towards higher settlements and larger adverse verdicts continues to have an impact. There are fewer markets for our workers' compensation program; however, we are still able to reinsure the risk at a competitive cost. With that said, PRISM's Legislative Committee continues to actively follow, monitor, and work closely with PRISM's lobbyists to modify, craft, or push to enact legislation that protects our public entity members.

Each PRISM program committee is carefully monitoring changes to the insurance and investment markets, and their target equity, as they make funding decisions at each renewal. Whenever possible and where it makes financial sense, we continue to look for opportunities to secure multi-year reinsurance agreements as a way to stabilize rates in the various coverage programs. As the market has hardened, those are becoming more challenging to secure. We have also used Rate Stabilization Plans (RSP) to help stabilize expected reinsurance costs for our members in our EWC and PWC Programs. RSPs are a predetermined agreement with the carrier that outlines what the potential rate decrease or increase would be for the renewal if loss development for the new year falls within a certain range. The other tool typically used to respond to changing market conditions is to expand and contract pooled risk layers. This can be done with a traditional un-aggregated pooled layer that is funded based upon actuarial recommendations, or on an aggregated corridor basis.

Other Information

Annually, as a subcontracted part of the financial audit, PRISM's actuarial data produced by its in-house actuarial staff and used in the production of the year-end financial statements, is peer reviewed by Bickmore Actuarial Consulting. Bickmore peer reviewers assess the propriety of the methodologies used and assumptions made in determining the actuarial results and the ultimate loss estimates, which underlie the estimates of IBNR liabilities within self-insured programs.

In addition to the basic financial statements and accompanying notes to the financial statements, this report also presents certain *Required Supplementary Information* reconciling PRISM claim liabilities and claim development schedules. In addition, required supplementary information on the proportionate share of the net pension liability, on pension plan contributions, a schedule of changes in the net OPEB liability and related ratios, and a schedule of PRISM's OPEB contributions is provided. Required supplementary information can be found beginning on page 102 of this report. The combining and individual program statements for all PRISM programs are presented immediately following the required supplementary information beginning on page 110 of this report.

Conclusion

This financial report is designed to provide a general overview of PRISM's finances for all those with an interest. Questions concerning any of the information should be addressed to the Chief Financial Officer, 75 Iron Point Circle, Suite 200, Folsom, California 95630.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash	\$ 119	\$ 300
Cash in Banks	1,021,101	2,708,069
Cash in the PRISM Treasury	186,766,277	86,791,648
	187,787,497	89,500,017
TOTAL CASH AND CASH EQUIVALENTS		
Investments	71,944,628	106,162,531
Accounts Receivable		
Due From Members	98,689,713	104,689,276
Investment Income Receivable	8,642,546	6,066,942
Lease Receivable	274,154	276,666
Reinsurance Claims, Deposit with Carrier and Other	54,996,568	55,061,254
GL1 LPT Rate Credit Receivable	12,742,182	11,670,015
GL1 LPT Prepaid Expense	40,000,000	40,000,000
Prepaid Insurance and Expenses	153,938,109	125,419,940
	629,015,397	538,846,641
TOTAL CURRENT ASSETS		
Noncurrent Assets:		
Investments	1,171,115,627	873,106,189
Investments - Restricted	8,369,368	7,982,540
Lease Receivable	4,560,010	2,732,794
GL1 LPT Rate Credit Receivable	14,383,057	12,198,749
Land and Buildings, Net	6,071,467	5,855,503
Furniture and Equipment, Net	6,938,569	7,182,727
	1,211,438,098	909,058,502
TOTAL NONCURRENT ASSETS		
	1,840,453,495	1,447,905,143
TOTAL ASSETS		
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on OPEB	312,892	271,276
Deferred Outflows of Resources on Pensions	3,343,655	4,101,081
	3,656,547	4,372,357
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	\$

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
LIABILITIES:		
Current Liabilities:		
Reinsurance Recoveries Payable	\$ 98,000,000	\$ -
Accounts Payable	18,412,292	11,778,335
Deposits From Insurance Companies	1,397,792	2,470,185
Due to Members	14,525,695	10,868,365
Unearned Income	6,467,362	510,792
Claim Liabilities		
Claims Reported	261,161,734	281,024,926
Claims Incurred But Not Reported	2,806,326	74,320
Compensated Absences	559,374	439,432
	TOTAL CURRENT LIABILITIES	307,166,355
Noncurrent Liabilities:		
Due to Members, Long Term	8,369,368	7,982,540
Claims Reported	512,036,117	445,231,242
Claims Incurred But Not Reported	547,344,002	411,973,746
Unallocated Loss Adjustment Expense Payable	51,239,000	48,802,612
Compensated Absences, Long Term	721,250	655,533
Net OPEB Liability	35,509	99,554
Net Pension Liability	5,004,227	5,025,338
	TOTAL NONCURRENT LIABILITIES	919,770,565
	TOTAL LIABILITIES	1,226,936,920
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	4,834,164	3,009,460
Deferred Inflows of Resources on OPEB	619,888	618,996
Deferred Inflows of Resources on Pensions	248,774	377,181
	TOTAL DEFERRED INFLOWS OF RESOURCES	4,005,637
NET POSITION:		
Net Investment in Capital Assets	13,010,036	13,038,230
Unrestricted	297,317,132	208,296,713
	TOTAL NET POSITION	221,334,943
	\$ 310,327,168	\$ 221,334,943

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 1,518,545,602	\$ 1,376,138,017
Broker Fees	38,121,796	30,093,484
Contributions for Retained Risk	568,816,380	443,940,217
Member Services & Dividend Income	558,673	1,513,684
Administration Fees	37,887,599	35,202,047
School Loss Control Fees	163,638	162,024
AmTrust Commutation Income	-	77,045,342
Other Income	<u>9,897,121</u>	<u>3,283,713</u>
TOTAL OPERATING REVENUES	<u>2,173,990,809</u>	<u>1,967,378,528</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	1,481,321,099	1,317,108,873
GL1 LPT Premium Expense	36,743,525	40,000,000
Broker Fees	36,373,013	26,536,207
GL1 LPT Broker Fees	1,748,783	3,551,806
Provision for Claims		
Current Year Claims	314,187,182	284,550,663
Prior Year Claims	249,968,123	346,373,769
Unallocated Loss Adjustment Expenses	2,436,388	(3,343,388)
Program Services	17,227,517	20,216,479
Loss Prevention Expenses	2,478,358	2,608,261
General Administrative Services	26,452,373	24,482,093
Member Dividends & Stabilization Funds Distributed	<u>14,737,473</u>	<u>13,197,766</u>
TOTAL OPERATING EXPENSES	<u>2,183,673,834</u>	<u>2,075,282,529</u>
OPERATING INCOME (LOSS)	<u>(9,683,025)</u>	<u>(107,904,001)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense	98,575,237	65,409,866
Lease Income, net of Building Expense	<u>100,013</u>	<u>312,576</u>
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>98,675,250</u>	<u>65,722,442</u>
CHANGE IN NET POSITION	88,992,225	(42,181,559)
NET POSITION:		
Beginning of Year, as Previously Presented	<u>221,610,493</u>	<u>263,827,419</u>
Restatements	(275,550)	(310,917)
Beginning of Year, as Restated	<u>221,334,943</u>	<u>263,516,502</u>
NET POSITION, END OF YEAR	<u>\$ 310,327,168</u>	<u>\$ 221,334,943</u>

The notes to the financial statements are an integral part of this statement.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 2,177,100,424	\$ 1,849,276,996
Payments to Others	(327,292)	(198,066)
Payments from Others	1,947,071	67,926,002
Payments in Reinsurance Layers	(340,410,916)	(142,704,187)
Reinsurance Recoveries	445,548,899	199,643,897
Dividends Paid	(11,159,368)	(12,835,862)
Claims Paid	(379,111,360)	(330,396,988)
Insurance Purchased	(1,549,858,219)	(1,432,928,438)
Payments to Suppliers	(56,438,319)	(33,878,464)
Payments to Employees	(18,558,198)	(16,398,326)
Subsidy Payments to Members	(704,638)	(829,836)
	NET CASH PROVIDED BY OPERATING ACTIVITIES	146,676,728
	268,028,084	146,676,728
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(1,643,372,461)	(934,384,911)
Sales of Securities	1,418,991,959	784,754,331
Cash from Investment Earnings	56,633,451	38,534,399
Investment Expenses	(1,117,076)	(971,147)
Finance Fees from Members	685,397	396,607
Lease Receipts	484,917	468,676
Operating Lease Disbursements	(253,366)	(83,790)
	NET CASH PROVIDED (USED)	(111,285,835)
	BY INVESTING ACTIVITIES	(167,947,179)
	(167,947,179)	(111,285,835)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Building and Other Capital Assets	(503,931)	(230,961)
Purchase of Software, Furniture and Equipment	(1,289,494)	(1,506,683)
	NET CASH PROVIDED (USED) BY CAPITAL	(1,737,644)
	& RELATED FINANCING ACTIVITIES	(1,793,425)
	(1,793,425)	(1,737,644)
	INCREASE (DECREASE) IN CASH AND	33,653,249
	CASH EQUIVALENTS	98,287,480
	98,287,480	33,653,249
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	89,500,017	55,846,768
END OF YEAR	\$ 187,787,497	\$ 89,500,017

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (9,683,025)	\$ (107,904,001)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,815,966	2,029,628
Changes in		
Members and Reinsurance Receivable, Net	6,064,249	(2,764,903)
GL1 LPT Rate Credit Receivable	(3,256,475)	(19,872,420)
Prepaid Expenses	(28,518,169)	(30,308,762)
Deferred Outflows of Resources on OPEB and Pensions	715,810	355,409
Unearned Income	5,957,153	461,944
Accounts Payable and Other Liabilities	107,479,254	6,718,710
Claim Liabilities	185,043,945	300,527,444
Unallocated Loss Adjustment Expense Payable	2,436,388	(3,343,388)
Compensated Absences	185,659	(8,001)
Net OPEB Liability	(64,045)	(262,212)
Net Pension Liability	(21,111)	1,009,118
Deferred Inflows of Resources on OPEB and Pensions	(127,515)	38,162
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 268,028,084	\$ 146,676,728
	<hr/> <hr/>	<hr/> <hr/>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 39,797,861	\$ 25,381,658
	<hr/> <hr/>	<hr/> <hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and Significant Accounting Policies

The accounting policies of PRISM conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. Organization and Reporting Entity

PRISM is a Joint Powers Authority (JPA) organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Code. The purpose of the entity is to develop and fund insurance programs for member counties and other public entities. PRISM operates public entity risk pools for workers' compensation, employee benefits, comprehensive liability, property, medical malpractice, and pool purchases of excess insurance and services for members.

PRISM is under the control and direction of the Board of Directors (the Board), consisting of representatives of the member counties and other public entities. For purposes of control and daily management, the PRISM Board annually elects an Executive Committee, which consists of a President, Vice President, and nine Directors. The immediate Past President and legal advisor are non-voting (advisory) members of the Executive Committee. The Executive Committee appoints the Chief Executive Officer.

In June 2016, the Board authorized the establishment of a captive insurance company, domiciled in and subject to the Utah Insurance Department regulations. This allowed PRISM to better link their long-term claim liabilities with an appropriate type and term of investment. The Captive, PRISM Affiliate Risk Captive (ARC or the Captive), is reported as a blended component unit of PRISM. See Footnote 3 for the Investment Policy of the Captive and Footnote 4 for a schedule of the liabilities insured through the Captive. The governing board is made up of current and former PRISM Board, committee, and staff members, along with PRISM General Counsel and Utah Counsel. ARC's separately issued financial statements are available at <https://www.prismarc.org/>.

B. Membership

There are 2 classes of membership; county members and public entity members. Each member has adopted the Joint Powers Agreement and has been approved for membership by the Executive Committee.

County membership is available to any county in the State of California. Currently, there are 54 county members of PRISM. Each county member is entitled to appoint 2 representatives to the Board, one voting and one alternate. County members have 9 positions on the Executive Committee.

Public entity membership is open to any other California public entity. Public entity members have 7 voting seats (and 3 alternates) on the Board of Directors, who are elected by the public entity membership. Two seats on the Executive Committee are designated for public entity members.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

1. Organization and Significant Accounting Policies (continued)

B. Membership (continued)

The following number of members participated in PRISM's programs, as of June 30, 2025 and 2024:

	2025	2024
Primary Workers' Compensation	36	36
Excess Workers' Compensation	181	179
General Liability 1	131	128
General Liability 2	29	28
Property	119	114
Medical Malpractice	52	52
Master Rolling Owner Controlled Insurance	4	7
PRISMHealth	49	48
Dental	187	183
Paid Family Leave	8	0
	796	775

Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments, if it is determined that contributions are insufficient. The pool considers anticipated investment income in determining if a premium deficiency exists.

If a program has sufficient net position available, a dividend may be declared. Each member shall be eligible for a portion of the dividend, as determined by the Board or governing committee.

Members may withdraw from PRISM only at the end of a policy period, and only if a 60-day written notice is given. PRISM may cancel a membership at any time, upon two-thirds vote of the Board, and with 60 days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods in which they have participated. Withdrawn or cancelled members are generally not eligible for future dividends, based on the conditions set forth in PRISM's Joint Powers Agreement.

C. Significant Accounting Policies

Basis of Presentation and Accounting

The accounts of PRISM are organized on the basis of governmental fund accounting. PRISM operates a single enterprise fund, which is considered a separate accounting entity. An enterprise fund is used to account for governmental activities where the intent is that the cost of providing goods or services is financed primarily through user charges. PRISM's operations consist of 10 insurance programs, miscellaneous programs, a general administration program, a building program for the office facility it owns, and the Captive. Each program has established its own chart of accounts for its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

The financial statements of PRISM have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As a governmental entity, PRISM follows the accounting standard hierarchy established by the GASB. Basis of accounting refers to when revenues and

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. The accounting records are maintained using the economic resources measurement focus and the accrual basis of accounting. Net operating income includes the cost of providing risk financing and related services, and the expenses related to providing those services. Net non-operating income includes investment income, rental income, and related expenses. Major revenue accrual entries include member premium receivable and investment income receivable in PRISM's and the Captive's Treasury. Expenses are recognized when goods or services are received, or in the case of claims, when the insured event occurs. Expense accrual entries include liabilities for reported claims and liabilities for claims incurred but not reported. The financial statements are presented on a consolidated basis including the Captive, but net of elimination of intercompany transactions between PRISM and the Captive.

Cash and Cash Equivalents

For purposes of the statement of cash flows, PRISM considers cash in banks and deposits in the State of California Local Agency Investment Fund and the California Asset Management Program to be cash equivalents.

Investments

Investments are recorded in the Treasury (Footnote 3) at fair value. Investment income is recorded as earned.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Interest on investments is recorded in the year the interest is earned and is considered 100% collectible. The June 30, 2025 and June 30, 2024 balances in the other receivable accounts are considered 100% collectible.

Due from Members

Due from members balance includes revenue receivable for the Property Program. The Property Program is renewed annually as of March 31st but members are not billed for coverage until July 1st. Accordingly, 25% of the annual revenue is recorded as receivable at each fiscal year end.

Prepaid Expenses

Payments for insurance and other services that extend to future accounting periods have been recorded as prepaid expenses.

Capital Assets

Capital assets include building, furniture, equipment, software, and tenant improvements with an individual cost of \$5k or more. Capital assets are recorded at cost. Expenses for maintenance and repairs are reflected in current earnings as incurred. Upon sale or retirement of an asset, its cost and related accumulated depreciation are removed from the account balances and charged to current earnings.

Depreciation for office furniture, equipment, and software is computed using the straight-line method, and an estimated useful life of 3 to 7 years. Depreciation for the office building and tenant improvements is computed using the straight-line method, either over the lease term or the useful life of the component units, as appropriate, with the period ranging from 3 to 60 years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Unearned Income

Unearned income includes payments from members or others for future services received, but not earned until a subsequent accounting period.

Unallocated Loss Adjustment Expenses (ULAE) Payable

The ULAE includes costs that cannot be specifically associated with particular claims, but are related to claims paid or the process of claim settlement and claims administration services. These costs include the cost of third-party administrators in the PWC Program, Property Program and Medical Malpractice Program to pay claim benefits and manage the claim until it is closed. Costs also include the cost of PRISM staff to pay claims and seek recovery from reinsurance carriers. Since the workers' compensation programs have claims that may stay open for benefits until the death of the claimant, the associated ULAE is a significant liability. The discounted outstanding ULAE is as follows:

	June 30, 2025	June 30, 2024
Primary Workers' Compensation	\$ 36,037,000	\$ 34,066,612
Excess Workers' Compensation	8,301,000	8,188,000
General Liability 1	3,048,000	2,766,000
General Liability 2	2,654,000	2,736,000
Property	26,000	22,000
Medical Malpractice	1,173,000	1,024,000
	\$ 51,239,000	\$ 48,802,612

Compensated Absences

PRISM recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

PRISM's vacation policy provides for a limited accumulation of earned but unused vacation leave, with such leave being fully vested when earned. Unused vacation leave is eligible for payment at the employee's current pay rate upon separation for employment.

PRISM's sick leave policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of PRISM and, upon separation for service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

At June 30, 2025, the current portion of the liability is \$559,374, and the balance of \$721,250 is considered long-term. At June 30, 2024, the current portion of the liability is \$439,432, and the balance of \$655,533 is considered long-term. The net change in liability for compensated absences from June 30, 2024 to June 30, 2025 was \$185,659.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Deferred Outflows/Deferred Inflows of Resources

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PRISM's portion of the CalPERS Miscellaneous plan, and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Contributions made to PRISM's pension after the measurement date but before the fiscal year-end, are recorded as a deferred outflow of resources and will reduce the net pension liability in the next fiscal year.

Additional factors involved in the calculation of PRISM's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, difference between projected and actual investment earnings, changes in proportion, and differences between PRISM's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and are amortized over various periods. See Footnote 8 for further details related to these pension deferred outflows and inflows.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PRISM's portion, and additions to/deductions from PRISM's fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust, administered by CalPERS. For this purpose, PRISM recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Additional factors involved in the calculation of PRISM's OPEB expense and net OPEB liability, include the differences between expected and actual experience, changes in assumptions, difference between projected and actual investment earnings, changes in proportion, and differences between PRISM's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Footnote 9 for further details related to these OPEB deferred outflows and inflows.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Classification of Revenues

PRISM has classified its revenue as either operating or non-operating revenues. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement 34 including investment income. Revenues and expenses are classified according to the following criteria:

- Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as insurance premiums, assessments for insured events, administration fees, and public entity fees.
- Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources described in GASB Statement 34, such as investment income and finance charges.

Premiums for Transferred Risk and Contributions for Retained Risk

PRISM's programs blend the purchase of insurance with risk sharing pools. Premiums for transferred risk are resources collected to purchase commercial insurance. Contributions for retained risk are collected to fund the risk sharing pools and share in the cost of claims.

Both premiums for transferred risk and contributions for retained risk are collected in advance and recognized as revenues in the period for which insurance protection is provided. Workers' compensation program contributions are based on estimated payrolls and are adjusted in the subsequent fiscal year, based on actual payroll data.

Provision for Claims

PRISM's programs include both arrangements in which the members combine resources to purchase commercial insurance products and risk sharing pools, where members pool risks and funds and share in the cost of losses. Some programs include elements of both; losses up to a certain amount are pooled, and PRISM purchases excess or reinsurance for losses not covered in the pooled layer. The provision for claims expense represents the pool's expense for claim costs.

Excess Insurance and Reinsurance

PRISM uses excess insurance and reinsurance agreements to reduce its exposure to large losses on all types of insured events. Excess insurance covers claims in excess of each pool's retention layer. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of PRISM as the direct insurer of the risk reinsured. PRISM does not report reinsured risk as a liability, unless it is probable that those risks will not be recovered from reinsurance.

Services

Services donated by many officers, directors, and committee members are important to the activities of PRISM. The financial statements do not recognize the value of these donated services, since there is no basis for measuring and valuing these services.

Income Taxes

PRISM is a government entity exempt under the Internal Revenue Code Section 115, and is not liable for federal or state income taxes. PRISM is liable for certain payroll taxes.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Management 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, deferred outflows of resources, liabilities, and deferred inflows of resources at the reporting date, and revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term are described elsewhere in this report.

Net Position

Net position represents the net investment in capital assets of \$13M, net of accumulated depreciation, and unrestricted net position of \$297M, as of June 30, 2025, for a total of \$310M. The unrestricted net position balances are available for future operations or distribution. The net position, as of June 30, 2024, was \$221M, including \$13M net investment in capital assets, net of accumulated depreciation, and unrestricted net position of \$208M.

Investments designated as restricted represent deposits held on behalf of PRISM members. This asset is offset by amounts reported in the “Due to Members” liability line item on the Statement of Net Position, accordingly no restricted net position is presented.

D. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported net position or change in net position.

E. Change in Accounting Principles and Restatement

PRISM implemented Government Accounting Standards Board Statement No. 101, *Compensated Absences*. GASB Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulated, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements.

The implementation of GASB 101 had the following effect on net position as reported at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Net Position, as previously presented	\$ 221,610,493	\$ 263,827,419
Adjustments:		
Compensated Absences	(275,550)	(310,917)
Net Position, as restated	\$ 221,334,943	\$ 263,516,502

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

2. Cash

A. Cash and Cash Equivalents

Cash and cash equivalents, as of June 30, 2025 and 2024, are reported at fair value and consist of the following:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Petty Cash	\$ 119	\$ 300
Cash in Banks		
Primary Workers' Compensation	-	1,165,317
GL1 Deductible Buy Down	224,156	284,798
Medical Malpractice	21,036	8,887
Iron Point Building	525,068	964,710
ARC Checking Account	250,841	284,357
Total Cash in Banks	<u>1,021,101</u>	<u>2,708,069</u>
Cash in PRISM Treasury		
Cash in Banks		
General Checking	38,449,066	7,528,483
Out-of-State Claims Checking	10,512,503	2,994,255
Treasury Money Market	6,333,851	3,802,143
State of California,		
Local Agency Investment Fund	73,337,847	16,784
California Asset Management Program	58,133,010	72,449,983
Total Cash in PRISM Treasury	<u>186,766,277</u>	<u>86,791,648</u>
Total Cash and Cash Equivalents	<u>\$ 187,787,497</u>	<u>\$ 89,500,017</u>

B. Custodial Credit Risk

The carrying amount of PRISM's total cash in banks was \$50.0M at June 30, 2025, and \$13.2M at June 30, 2024. The bank balance was \$88.7M at June 30, 2025 and \$23.1M at June 30, 2024, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2025, \$87.6M is in excess of the FDIC insured amounts. California law requires depository banks to hold collateral equal to 110% of government funds on deposit. PRISM's Investment Policy does not address custodial credit risk.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

2. Cash (continued)

C. PRISM Treasury

PRISM pools cash resources of its various programs in order to facilitate the management of cash. Cash available to a particular program is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities, as part of PRISM's investments.

PRISM and the Captive's treasury accounts were comprised of the following:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash in Banks in PRISM Treasury	\$ 55,295,420	\$ 14,324,881
Cash in State of California		
Local Agency Investment Fund	73,337,847	16,784
Cash in California Asset Management Program	58,133,010	72,449,983
Investments	1,251,429,623	987,251,260
Investment Income Receivable	8,642,546	6,066,942
Total Treasury Assets	<u>\$ 1,446,838,446</u>	<u>\$ 1,080,109,850</u>
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Primary Workers' Compensation	\$ 140,116,451	\$ 124,070,187
Excess Workers' Compensation	300,914,147	292,494,192
General Liability 1	(33,875,537)	(36,366,494)
General Liability 2	(2,968,083)	(35,217,662)
Property	47,558,244	(68,045,051)
Medical Malpractice	95,876,391	70,086,949
Master Rolling OCIP	346,585	(497,915)
PRISMHealth	25,128,227	9,348,081
Dental	10,642,721	11,991,680
Paid Family Leave	478,347	-
PRISM Internal Guarantee Account	511,240	414,806
Miscellaneous Programs	6,774,470	6,261,825
General Administration and Building	15,799,093	13,549,039
ARC	839,536,150	692,020,213
Total Treasury Balances	<u>\$ 1,446,838,446</u>	<u>\$ 1,080,109,850</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

3. Investments

The investments in the financial statements are governed by PRISM and the Captive's Investment Policies. PRISM's Investment Policy is designed to achieve an optimum rate of return on available assets not required for current operating needs. Section 53601 of the California Government Code provides the legal authority for investments. An appropriate level of risk shall be maintained by purchasing securities that are liquid, marketable, and high quality. Adequate diversification shall be applied to prevent an undue amount of investment risk with any one institution. The classes of investment that most adequately meet the above-mentioned criteria shall be allowed for purchase. They are issues of the United States Government, federal agencies, local government investment pools, municipal bonds including those issued by the State of California, bankers' assistance commercial paper, asset-backed and mortgage-backed securities, supranational, money market mutual funds, and medium-term corporate notes. While not as liquid or marketable as previously mentioned securities, repurchase agreements, and time certificates of deposit are also allowable investments. PRISM may also deposit investment funds with the State of California Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). The following table details the breakdown of PRISM's investments:

	June 30, 2025	June 30, 2024
Investments - Current Portion	\$ 71,944,628	\$ 106,162,531
Investments - Noncurrent Portion	1,171,115,627	873,106,189
Investments - Restricted	8,369,368	7,982,540
Total	<u>\$ 1,251,429,623</u>	<u>\$ 987,251,260</u>

Investments designated as restricted represent deposits held on behalf of PRISM members. This asset is offset by amounts reported in the "Due to Members – Long Term" liability line item on the Statement of Net Position.

PRISM's Investment Policy places limits on the purchase of various categories of investments, as shown on the following page.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

Category	Standard
U.S. Treasury Notes	No limitations
U.S Agencies	No limitations; 30% maximum per issuer
U.S. Corporate (MTNs)	"A" or higher by at least 1 NRSRO; 30% maximum; 5% max issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by U.S.
Municipal Securities	"A" or higher by at least 1 NRSRO; 30% maximum; 5% max issuer for all others
Banker's Acceptance	"A-1" or higher short-term rating by at least 1 NRSRO; "A" or higher long-term rating by at least 1 NRSRO; 40% maximum; 5% max issuer; 180 days max maturity.
Federally Insured Time Deposits & Collateralized Time Deposits	20% maximum; FDIC insured or fully collateralized
Certificate of Deposit Placement Services (CDARS)	30% maximum on Certificates of Deposit, including CDARS
Negotiable CDs	Unrated up to FDIC limits; "A-1" or higher short-term rating by at least 1 NRSRO; "A" or higher long-term rating by at least 1 NRSRO; 30% maximum; 5% max issuer
Commercial Paper	"A-1" or higher short-term rating by at least 1 NRSRO; "A" or higher long-term rating by at least 1 NRSRO; 25% maximum, except through January 1, 2026 40% maximum if assets under management > \$100M; 5% max issuer; issuer assets to be > \$500M; 270 days max maturity
Asset Backed/Mortgage Backed/CMOs	"AA" or higher rating by NRSRO; 20% maximum; 5% max per asset backed/Comm. Mortgage issuer; no limit for US Treasury or Agency issuer
Supranationals	"AA" or higher rating by NRSROs; includes; IBRD, IFC, and IADB; 30% maximum; 10% per issuer
Mutual/Money Market Fund	Highest rating by 2 NRSROs; 20% maximum; 10% per fund for Mutual Funds, and 20% for Money Market Mutual Funds
Repurchase Agreements	102% collateralization; not issued by investment advisor; 1-year max maturity
CAMP	\$75M maximum
LAIF	Authority may invest up to the maximum permitted by LAIF

Other Stipulations

Max Agency Callable Securities	30% of the portfolio (does not include make whole securities)
Max Per Issuer	No more than 5% of the portfolio may be deposited (except otherwise stated in the policy)
Maximum Maturity	5 Years maximum maturity unless held by PRISM ARC

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

The Captive's Investment Policy identifies procedures that will foster a prudent and systematic investment program designed to seek the Captive's objectives through a diversified investment portfolio. An appropriate level of risk shall be maintained by purchasing investments within the context of a well-diversified portfolio. Adequate diversification between Equities and Fixed Income securities shall be applied to prevent an undue amount of investment risk within any one area. The Captive strives to achieve returns and control risk by meeting certain asset allocation targets set forth in the Captive Investment Policy. The classes of investments that most adequately meet the above-mentioned criteria shall be allowed for purchase. They are Equity and Fixed Income investments of U.S. and non-U.S. issuers, Real Estate Investment Trusts, and Commodities. The Investment Policy also lists some prohibited transactions such as direct short sales of individual securities, direct margin purchases, direct investment in commodities future contracts, direct investment in real estate or direct real estate lending, and hedge funds. The Captive's Investment Policy allows for maximum maturities in excess of 5 years.

A. Investment Credit Risk

PRISM's investments at June 30, 2025 and 2024 are summarized in the following. The credit quality rating used is Standard and Poor's, a nationally recognized rating agency.

Investments	Credit Quality Rating	June 30, 2025		June 30, 2024	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+ to A-1+	\$ 542,408,842	43.2%	\$ 402,565,962	40.7%
U.S. Agencies	AA+ to A-1+	27,985,922	2.2%	65,266,308	6.6%
Asset Backed Securities	AAA	120,187,721	9.6%	45,774,046	4.6%
Asset Backed Securities	NR*	-	0.0%	24,282,124	2.5%
Corporate Notes	AAA to A+	162,477,836	13.0%	47,085,396	4.8%
Corporate Notes	A to BBB-	173,451,098	13.9%	230,409,402	23.3%
Supranationals	AAA to A-1+	60,990,988	4.9%	43,150,682	4.4%
Mortgage Pass Thru	AAA to AA+	31,165,187	2.5%	10,676,801	1.1%
International Equity	NR	13,765,236	1.1%	11,646,960	1.2%
International Real Estate	NR	2,614,628	0.2%	1,556,062	0.2%
Large Cap US Equity	NR	38,579,622	3.1%	40,698,042	4.1%
Mid Cap US Equity	NR	32,406,690	2.6%	23,444,868	2.4%
Real Estate	NR	12,426,987	1.0%	11,455,018	1.2%
Emerging Market Equity	NR	6,906,990	0.6%	6,110,996	0.6%
Small Cap US Equity	NR	26,061,876	2.1%	23,128,593	2.3%
Total Investments		\$ 1,251,429,623	100%	\$ 987,251,260	100%

NR - Not Rated

NR* - Not rated by Standard & Poor's. However, rated Aaa by Moody's.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

B. Investment Interest Rate Risk

PRISM'S Investment Policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are generally limited to 5 years maturity, or less. PRISM's Finance Committee must approve investments maturing over 5 years for PRISM, whereas the Captive's Investment Policy allows for maximum maturities in excess of 5 years. Maturities of investments held at June 30, 2025 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	More than 5 Years**	Time to Maturity
U.S. Treasury Notes	\$ 542,408,842	\$ 30,066,335	\$ 372,191,229	\$ 140,151,278	3.96
U.S. Agencies	27,985,922	12,564,774	8,547,381	6,873,767	2.43
Asset Backed Securities	120,187,721	4,729,330	115,458,391	-	3.21
Corporate Notes	335,928,934	6,435,517	222,735,182	106,758,235	4.26
Supranationals	60,990,988	18,148,672	42,842,316	-	2.92
Mortgage Pass Thru	31,165,187	-	18,326,252	12,838,935	9.40
Subtotals*	<u>\$ 1,118,667,594</u>	<u>\$ 71,944,628</u>	<u>\$ 780,100,751</u>	<u>\$ 266,622,215</u>	<u>3.59</u>
ETF	132,762,029	-	-	-	n/a
Totals	<u>\$ 1,251,429,623</u>	<u>\$ 71,944,628</u>	<u>\$ 780,100,751</u>	<u>\$ 266,622,215</u>	<u>3.59</u>

*Excludes Exchange Traded Funds (ETF) that have no maturity dates.

**Securities with maturity more than 5 years are held by PRISM ARC.

Maturities of investments held at June 30, 2024 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	More than 5 Years**	Time to Maturity
U.S. Treasury Notes	\$ 402,565,962	\$ 64,016,877	\$ 237,283,103	\$ 101,265,982	6.04
U.S. Agencies	65,266,308	15,830,426	42,906,452	6,529,430	2.01
Asset Backed Securities	70,056,170	-	70,056,170	-	3.27
Corporate Notes	277,494,798	19,424,554	176,344,938	81,725,306	4.48
Supranationals	43,150,682	5,012,415	38,138,267	-	2.74
Mortgage Pass Thru	10,676,801	1,878,259	2,272,486	6,526,056	6.23
Subtotals*	<u>\$ 869,210,721</u>	<u>\$ 106,162,531</u>	<u>\$ 567,001,416</u>	<u>\$ 196,046,774</u>	<u>3.51</u>
ETF	118,040,539	-	-	-	n/a
Totals	<u>\$ 987,251,260</u>	<u>\$ 106,162,531</u>	<u>\$ 567,001,416</u>	<u>\$ 196,046,774</u>	<u>3.51</u>

*Excludes Exchange Traded Funds (ETF) that have no maturity dates.

**Securities with maturity more than 5 years are held by PRISM ARC.

PRISM recognizes all investments at fair value in accordance with GASB Statement 31 and GASB Statement 72. Fair value equals estimated market values obtained from the Interactive Data Corporation (IDC) pricing system, a leading provider of financial information to global markets. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period include unrealized amounts from prior periods. Investment income includes unrealized gain of \$39.9M and \$25.4M for the years ended June 30, 2025 and 2024, respectively.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

B. Investment Interest Rate Risk (continued)

	2024/2025	2023/2024
Beginning Fair Value	\$ 987,251,260	\$812,239,022
Less: Proceeds of Investments Disposed	(1,418,991,959)	(784,754,331)
Add: Cost of Investments Purchased	1,643,372,461	934,384,911
Add: Unrealized Gain/(Loss) in the year	39,797,861	25,381,658
Ending Fair Value	\$ 1,251,429,623	\$ 987,251,260

The calculation of unrealized gains and losses are shown in the following table:

	Beginning				Ending		Unrealized
	Fair Value at			Fair Value at	Gain/(Loss)		
	July 1, 2024	Dispositions	Purchases	Subtotal		June 30, 2025	in the year
U.S. Treasury Notes	\$ 402,565,962	\$(1,287,016,174)	\$ 1,413,728,151	\$ 529,277,939	\$ 542,408,842	\$ 13,130,903	
U.S. Agencies	65,266,308	(40,084,690)	-	25,181,618	27,985,922	2,804,304	
Asset Backed Securities	70,056,170	(20,139,187)	69,204,911	119,121,894	120,187,721	1,065,827	
Corporate Notes	277,494,798	(46,433,676)	93,451,145	324,512,267	335,928,934	11,416,667	
Supranationals	43,150,682	(7,006,096)	23,094,373	59,238,959	60,990,988	1,752,029	
Commercial Paper	-	(12,384,645)	12,384,645	-	-	-	
Mortgage Pass Thru	10,676,801	(1,962,990)	22,107,524	30,821,335	31,165,187	343,852	
International Equity	11,646,960	-	299,635	11,946,595	13,765,236	1,818,641	
International Real Estate	1,556,062	-	749,471	2,305,533	2,614,628	309,095	
Large Cap US Equity	40,698,042	(3,964,501)	-	36,733,541	38,579,622	1,846,081	
Mid Cap US Equity	23,444,868	-	7,220,873	30,665,741	32,406,690	1,740,949	
Real Estate	11,455,018	-	249,459	11,704,477	12,426,987	722,510	
Emerging Market Equity	6,110,996	-	-	6,110,996	6,906,990	795,994	
Small Cap US Equity	23,128,593	-	882,274	24,010,867	26,061,876	2,051,009	
Totals	\$ 987,251,260	\$(1,418,991,959)	\$ 1,643,372,461	\$ 1,211,631,762	\$ 1,251,429,623	\$ 39,797,861	

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

C. Concentration of Credit Risk

PRISM's Investment Policy places limits on the amount that may be invested in any one issuer. The limits are applied at the time the investment decision is made. These limits are summarized as follows:

	Limit per Institution	Limit per type of Investment
U.S. Treasury Notes and Bills	100%	100%
U.S. Agencies	25%	100%
Corporate Medium Term Notes	5%	30%
Municipal Bonds	5%	30%
Bankers' Acceptances	5%	40%
Federally Insured Time Deposits	5%	20% (A)
Collateralized Time Deposit	5%	20% (A)
Negotiable Certificates of Deposit	5%	30%
Commercial Paper	5%	25% (B)
Asset/Mort. Backed/CMOs	5%	20%
Supranationals	10%	30%
Mutual Fund	10%	20%
Mutual Money Market Fund	20%	20%
Repurchase Agreements	100%	100% (C)

(A) No more than 20% of the portfolio may be invested in a combination of federally insured and collateralized time deposits.

(B) No more than 25% of the portfolio may be invested in Commercial Paper; except through January 1, 2026, a maximum of 40% may be invested if PRISM assets under management exceed \$100M.

(C) Repurchase Agreements must be collateralized with securities authorized by the California Government Code, maintained at a level of at least 102% of the fair value of the Repurchase Agreement. Maximum maturity may not exceed 1 year.

The Captive's Investment Policy places long-term asset allocation targets as stated below:

	<u>Captive Target</u>
Equities	0% - 50%
Fixed Income	50% - 100%

1. The equity allocation limitation is specific to the surplus funds of the Captive.
2. The asset manager will be responsible for determining the asset allocation within the targets, and will rebalance as necessary.
3. The Fixed Income allocation includes the liquidity portion to meet short-term cash flow requirements. The liquidity portfolio will maintain cash and cash equivalents of \$250k as required by the Utah Insurance Department regulations.
4. It is further noted the maximum amount of equity exposure, at the time of purchase, will be limited to 50% of the aggregated surplus of PRISM and the Captive.

The investments in the Captive portfolio, as of June 30, 2025, conform to these guidelines.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

C. Concentration of Credit Risk (continued)

No single institution's securities represent 5% or more of the total investment portfolio at June 30, 2025 or June 30, 2024; investments issued or explicitly guaranteed by the U.S. government and investments with the State of California's Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) have been excluded from this calculation.

D. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into 3 levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The 3 levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 Inputs to the valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

U.S. Treasury Notes, U.S. Agencies, Asset Backed Securities, Corporate Notes, Supranationals, and Mortgage Pass Thru, and are valued using Level 2 inputs. International Equity, International Real Estate, Large Cap US Equity, Mid Cap US Equity, Real Estate, Emerging Market Equity, and Small Cap US Equity are valued using Level 1 inputs.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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3. Investments (continued)

D. Fair Value Measurements (continued)

Level 2 investments are evaluated on market-based measurements that are processed through a rules-based pricing application and represent our good faith determination as to what the holder may receive in an orderly transaction (for an institutional round lot position typically \$1M or greater current value U.S. Dollar or local currency equivalent) under current market conditions.

The following table sets forth by level, within the fair value hierarchy, PRISM's assets at fair value as of June 30, 2025:

<u>Investment type</u>	<u>Assets at Fair Value as of June 30, 2025</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Notes	\$ -	\$ 542,408,842	\$ -
U.S. Agencies	-	27,985,922	-
Asset Backed Securities	-	120,187,721	-
Corporate Notes	-	335,928,934	-
Supranationals	-	60,990,988	-
Mortgage Pass Thru	-	31,165,187	-
International Equity	13,765,236	-	-
International Real Estate	2,614,628	-	-
Large Cap US Equity	38,579,622	-	-
Mid Cap US Equity	32,406,690	-	-
Real Estate	12,426,987	-	-
Emerging Market Equity	6,906,990	-	-
Small Cap US Equity	26,061,876	-	-
Total	\$ 132,762,029	\$ 1,118,667,594	\$ -

The following table sets forth by level, within the fair value hierarchy, PRISM's assets at fair value as of June 30, 2024:

<u>Investment type</u>	<u>Assets at Fair Value as of June 30, 2024</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Notes	\$ -	\$ 402,565,962	\$ -
U.S. Agencies	-	65,266,308	-
Asset Backed Securities	-	70,056,170	-
Corporate Notes	-	277,494,798	-
Supranationals	-	43,150,682	-
Mortgage Pass Thru	-	10,676,801	-
International Equity	11,646,960	-	-
International Real Estate	1,556,062	-	-
Large Cap US Equity	40,698,042	-	-
Mid Cap US Equity	23,444,868	-	-
Real Estate	11,455,018	-	-
Emerging Market Equity	6,110,996	-	-
Small Cap US Equity	23,128,593	-	-
Total	\$ 118,040,539	\$ 869,210,721	\$ -

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

3. Investments (continued)

E. California's Local Agency Investment Fund (LAIF)

PRISM may also invest in the State of California's LAIF, administered by the State Treasurer. California law restricts the Treasurer to investments in the following categories: U.S. Government securities, securities of federally sponsored agencies, domestic corporate bonds, interest bearing time deposits in California banks and savings and loan associations, prime-rated commercial paper, repurchase and reverse repurchase agreements, security loans, bankers acceptances, negotiable certificates of deposit, supranational debentures, and loans to various bond funds. State of California LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office at 915 Capitol Mall C-15, Sacramento, California 95814.

The total amortized cost of the Pooled Money Investment Account at June 30, 2025, was \$178.9B. The fair value is estimated at \$179.1B or 100.1% of cost. The average maturity of LAIF investments is 248 days at June 30, 2025.

PRISM's balance in LAIF, at June 30, 2025, was \$73.3M and was recognized at LAIF's cost. State of California LAIF's cost approximates the fair value of PRISM's shares. PRISM's balance in LAIF, at June 30, 2024, was \$17k, and was also valued at LAIF's cost. State of California LAIF is not rated by the investment rating firms.

F. California Asset Management Program (CAMP)

PRISM is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (o), inclusive, of Section 53601 of the California Government Code.

The total amortized cost of the California Asset Management Program at June 30, 2025, was \$22.2B. The fair value is estimated at \$22.2B or 99.7% of cost. The weighted average maturity of CAMP investments is 41 days at June 30, 2025.

PRISM's balance in CAMP at was \$58.1M and \$72.4M at June 30, 2025 and 2024, respectively, and was recognized at CAMP's cost. CAMP's cost approximates the fair value of PRISM's shares. CAMP is rated AAAM1 rated by Standard & Poor's.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

4. Claim Liabilities

PRISM establishes claim liabilities based on estimates of the ultimate cost of claims (including claims adjustment expenses) that have been reported but not settled, and of claims that were incurred but not reported. Because actual claim cost depends on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques. Claim liability estimates reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims cost is implicit in the calculation because reliance is placed both on actual historic data that reflects past inflation, and on other factors that are considered to be approximate modifiers of past experience. Adjustments to claim liabilities are charged, or credited, to expense in the period in which they are made.

The governing committees have elected to establish claim liabilities in some programs at a level which includes investment income on monies set aside to pay claims, that is, on a discounted basis. Total claim liabilities at June 30, 2025 in the amount of \$1.67B, have been presented at the net present value of \$1.37B. At June 30, 2024, claim liabilities in the amount of \$1.46B are presented at their present value of \$1.19B, discounted, based on the estimated investment income yield.

Annually, the Board and committees evaluate the discount rate to be used for pool funding and for the actuarial valuation of claim liabilities. This is of particular importance for the EWC Program, the GL1 Program, and the Medical Malpractice Program, because claim liabilities are paid off over a longer period of time. The rates in each program will vary because of the claims payout pattern.

The EWC Program has an extremely long payout period due to the nature of the claims. This is an “excess” program, meaning coverage sits on top of a member’s self-insured retention, which can vary from \$125k up to \$5M. Much of the liability arises as a result of a future medical award, or disability award, that extends for the life of the injured worker, who may collect benefits for over 30 years. The total funds available to pay those claims earn interest for years, and because of the size of the Program, a change in the discount rate results in a change in the liability of millions.

The following chart shows the sensitivity of claim liabilities to the discount rate selected and the resulting effect on net position at June 30, 2025.

Discount Effect on Claim Liabilities in the EWC Program			
Discount Rate Selected	4.00%	3.00%	2.00%
Claim Liabilities	\$250,476,505	\$272,920,696	\$299,278,596
Net Position Balance	\$52,502,799	\$30,058,608	\$3,700,708

In the PWC Program, PRISM only retains the first \$10k of liability for the years 2009/10 to 2024/25. Since this is paid relatively quickly, the claims for these years are not discounted. Corridors in the \$10k-\$125k layer adding up to \$126M for policy years 2016/17 through 2024/25 years were transferred to the Captive. Additionally, in fiscal year 2016/17, PRISM commuted or bought back the claim liabilities for the 1997 through 2004 years in the amount of \$9.8M, which was the balance of the aggregate stop loss coverage. PRISM transferred this risk to the Captive. Finally, PRISM commuted the claim liabilities for the 2012/13 through 2016/17 years from AmTrust during the fiscal year 2023/24. Estimated claim liability from the AmTrust years retained

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

by PRISM is \$15.9M, discounted at 1.5% to \$13.1M. Over and above the stop loss coverage, PRISM estimates a claim liability of \$2.4M, which is retained by PRISM and discounted at 1.5% to \$1.8M. The claims for the period 2004/05 to 2008/09 are fully insured.

The discount rate for each program is as follows:

<u>Program</u>	<u>Discount rate</u>
Primary Workers' Compensation	0% 2009/10 forward
Primary Workers' Compensation	1.5% 2003/04 and prior
Primary Workers' Compensation Commutations	1.50%
Primary Workers' Compensation ULAE	1.50%
Excess Workers' Compensation	4.00%
General Liability 1	2.50%
General Liability 2	2.50%
Property	1.75%
Medical Malpractice	3.00%
Dental	no discount
Paid Family Leave	no discount
ARC	4.40%

A summary of the claim liabilities by program is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Primary Workers' Compensation	\$ 73,652,690	\$ 65,526,585
Excess Workers' Compensation	250,476,505	274,029,307
General Liability 1	36,365,331	22,302,036
General Liability 2	27,776,484	30,103,751
Property	129,679,647	111,490,561
Medical Malpractice	79,047,957	51,177,690
Dental	2,827,838	2,793,306
Paid Family Leave	249,568	-
ARC	774,511,159	629,683,610
Total Claim Liabilities	<u>\$ 1,374,587,179</u>	<u>\$ 1,187,106,846</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

4. Claim Liabilities (continued)

The following represents changes in those aggregate liabilities for PRISM for the past 2 years:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 1,187,106,846	\$ 889,922,790
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	314,187,182	284,550,663
Increase in Provision for Retained Risk, prior fiscal years	<u>252,404,511</u>	<u>343,030,381</u>
Total incurred claims & claim adjustment expenses	<u>566,591,693</u>	<u>627,581,044</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	81,411,452	76,260,388
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	<u>297,699,908</u>	<u>254,136,600</u>
Total Payments	<u>379,111,360</u>	<u>330,396,988</u>
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$ 1,374,587,179</u>	<u>\$ 1,187,106,846</u>
Reported Claims	\$ 773,197,851	\$ 726,256,168
Incurred But Not Reported Claims	550,150,328	412,048,066
Unallocated Loss Adjustment Expenses	<u>51,239,000</u>	<u>48,802,612</u>
Total Claim Liabilities	<u>\$ 1,374,587,179</u>	<u>\$ 1,187,106,846</u>
Current Claim Liabilities	\$ 263,968,060	\$ 281,099,246
Noncurrent Claim Liabilities	<u>1,110,619,119</u>	<u>906,007,600</u>
Total Claim Liabilities	<u>\$ 1,374,587,179</u>	<u>\$ 1,187,106,846</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

4. Claim Liabilities (continued)

A. Primary Workers' Compensation

The PWC Program was established on July 1, 1997. The PWC Program is a full-service program including claims administration. The Program blends pooling of workers' compensation claims with purchasing of insurance. The Program currently covers workers' compensation claims up to \$125k, per occurrence. Claims in excess of \$125k are the responsibility of PRISM's Excess Workers' Compensation Program.

In March 2010, PRISM completed a LPT with ACE Insurance Company for the claim liabilities from July 2004 through June 2009. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years, but ACE is responsible for all claim payments, so these claims are no longer PRISM's outstanding liabilities. In August 2016, PRISM commuted, or bought back, the claim liabilities for the 1997 to 2004 years of \$9.8M, which was the balance of the aggregate stop loss coverage. This risk was transferred to the Captive. PRISM has purchased insurance for claim liabilities in excess of \$10k (per claim) up to \$125k since 2009/10. For the 2010/11 and 2011/12 years, the coverage was with CastlePoint National Insurance Company, which has been placed in conservatorship. Any amounts not covered by CastlePoint are to be covered by the California Insurance Guarantee Association (CIGA).

Although CIGA has paid on some claims, it has issued denials if other insurance is available to cover the exposure. The total exposure to the PWC Program that is considered unrecoverable as of June 30, 2025, is approximately \$863k, undiscounted, and this amount is included in the claim liabilities in the PWC Program.

In 2019/20, the PWC Committee approved a LPT for Santa Barbara County of approximately 200 claims occurring from November 1979 through July 2010. The premium was set at \$15M, which was calculated at the 90% confidence level, discounted at 2.5%. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years.

In 2023/24, the Board approved a Commutation of claims that were initially reinsured by AmTrust in program years 2012/13 to 2016/17. The cash received from AmTrust was \$9.3M which was offset against the claim liabilities and outstanding receivable. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years.

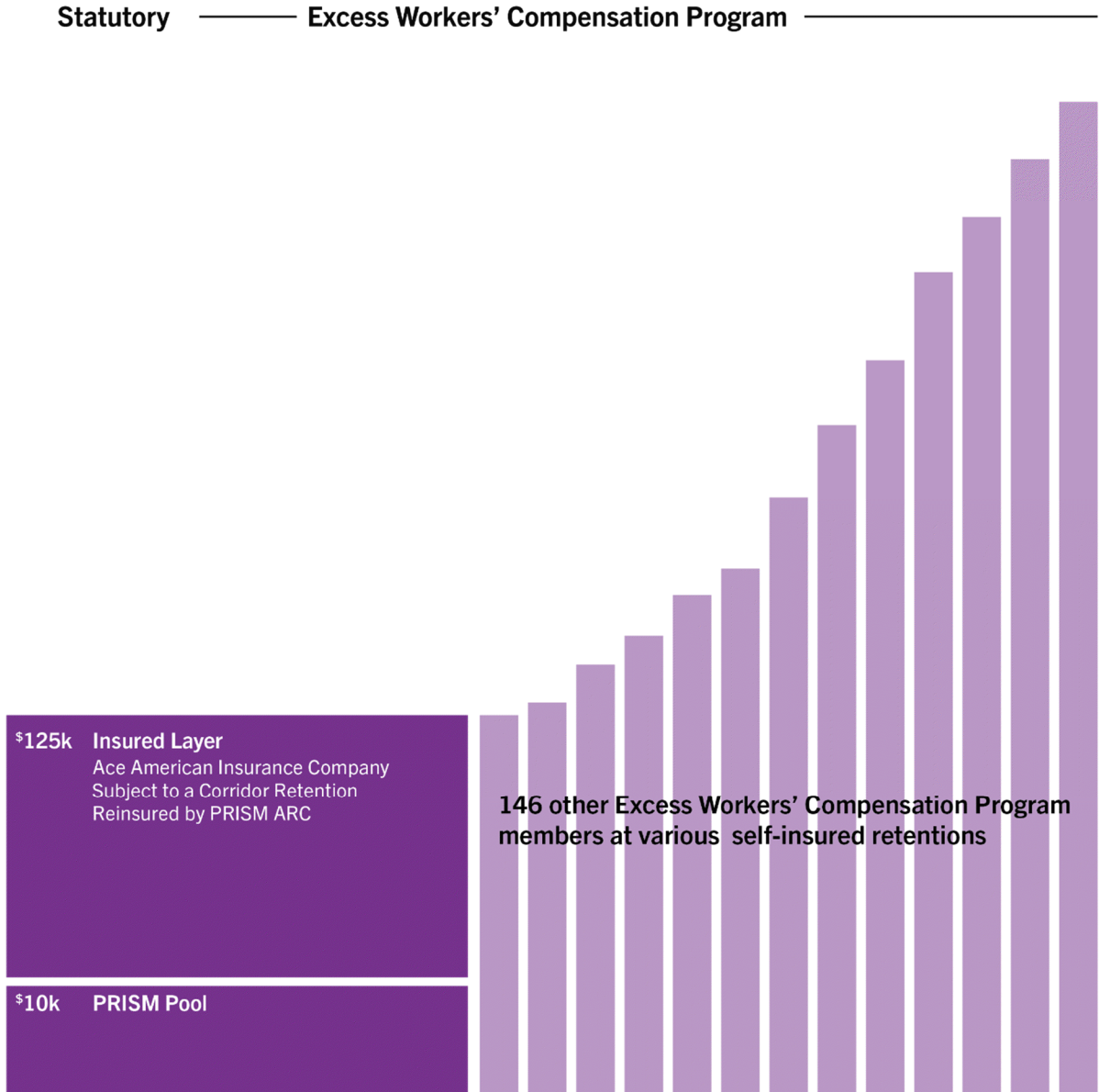
Starting in the 2016/17 policy year, the coverage for the \$115k excess of \$10k layer was purchased subject to a corridor retention. The insurance policies included a corridor retention of \$4.3M for 10 months from July 2016 to April 2017 from AmTrust Group, and another corridor retention of \$12.6M for 14 months from May 2017 to June 2018 from ACE/Chubb. These corridor risks were transferred to the Captive. The pro-rated corridor of \$1.7M for 2 months, May and June 2017, was transferred to the Captive in fiscal year 2016/17. The corridors transferred to the Captive for 2017/18, 2018/19, 2019/20, 2020/21, 2021/22, 2022/23, and 2023/24 were \$10.9M, \$14.3M, \$15M, \$14.8M, \$15.5M, \$16.3M, and \$16.7M respectively. A corridor of \$18.4M was transferred to the Captive for the 2024/25 year. The corridor will be finalized after the final payroll reporting for 2024/25. The Program has a liability for total claims and ULAE of \$74M out of which \$36M are ULAE liabilities at June 30, 2025.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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 FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

4. Claim Liabilities (continued)

A. Primary Workers' Compensation (continued)

The chart below shows the current structure of the Program.



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

4. Claim Liabilities (continued)

B. Excess Workers' Compensation

PRISM established the Excess Workers' Compensation (EWC) Program in 1979. The Program covers losses excess of member Self-Insured Retentions (SIRs) with pooled risk, reinsurance, and excess insurance. The EWC pool retained responsibility for payment of workers' compensation claims in excess of each members' SIR to the pool limit, which may vary by program year. Since 2008, the EWC Program pool has provided coverage from the individual SIR to \$5M, in some years reinsuring all, or parts, of the pooled layer. The Program reinsured 80% of the SIR to \$1M layer with CastlePoint during the program years of 2010/11 and 2011/12. In August 2016, the California Insurance Commissioner placed CastlePoint Insurance Companies (CastlePoint) into conservatorship/liquidation. Any amounts not covered by CastlePoint are to be covered by the California Insurance Guarantee Association (CIGA). However, CIGA has issued denials if other insurance is available to cover the exposure. The additional exposure to the EWC Program that is considered unrecoverable as of June 30, 2025, is approximately \$3.1M, discounted, and this amount is included in the claim liabilities.

In 2023/24, the Board approved a commutation of claims that were initially reinsured by AmTrust in program years 2011/12 to 2016/17. The cash received from AmTrust was \$110.2M which was offset against the claim liabilities and outstanding receivable. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

Members' SIRs vary between \$125k and \$5M, and are approved by the Underwriting Committee. PRISM's coverage responsibility which has varied from 1979 to present, is shown below.

Coverage Period	Pool Layer
November 1, 1979 to October 5, 1993	SIR to \$500k
October 6, 1993 to December 31, 1994	SIR to \$750k
January 1, 1995 to June 30, 2002	SIR to \$300k
July 1, 2002 to June 30, 2008	SIR to \$5M
July 1, 2008 to June 30, 2010	SIR to \$5M: Reinsured SIR to \$1M 30%-PRISM; 70% - American Safety Casualty Insurance Company. 100% PRISM pool \$1M - \$5M.
July 1, 2010 to June 30, 2011	SIR to \$5M: Reinsured SIR to \$1M - 20%-PRISM; 80% - CastlePoint National Insurance Company. \$1M - \$5M Retained by PRISM pool.
July 1, 2011 to June 30, 2012	Pool SIR to \$5M: Reinsured SIR to \$1M - 20%-PRISM; 80% - CastlePoint National Insurance Company. \$1M - \$5M Layer: Reinsured by Wesco Insurance Company, \$3.5M Aggregate Corridor deductible retained by PRISM.
July 1, 2012 to June 30, 2013	SIR to \$5M Pool: Reinsured with Wesco Insurance Company, subject to a \$23.4M aggregate corridor deductible.
July 1, 2013 to June 30, 2014	SIR to \$5M Pool: Reinsured with Wesco Insurance Company, subject to a \$20.2M aggregate corridor deductible.
July 1, 2014 to June 30, 2015	SIR to \$5M Pool: Reinsured with Wesco Insurance Company, subject to a \$24.2M aggregate corridor deductible.
July 1, 2015 to June 30, 2016	Core Tower SIR to \$5M - \$23.8M aggregate deductible in the SIR to \$5M layer. Educational Tower \$6.6M aggregate corridor deductible. \$0-\$125k CSU primary layer subject to \$14.1M corridor deductible.
July 1, 2016 to June 30, 2017	Core Tower SIR to \$5M - Reinsured with Wesco Insurance Co (AmTrust) subject to \$22.1M aggregate corridor deductible transferred to PRISM ARC. Educational Tower SIR to \$2.5M/\$500k: \$11.3M aggregate corridor transferred to PRISM ARC. \$0-\$125k CSU primary layer subject to \$17.3M corridor deductible.
July 1, 2017 to June 30, 2018	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$45.7M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$16.8M transferred to PRISM ARC.
July 1, 2018 to June 30, 2019	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$48.8M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$7.1M transferred to PRISM ARC.
July 1, 2019 to June 30, 2020	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$49.5M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$7.7M transferred to PRISM ARC.
July 1, 2020 to June 30, 2021	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$49.9M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$7.1M transferred to PRISM ARC.
July 1, 2021 to June 30, 2022	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$58.4M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$7.6M transferred to PRISM ARC.
July 1, 2022 to June 30, 2023	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$58.1M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$6.9M transferred to PRISM ARC.
July 1, 2023 to June 30, 2024	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$62.9M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$7.1M transferred to PRISM ARC.
July 1, 2024 to June 30, 2025	SIR to pool limit \$5M for Core Tower & \$2.5M/\$750k for Educational Tower - Reinsured with Great American, subject to a combined \$67.9M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$7.3M transferred to PRISM ARC.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

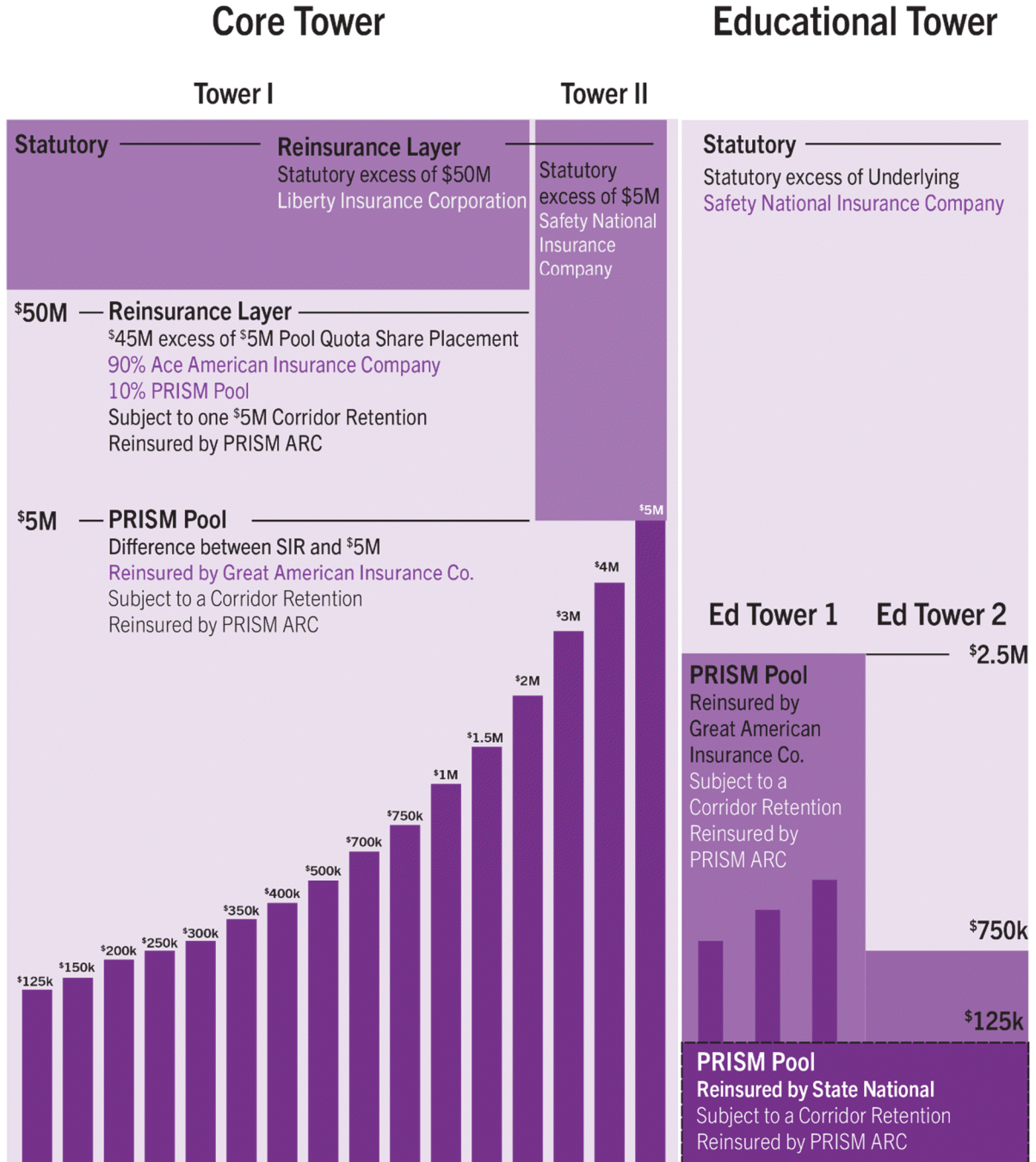
The Program maintains a strong funding position and has benefited from stability in workers' compensation insurance rates over the last several years. The Program's overall funding position is just below an 80% confidence level; a result of the Underwriting Committee's recommended strategies, which PRISM's Board adopted to address risk of adverse loss development. First beginning in 2008/09, PRISM purchased reinsurance to cover or reduce the EWC pool exposure in the SIR to \$5M layer. The Program consistently funds future claims at a confidence level higher than the expected confidence level and has charged members at that rate, rather than the (lower) rate of actual insurance costs. The Program retained an aggregate deductible (known as a corridor retention) as part of the reinsurance agreement in fiscal year 2012/13 forward. Since 2016/17, corridor retentions were transferred to the Captive, allowing the Program greater investment returns on premiums to fund the corridor. The discount from additional earnings were passed on to Program members as premium savings. The Program continues to retain some risk in the \$5M to \$45M layer with a 10% quota share of that layer and with a \$5M corridor retention, both of which were transferred to the Captive. In 2023/24 a new Core Tower II was created in the Statutory excess of \$5M layer. At June 30, 2025 it consists of 6 members: Alameda County, San Joaquin County, Stanislaus County, City of Sacramento, City of Santa Monica, and City of Torrance, totaling approximately \$3B in payroll.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

The chart below shows the current structure of the Program.



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

4. Claim Liabilities (continued)

C. General Liability 1

PRISM's GL1 Program began pooling risk on July 1, 1985. The GL1 Program combines risk retention, risk pooling, and the purchase of excess reinsurance. The Program includes a Deductible Buy-Down (DBD) option, providing members with a primary coverage option. Members of the DBD maintain a \$10k deductible per claim, where claim costs above their deductible and below the \$100k limit are the responsibility of the GL1 Program. The Program retained the DBD risk, pooling the \$10k - \$100k with a \$915k and \$991k in corridor risk transferred to the Captive in 2023/24 and 2024/25, respectively.

For the rest of the GL1 Program, each member maintains a SIR between \$25k and \$2M. The pool retains the responsibility for claims in excess of each member's SIR up to \$5M and purchases reinsurance from \$5M up to \$25M. In the first reinsurance layer (from \$5M to \$10M), the Program was responsible for the first \$15.1M in claims over the 3-year period encompassing the 2018/19 to 2020/21 fiscal years. This risk was transferred to the Captive. Another corridor risk of \$1.25M in the \$10M to \$20M layer is transferred to the Captive in the 2020/21 fiscal year. There was no corridor risk transferred to the Captive except for the DBD risk for the GL1 program for 2021/22 fiscal year. In 2022/23, the GL1 Program transferred corridor risk of \$5M in the \$9M excess \$10M layer to the Captive. In 2023/24 the GL1 Program transferred corridor risk of \$11.8M to the Captive in the \$9M excess \$10M layer. In 2024/25, the GL1 Program transferred corridor risk of \$29.2M in the \$9M excess \$10M layer to the Captive.

Claim liabilities are recognized based on the actuarial estimate of the expected ultimate claim cost, discounted at 2.5%. Additional coverage can be added by purchasing optional excess liability insurance, which is available as part of the Miscellaneous Programs. Effective April 1, 2019, PRISM entered into an LPT transaction with MultiStrat Re (MS Re). This arrangement transfers the Program's pool liabilities to a reinsurer, MS Re, going back to July 1, 2007, thereby stabilizing the Program's funding position, and also providing coverage for liabilities through June 30, 2024. This agreement was extended during the 2022/23 fiscal year to cover claims through June 30, 2026. (See Note 5 for MS Re LPT details.) The multi-year reinsurance with MS Re will provide the Program time to gradually increase rates and the Program's funding position.

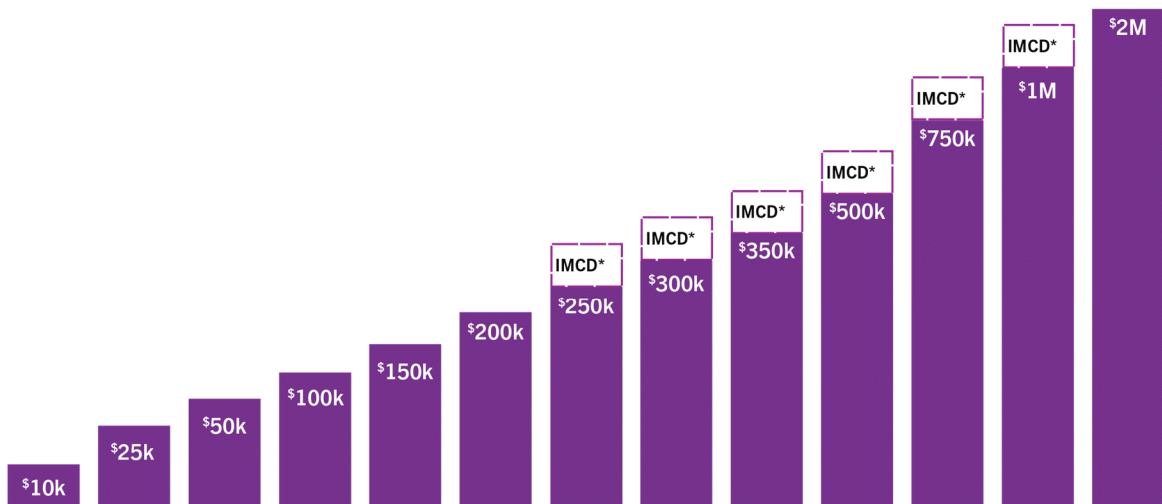
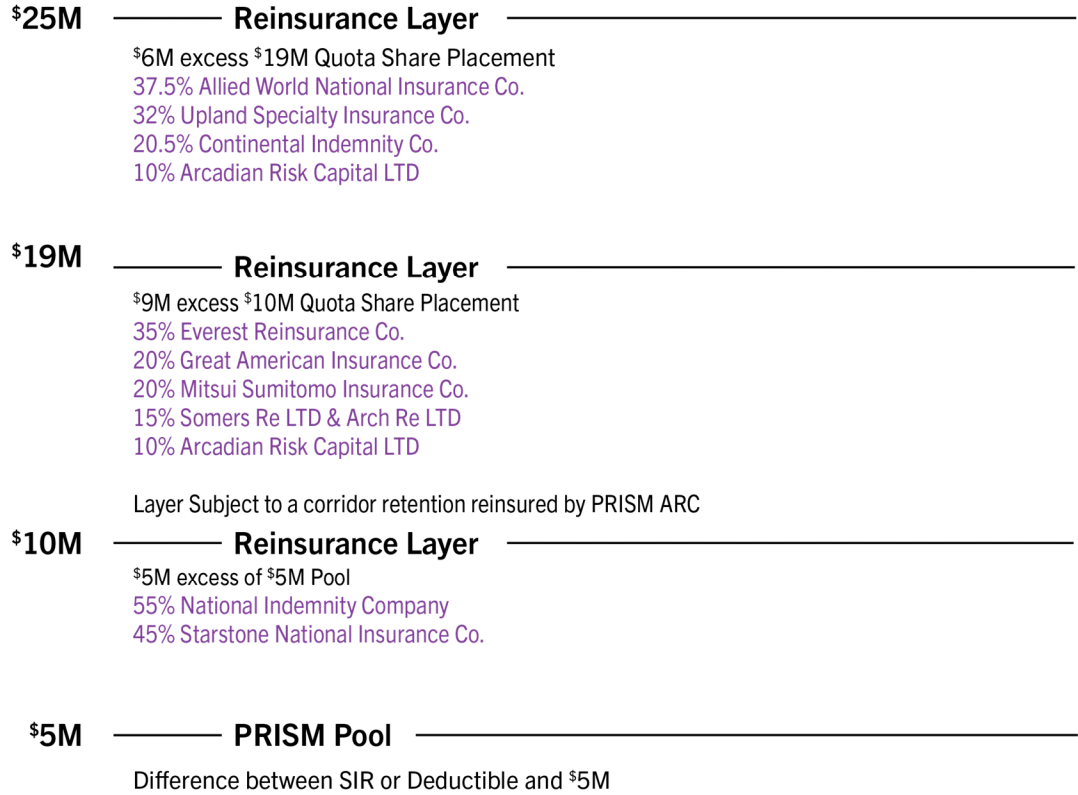
In 2023/24, the Board approved a commutation of claims that were initially reinsured by AmTrust in program years 2015/16 and 2016/17. The cash received from AmTrust was \$2.9M, which was offset against the claim liabilities and outstanding receivable. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

4. Claim Liabilities (continued)

C. General Liability 1 (continued)

The chart below shows the current structure of the Program.



- * Individual Member Corridor Deductible (IMCD) where applicable.
- 55 GL1 Program members purchase additional limits through the Optional Excess Liability Program
- 24 GL1 Program members participate in the Deductible Buy-Down Option at a \$10k deductible

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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4. Claim Liabilities (continued)

D. General Liability 2

The GL2 Program was designed to meet the liability insurance needs of the larger members and was implemented on February 15, 1991. In this Program, members are responsible for their SIRs ranging from \$1M to \$7.5M, and their Individual Member Corridor Deductibles (IMCD) ranging from \$250k to \$2M. Since 2014/15, the Program has utilized a pool funded corridor retention within the SIR to \$10M layer, which was \$5.5M for 2024/25. These corridors have been transferred to the Captive, except that there was no corridor risk for the SIR to \$10M transferred to the Captive for 2021/22 or 2023/24.

For policy years 2019/20, 2020/21, 2022/23, 2023/24, and 2024/25 the Program retained corridor retentions in the \$5M to \$10M and the \$10M to \$15M layers for a total of \$7M, \$10.9M, \$15M, \$15M and \$17.9M respectively.

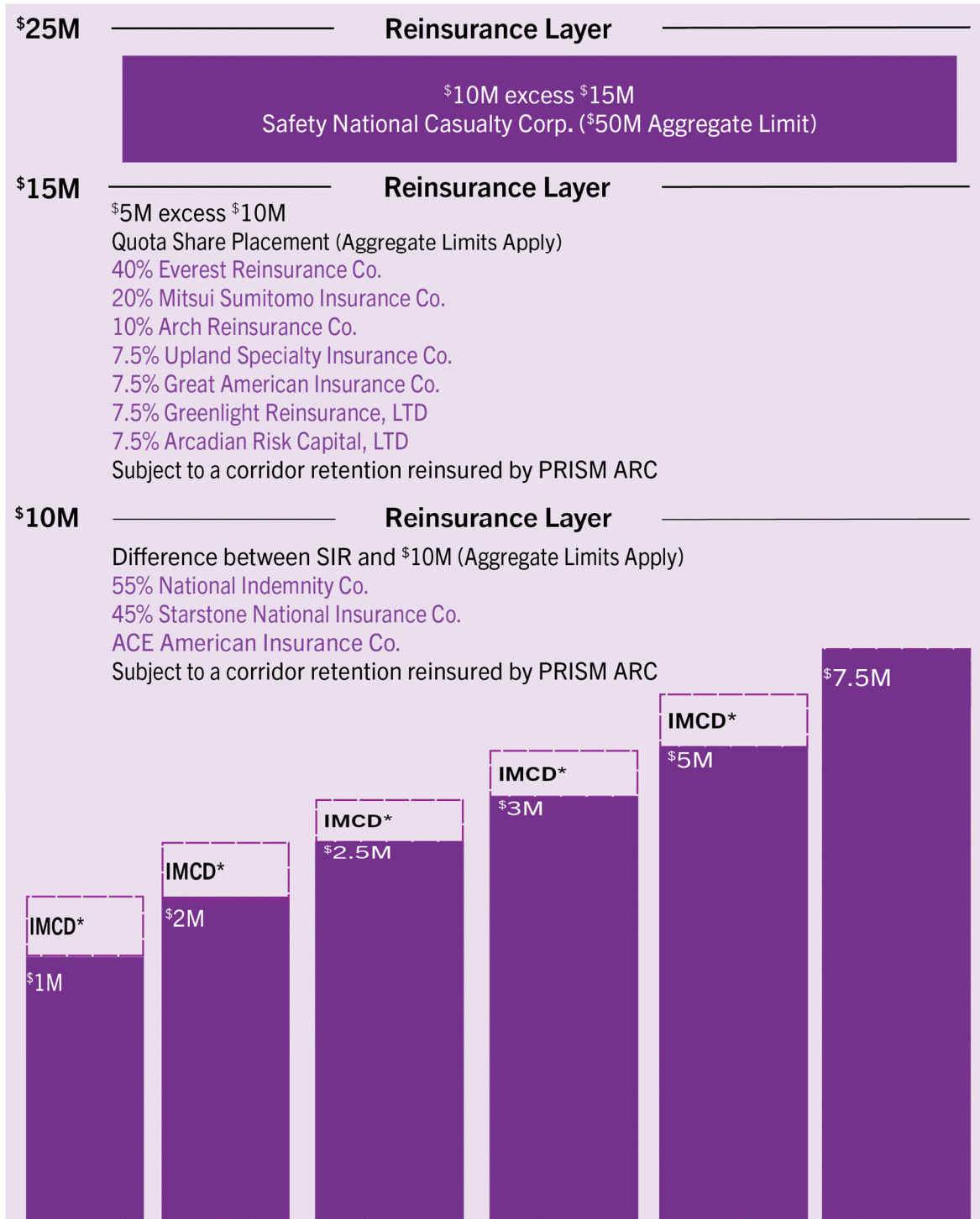
In 2023/24, the Board approved a Commutation of claims that were initially reinsured by AmTrust in program years 2011/12 to 2015/16. The cash received from AmTrust was \$27.6M, which was offset against the claim liabilities and outstanding receivable. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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4. Claim Liabilities (continued)

D. General Liability 2 (continued)

The chart below shows the current structure of the Program.



* Individual Member Corridor Deductible (IMCD) where applicable.

•24 GL2 Program members purchase additional limits through the Optional Excess Liability Program.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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4. Claim Liabilities (continued)

E. Property

PRISM's Property Program was established to allow members to group purchase primary and excess property insurance. The coverage provides all risk, flood, boiler and machinery, and earthquake limits. The Program is separated into 9 Towers. These Towers serve to diversify geographic risk within the Program. Members are responsible for all risk deductibles ranging from \$25k to \$100k, with the minimum deductible for members increasing to \$25k at March 31, 2023 from a minimum of \$5k prior. Deductibles may vary for specified exposures. Policy years are from March 31st to the following March 31st annually.

As of March 31, 2022, the Program began self-insuring for the first \$10M of each tower. The move to self-insurance is a major shift for this Program. For over 30 years, the Program had been reinsured at the primary layer by Lexington and then by National Union Fire, both of which are subsidiary companies of AIG. Under that structure, the Program had primary coverage for each tower, with an aggregate deductible.

For the year ended March 31, 2023, PRISM is responsible for the first \$10M per tower, per occurrence. The Program purchased aggregate stop loss coverage from Berkshire Hathaway. PRISM will pay the first \$100M of claims in the \$10M primary layer from all towers combined and if claims exceed \$100M, Berkshire will pay claims up to their limit of \$50M. In the event of significant losses eroding not only PRISM's \$100M aggregate, but also Berkshire's limit, PRISM would again be responsible for claims in the \$10M layer after \$150M. The Program maintains total all risk limits of \$600M, earthquake limits of \$465M, and \$300M in flood limits.

For the policy year ending March 31, 2024, PRISM is responsible for the first \$10M per tower, per occurrence. The Program purchased aggregate stop loss coverage from Berkshire Hathaway. PRISM will pay the first \$110M of claims in the \$10M primary layer from all towers combined and if claims exceed \$110M, Berkshire will pay claims up to their limit of \$50M. In the event of significant losses eroding not only PRISM's \$110M aggregate, but also Berkshire's coverage, PRISM would again be responsible for claims in the \$10M layer after \$160M. The Program maintains total all risk limits of \$600M, earthquake limits of \$465M, and \$300M in flood limits.

For the policy year ending March 31, 2025, PRISM is responsible for the first \$10M per tower, per occurrence. The Program purchased aggregate stop loss coverage from Nationwide, Berkshire Hathaway and others. PRISM will pay the first \$120M of claims in the \$10M primary layer from all towers combined if claims exceed \$120M, Nationwide, Berkshire and others will pay claims up to their limit of \$55M. In the event of significant losses eroding not only PRISM's \$120M aggregate but also Nationwide and Berkshire's coverage, PRISM would again be responsible for claims in \$10M layer after \$175M. The Program maintains total all risk limits of \$600M and earthquake limits of \$465M with an increase of flood limits to \$400M. Tower VIII of the Program was previously reserved for 2 large airports; however, it now contains a non-county member.

For the policy year ending March 31, 2026, PRISM is responsible for the first \$10M per tower, per occurrence. The Program purchased aggregate stop loss coverage from Nationwide, Berkshire Hathaway and others. PRISM will pay the first \$120M of claims in the \$10M primary layer from all towers combined if claims exceed \$120M, Nationwide, Berkshire and others will pay claims up to their limit of \$55M. In the event of significant losses eroding not only PRISM's \$120M aggregate but also Nationwide and Berkshire's coverage, PRISM would again be responsible for claims in \$10M layer after \$175M. The Program maintains total all risk limits

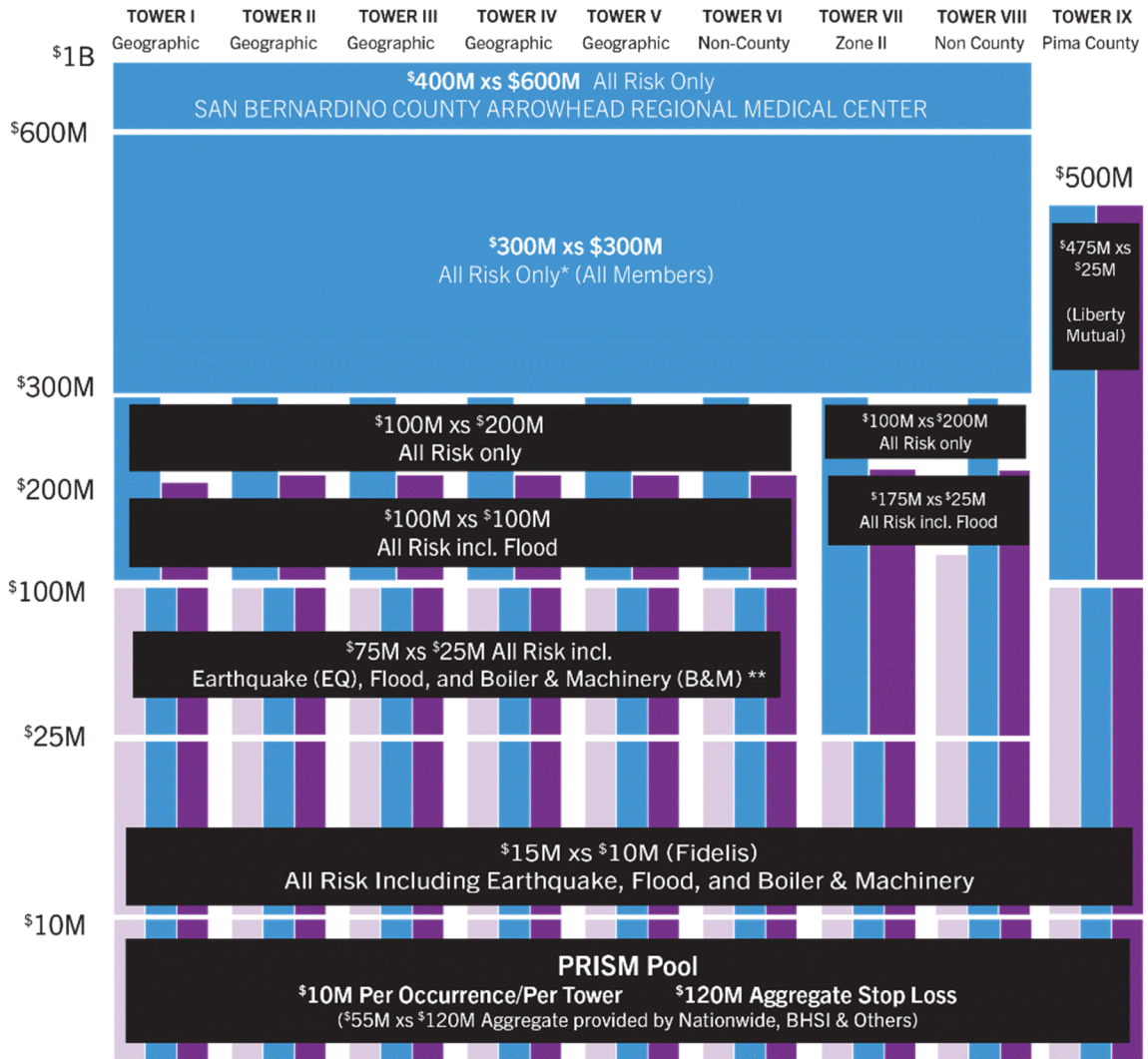
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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4. Claim Liabilities (continued)

E. Property (continued)

of \$600M with earthquake limits of \$465M and flood limits to \$200M, except for Tower IX which has flood limits of \$500M.

The chart below shows the current structure of the Program.



* \$400MXS\$600-All Risk Only for San Bernardino County Arrowhead Regional Medical Center
 ** PRISM Primary participation is \$10M/tower, per occurrence All Risk and \$10M/tower, per occurrence/annual aggregate for EQ and Flood.
 *** Aggregate losses exceeding \$175M would be PRISM responsibility

EQ Rooftop
 \$365M
 Aggregate
 xs
 \$100M
 Towers I-VI

LEGEND

EQ	All Risk	Flood
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Not shown graphically is the Catastrophic Risk pool, designed to buy-down member deductibles for Flood and Earthquake.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

F. Medical Malpractice

The Medical Malpractice Program was established on June 1, 1988, to provide medical malpractice, general liability, and blanket contract health coverage to public health facilities. The Program provides coverage to members with exposures ranging from large acute care hospitals to small public and mental health clinics. The Medical Malpractice Program combines risk retention, risk pooling, and the purchase of reinsurance insurance and provides coverage on a claims made basis. The pooled layer is \$3.5M in excess of each member's deductible or retention and \$21.5M of reinsurance is purchased in excess of the pooled layer. The Program's coverage year ran from October 1 to September 30 every year until September 30, 2021. The 2021/22 coverage period was for 9 months from October 1, 2021 to June 30, 2022 after which this program has coverage period of July 1 to June 30 in sync with other PRISM programs. In the 2019/20, 2020/21, 2022/23, 2023/24 and 2024/25 years, the Program added a \$2M corridor deductible to the Program's pooled layer to provide additional savings to the members. The corridor deductible for 2021/22 fiscal year was prorated to \$1.5M for the nine months in that coverage year. These corridors were all transferred to the Captive.

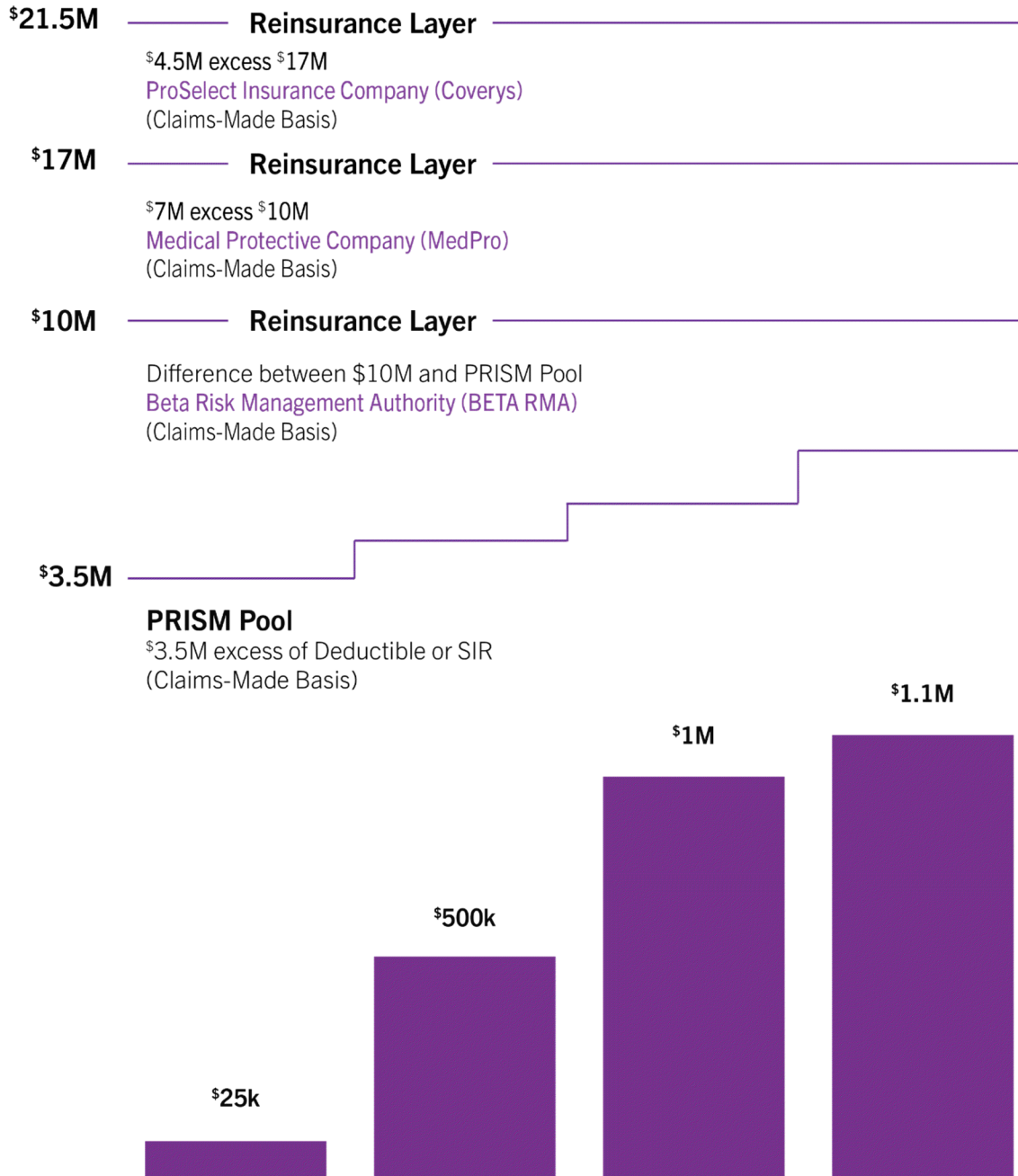
The Program is divided into 2 groups for underwriting purposes – Program 1 for members with SIRs, and Program 2 for members with deductibles. Medical Malpractice Program 1 members have a range of self-insured retentions from \$500k to \$1.1M. Medical Malpractice Program 2 members can elect deductibles from \$25k to \$75k.

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4. Claim Liabilities (continued)

F. Medical Malpractice (continued)

The Program structure is illustrated in the following chart:



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4. Claim Liabilities (continued)

G. Dental

In the pooled Dental plan, claim liabilities are very predictable based on capped benefits. The claim liabilities at June 30, 2025 and June 30, 2024 of \$2.8M and \$2.8M, respectively, are undiscounted and are considered short-term.

H. Paid Family Leave

Claims for the Paid Family Leave Program (PFL) are paid within several months of occurrence. Cumulative unpaid claims at June 30, 2025 of \$250k are undiscounted and considered short-term. Prior to January 1, 2025, the PFL Program was presented as an ancillary coverage program under the Miscellaneous Programs financial statements.

I. Captive

Total claim liabilities of the Captive, as of June 30, 2025, in the amount of \$901M have been presented at the net present value of \$774.5M using a 4.4% discount rate. On June 30, 2024, the total claim liabilities of \$737M have been presented at the net present value of \$630M using a 4.2% discount rate.

Out-of-State Participants

Beginning with the 2020/21 policy year, the Captive began to provide coverage to out-of-state participants, which it ceded in full to be reinsured by PRISM. Beginning July 1, 2023 ARC entered into a fronting agreement with Starstone National Insurance Company wherein Starstone writes coverage to out-of-state GL1 participants to be reinsured by ARC which then cedes the assumed risk to PRISM. ARC continues to write the policy to the sole out-of-state participant in the Property Program directly. Accounting under GASB 10 requires that risk assumed is reported net of the amount ceded unless there is doubt as to the reinsurer's ability to pay the ceded claims. Since ARC transferred all risk to PRISM for the out-of-state participants, and it is believed that PRISM is able to pay the ceded claims, there are no claim liabilities reported in the Captive for the out-of-state participants. Estimated risk ceded to PRISM from ARC for the out-of-state participants is shown in the table below and is included in claim liabilities in the applicable PRISM programs.

Policy Year	General Liability 1	Property	Total
2020/21	\$ 142,611	\$ -	\$ 142,611
2021/22	496,251	-	496,251
2022/23	613,989	-	613,989
2023/24	1,735,525	-	1,735,525
2024/25	3,653,834	846,459	4,500,293
Total	\$ 6,642,210	\$ 846,459	\$ 7,488,669

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5. GL1 Loss Portfolio Transfer (LPT)

The General Liability 1 (GL1) Program faced challenges due to a sudden increase in loss development since the calendar year of 2018. In response to the adverse loss development and the deterioration of the Program's net position, the PRISM Board approved an LPT deal. The transaction, effective April 1, 2019, transferred the Program's liabilities to a reinsurer, MS Re, going back to July 1, 2007, thereby temporarily stabilizing the Program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024). As liabilities continued to develop adversely, the LPT deal was re-negotiated with MS Re in December 2022 and an updated structure was finalized which would provide coverage to GL1 Program's pool layer thru June 30, 2026.

A. Structure of the LPT

The Program splits the estimated claim payments for the entire coverage period of July 1, 2007 to June 30, 2026 into various layers, with MS Re being responsible for some layers while PRISM is responsible for others. Per the actuarial calculations, although it is expected that ultimately the total payments will be \$1.13B for the entire period, about 11% of the payment total will be made on claims incurred in future program year 2025/26. MS Re now has annual caps in place for claims payments, after which ARC shall make payments for the remaining period subject to corridor limits.

A breakdown of the layers is as follows:

Layer	Updated Layer Limit	Expected Future Payments as of June 30, 2024	Updated Layer Limit	Expected Future Payments as of June 30, 2025
MsRe Reinsurance 1	\$ 336,200,000	\$ 89,968,380	\$ 336,200,000	\$ 52,143,202
PRISM Corridor 1 *	638,135,670	536,104,899	743,674,651	551,243,539
PRISM Experience Account	20,000,000	20,000,000	20,000,000	20,000,000
MsRe Reinsurance 2	33,500,000	33,500,000	33,500,000	29,949,732
PRISM Corridor 2	Unlimited	8,658,013	Unlimited	-
Total	\$ 1,027,835,670	\$ 688,231,292	\$ 1,133,374,651	\$ 653,336,473

* PRISM Corridor 1 has been transferred to ARC.

Per the updated actuarial estimates, as of June 30, 2025, MS Re will cover the first \$336.2M in the claim payments. The total premium of \$311.5M in exchange of the liabilities has been paid to MS Re as of June 30, 2025.

After the MS Re Reinsurance 1, PRISM's Corridor 1 will cover the next \$743.7M in claim payments. Even though these limits are thru June 30, 2026, the actuarially calculated claim expense for PRISM Corridor 1 is \$630.5M thru June 30, 2025, on an undiscounted basis. PRISM corridor is transferred to the Captive for a premium of \$521.2M for all claims from July 1, 2007 to June 30, 2025. More payments will be transferred for this layer as we progress thru the final year of this deal. The claims paid and discounted outstanding liabilities of \$569.5M in PRISM's Corridor 1 for period up to June 30, 2025 are part of the combined financial statements.

Next is the PRISM experience account that is funded by the Premium Rate Credit. The discounted value of claims of \$11.8M in PRISM's experience account are included in PRISM claim liabilities as of June 30, 2025. For the LPT experience account, MS Re has agreed to fund this layer thru Premium Rate Credits. They pay PRISM a rate credit of .226328% per month, compounded, on the monthly balance of premium paid less claim payments plus any

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5. GL1 Loss Portfolio Transfer (LPT) (continued)

A. Structure of the LPT (continued)

rate credits not withdrawn by PRISM. Accordingly, PRISM has recorded a receivable of \$27.1M that is the present value of this rate credit, as of June 30, 2025. Correspondingly, the same amount is recorded as a reduction to premium in 2018/19, 2019/20, 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25 program years.

Once PRISM's experience account is exhausted, MS Re will cover the next \$29.9M in claim payments after which PRISM's Corridor 2 kicks in with unlimited liability. The actuarially calculated liability in PRISM's Corridor 2 is \$0. Although it is expected that ultimately the total payments will be \$1.13B on an undiscounted basis, these numbers will be recalculated annually based on actual payments and recent claims developments.

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6. Capital Assets

Capital assets include land, buildings, tenant improvements, furniture, equipment, and software assets. Depreciation of furniture, equipment, and software is reported as an operating expense in the General Administration fund. Depreciation for the building and tenant improvements is reported in the Building fund and allocated between PRISM operations and the leasing activities (operating and nonoperating activities, respectively). A capital asset summary and the total accumulated depreciation is reported below:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2025</u>
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
<u>Depreciable Assets:</u>							
Buildings and Tenant Improvements	8,312,289	230,961	-	8,543,250	503,931	-	9,047,181
Furniture and Equipment	1,525,772	132,655	-	1,658,427	77,917	-	1,736,344
Software	13,336,671	1,374,028	-	14,710,699	1,337,462	-	16,048,161
Total Depreciable Assets	<u>23,174,732</u>	<u>1,737,644</u>	<u>-</u>	<u>24,912,376</u>	<u>1,919,310</u>	<u>-</u>	<u>26,831,686</u>
<u>Less Accumulated Depreciation:</u>							
Buildings and Tenant Improvements	(3,456,634)	(231,113)	-	(3,687,747)	(287,967)	-	(3,975,714)
Furniture and Equipment	(1,275,227)	(135,962)	-	(1,411,189)	(81,187)	-	(1,492,376)
Software	(6,040,348)	(1,734,862)	-	(7,775,210)	(1,578,350)	-	(9,353,560)
Total Accumulated Depreciation	<u>(10,772,209)</u>	<u>(2,101,937)</u>	<u>-</u>	<u>(12,874,146)</u>	<u>(1,947,504)</u>	<u>-</u>	<u>(14,821,650)</u>
<u>Net Depreciable Assets:</u>							
Buildings and Tenant Improvements	4,855,655	(152)	-	4,855,503	215,964	-	5,071,467
Furniture and Equipment	250,545	(3,307)	-	247,238	(3,270)	-	243,968
Software	7,296,323	(360,834)	-	6,935,489	(240,888)	-	6,694,601
Net Depreciable Assets	<u>12,402,523</u>	<u>(364,293)</u>	<u>-</u>	<u>12,038,230</u>	<u>(28,194)</u>	<u>-</u>	<u>12,010,036</u>
Net Land, Buildings and Equipment	<u>\$ 13,402,523</u>	<u>\$ (364,293)</u>	<u>\$ -</u>	<u>\$ 13,038,230</u>	<u>\$ (28,194)</u>	<u>\$ -</u>	<u>\$ 13,010,036</u>
<u>Depreciation Expense:</u>							
Operating		\$ 2,029,628			\$ 1,815,966		
Nonoperating		72,309			131,538		
Total Depreciation Expense		<u>\$ 2,101,937</u>			<u>\$ 1,947,504</u>		

7. Leases

PRISM has occupied 52% of its building at 75 Iron Point Circle, Folsom, California 95630, leased out 44% and has 4% vacant space at June 30, 2025. Leases with various commercial tenants have been executed through 2026 and 2031, with additional options to extend to 2032 and 2041, respectively. The cost of tenant improvements for the space under lease is \$1.4M with accumulated depreciation of \$1.0M at June 30, 2025. The cost of the building and improvements under lease is \$4.0M with accumulated depreciation of \$1.8M. Lease-related inflows of resources for the last two fiscal years were:

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Lease Revenue	\$ 424,543	\$ 373,060
Lease Interest Revenue	44,132	111,857
	<u>\$ 468,675</u>	<u>\$ 484,917</u>

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7. Leases (continued)

The future minimum lease payments to be received, excluding amounts estimated for direct costs, are shown in the table below:

Fiscal Year Ending June 30,	Base Lease	Optional Extensions	Total	Lease Receivable (Present Value)
2026	\$ 452,153	\$ -	\$ 452,153	\$ 274,154
2027	448,224	18,009	466,233	295,389
2028	263,569	216,652	480,221	317,244
2029	271,476	223,151	494,627	340,274
2030	279,620	229,846	509,466	364,537
2031 to 2035	263,654	1,704,862	1,968,516	1,399,184
2036 to 2040	-	1,772,621	1,772,621	1,497,384
Thereafter	-	354,328	354,328	345,998
Total minimum lease payments	<u>\$ 1,978,696</u>	<u>\$ 4,519,469</u>	<u>\$ 6,498,165</u>	<u>\$ 4,834,164</u>

8. Employee Retirement System

PRISM provides pension benefits to its employees through the 2% at age 55 Miscellaneous Plan, a cost-sharing, multiple-employer defined benefit pension plan (Classic) maintained by California Public Employees' Retirement System (CalPERS), an agency of the State of California. Effective January 1, 2013, new employees not eligible to participate in the 2% at 55 plan, are covered under the new Public Employees' Pension Reform Act Plan (PEPRA), which has a different benefit structure of 2% at age 62 and other differences. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California.

Collectively, the Classic Plan and the PEPRA Plan are referred to as the Plan. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. This report is available at the CalPERS' website: www.calpers.ca.gov under Forms and Publications.

A. General Information about the Pension Plan

Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 and a minimum of 5 years of CalPERS-credited services. Members joining after January 1, 2013 must be at least 52.

Employees covered by the benefit terms

At June 30, 2025, the following number of employees were covered by the benefit terms:

Active members	108
Inactive members receiving benefits	37
Total	<u>145</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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8. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

Contribution Description

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1st following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. PRISM is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. PRISM's required contribution rate on covered payroll for the measurement period ended June 30, 2024 (the measurement date) was 13.05% and 8.07% of annual pay for the Classic and PEPRA plans respectively.

For the year ended June 30, 2025, the legally required contributions were \$1,533,240. The legally required contribution for June 30, 2024 was \$1,277,184. The required contribution for the 2024/25 year is recognized as a Deferred Outflow of Resources Related to Pensions, since the measurement date of PRISM's pension-related accounts was June 30, 2024.

Actuarial Assumptions

For the measurement period ended June 30, 2024 (the measurement date), the Total Pension Liability (TPL) was determined by rolling forward the June 30, 2023 TPL. The June 30, 2024 and June 30, 2023 TPL were based on the following actuarial methods and assumptions:

Measurement Date	June 30, 2024	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
<u>Actuarial Assumptions</u>		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	6.90% Gross of Administrative Expenses	6.90% Gross of Administrative Expenses
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.	Lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1)The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period of 2001 to 2019. Mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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8. Employee Retirement System (continued)

B. General Information about the Pension Plan (continued)

Changes in Assumptions

There were no changes in assumptions for the measurement period ended June 30, 2024 or 2023.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, as well as actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed asset allocation	Real return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021-22 Asset Liability Management study.

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8. Employee Retirement System (continued)

C. General Information about the Pension Plan (continued)

Sensitivity of PRISM's Proportional Share of the Net Pension Liability to the Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the June 30, 2024 measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

June 30, 2024 Measurement Date	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Plan Net Pension Liability	\$ 10,540,008	\$ 5,004,227	\$ 447,464

The following presents the net pension liability of the Plan as of the June 30, 2023 measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

June 30, 2023 Measurement Date	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Plan Net Pension Liability	\$ 9,943,997	\$ 5,025,338	\$ 976,860

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

	2024 - 2025 Fiscal Year	2023 - 2024 Fiscal Year
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
Measurement Period	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023

At June 30, 2025 and 2024, PRISM reported a Net Pension Liability (NPL) of \$5,004,227 and \$5,025,338, respectively, for its proportionate share of the Miscellaneous Pool's NPL.

PRISM's NPL for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured, as of June 30, 2024. The TPL used to calculate the NPL was determined by an actuarial valuation, as of June 30, 2023, and rolled forward to June 30, 2024 using standard update procedures. Using PRISM's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for PRISM by the actuary. PRISM's proportionate share of the NPL for PERF C, as of June 30, 2023, was 0.103466% for the Classic Plan and PEPR Plan combined. PRISM's proportionate share of the NPL for PERF C and PEPR combined, as of June 30, 2022, was 0.100498%.

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8. Employee Retirement System (continued)

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2025, PRISM recognized a pension expense of \$2,472,632. At June 30, 2025, PRISM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows) of Resources</u>
Differences Between Expected and Actual Experience	\$ 432,662	\$ (16,882)
Changes in Assumptions	128,619	-
Net Difference Between Projected and Actual Earnings on Pension Plan investments	288,087	-
Change in Proportions	961,047	-
Change in Proportionate Share of Contributions	-	(231,892)
Contributions Subsequent to Measurement Date	1,533,240	-
Total	<u>\$ 3,343,655</u>	<u>\$ (248,774)</u>

The \$1,533,240 reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the NPL in the year ending June 30, 2026.

At June 30, 2025, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 772,597
2027	801,020
2028	86,749
2029	(98,725)
Total	<u>\$ 1,561,641</u>

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8. Employee Retirement System (continued)

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2024, PRISM recognized a pension expense of \$2,786,572. At June 30, 2024, PRISM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows) of Resources</u>
Differences Between Expected and Actual Experience	\$ 256,721	\$ (39,824)
Changes in Assumptions	303,402	-
Net Difference Between Projected and Actual Earnings on Pension Plan investments	813,647	-
Change in Proportions	1,450,127	-
Change in Proportionate Share of Contributions	-	(337,357)
Contributions Subsequent to Measurement Date	1,277,184	-
Total	<u>\$ 4,101,081</u>	<u>\$ (377,181)</u>

The \$1,277,184 reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the NPL in the year ending June 30, 2025.

At June 30, 2024, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 1,082,259
2026	661,300
2027	679,810
2028	23,347
Total	<u>\$ 2,446,716</u>

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9. Other Postemployment Benefits (OPEB)

A. Plan Description

PRISM's defined benefit Other Postemployment Benefit (OPEB) Plan, provides OPEB for all permanent full-time employees of PRISM. This is an agent multiple-employer defined benefit OPEB plan administered by the California Employers' Retirement Benefit Trust (CERBT). PRISM's defined benefit postemployment healthcare plan, PRISM Postemployment Healthcare Plan (PRISM OPEB), provides limited medical benefits for retired employees and their beneficiaries. Retired employees and their beneficiaries must continue their participation in a CalPERS health care program to access PRISM OPEB benefits. The Public Employees' Medical and Hospital Care Act (PEMHCA) of the State of California assigns PRISM to establish and amend benefit provisions to the CalPERS Board of Directors.

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of CalPERS' annual financial report may be obtained from their executive office; 400 Q Street, Sacramento, California 95814.

The postemployment health care benefit rates per month, per retiree, have been established by the CalPERS Board of Directors, as shown in the following. Retirees, or their beneficiaries, are responsible for the remaining balance of their monthly health care cost.

Calendar Year 2022	\$149.00 per month
Calendar Year 2023	\$151.00 per month
Calendar Year 2024	\$157.00 per month
Calendar Year 2025	\$158.00 per month
Calendar Year 2026	\$162.00 per month
Thereafter	Adjusted by CalPERS Board to reflect changes in the medical care component of the CPI.

Under PEMHCA, PRISM is required to contribute toward medical coverage for the retiree's lifetime or until coverage is otherwise discontinued. If a covered spouse survives the retiree and is entitled to survivor pension benefits, PRISM will continue the applicable contribution toward the spouse's coverage until his or her death. PRISM OPEB provides employees who retire directly from PRISM, at a minimum age of 55, with a minimum of 5 years of coverage.

Employees covered by benefit terms:

At June 30, 2025, the following number of employees were covered by the benefit terms:

Active employees	93
Inactive employees or beneficiaries receiving benefits	11
Inactive employees entitled to but not receiving benefits	8
Total participants	112

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. PRISM's OPEB Plan assets are invested as part of the CalPERS CERBT Strategy 1 portfolio with a 6.15% expected long-term rate of return. Each employer choosing CERBT Strategy 1 owns a percentage of this portfolio. PRISM does not have direct ownership of the securities in the portfolio. The target allocation and best estimates of real rates of return for each major class are summarized on the following page.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

9. Other Postemployment Benefits (OPEB) (continued)

A. Plan Description (continued)

Asset Class	Target Allocation	Years 1-5			Years 6-20		
		General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Years 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	49%	2.40%	3.90%	6.30%	2.40%	4.70%	7.10%
Fixed Income	23%	2.40%	2.70%	5.10%	2.40%	2.60%	5.00%
Global Real Estate (REIT)	20%	2.40%	3.70%	6.10%	2.40%	4.00%	6.40%
Treasury Inflation Protected Securities (TIPS)	5%	2.40%	1.70%	4.10%	2.40%	1.40%	3.80%
Commodities	3%	2.40%	2.90%	5.30%	2.40%	2.00%	4.40%

B. Net OPEB Liability

PRISM's net OPEB liability was \$35,509 as of June 30, 2025, and \$99,554 as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of June 30, 2023.

Actuarial assumptions: The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	For Calculation of Net OPEB Liability, Fiscal Year Ended June 30,	
	2025	2024
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2023
Funding Method	Entry Age Normal Cost, level percent of pay	
Asset Valuation Method	Market value of assets	
Long Term Return on Assets	6.15% net of plan investment expenses	
Discount Rates	6.15% for all plan liabilities	
Municipal Bond Index	3.93%	3.86%
Inflation	2.50% per year	
Salary Increases	3.00% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.	
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants were considered in the valuation.	

Changes in Assumptions

At the measurement date June 30, 2023, the demographic assumptions were updated from the 2017 CalPERS experience study to those recommended in the 2021 CalPERS experience study report. Additionally, the base healthcare trends scale was updated from the Getzen model 2022 to the Getzen model 2023, and the assumed percentage of future retirees electing spouse coverage decreased from 65% to 60%. Discount rates were decreased for all plan liabilities 6.15% at the June 30, 2023 measurement date from 6.20% at the June 30, 2022 measurement date.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

9. Other Postemployment Benefits (OPEB) (continued)

B. Net OPEB Liability (continued)

Discount Rate is the interest rate used to discount future potential benefit payments to the valuation date. The discount rate used to measure the total OPEB liability was 6.15% for all plan liabilities reported as of June 30, 2025 and 2024. The projection of explicit subsidy benefit cash flows used to determine the discount rate assumed that PRISM's contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net positions were projected to be available to make all projected explicit subsidy OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the OPEB Plan investments was applied to all periods of projected explicit subsidy benefit payments to determine the total OPEB liability.

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of CalPERS using data from 1997 to 2019, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS. Mortality improvement assumption is based on MacLeod Watt Scale 2022 applied generationally from 207.

PRISM's OPEB valuation is prepared for a closed group. There were no benefit changes in PRISM's OPEB Plan.

Mortality rates were based on published CalPERS rates. Healthcare Trend Medical plan premiums and claim costs by age are assumed to increase once each year. Increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.80%
2025	6.50%	2044-2049	4.70%
2026	6.00%	2050-2059	4.60%
2027	5.50%	2060-2065	4.50%
2028	5.40%	2066-2067	4.40%
2029	5.30%	2068-2069	4.30%
2030	5.20%	2070	4.20%
2031	5.10%	2071-2072	4.10%
2032-2037	5.00%	2073-2074	4.00%
2038-2039	4.90%	2075 & later	3.90%

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability

Net OPEB Liability as of June 30, 2025 is \$35,509, a decrease of \$64,045 compared to June 30, 2024.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at fiscal year ending June 30, 2024 <i>Measurement date June 30, 2023</i>	\$ 1,869,680	\$ 1,770,126	\$ 99,554
Changes during the period			
Service Cost	171,261	-	171,261
Interest Cost	123,961	-	123,961
Expected Investment Income	-	112,383	(112,383)
Employer Contributions	-	165,683	(165,683)
Administrative Expenses	-	(578)	578
Benefit Payments	(50,639)	(50,639)	-
Investment Experience	-	81,779	(81,779)
Net Change in Fiscal Year	244,583	308,628	(64,045)
Balance at fiscal year ending June 30, 2025 <i>Measurement date June 30, 2023</i>	<u>\$ 2,114,263</u>	<u>\$ 2,078,754</u>	<u>\$ 35,509</u>

Net OPEB Liability as of June 30, 2024 is \$99,554, a decrease of \$262,212 compared to June 30, 2023.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at fiscal year ending June 30, 2023 <i>Measurement date June 30, 2022</i>	\$ 1,893,488	\$ 1,531,722	\$ 361,766
Changes during the period			
Service Cost	148,291	-	148,291
Interest Cost	124,800	-	124,800
Employer Contributions	-	196,224	(196,224)
Administrative Expenses	-	(445)	445
Benefit Payments	(57,746)	(57,746)	-
Changes in Assumptions	(37,193)	-	(37,193)
Plan Experience	(201,960)	-	(201,960)
Investment Experience	-	1,125	(1,125)
Net Investment Income	-	99,246	(99,246)
Net Change in Fiscal Year	(23,808)	238,404	(262,212)
Balance at fiscal year ending June 30, 2024 <i>Measurement date June 30, 2023</i>	<u>\$ 1,869,680</u>	<u>\$ 1,770,126</u>	<u>\$ 99,554</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Sensitivity of the net OPEB Liability to changes in the discount rate:

The following table presents the net OPEB liability of PRISM, as well as what PRISM's net OPEB liability would be, if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate as of June 30, 2025:

	1% Decrease 5.15%	Discount Rate 6.15%	1% Increase 7.15%
Net OPEB Liability/(Asset)	\$ 337,972	\$ 35,509	\$ (214,864)

The following table presents the net OPEB liability of PRISM, as well as what PRISM's net OPEB liability would be, if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate as of June 30, 2024:

	1% Decrease 5.15%	Discount Rate 6.15%	1% Increase 7.15%
Net OPEB Liability/(Asset)	\$ 370,789	\$ 99,554	\$ (124,710)

The net OPEB liability is sensitive to changes in the healthcare cost trend rates. The following presents the net OPEB liability of PRISM, as well as what PRISM's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates. Healthcare Cost Trend Rate was assumed to start at 6.5%, effective January 2025, and grade down to 3.9% for the years ended 2075 and later.

	Medical Trend 5.50%	Current Medical Trend 6.50%	Medical Trend 7.50%
Net OPEB Liability/(Asset)	\$ (273,986)	\$ 35,509	\$ 425,485

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates as of June 30, 2024 is shown below:

	Medical Trend 5.50%	Current Medical Trend 6.50%	Medical Trend 7.50%
Net OPEB Liability/(Asset)	\$ (174,138)	\$ 99,554	\$ 444,417

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

9. Other Postemployment Benefits (OPEB) (continued)

D. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2025, PRISM recognized an OPEB expense of \$92,141. At June 30, 2025, PRISM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows) of Resources</u>
Changes of assumptions	\$ 99,867	\$ (382,593)
Net difference between expected and actual investment experience	16,115	-
Difference between expected and and actual plan experience	-	(237,295)
Contributions made subsequent to the measurement date	196,910	-
	<u>\$ 312,892</u>	<u>\$ (619,888)</u>

The \$196,910 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Fiscal Year Ending June 30</u>	<u>Recognized Net Deferred Outflows (Inflows) of Resources</u>
2026	\$ (98,299)
2027	(50,600)
2028	(103,749)
2029	(77,227)
2030	(52,012)
Thereafter	(122,019)

For the year ended June 30, 2024, PRISM recognized an OPEB expense of \$101,217. At June 30, 2024, PRISM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows) of Resources</u>
Changes of assumptions	\$ -	\$ (352,654)
Net difference between expected and actual investment experience	105,593	-
Difference between expected and and actual plan experience	-	(266,342)
Contributions made subsequent to the measurement date	165,683	-
	<u>\$ 271,276</u>	<u>\$ (618,996)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

9. Other Postemployment Benefits (OPEB) (continued)

D. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (continued)

The \$165,683 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ (74,920)
2026	(81,943)
2027	(34,244)
2028	(87,393)
2029	(62,147)
Thereafter	(172,756)

The Expected Average Remaining Service life was 10.80 years in the June 30, 2024 measurement period. This is the period used to recognize changes in the OPEB liability other than those arising from investments gains and losses or relating to improvements in plan benefits.

10. AmTrust Group Commutation

PRISM was involved in a dispute with AmTrust North America, Inc., one of the reinsurers it worked with for the following programs and policy periods:

Program / Tower	Policy Periods*					
	2011/12	2012/13	2013/14	2014/15**	2015/16**	2016/17***
Primary Workers' Comp.		\$115M xs \$10M	\$115M xs \$10M	\$115M xs \$10M	\$115M xs \$10M	\$115M xs \$10M
Primary Workers' Comp. (Ed Tower)				\$125k xs \$0	\$125k xs \$0	\$125k xs \$0
Excess Workers' Comp.	\$4M xs \$1M	\$4M xs \$1M \$875M xs \$125M	\$4.875M xs \$125k	\$4.875M xs \$125k	\$4.875M xs \$125k	\$4.875M xs \$125k
Excess Workers' Comp. (Ed Tower)				\$2.375M xs \$125k	\$2.375M xs \$125k	\$2.375M xs \$125k
General Liability 1					\$5M xs \$10M	\$5M xs \$10M
General Liability 2	SIR to \$10M	SIR to \$10M	SIR to \$10M	SIR to \$10M	SIR to \$10M	

*All Policy Periods cover policy year July 1 to June 30, except as noted below

**Policy Period December 31, 2014 to July 1, 2016 for Ed Towers only.

***Policy Period July 1, 2016 to April 30, 2017 for Primary Workers' Comp coverage.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

10. AmTrust Group Commutation (continued)

In April 2024, after four years of negotiations, litigation, and arbitration, a settlement agreement was reached with AmTrust. Under the agreement, signed April 19, 2024, AmTrust paid PRISM \$150M to commute its reinsurance agreements, meaning the affected PRISM programs took back the outstanding liabilities for all existing and future claims payments that are made in the AmTrust layers during the years AmTrust reinsured each Program. These estimated liabilities totaled \$284M at the time of the settlement. They have been reabsorbed into the various Programs and amounts previously covered by AmTrust are reported as part PRISM's claim liabilities.

The allocation of the commutation settlement by program is presented below. Monies were applied first to amounts owed to PRISM by AmTrust for coverage through March 31, 2024. Any dollars in excess of the receivable amount are shown as AmTrust Commutation Income for the 2023/24 fiscal year. The settlement allocated to the GL2 Program was less that the amount owed to it by AmTrust, resulting in the recording of bad debt totaling \$931k presented as part of Program Services expense for 2023/24.

Program	Commutation Payment	Allocation of Commutation Payment	
		Owed to PRISM by AmTrust at March 31, 2024	AmTrust Commutation Income
Primary Workers' Comp.	\$ 9,322,079	\$ 3,704,411	\$ 5,617,668
Excess Workers' Comp.	110,183,865	41,715,356	68,468,509
General Liability 1	2,940,565	2,450	2,938,115
General Liability 2	27,553,491	27,553,491	-
Total	\$ 150,000,000	\$ 72,975,708	\$ 77,024,292

11. Castlepoint Liquidation

In August 2016, the California Insurance Commissioner placed CastlePoint in conservatorship. CastlePoint has been in liquidation since March 1, 2017. California Insurance Guarantee Association (CIGA) is administering the liquidation and paying claims. PRISM has insured the 2010/11 and 2011/12 years in the PWC Program in the layer from \$10k to \$125k with CastlePoint. Although CIGA has paid on some claims, it has issued denials if "other insurance" is available to cover the exposure. The total exposure to the PWC Program that is considered unrecoverable is approximately \$863k, undiscounted, and this amount is included in claim liabilities in the PWC Program.

The EWC Program also had coverage through CastlePoint on a quota-share basis in the 2010/11 and 2011/12 years, and on an 80% quota-share basis for the \$1M excess of SIR layer. Here, because CIGA's coverage is limited to \$500k per claim, the Program does have exposure due to the liquidation. Additionally, CIGA has issued denials if "other insurance" is available to cover the exposure. PRISM estimates the ultimate cost of the EWC claims for this period, not covered by CIGA, to be \$4.4M, undiscounted, and this amount is included in claim liabilities in the EWC Program.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

12. Withdrawal from the SISC III Medical Insurance Program

On May 21, 2025, the PRISMHealth Committee approved the termination of PRISM's participation in the Self-Insured Schools of California Medical Insurance Program Pool (SISC III), effective September 30, 2025. PRISM participates in SISC III with respect to underwriting, claims pooling, and related administrative and risk-sharing activities for the PRISMHealth program.

Upon the effective date of withdrawal, PRISM will assume responsibilities previously administered by SISC III, including the administration and oversight of underwriting, claims management within applicable pooling thresholds, and other operational functions associated with the medical insurance program.

As the decision to withdraw was authorized prior to the close of the fiscal year, the withdrawal represents a condition that existed as of June 30, 2025. The operational transition and related financial effects are expected to occur in subsequent fiscal periods. Accordingly, no adjustments have been made to the accompanying financial statements as of and for the year ended June 30, 2025. This disclosure is provided due to the significance of the withdrawal to PRISM's future program structure and operations.

13. Risk and Uncertainties

Short-term interest rates remain in moderately restrictive territory after having been reduced by a total of 1.00% in the last four months of the calendar year of 2024. In the first half of 2025 the US economy experienced elevated levels of uncertainty and volatility partially linked to the tariff policy being implemented by the federal government, with the potential to disrupt the progress made in 2024 to bring inflation numbers closer to policymaker targets of 2.0% on a year-over-year basis. Despite the uncertainty, the US economy is forecasted to stabilize and experience positive but below trend levels of growth during the second half of fiscal 2025 as business leaders and market participants gain further clarity on the magnitude of the tariff increase. Large changes in interest rates are always a risk for the PRISM portfolios, however based on the likely trajectory of monetary policy, with policy rates forecast to further moderate in the second half of 2026, the overall mark-to-market risk of the portfolios is lower in the current fiscal year compared to the prior year. If the trends in inflation were to reverse and trend materially higher, which is a lower probability risk, a material increase in interest is possible with a mark-to-market deterioration in the fixed income assets.

PRISM has various outstanding legal claims. However, based on consultation with legal counsel, management believes that the ultimate resolution of the matters will not have a material adverse effect on PRISM's financial position or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2025
10-YEAR SCHEDULE

	Measurement Date									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PRISM's proportion of the net pension liability (asset)	0.103466%	0.100498%	0.085831%	-0.041502%	0.060654%	0.048206%	0.037935%	0.040671%	0.031435%	0.073809%
Proportionate share of the net pension liability (asset)	\$5,004,227	\$5,025,338	\$4,016,220	(\$788,038)	\$2,558,450	\$1,930,418	\$1,429,650	\$1,603,286	\$1,092,027	\$2,024,929
Covered payroll	\$11,937,744	\$10,972,582	\$9,837,764	\$9,387,235	\$7,426,247	\$7,828,396	\$7,123,473	\$6,441,367	\$5,449,159	\$4,924,748
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	41.92%	45.80%	40.82%	-8.39%	34.45%	24.66%	20.07%	24.89%	20.04%	41.12%
Plan fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	78.40%	78.40%

Notes to Schedule

1. There were no changes to benefit terms during the measurement period ended June 30, 2024.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, 2025
10-YEAR SCHEDULE**

	Fiscal Year									
	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Contractually Required Contribution (Actuarially Determined Contribution)	\$ 1,533,240	\$ 1,277,184	\$ 1,164,309	\$ 1,016,636	\$ 1,091,058	\$ 792,370	\$ 656,865	\$ 612,233	\$ 551,010	\$ 533,877
Contributions in Relation to the Contractually Required Contributions	1,533,240	1,277,184	1,164,309	1,016,636	1,091,058	792,370	656,865	612,233	551,010	533,877
Contributions Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	\$12,893,269	\$11,937,744	\$10,972,582	\$9,837,764	\$9,387,235	\$7,426,247	\$7,828,396	\$7,123,473	\$6,441,367	\$ 5,449,159
Contributions as a Percentage of Covered Payroll	11.89%	10.70%	10.61%	10.33%	11.62%	10.67%	8.39%	8.59%	8.55%	9.80%

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2025
LAST 10 FISCAL YEARS*

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Total OPEB Liability								
Service Cost	\$ 171,261	\$ 148,291	\$ 146,822	\$ 125,454	\$ 172,953	\$ 162,744	\$ 188,704	\$ 208,154
Interest Cost	123,961	124,800	111,987	113,294	84,002	81,742	77,753	64,420
Changes in Assumptions	-	(37,193)	(25,857)	156,691	(352,436)	(32,915)	(286,746)	(159,144)
Benefit Payments	(50,639)	(57,746)	(56,978)	(45,768)	(37,363)	(33,583)	(25,165)	(20,480)
Differences Between Expected and Actual Experience	-	(201,960)	-	(114,123)	-	544	-	-
Net Change in Total OPEB Liability	244,583	(23,808)	175,974	235,548	(132,844)	178,532	(45,454)	92,950
Total OPEB Liability - Beginning	1,869,680	1,893,488	1,717,514	1,481,966	1,614,810	1,436,278	1,481,732	1,388,782
Total OPEB Liability - Ending (a)	\$ 2,114,263	\$ 1,869,680	\$ 1,893,488	\$ 1,717,514	\$ 1,481,966	\$ 1,614,810	\$ 1,436,278	\$ 1,481,732
Plan Fiduciary Net Position								
Employer Contributions	\$ 165,683	\$ 196,224	\$ 168,227	\$ 164,744	\$ 307,363	\$ 33,583	\$ 150,165	\$ 56,127
Net Investment Income	194,162	100,371	(219,639)	328,110	37,901	51,551	52,952	60,789
Benefit Payments	(50,639)	(57,746)	(56,978)	(45,768)	(37,363)	(33,583)	(25,165)	(20,480)
Administrative Expenses	(578)	(445)	(416)	(452)	(555)	(179)	(365)	(307)
Other Expenses	-	-	-	-	-	-	(871)	-
Net Change in Plan Fiduciary Net Position	308,628	238,404	(108,806)	446,634	307,346	51,372	176,716	96,129
Plan Fiduciary Net Position - Beginning	1,770,126	1,531,722	1,640,528	1,193,894	886,548	835,176	658,460	562,331
Plan Fiduciary Net Position - Ending (b)	\$ 2,078,754	\$ 1,770,126	\$ 1,531,722	\$ 1,640,528	\$ 1,193,894	\$ 886,548	\$ 835,176	\$ 658,460
Net OPEB Liability (a)-(b)	\$ 35,509	\$ 99,554	\$ 361,766	\$ 76,986	\$ 288,072	\$ 728,262	\$ 601,102	\$ 823,272
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	98%	95%	81%	96%	81%	55%	58%	44%
Covered Payroll	\$ 13,503,569	\$ 11,990,950	\$ 10,972,582	\$ 9,837,764	\$ 9,387,235	\$ 7,426,247	\$ 7,828,396	\$ 7,123,473
Net OPEB Liability as a Percentage of Covered Employee Payroll	0%	1%	3%	1%	3%	10%	8%	12%

* Fiscal year 2018 was the 1st year of implementation, therefore only 8 years are shown.

Notes to Schedule

Changes of Assumptions:

The discount rate was changed from a weighted single equivalent rate of 4.75% as of June 30, 2019, to 7.15% as of June 30, 2020.

The discount rate decreased to 6.20% as of June 30, 2022.

The discount rate decreased to 6.15% as of June 30, 2024.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PRISM OPEB CONTRIBUTIONS
AS OF JUNE 30, 2025
LAST 10 FISCAL YEARS***

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution (ADC)	\$ 196,910	\$ 165,683	\$ 196,224	\$ 168,227	\$ 164,744	\$ 175,356	\$ 163,716	\$ 159,232
Contributions in relation to the ADC								
Explicit Contributions	185,711	139,852	165,941	137,990	143,150	292,488	20,366	144,990
Implicit Contributions	11,199	25,831	30,283	30,237	21,594	14,875	13,217	5,175
Total Contributions	<u>\$ 196,910</u>	<u>\$ 165,683</u>	<u>\$ 196,224</u>	<u>\$ 168,227</u>	<u>\$ 164,744</u>	<u>\$ 307,363</u>	<u>\$ 33,583</u>	<u>\$ 150,165</u>
Contribution deficiency (excess) relative to the total ADC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (132,007)</u>	<u>\$ 130,133</u>	<u>\$ 9,067</u>
Covered Payroll	\$ 13,503,569	\$ 11,990,950	\$ 10,972,582	\$ 9,837,764	\$ 9,387,235	\$ 7,426,247	\$ 7,828,396	\$ 7,123,473
Contributions as % of Covered Payroll	1.46%	1.38%	1.79%	1.71%	1.75%	4.14%	0.43%	2.11%
Valuation Date	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017

* Fiscal year 2018 was the first year of implementation, therefore only 8 years are shown.

Methods and assumptions used:

Discount Rate	6.15%
Actuarial Cost method	Entry Age Normal
Amortization method	Level percent of pay closed 20 years
Amortization period	14 years
Asset Valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	6.5% in 2025 fluctuating down to 3.9% in 2075
Salary increases	3.00% per year
Retirement age	50 to 75
Mortality	CalPERS 2021 Experience Study
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Dental	Paid Family Leave	PRISM Affiliate Risk Captive	Total June 30, 2025	Total June 30, 2024
Unpaid Claims and Claim Adjustment Expenses at the											
A. Beginning of the Fiscal Year	\$ 65,526,585	\$ 274,029,307	\$ 22,302,036	\$ 30,103,751	\$ 111,490,561	\$ 51,177,690	\$ 2,793,306	\$ -	\$ 629,683,610	\$ 1,187,106,846	\$ 889,922,790
Incurred Claims and Claim Adjustment Expenses:											
Provision for Claims											
Current Fiscal Year	8,360,000	2,092,040	3,671,420	-	105,325,523	19,374,303	42,203,717	1,283,218	131,876,961	314,187,182	284,550,663
Prior Fiscal Years	11,017,119	5,473,540	16,435,564	1,978,568	(6,226,484)	19,393,827	-	-	204,332,377	252,404,511	343,030,381
B. Total Incurred	19,377,119	7,565,580	20,106,984	1,978,568	99,099,039	38,768,130	42,203,717	1,283,218	336,209,338	566,591,693	627,581,044
Payments:											
Attributable to insured events of the											
Current Fiscal Year	4,587,945	532,674	-	-	28,494,371	-	39,375,879	1,033,650	7,386,933	81,411,452	76,260,388
Prior Fiscal Years	6,663,069	30,585,708	6,043,689	4,305,835	52,415,582	10,897,863	2,793,306	-	183,994,856	297,699,908	254,136,600
C. Total Payments	11,251,014	31,118,382	6,043,689	4,305,835	80,909,953	10,897,863	42,169,185	1,033,650	191,381,789	379,111,360	330,396,988
Total Unpaid Claims and Claim Adjustment Expenses at											
D. End of the Fiscal Year (A+B-C)	\$ 73,652,690	\$ 250,476,505	\$ 36,365,331	\$ 27,776,484	\$ 129,679,647	\$ 79,047,957	\$ 2,827,838	\$ 249,568	\$ 774,511,159	\$ 1,374,587,179	\$ 1,187,106,846
Claims Reported	\$ 17,355,938	\$ 174,144,970	\$ 8,772,415	\$ 1,005,401	\$ 101,024,382	\$ 32,940,988	\$ 2,827,838	\$ 249,568	\$ 434,876,351	\$ 773,197,851	\$ 726,256,168
Claims Incurred But Not Reported	20,259,752	68,030,535	24,544,916	24,117,083	28,629,265	44,933,969	-	-	339,634,808	550,150,328	412,048,066
Unallocated Loss Adjustment Expenses	36,037,000	8,301,000	3,048,000	2,654,000	26,000	1,173,000	-	-	-	51,239,000	48,802,612
Total Claim Liabilities	\$ 73,652,690	\$ 250,476,505	\$ 36,365,331	\$ 27,776,484	\$ 129,679,647	\$ 79,047,957	\$ 2,827,838	\$ 249,568	\$ 774,511,159	\$ 1,374,587,179	\$ 1,187,106,846
Current Claim Liabilities	\$ 4,920,405	\$ 23,383,384	\$ 2,001,388	\$ 2,989,310	\$ 72,718,988	\$ 20,713,710	\$ 2,827,838	\$ 249,568	\$ 134,163,469	\$ 263,968,060	\$ 281,099,246
Noncurrent Claim Liabilities	68,732,285	227,093,121	34,363,943	24,787,174	56,960,659	58,334,247	-	-	640,347,690	1,110,619,119	906,007,600
Total Claim Liabilities	\$ 73,652,690	\$ 250,476,505	\$ 36,365,331	\$ 27,776,484	\$ 129,679,647	\$ 79,047,957	\$ 2,827,838	\$ 249,568	\$ 774,511,159	\$ 1,374,587,179	\$ 1,187,106,846

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

The following schedule illustrates how PRISM's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by PRISM as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows PRISM's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025
(ALL PROGRAMS)

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 345,795,949	\$ 467,848,725	\$ 493,420,999	\$ 1,051,425,955	\$ 607,788,730	\$ 701,426,182	\$ 779,537,019	\$ 955,722,150	\$ 1,106,628,592	\$ 1,294,825,384
Less Ceded	(196,444,500)	(275,526,162)	(297,095,846)	(310,413,725)	(347,824,023)	(425,306,988)	(507,129,567)	(534,614,175)	(627,189,011)	(737,766,625)
Loss Portfolio Transfer	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)	(95,378,213)	(62,172,884)	(82,869,495)	(145,565,580)	(132,890,152)	(173,831,523)
Dividends Declared	-	-	-	(2,000,000)	(7,125,448)	(9,000,000)	(2,000,000)	(6,500,000)	(12,500,000)	(12,000,000)
Investment Earnings	5,263,498	10,373,956	16,507,254	62,033,165	10,832,327	9,239,346	616,275	19,244,028	19,731,641	15,660,883
1. Total Revenues Available For Payment of Claims	109,797,791	167,444,757	183,578,617	775,207,278	168,293,373	214,185,655	188,154,231	288,286,423	353,781,070	386,888,119
2. Unallocated Loss Adjustment Expense	1,909,932	1,697,774	1,876,917	2,577,820	2,800,805	3,248,448	5,392,457	7,177,918	7,777,169	3,190,421
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	327,667,786 (196,444,500) 131,223,286	438,896,951 (275,526,162) 163,370,789	469,564,817 (297,095,846) 172,468,971	498,954,780 (310,413,725) 188,541,055	511,345,287 (347,824,023) 163,521,264	605,739,520 (425,306,988) 180,432,532	666,102,841 (507,129,567) 158,973,274	783,789,166 (534,614,175) 249,174,991	911,739,674 (627,189,011) 284,550,663	1,051,953,807 (737,766,625) 314,187,182
4. Cumulative Paid Claims as of:										
End of the Policy Year	46,845,645	52,254,041	50,859,036	53,505,254	49,033,613	58,984,922	61,784,145	69,059,410	76,260,388	81,411,452
One Year Later	62,990,323	70,987,228	77,406,457	74,007,812	69,644,549	76,164,786	103,588,280	153,192,849	152,968,263	
Two Years Later	88,685,970	106,880,592	94,177,491	101,624,160	90,453,287	107,276,477	119,744,349	181,499,938		
Three Years Later	121,100,075	123,574,410	113,149,753	128,301,899	106,782,447	123,881,145	128,681,556			
Four Years Later	136,824,900	135,685,813	124,830,834	174,103,918	136,006,794	136,145,814				
Five Years Later	135,254,359	139,980,283	133,714,116	253,702,561	157,676,896					
Six Years Later	139,022,734	142,114,346	138,430,455	353,350,173						
Seven Years Later	139,235,294	145,376,630	145,679,471							
Eight Years Later	143,931,309	148,668,540								
Nine Years Later	147,101,541									
5. Reestimated Ceded Claims and Expenses	185,963,384	266,755,604	413,608,318	457,659,132	639,581,276	382,108,905	371,795,290	311,226,453	212,001,511	482,495,742
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	131,223,286	163,370,789	172,468,971	188,541,055	163,521,264	180,432,532	158,973,274	249,174,991	284,550,663	314,187,182
One Year Later	133,962,994	171,585,114	146,440,138	255,246,311	170,695,606	180,897,089	172,494,511	272,657,652	305,158,147	
Two Years Later	152,739,976	151,894,547	156,054,777	335,009,333	172,471,440	187,009,253	177,385,765	278,198,460		
Three Years Later	142,475,106	150,047,659	156,206,901	404,644,362	177,731,448	187,797,694	176,623,303			
Four Years Later	152,017,636	151,373,010	154,922,872	452,111,699	180,883,900	190,976,433				
Five Years Later	144,165,483	149,540,968	155,566,420	583,540,585	183,849,861					
Six Years Later	144,494,397	149,850,975	156,817,460	770,636,994						
Seven Years Later	144,281,851	183,248,946	158,128,993							
Eight Years Later	192,290,025	183,731,910								
Nine Years Later	193,856,696									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 62,633,410	\$ 20,361,121	\$ (14,339,978)	\$ 582,095,939	\$ 20,328,597	\$ 10,543,901	\$ 17,650,029	\$ 29,023,469	\$ 20,607,484	\$ -

SUPPLEMENTARY INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2025

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Master Rolling OCIP	Total Property and Casualty Programs
ASSETS:								
Current Assets:								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Banks	-	-	224,156	-	-	21,036	-	245,192
Cash in the PRISM Treasury	33,857,173	90,995,978	-	-	13,463,709	27,142,546	98,118	165,557,524
Total Cash & Cash Equivalents	33,857,173	90,995,978	224,156	-	13,463,709	27,163,582	98,118	165,802,716
Investments	6,549,878	17,604,183	-	-	2,604,637	5,250,893	18,982	32,028,573
Accounts Receivable								
Due From Members	48,590	1,583,941	891,919	8,964,111	80,700,937	1,187,457	1,255,650	94,632,605
Investment Income Receivable	546,050	1,469,960	-	-	217,143	437,756	1,582	2,672,491
Lease Receivable	-	-	-	-	-	-	-	-
Reinsurance Claims, Deposit with Carrier and Other	389,691	4,074,799	23,690,433	22,701,624	3,500,453	241,836	-	54,598,836
GL1 LPT Rate Credit Receivable	-	-	12,742,182	-	-	-	-	12,742,182
GL1 LPT Prepaid Expense	-	-	40,000,000	-	-	-	-	40,000,000
Due From Other Funds	27,418,276	18,535,756	-	-	2,742,469	5,528,757	19,986	54,245,244
Prepaid Insurance and Expenses	-	-	345,112	-	148,311,918	-	4,992,524	153,649,554
Total Current Assets	68,809,658	134,264,617	77,893,802	31,665,735	251,541,266	39,810,281	6,386,842	610,372,201
Noncurrent Assets:								
Investments	71,045,530	190,949,893	-	-	28,252,104	56,955,630	205,890	347,409,047
Due From Other Funds	699,544	1,880,172	-	-	278,182	560,809	2,027	3,420,734
Investments - Restricted	-	-	-	-	-	-	-	-
Investment in Captive	514,969	2,841,641	1,035,807	65,294	66,714	253,487	654	4,778,566
Lease Receivable	-	-	-	-	-	-	-	-
GL1 LPT Rate Credit Receivable	-	-	14,383,057	-	-	-	-	14,383,057
Land and Buildings, Net	-	-	-	-	-	-	-	-
Furniture and Equipment, Net	-	-	-	-	-	-	-	-
Total Noncurrent Assets	72,260,043	195,671,706	15,418,864	65,294	28,597,000	57,769,926	208,571	369,991,404
Total Assets	141,069,701	329,936,323	93,312,666	31,731,029	280,138,266	97,580,207	6,595,413	980,363,605
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred Outflows of Resources on OPEB	-	-	-	-	-	-	-	-
Deferred Outflows of Resources on Pensions	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES:								
Current Liabilities:								
Reinsurance Recoveries Payable	\$ -	\$ -	\$ -	\$ -	\$ 98,000,000	\$ -	\$ -	\$ 98,000,000
Accounts Payable	2,616,759	6,435,224	19,874,019	658,063	419,698	2,442,355	1,372,782	33,818,900
Deposits From Insurance Companies	1,120,660	-	277,132	-	-	-	-	1,397,792
Due to Other Funds	-	20,521,795	33,875,537	2,968,083	-	-	-	57,365,415
Due to Members	9,550,006	-	321,588	-	406,162	2,211,435	-	12,489,191
Unearned Income	-	-	1,580,140	-	-	-	4,828,956	6,409,096
Claim Liabilities								
Claims Reported	4,920,405	23,383,384	2,001,388	1,005,401	72,718,988	20,713,710	-	124,743,276
Claims Incurred But Not Reported	-	-	-	1,983,909	-	-	-	1,983,909
Compensated Absences	-	-	-	-	-	-	-	-
Total Current Liabilities	18,207,830	50,340,403	57,929,804	6,615,456	171,544,848	25,367,500	6,201,738	336,207,579
Noncurrent Liabilities:								
Due to Members, Long Term	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Claims Reported	12,435,533	150,761,586	6,771,027	-	28,305,394	12,227,278	-	210,500,818
Claims Incurred But Not Reported	20,259,752	68,030,535	24,544,916	22,133,174	28,629,265	44,933,969	-	208,531,611
Unallocated Loss Adjustment Expense Payable	36,037,000	8,301,000	3,048,000	2,654,000	26,000	1,173,000	-	51,239,000
Compensated Absences, Long Term	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	68,732,285	227,093,121	34,363,943	24,787,174	56,960,659	58,334,247	-	470,271,429
Total Liabilities	86,940,115	277,433,524	92,293,747	31,402,630	228,505,507	83,701,747	6,201,738	806,479,008
DEFERRED INFLOWS OF RESOURCES:								
Deferred Inflows of Resources on Leases	-	-	-	-	-	-	-	-
Deferred Inflows of Resources on OPEB	-	-	-	-	-	-	-	-
Deferred Inflows of Resources on Pensions	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
NET POSITION:								
Net Investment in Capital Assets	-	-	-	-	-	-	-	-
Capital Stock	-	-	-	-	-	-	-	-
Unrestricted	54,129,586	52,502,799	1,018,919	328,399	51,632,759	13,878,460	393,675	173,884,597
Total Net Position	\$ 54,129,586	\$ 52,502,799	\$ 1,018,919	\$ 328,399	\$ 51,632,759	\$ 13,878,460	\$ 393,675	\$ 173,884,597

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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2025

	Total Property and Casualty Programs	PRISMHealth	Dental	Paid Family Leave	PRISM Internal Guarantee Account	Miscellaneous Programs	Total All Insurance Programs
ASSETS:							
Current Assets:							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Banks	245,192	-	-	-	-	-	245,192
Cash in the PRISM Treasury	165,557,524	7,113,786	3,012,948	135,420	147,066	1,917,848	177,884,592
Total Cash & Cash Equivalents	165,802,716	7,113,786	3,012,948	135,420	147,066	1,917,848	178,129,784
Investments	32,028,573	1,376,206	582,873	26,198	27,999	371,020	34,412,869
Accounts Receivable							
Due From Members	94,632,605	1,879,917	1,844,582	613,714	-	122,035	99,092,853
Investment Income Receivable	2,672,491	114,731	48,593	2,184	-	30,931	2,868,930
Lease Receivable	-	-	-	-	-	-	-
Reinsurance Claims, Deposit with Carrier and Other	54,598,836	-	245,000	-	-	-	54,843,836
GL1 LPT Rate Credit Receivable	12,742,182	-	-	-	-	-	12,742,182
GL1 LPT Prepaid Expense	40,000,000	-	-	-	-	-	40,000,000
Due From Other Funds	54,245,244	1,449,031	613,718	27,584	29,481	390,653	56,755,711
Prepaid Insurance and Expenses	153,649,554	-	-	-	-	-	153,649,554
Total Current Assets	610,372,201	11,933,671	6,347,714	805,100	204,546	2,832,487	632,495,719
Noncurrent Assets:							
Investments	347,409,047	14,927,491	6,322,337	284,163	303,704	4,024,392	373,271,134
Due From Other Funds	3,420,734	146,982	62,252	2,798	2,990	39,626	3,675,382
Investments - Restricted	-	-	-	-	-	-	-
Investment in Captive	4,778,566	77,472	129,055	-	-	14,907	5,000,000
Lease Receivable	-	-	-	-	-	-	-
GL1 LPT Rate Credit Receivable	14,383,057	-	-	-	-	-	14,383,057
Land and Buildings, Net	-	-	-	-	-	-	-
Furniture and Equipment, Net	-	-	-	-	-	-	-
Total Noncurrent Assets	369,991,404	15,151,945	6,513,644	286,961	306,694	4,078,925	396,329,573
Total Assets	980,363,605	27,085,616	12,861,358	1,092,061	511,240	6,911,412	1,028,825,292
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows of Resources on OPEB	-	-	-	-	-	-	-
Deferred Outflows of Resources on Pensions	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES:							
Current Liabilities:							
Reinsurance Recoveries Payable	\$ 98,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,000,000
Accounts Payable	33,818,900	6,909,210	1,129,853	-	511,240	163,423	42,532,626
Deposits From Insurance Companies	1,397,792	-	-	-	-	-	1,397,792
Due to Other Funds	57,365,415	-	-	-	-	-	57,365,415
Due to Members	12,489,191	1,490,436	546,068	-	-	-	14,525,695
Unearned Income	6,409,096	7,377	-	-	-	-	6,416,473
Claim Liabilities							
Claims Reported	124,743,276	-	2,827,838	249,568	-	-	127,820,682
Claims Incurred But Not Reported	1,983,909	-	-	-	-	-	1,983,909
Compensated Absences	-	-	-	-	-	-	-
Total Current Liabilities	336,207,579	8,407,023	4,503,759	249,568	511,240	163,423	350,042,592
Noncurrent Liabilities:							
Due to Members, Long Term	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Claims Reported	210,500,818	-	-	-	-	-	210,500,818
Claims Incurred But Not Reported	208,531,611	-	-	-	-	-	208,531,611
Unallocated Loss Adjustment Expense Payable	51,239,000	-	-	-	-	-	51,239,000
Compensated Absences, Long Term	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-
Total Noncurrent Liabilities	470,271,429	-	-	-	-	-	470,271,429
Total Liabilities	806,479,008	8,407,023	4,503,759	249,568	511,240	163,423	820,314,021
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows of Resources on Leases	-	-	-	-	-	-	-
Deferred Inflows of Resources on OPEB	-	-	-	-	-	-	-
Deferred Inflows of Resources on Pensions	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
NET POSITION:							
Net Investment in Capital Assets	-	-	-	-	-	-	-
Capital Stock	-	-	-	-	-	-	-
Unrestricted	173,884,597	18,678,593	8,357,599	842,493	-	6,747,989	208,511,271
Total Net Position	\$ 173,884,597	\$ 18,678,593	\$ 8,357,599	\$ 842,493	\$ -	\$ 6,747,989	\$ 208,511,271

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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2025

	Total All Insurance Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2025
ASSETS:					
Current Assets:					
Cash	\$ -	\$ 119	\$ -	\$ -	\$ 119
Cash in Banks	245,192	525,068	250,841	-	1,021,101
Cash in the PRISM Treasury	177,884,592	5,702,819	3,178,866	-	186,766,277
Total Cash & Cash Equivalents	178,129,784	6,228,006	3,429,707	-	187,787,497
Investments	34,412,869	1,103,245	36,428,514	-	71,944,628
Accounts Receivable					
Due From Members	99,092,853	62,655	25,929,634	(26,395,429)	98,689,713
Investment Income Receivable	2,868,930	91,975	5,681,641	-	8,642,546
Lease Receivable	-	274,154	-	-	274,154
Reinsurance Claims, Deposit with Carrier and Other	54,843,836	108,771	43,961	-	54,996,568
GL1 LPT Rate Credit Receivable	12,742,182	-	-	-	12,742,182
GL1 LPT Prepaid Expense	40,000,000	-	-	-	40,000,000
Due From Other Funds	56,755,711	1,161,627	-	(57,917,338)	-
Prepaid Insurance and Expenses	153,649,554	277,055	1,591,640	(1,580,140)	153,938,109
Total Current Assets	632,495,719	9,307,488	73,105,097	(85,892,907)	629,015,397
Noncurrent Assets:					
Investments	373,271,134	3,597,364	794,247,129	-	1,171,115,627
Due From Other Funds	3,675,382	117,829	-	(3,793,211)	-
Investments - Restricted	-	8,369,368	-	-	8,369,368
Investment in Captive	5,000,000	-	-	(5,000,000)	-
Lease Receivable	-	4,560,010	-	-	4,560,010
GL1 LPT Rate Credit Receivable	14,383,057	-	-	-	14,383,057
Land and Buildings, Net	-	6,071,467	-	-	6,071,467
Furniture and Equipment, Net	-	6,938,569	-	-	6,938,569
Total Noncurrent Assets	396,329,573	29,654,607	794,247,129	(8,793,211)	1,211,438,098
Total Assets	1,028,825,292	38,962,095	867,352,226	(94,686,118)	1,840,453,495
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Outflows of Resources on OPEB	-	312,892	-	-	312,892
Deferred Outflows of Resources on Pensions	-	3,343,655	-	-	3,343,655
Total Deferred Outflows of Resources	\$ -	\$ 3,656,547	\$ -	\$ -	\$ 3,656,547
LIABILITIES:					
Current Liabilities:					
Reinsurance Recoveries Payable	\$ 98,000,000	\$ -	\$ -	\$ -	\$ 98,000,000
Accounts Payable	42,532,626	1,162,561	1,112,534	(26,395,429)	18,412,292
Deposits From Insurance Companies	1,397,792	-	-	-	1,397,792
Due to Other Funds	57,365,415	-	-	(57,365,415)	-
Due to Members	14,525,695	-	-	-	14,525,695
Unearned Income	6,416,473	50,889	1,580,140	(1,580,140)	6,467,362
Claim Liabilities					
Claims Reported	127,820,682	-	133,341,052	-	261,161,734
Claims Incurred But Not Reported	1,983,909	-	822,417	-	2,806,326
Compensated Absences	-	559,374	-	-	559,374
Total Current Liabilities	350,042,592	1,772,824	136,856,143	(85,340,984)	403,330,575
Noncurrent Liabilities:					
Due to Members, Long Term	-	8,369,368	-	-	8,369,368
Due to Other Funds	-	4,345,134	-	(4,345,134)	-
Claims Reported	210,500,818	-	301,535,299	-	512,036,117
Claims Incurred But Not Reported	208,531,611	-	338,812,391	-	547,344,002
Unallocated Loss Adjustment Expense Payable	51,239,000	-	-	-	51,239,000
Compensated Absences, Long Term	-	721,250	-	-	721,250
Net OPEB Liability	-	35,509	-	-	35,509
Net Pension Liability	-	5,004,227	-	-	5,004,227
Total Noncurrent Liabilities	470,271,429	18,475,488	640,347,690	(4,345,134)	1,124,749,473
Total Liabilities	820,314,021	20,248,312	777,203,833	(89,686,118)	1,528,080,048
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows of Resources on Leases	-	4,834,164	-	-	4,834,164
Deferred Inflows of Resources on OPEB	-	619,888	-	-	619,888
Deferred Inflows of Resources on Pensions	-	248,774	-	-	248,774
Total Deferred Inflows of Resources	-	5,702,826	-	-	5,702,826
NET POSITION:					
Net Investment in Capital Assets	-	13,010,036	-	-	13,010,036
Capital Stock	-	-	5,000,000	(5,000,000)	-
Unrestricted	208,511,271	3,657,468	85,148,393	-	297,317,132
Total Net Position	\$ 208,511,271	\$ 16,667,504	\$ 90,148,393	\$ (5,000,000)	\$ 310,327,168

Concluded

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Master Rolling OCIP	Total Property and Casualty Programs
OPERATING REVENUES:								
Premiums for Transferred Risk	\$ 38,896,351	\$ 199,053,901	\$ 275,283,751	\$ 203,643,927	\$ 176,415,607	\$ 16,345,249	\$ 3,453,362	\$ 913,092,148
Broker Fees	1,562,646	8,011,128	9,788,218	7,457,774	-	16,335	-	26,836,101
Contributions for Retained Risk	24,169,837	13,368,101	27,660,055	7,100,000	121,952,193	27,079,366	-	221,329,552
Member Services & Dividend Income	-	-	-	-	-	-	-	-
Administration Fees	7,875,393	10,910,271	8,188,653	5,384,538	2,018,062	1,928,276	58,211	36,363,404
School Loss Control Fees	34,321	37,002	47,724	-	44,591	-	-	163,638
Other Income	-	3,003,500	644	76,901	6,416,556	-	-	9,497,601
Total Operating Revenues	72,538,548	234,383,903	320,969,045	223,663,140	306,847,009	45,369,226	3,511,573	1,207,282,444
OPERATING EXPENSES:								
Insurance and Provision for Losses								
Transferred Risk & Insurance Expense	39,111,073	199,053,901	103,201,011	203,643,927	176,393,139	16,483,061	3,453,362	741,339,474
GL1 LPT Premium Expense	-	-	172,082,740	-	-	-	-	172,082,740
Broker Fees	1,562,646	8,011,128	8,039,435	7,457,774	-	16,335	-	25,087,318
GL1 LPT Broker Fees	-	-	1,748,783	-	-	-	-	1,748,783
Provision for Claims								
Current Year Claims	8,360,000	2,092,040	3,671,420	-	105,325,523	19,374,303	-	138,823,286
Prior Year Claims	9,046,731	5,360,540	16,153,564	2,060,568	(6,230,484)	19,244,827	-	45,635,746
Unallocated Loss Adjustment Expenses	1,970,388	113,000	282,000	(82,000)	4,000	149,000	-	2,436,388
Program Services	7,586,344	1,405,643	512,289	1,075,580	1,414,185	796,841	-	12,790,882
Loss Prevention Expenses	-	-	-	-	-	-	-	-
General Administrative Services	-	-	-	-	-	-	-	-
Member Dividends & Stabilization Funds Distributed	9,500,000	-	-	-	-	2,211,435	-	11,711,435
Total Operating Expenses	\$ 77,137,182	\$ 216,036,252	\$ 305,691,242	\$ 214,155,849	\$ 276,906,363	\$ 58,275,802	\$ 3,453,362	\$ 1,151,656,052
TRANSFERS IN (OUT):								
Transfer In	-	-	-	-	-	-	-	-
Transfer Out	(6,097,981)	(8,241,315)	(5,746,783)	(3,506,002)	(1,074,808)	(968,594)	(55,961)	(25,691,444)
Total Transfers	(6,097,981)	(8,241,315)	(5,746,783)	(3,506,002)	(1,074,808)	(968,594)	(55,961)	(25,691,444)
Operating Income (Loss)	(10,696,615)	10,106,336	9,531,020	6,001,289	28,865,838	(13,875,170)	2,250	29,934,948
NONOPERATING REVENUES (EXPENSES):								
Investment Income (Loss) & Financing Fees, net of Investment Expense	9,297,161	13,592,900	628,764	716,347	5,356,731	4,810,322	6,598	34,408,823
Lease Income, net of Building Expense	-	-	-	-	-	-	-	-
Program Financing Expenses	-	-	(903,966)	(60,883)	-	-	(1,957)	(966,806)
Total Nonoperating Revenues (Expenses)	9,297,161	13,592,900	(275,202)	655,464	5,356,731	4,810,322	4,641	33,442,017
Change in Net Position	(1,399,454)	23,699,236	9,255,818	6,656,753	34,222,569	(9,064,848)	6,891	63,376,965
NET POSITION:								
Beginning of Year	55,529,040	28,803,563	(8,236,899)	(6,328,354)	17,410,190	22,943,308	386,784	110,507,632
Additional Paid in Capital	-	-	-	-	-	-	-	-
Beginning of Year, as previously presented	55,529,040	28,803,563	(8,236,899)	(6,328,354)	17,410,190	22,943,308	386,784	110,507,632
Restatements	-	-	-	-	-	-	-	-
Beginning of Year, as restated	55,529,040	28,803,563	(8,236,899)	(6,328,354)	17,410,190	22,943,308	386,784	110,507,632
Net Position, End of Year	\$ 54,129,586	\$ 52,502,799	\$ 1,018,919	\$ 328,399	\$ 51,632,759	\$ 13,878,460	\$ 393,675	\$ 173,884,597

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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Property and Casualty Programs	PRISMHealth	Dental	Paid Family Leave	PRISM Internal Guarantee Account	Miscellaneous Programs	Total All Insurance Programs
OPERATING REVENUES:							
Premiums for Transferred Risk	\$ 913,092,148	\$ 773,167,210	\$ -	\$ -	\$ 5,127,377	\$ 117,623,201	\$ 1,809,009,936
Broker Fees	26,836,101	7,785,637	3,494,589	5,469	-	-	38,121,796
Contributions for Retained Risk	221,329,552	12,704,422	47,583,173	1,862,276	-	-	283,479,423
Member Services & Dividend Income	-	-	-	-	-	-	-
Administration Fees	36,363,404	1,326,961	-	-	-	197,234	37,887,599
School Loss Control Fees	163,638	-	-	-	-	-	163,638
Other Income	9,497,601	20,000	-	-	-	-	9,517,601
Total Operating Revenues	1,207,282,444	795,004,230	51,077,762	1,867,745	5,127,377	117,820,435	2,178,179,993
OPERATING EXPENSES:							
Insurance and Provision for Losses							
Transferred Risk & Insurance Expense	741,339,474	773,167,210	-	-	5,127,377	116,812,157	1,636,446,218
GL1 LPT Premium Expense	172,082,740	-	-	-	-	-	172,082,740
Broker Fees	25,087,318	7,785,637	3,494,589	5,469	-	-	36,373,013
GL1 LPT Broker Fees	1,748,783	-	-	-	-	-	1,748,783
Provision for Claims	-	-	-	-	-	-	-
Current Year Claims	138,823,286	-	42,203,717	1,283,218	-	-	182,310,221
Prior Year Claims	45,635,746	-	-	-	-	-	45,635,746
Unallocated Loss Adjustment Expenses	2,436,388	-	-	-	-	-	2,436,388
Program Services	12,790,882	48,000	4,157,702	130,336	-	43,000	17,169,920
Loss Prevention Expenses	-	-	-	-	-	-	-
General Administrative Services	-	142,275	30,304	-	-	32,738	205,317
Member Dividends & Stabilization Funds Distributed	11,711,435	26,038	3,000,000	-	-	-	14,737,473
Total Operating Expenses	\$ 1,151,656,052	\$ 781,169,160	\$ 52,886,312	\$ 1,419,023	\$ 5,127,377	\$ 116,887,895	\$ 2,109,145,819
TRANSFERS IN (OUT):							
Transfer In	-	-	109,824	381,996	-	-	491,820
Transfer Out	(25,691,444)	(747,078)	(394,234)	-	-	(399,471)	(27,232,227)
Total Transfers	(25,691,444)	(747,078)	(284,410)	381,996	-	(399,471)	(26,740,407)
Operating Income (Loss)	29,934,948	13,087,992	(2,092,960)	830,718	-	533,069	42,293,767
NONOPERATING REVENUES (EXPENSES):							
Investment Income (Loss) & Financing Fees, net of Investment Expense	34,408,823	688,781	625,144	11,775	-	397,989	36,132,512
Lease Income, net of Building Expense	-	-	-	-	-	-	-
Program Financing Expenses	(966,806)	-	-	-	-	-	(966,806)
Total Nonoperating Revenues (Expenses)	33,442,017	688,781	625,144	11,775	-	397,989	35,165,706
Change in Net Position	63,376,965	13,776,773	(1,467,816)	842,493	-	931,058	77,459,473
NET POSITION:							
Beginning of Year	110,507,632	4,901,820	9,825,415	-	-	5,816,931	131,051,798
Additional Paid in Capital	-	-	-	-	-	-	-
Beginning of Year, as previously presented	110,507,632	4,901,820	9,825,415	-	-	5,816,931	131,051,798
Restatements	-	-	-	-	-	-	-
Beginning of Year, as restated	110,507,632	4,901,820	9,825,415	-	-	5,816,931	131,051,798
Net Position, End of Year	\$ 173,884,597	\$ 18,678,593	\$ 8,357,599	\$ 842,493	\$ -	\$ 6,747,989	\$ 208,511,271

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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total All Insurance Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2025
OPERATING REVENUES:					
Premiums for Transferred Risk	\$ 1,809,009,936	\$ -	\$ 10,742,210	\$ (301,206,544)	\$ 1,518,545,602
Broker Fees	38,121,796	-	-	-	38,121,796
Contributions for Retained Risk	283,479,423	-	285,336,957	-	568,816,380
Member Services & Dividend Income	-	558,673	-	-	558,673
Administration Fees	37,887,599	-	-	-	37,887,599
School Loss Control Fees	163,638	-	-	-	163,638
Other Income	9,517,601	372,270	7,250	-	9,897,121
Total Operating Revenues	2,178,179,993	930,943	296,086,417	(301,206,544)	2,173,990,809
OPERATING EXPENSES:					
Insurance and Provision for Losses					
Transferred Risk & Insurance Expense	1,636,446,218	-	10,742,210	(165,867,329)	1,481,321,099
GL1 LPT Premium Expense	172,082,740	-	-	(135,339,215)	36,743,525
Broker Fees	36,373,013	-	-	-	36,373,013
GL1 LPT Broker Fees	1,748,783	-	-	-	1,748,783
Provision for Claims	-	-	-	-	-
Current Year Claims	182,310,221	-	131,876,961	-	314,187,182
Prior Year Claims	45,635,746	-	204,332,377	-	249,968,123
Unallocated Loss Adjustment Expenses	2,436,388	-	-	-	2,436,388
Program Services	17,169,920	-	57,597	-	17,227,517
Loss Prevention Expenses	-	2,478,358	-	-	2,478,358
General Administrative Services	205,317	26,247,056	-	-	26,452,373
Member Dividends & Stabilization Funds Distributed	14,737,473	-	-	-	14,737,473
Total Operating Expenses	\$ 2,109,145,819	\$ 28,725,414	\$ 347,009,145	\$ (301,206,544)	\$ 2,183,673,834
TRANSFERS IN (OUT):					
Transfer In	491,820	26,890,407	-	(27,382,227)	-
Transfer Out	(27,232,227)	-	(150,000)	27,382,227	-
Total Transfers	(26,740,407)	26,890,407	(150,000)	-	-
Operating Income (Loss)	42,293,767	(904,064)	(51,072,728)	-	(9,683,025)
NONOPERATING REVENUES (EXPENSES):					
Investment Income (Loss) & Financing Fees, net of Investment Expense	36,132,512	1,511,921	62,074,377	(1,143,573)	98,575,237
Lease Income, net of Building Expense	-	100,013	-	-	100,013
Program Financing Expenses	(966,806)	(176,767)	-	1,143,573	-
Total Nonoperating Revenues (Expenses)	35,165,706	1,435,167	62,074,377	-	98,675,250
Change in Net Position	77,459,473	531,103	11,001,649	-	88,992,225
NET POSITION:					
Beginning of Year	131,051,798	16,411,951	74,146,744	-	221,610,493
Additional Paid in Capital	-	-	5,000,000	(5,000,000)	-
Beginning of Year, as previously presented	131,051,798	16,411,951	79,146,744	(5,000,000)	221,610,493
Restatements	-	(275,550)	-	-	(275,550)
Beginning of Year, as restated	131,051,798	16,136,401	79,146,744	(5,000,000)	221,334,943
Net Position, End of Year	\$ 208,511,271	\$ 16,667,504	\$ 90,148,393	\$ (5,000,000)	\$ 310,327,168

Concluded

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Master Rolling OCIP	Total Property and Casualty Programs
CASH FLOWS FROM								
OPERATING ACTIVITIES:								
Receipts from Members	\$ 74,250,623	\$ 231,544,831	\$ 321,614,424	\$ 239,622,128	\$ 292,453,842	\$ 44,342,352	\$ 7,805,356	\$ 1,211,633,556
Payments to Others	-	-	-	-	-	-	-	-
Payments from Others	34,321	3,040,502	644	76,901	4,501,610	-	-	7,653,978
Payments in Reinsurance Layers	(10,326,523)	(17,729,364)	(63,914,270)	(66,966,032)	(171,612,247)	(9,862,480)	-	(340,410,916)
Reinsurance Recoveries	11,886,039	20,974,437	48,384,059	78,402,485	268,026,740	17,875,139	-	445,548,899
Dividends Paid	(6,744,905)	-	-	-	-	-	-	(6,744,905)
Claims Paid	(11,251,014)	(31,118,382)	(6,043,689)	(4,305,835)	(80,909,953)	(10,897,863)	-	(144,526,736)
Other Claims-Related Payments	-	-	-	-	-	-	-	-
Insurance Purchased	(39,111,073)	(199,053,901)	(278,540,227)	(203,643,927)	(199,718,858)	(16,483,061)	(6,909,536)	(943,460,583)
Payments to Suppliers	(7,055,701)	(4,589,753)	(13,048,641)	(8,085,603)	(1,419,762)	(3,014,224)	-	(37,213,684)
Payments to Employees	-	-	-	-	-	-	-	-
Subsidy Payments to Members	-	-	-	-	-	-	-	-
Internal Activities	9,904,974	60,904,495	(8,237,740)	(35,755,581)	(72,140,510)	11,981,129	(575,889)	(33,919,122)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	21,586,741	63,972,865	214,560	(655,464)	39,180,862	33,940,992	319,931	158,560,487
CASH FLOWS FROM								
INVESTING ACTIVITIES:								
Purchase of Securities	(214,730,138)	(333,027,065)	(12,585,576)	(11,912,974)	(148,973,291)	(128,928,697)	(370,753)	(850,528,494)
Sales of Securities	201,122,825	300,805,294	12,707,679	12,028,551	119,262,494	107,376,372	147,296	753,450,511
Cash from Investment Earnings	6,875,607	10,079,701	447,127	423,232	3,979,178	3,560,648	3,601	25,369,094
Investment Expenses	-	-	-	-	-	-	-	-
Program Financing Expenses	-	-	(903,966)	(60,883)	-	-	(1,957)	(966,806)
Finance Fees from Members	288,030	118,575	59,534	177,538	14,466	486	-	658,629
Lease Receipts	-	-	-	-	-	-	-	-
Operating Lease Disbursements	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(6,443,676)	(22,023,495)	(275,202)	655,464	(25,717,153)	(17,991,191)	(221,813)	(72,017,066)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:								
Purchase of Building and Other Capital Assets	-	-	-	-	-	-	-	-
Purchase of Software, Furniture and Equipment	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,143,065	41,949,370	(60,642)	-	13,463,709	15,949,801	98,118	86,543,421
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,714,108	49,046,608	284,798	-	-	11,213,781	-	79,259,295
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 33,857,173	\$ 90,995,978	\$ 224,156	\$ -	\$ 13,463,709	\$ 27,163,582	\$ 98,118	\$ 165,802,716
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income/(Loss)	\$ (10,696,615)	\$ 10,106,336	\$ 9,531,020	\$ 6,001,289	\$ 28,865,838	\$ (13,875,170)	\$ 2,250	\$ 29,934,948
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities								
Depreciation	-	-	-	-	-	-	-	-
Changes in								
Members and Reinsurance Receivable, Net	4,485,716	3,446,503	(15,483,805)	27,472,342	(11,467,726)	6,985,785	(535,173)	14,903,642
GL1 LPT Rate Credit Receivable	-	-	(3,256,475)	-	-	-	-	(3,256,475)
Due From or To Other Funds	16,002,955	69,145,810	(2,490,957)	(32,249,579)	(71,065,702)	12,949,723	(519,928)	(8,227,678)
Prepaid Expenses	-	-	(105,865)	-	(23,325,719)	-	(4,828,956)	(28,260,540)
Deferred Outflows of Resources on OPEB and Pensi	-	-	-	-	-	-	-	-
Unearned Income	-	-	584,158	-	-	-	4,828,956	5,413,114
Accounts Payable and Other Liabilities	3,668,580	4,827,018	(2,626,811)	447,751	97,985,085	10,387	1,372,782	105,684,792
Claim Liabilities	6,155,717	(23,665,802)	13,781,295	(2,245,267)	18,185,086	27,721,267	-	39,932,296
Unallocated Loss Adjustment Expense Payable	1,970,388	113,000	282,000	(82,000)	4,000	149,000	-	2,436,388
Compensated Absences	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-
Deferred Inflows of Resources on OPEB and Pensi	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 21,586,741	\$ 63,972,865	\$ 214,560	\$ (655,464)	\$ 39,180,862	\$ 33,940,992	\$ 319,931	\$ 158,560,487
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Unrealized gain/(loss) on investments	\$ 1,932,506	\$ 2,890,314	\$ 122,102	\$ 115,576	\$ 1,145,944	\$ 1,031,735	\$ 1,415	\$ 7,239,592

Continued Next Page

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Property and Casualty Programs	PRISMHealth	Dental	Paid Family Leave	PRISM Internal Guarantee Account	Miscellaneous Programs	Total All Insurance Programs
CASH FLOWS FROM							
OPERATING ACTIVITIES:							
Receipts from Members	\$ 1,211,633,556	\$ 793,346,838	\$ 51,122,753	\$ 1,254,031	\$ 5,127,377	\$ 117,823,106	\$ 2,180,307,661
Payments to Others	-	-	-	-	-	-	-
Payments from Others	7,653,978	-	-	-	-	-	7,653,978
Payments in Reinsurance Layers	(340,410,916)	-	-	-	-	-	(340,410,916)
Reinsurance Recoveries	445,548,899	-	-	-	-	-	445,548,899
Dividends Paid	(6,744,905)	(1,106,344)	(3,000,000)	-	-	(308,119)	(11,159,368)
Claims Paid	(144,526,736)	-	(42,169,185)	(1,033,650)	-	-	(187,729,571)
Other Claims-Related Payments	-	-	-	-	-	-	-
Insurance Purchased	(943,460,583)	(773,394,660)	-	-	(5,030,943)	(116,925,122)	(1,838,811,308)
Payments to Suppliers	(37,213,684)	(3,007,391)	(7,643,261)	(135,805)	-	(75,738)	(48,075,879)
Payments to Employees	-	-	-	-	-	-	-
Subsidy Payments to Members	-	-	-	-	-	-	-
Internal Activities	(33,919,122)	196,337	2,297,188	351,614	80,212	871,290	(30,122,481)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	158,560,487	16,034,780	607,495	436,190	176,646	1,385,417	177,201,015
CASH FLOWS FROM							
INVESTING ACTIVITIES:							
Purchase of Securities	(850,528,494)	(25,890,806)	(13,947,743)	(570,704)	(97,199)	(9,419,969)	(900,454,915)
Sales of Securities	753,450,511	15,016,171	13,955,922	262,869	-	8,647,665	791,333,138
Cash from Investment Earnings	25,369,094	443,006	480,147	7,065	-	293,025	26,592,337
Investment Expenses	-	-	-	-	-	-	-
Program Financing Expenses	(966,806)	-	-	-	-	-	(966,806)
Finance Fees from Members	658,629	16,144	-	-	-	10,624	685,397
Lease Receipts	-	-	-	-	-	-	-
Operating Lease Disbursements	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(72,017,066)	(10,415,485)	488,326	(300,770)	(97,199)	(468,655)	(82,810,849)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:							
Purchase of Building and Other Capital Assets	-	-	-	-	-	-	-
Purchase of Software, Furniture and Equipment	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	86,543,421	5,619,295	1,095,821	135,420	79,447	916,762	94,390,166
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	79,259,295	1,494,491	1,917,127	-	67,619	1,001,086	83,739,618
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 165,802,716	\$ 7,113,786	\$ 3,012,948	\$ 135,420	\$ 147,066	\$ 1,917,848	\$ 178,129,784
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating Income/(Loss)	\$ 29,934,948	\$ 13,087,992	\$ (2,092,960)	\$ 830,718	\$ -	\$ 533,069	\$ 42,293,767
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation	-	-	-	-	-	-	-
Changes in							
Members and Reinsurance Receivable, Net	14,903,642	(1,863,611)	71,277	(613,714)	-	2,671	12,500,265
GL1 LPT Rate Credit Receivable	(3,256,475)	-	-	-	-	-	(3,256,475)
Due From or To Other Funds	(8,227,678)	943,415	2,581,598	(30,382)	80,212	1,270,761	(3,382,074)
Prepaid Expenses	(28,260,540)	-	-	-	-	-	(28,260,540)
Deferred Outflows of Resources on OPEB and Pension	-	-	-	-	-	-	-
Unearned Income	5,413,114	-	-	-	-	-	5,413,114
Accounts Payable and Other Liabilities	105,684,792	3,866,984	13,048	-	96,434	(421,084)	109,240,174
Claim Liabilities	39,932,296	-	34,532	249,568	-	-	40,216,396
Unallocated Loss Adjustment Expense Payable	2,436,388	-	-	-	-	-	2,436,388
Compensated Absences	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-
Deferred Inflows of Resources on OPEB and Pensions	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 158,560,487	\$ 16,034,780	\$ 607,495	\$ 436,190	\$ 176,646	\$ 1,385,417	\$ 177,201,015
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Unrealized gain/(loss) on investments	\$ 7,239,592	\$ 144,284	\$ 134,097	\$ 2,526	\$ -	\$ 83,092	\$ 7,603,591

Continued Next Page

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

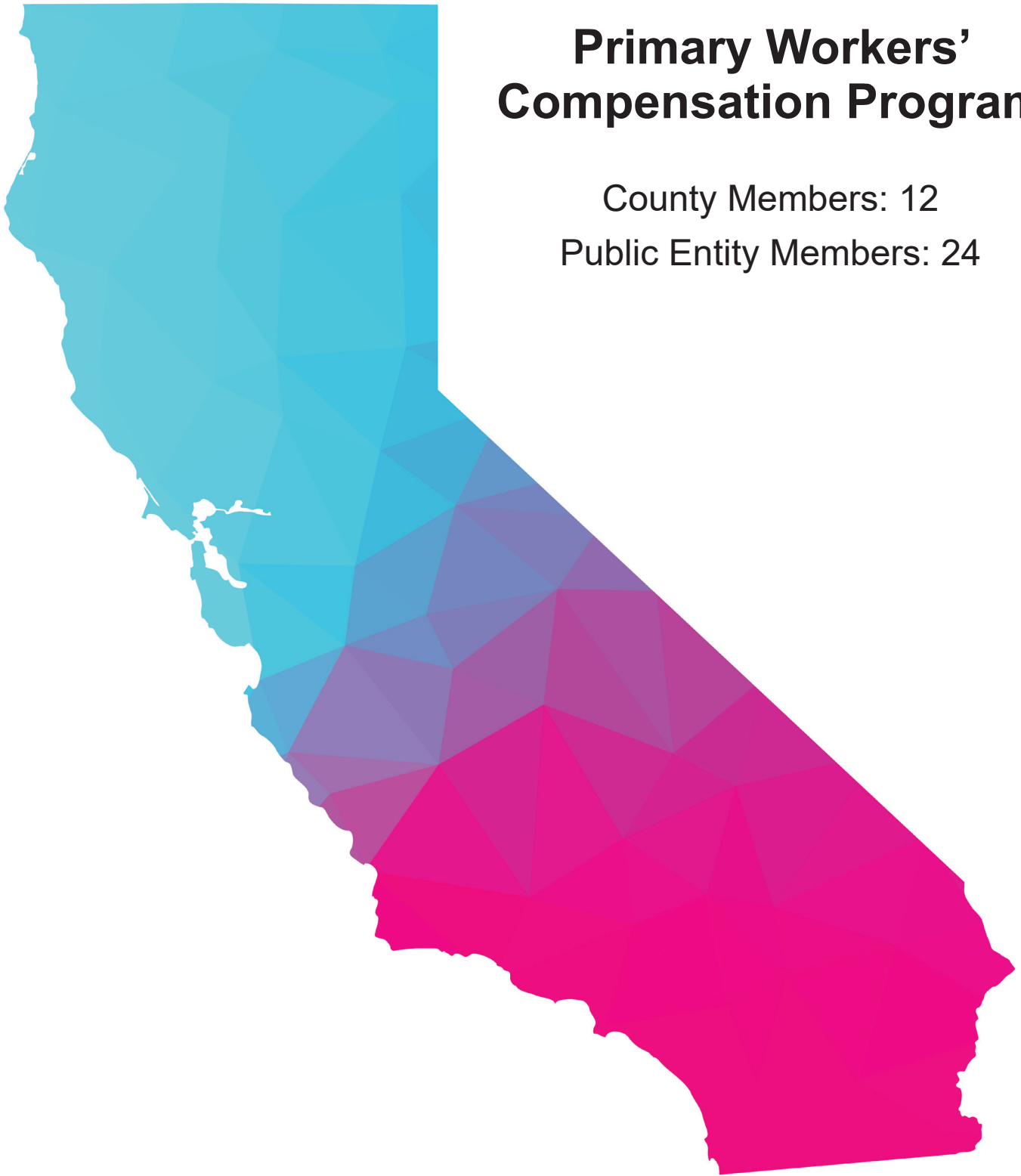
	Total All Insurance Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2025
CASH FLOWS FROM					
OPERATING ACTIVITIES:					
Receipts from Members	\$ 2,180,307,661	\$ 1,920,140	\$ 294,235,784	\$ (299,363,161)	\$ 2,177,100,424
Payments to Others	-	(327,292)	-	-	(327,292)
Payments from Others	7,653,978	315,743	7,250	(6,029,900)	1,947,071
Payments in Reinsurance Layers	(340,410,916)	-	-	-	(340,410,916)
Reinsurance Recoveries	445,548,899	-	-	-	445,548,899
Dividends Paid	(11,159,368)	-	-	-	(11,159,368)
Claims Paid	(187,729,571)	-	(191,381,789)	-	(379,111,360)
Other Claims-Related Payments	-	-	(6,189,613)	6,189,613	-
Insurance Purchased	(1,838,811,308)	-	(10,410,072)	299,363,161	(1,549,858,219)
Payments to Suppliers	(48,075,879)	(7,499,211)	(703,516)	(159,713)	(56,438,319)
Payments to Employees	-	(18,558,198)	-	-	(18,558,198)
Subsidy Payments to Members	-	(704,638)	-	-	(704,638)
Internal Activities	(30,122,481)	30,272,481	(150,000)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	177,201,015	5,419,025	85,408,044	-	268,028,084
CASH FLOWS FROM					
INVESTING ACTIVITIES:					
Purchase of Securities	(900,454,915)	(41,645,645)	(701,271,901)	-	(1,643,372,461)
Sales of Securities	791,333,138	39,223,538	588,435,283	-	1,418,991,959
Cash from Investment Earnings	26,592,337	1,345,235	29,839,452	(1,143,573)	56,633,451
Investment Expenses	-	(245,065)	(872,011)	-	(1,117,076)
Program Financing Expenses	(966,806)	(176,767)	-	1,143,573	-
Finance Fees from Members	685,397	-	-	-	685,397
Lease Receipts	-	484,917	-	-	484,917
Operating Lease Disbursements	-	(253,366)	-	-	(253,366)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(82,810,849)	(1,267,153)	(83,869,177)	-	(167,947,179)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:					
Purchase of Building and Other Capital Assets	-	(503,931)	-	-	(503,931)
Purchase of Software, Furniture and Equipment	-	(1,289,494)	-	-	(1,289,494)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	(1,793,425)	-	-	(1,793,425)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	94,390,166	2,358,447	1,538,867	-	98,287,480
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	83,739,618	3,869,559	1,890,840	-	89,500,017
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 178,129,784	\$ 6,228,006	\$ 3,429,707	\$ -	\$ 187,787,497
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income/(Loss)	\$ 42,293,767	\$ (904,064)	\$ (51,072,728)	\$ -	\$ (9,683,025)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	-	1,815,966	-	-	1,815,966
Changes in	-	-	-	-	-
Members and Reinsurance Receivable, Net	12,500,265	(123,819)	(2,492,228)	(3,819,969)	6,064,249
GL1 LPT Rate Credit Receivable	(3,256,475)	-	-	-	(3,256,475)
Due From or To Other Funds	(3,382,074)	3,382,074	-	-	-
Prepaid Expenses	(28,260,540)	(253,629)	(588,158)	584,158	(28,518,169)
Deferred Outflows of Resources on OPEB and Pension	-	715,810	-	-	715,810
Unearned Income	5,413,114	10,001	1,118,196	(584,158)	5,957,153
Accounts Payable and Other Liabilities	109,240,174	803,698	(6,384,587)	3,819,969	107,479,254
Claim Liabilities	40,216,396	-	144,827,549	-	185,043,945
Unallocated Loss Adjustment Expense Payable	2,436,388	-	-	-	2,436,388
Compensated Absences	-	185,659	-	-	185,659
Net OPEB Liability	-	(64,045)	-	-	(64,045)
Net Pension Liability	-	(21,111)	-	-	(21,111)
Deferred Inflows of Resources on OPEB and Pensions	-	(127,515)	-	-	(127,515)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 177,201,015	\$ 5,419,025	\$ 85,408,044	\$ -	\$ 268,028,084
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Unrealized gain/(loss) on investments	\$ 7,603,591	\$ 376,886	\$ 31,817,384	\$ -	\$ 39,797,861

Concluded

Primary Workers' Compensation Program

County Members: 12

Public Entity Members: 24



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30. 2025 AND 2024

	<u>June 30. 2025</u>	<u>June 30. 2024</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ -	\$ 1,165,317
Cash in the PRISM Treasury	33,857,173	17,548,791
TOTAL CASH AND CASH EQUIVALENTS	33,857,173	18,714,108
Investments	6,549,878	16,477,719
Accounts Receivable		
Due From Members	48,590	1,902,398
Investment Income Receivable	546,050	345,032
Reinsurance Claims, Deposit with Carrier and Other	389,691	3,021,599
Due From Other Funds	27,418,276	43,257,661
TOTAL CURRENT ASSETS	68,809,658	83,718,517
Noncurrent Assets:		
Investments	71,045,530	45,577,870
Due From Other Funds	699,544	863,114
Investment in Captive	514,969	514,969
TOTAL NONCURRENT ASSETS	72,260,043	46,955,953
TOTAL ASSETS	141,069,701	130,674,470
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,616,759	523,470
Deposits From Insurance Companies	1,120,660	2,193,052
Due to Members		
Dividends Payable	9,500,000	6,744,905
Member Deposits	50,006	157,418
Claim Liabilities		
Claims Reported	4,920,405	5,596,958
TOTAL CURRENT LIABILITIES	18,207,830	15,215,803
Noncurrent Liabilities:		
Claims Reported	12,435,533	14,367,265
Claims Incurred But Not Reported	20,259,752	11,495,750
Unallocated Loss Adjustment Expense Payable	36,037,000	34,066,612
TOTAL NONCURRENT LIABILITIES	68,732,285	59,929,627
TOTAL LIABILITIES	86,940,115	75,145,430
NET POSITION:		
Unrestricted	54,129,586	55,529,040
TOTAL NET POSITION	\$ 54,129,586	\$ 55,529,040

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30. 2025 AND 2024

	<u>June 30. 2025</u>	<u>June 30. 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 38,896,351	\$ 36,111,061
Broker Fees	1,562,646	1,378,266
Contributions for Retained Risk	24,169,837	19,426,023
Administration Fees	7,875,393	8,478,708
School Loss Control Fees	34,321	33,922
AmTrust Commutation Income	-	5,617,668
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	72,538,548	71,045,648
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	39,111,073	36,111,061
Broker Fees	1,562,646	1,378,266
Provision for Claims		
Current Year Claims	8,360,000	8,859,000
Prior Year Claims	9,046,731	10,562,721
Unallocated Loss Adjustment Expenses	1,970,388	(4,879,388)
Program Services	7,586,344	7,682,314
Member Dividends & Stabilization Funds Distributed	9,500,000	6,500,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	77,137,182	66,213,974
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(6,097,981)	(6,426,553)
	<hr/>	<hr/>
TOTAL TRANSFERS	(6,097,981)	(6,426,553)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(10,696,615)	(1,594,879)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	9,009,131	4,446,578
Financing Fees	288,030	180,256
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	9,297,161	4,626,834
	<hr/>	<hr/>
CHANGE IN NET POSITION	(1,399,454)	3,031,955
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	55,529,040	52,497,085
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 54,129,586	\$ 55,529,040
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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 74,250,623	\$ 63,624,744
Payments from Others	34,321	5,651,590
Payments in Reinsurance Layers	(10,326,523)	(9,278,533)
Reinsurance Recoveries	11,886,039	17,124,691
Dividends Paid	(6,744,905)	(6,255,095)
Claims Paid	(11,251,014)	(9,145,808)
Insurance Purchased	(39,111,073)	(36,111,061)
Payments to Suppliers	(7,055,701)	(8,785,584)
Internal Activities	9,904,974	(6,376,841)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>21,586,741</u>	<u>10,448,103</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(214,730,138)	(73,438,148)
Sales of Securities	201,122,825	66,496,305
Cash from Investment Earnings	6,875,607	3,431,159
Investment in Captive	-	360,478
Finance Fees from Members	288,030	180,256
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(6,443,676)</u>	<u>(2,969,950)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,143,065	7,478,153
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>18,714,108</u>	<u>11,235,955</u>
END OF YEAR	<u>\$ 33,857,173</u>	<u>\$ 18,714,108</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(10,696,615)	(1,594,879)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	4,485,716	4,025,870
Due From or To Other Funds	16,002,955	49,712
Accounts Payable and Other Liabilities	3,668,580	2,570,875
Claim Liabilities	6,155,717	10,275,913
Unallocated Loss Adjustment Expense Payable	1,970,388	(4,879,388)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 21,586,741</u>	<u>\$ 10,448,103</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 1,932,506</u>	<u>\$ 940,958</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30, 2025	June 30, 2024
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 65,526,585	\$ 60,130,060
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	8,360,000	8,859,000
Increase (Decrease) in the provision for claims of prior fiscal years	11,017,119	5,683,333
B. Total incurred claims and claim adjustment expenses	19,377,119	14,542,333
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	4,587,945	4,463,400
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	6,663,069	4,682,408
C. Total Payments	11,251,014	9,145,808
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	\$ 73,652,690	\$ 65,526,585
Current Claim Liabilities	4,920,405	5,596,958
Noncurrent Claim Liabilities	68,732,285	59,929,627
Total Claim Liabilities	\$ 73,652,690	\$ 65,526,585

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
PRIMARY WORKERS' COMPENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

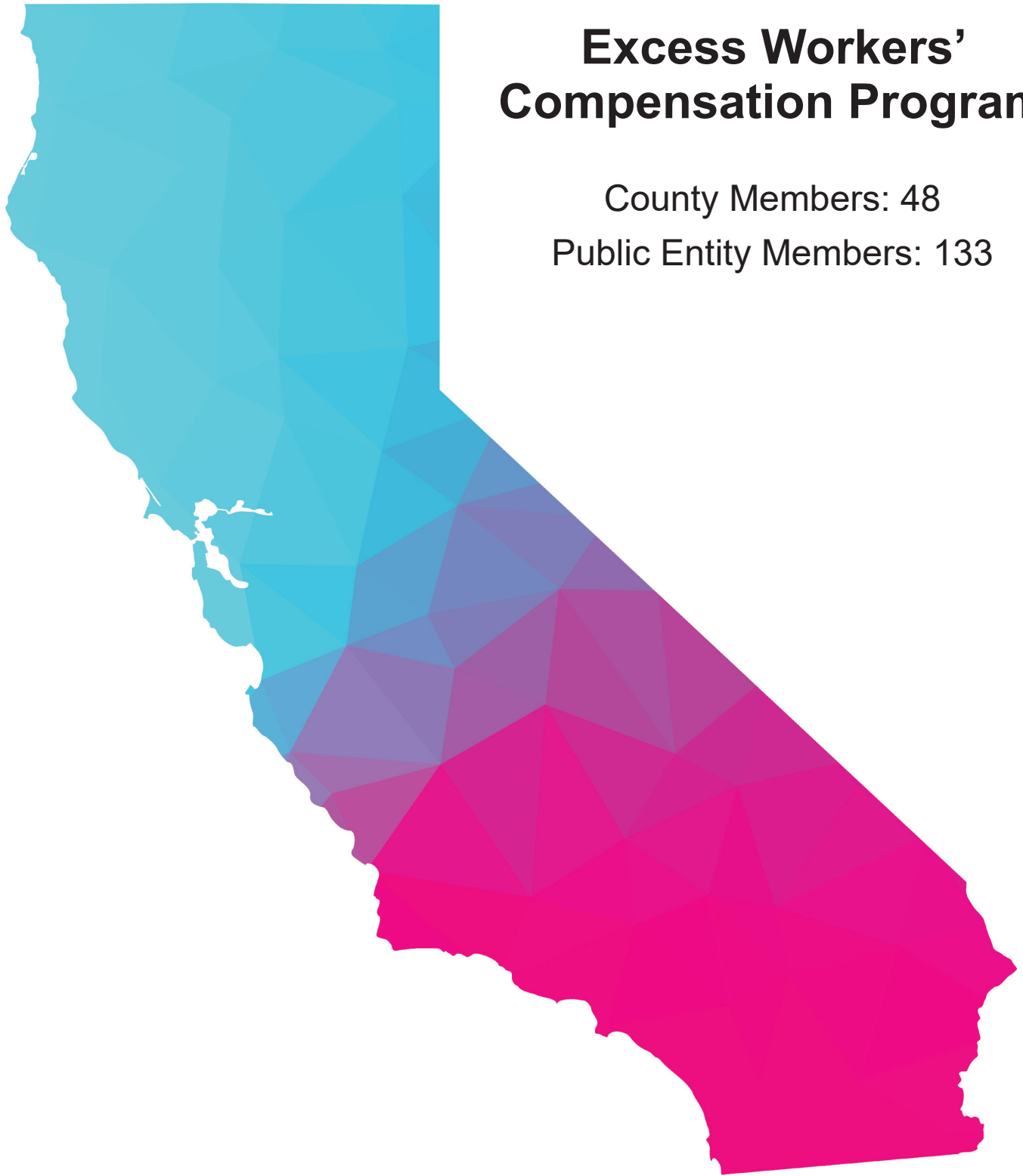
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 54,292,222	\$ 66,898,451	\$ 55,273,807	\$ 48,089,020	\$ 46,048,068	\$ 42,382,168	\$ 44,036,089	\$ 46,658,971	\$ 47,338,607	\$ 51,820,195
Less Ceded	(42,158,960)	(54,689,379)	(42,939,979)	(35,044,943)	(33,071,603)	(32,239,834)	(33,683,592)	(35,632,996)	(34,666,409)	(38,599,489)
Dividends Declared	-	-	-	(2,000,000)	(2,000,000)	(2,000,000)	-	(6,500,000)	(6,500,000)	(9,000,000)
1. Total Revenues Available For Payment of Claims	12,133,262	12,209,072	12,333,828	11,044,077	10,976,465	8,142,334	10,352,497	4,525,975	6,172,198	4,220,706
2. Less Unallocated Loss Adjustment Expense	817,338	697,372	1,672,746	1,823,244	1,962,665	2,616,375	4,519,875	6,131,996	6,396,370	2,204,675
3. Estimated Incurred Claims Less Ceded Claims	51,254,960	63,656,379	52,515,979	43,962,943	40,848,603	39,207,834	43,091,592	44,567,996	43,525,409	46,959,489
Net Incurred Claims and Expenses, End of Policy Year	9,096,000	8,967,000	9,576,000	8,918,000	7,777,000	6,968,000	9,408,000	8,935,000	8,859,000	8,360,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	4,228,855	4,245,304	5,298,047	4,394,251	3,629,684	2,755,296	4,499,923	4,619,024	4,463,400	4,587,945
One Year Later	6,868,677	5,660,241	8,082,907	7,133,410	5,989,270	4,881,910	6,870,713	6,832,550	7,030,852	
Two Years Later	7,437,056	6,046,567	8,695,460	7,704,324	6,553,611	5,360,258	7,382,068	7,386,220		
Three Years Later	7,672,566	6,163,557	8,920,118	7,944,152	6,764,177	5,479,371	7,635,497			
Four Years Later	7,742,115	6,236,041	8,933,337	8,056,529	6,902,474	5,566,413				
Five Years Later	7,784,343	6,276,285	9,035,865	8,059,006	6,982,848					
Six Years Later	7,799,809	6,289,258	9,095,841	8,090,190						
Seven Years Later	7,814,520	6,312,203	9,116,089							
Eight Years Later	7,830,465	6,330,612								
Nine Years Later	7,858,679									
5. Reestimated Ceded Claims and Expenses	30,653,633	22,012,487	39,907,049	28,996,434	26,105,531	22,357,373	30,121,863	30,146,736	27,906,512	11,997,433
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	9,096,000	8,967,000	9,576,000	8,918,000	7,777,000	6,968,000	9,408,000	8,935,000	8,859,000	8,360,000
One Year Later	8,226,000	8,563,000	7,782,000	8,813,000	7,976,000	5,866,000	8,694,000	8,827,000	8,765,000	
Two Years Later	8,526,000	8,328,000	9,814,000	8,855,000	7,325,000	5,945,000	8,279,000	8,192,000		
Three Years Later	8,585,000	6,720,000	9,836,000	8,619,000	7,249,000	5,940,000	8,124,000			
Four Years Later	8,292,000	6,713,000	9,626,000	8,492,000	7,300,000	5,843,000				
Five Years Later	8,298,000	6,657,000	9,444,000	8,472,000	7,290,000					
Six Years Later	8,218,001	6,556,000	9,451,000	8,393,000						
Seven Years Later	8,091,001	6,554,000	9,392,000							
Eight Years Later	8,090,001	8,240,107								
Nine Years Later	10,144,817									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,048,817	\$ (726,893)	\$ (184,000)	\$ (525,000)	\$ (487,000)	\$ (1,125,000)	\$ (1,284,000)	\$ (743,000)	\$ (94,000)	\$ -

Excess Workers' Compensation Program

County Members: 48

Public Entity Members: 133



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 90,995,978	\$ 49,046,608
TOTAL CASH & CASH EQUIVALENTS	90,995,978	49,046,608
Investments	17,604,183	46,054,327
Accounts Receivable		
Due From Members	1,583,941	1,785,371
Investment Income Receivable	1,469,960	965,651
Reinsurance Claims, Deposit with Carrier and Other	4,074,799	7,319,872
Due From Other Funds	18,535,756	80,929,563
TOTAL CURRENT ASSETS	<u>134,264,617</u>	<u>186,101,392</u>
Noncurrent Assets:		
Investments	190,949,893	127,387,663
Due From Other Funds	1,880,172	2,412,356
Investment in Captive	2,841,641	2,841,641
TOTAL NONCURRENT ASSETS	<u>195,671,706</u>	<u>132,641,660</u>
TOTAL ASSETS	<u>329,936,323</u>	<u>318,743,052</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	6,435,224	1,608,206
Due to Other Funds	20,521,795	14,301,976
Claim Liabilities		
Claims Reported	23,383,384	35,476,880
TOTAL CURRENT LIABILITIES	<u>50,340,403</u>	<u>51,387,062</u>
Noncurrent Liabilities:		
Claims Reported	150,761,586	168,592,921
Claims Incurred But Not Reported	68,030,535	61,771,506
Unallocated Loss Adjustment Expense Payable	8,301,000	8,188,000
TOTAL NONCURRENT LIABILITIES	<u>227,093,121</u>	<u>238,552,427</u>
TOTAL LIABILITIES	<u>277,433,524</u>	<u>289,939,489</u>
NET POSITION:		
Unrestricted	<u>52,502,799</u>	<u>28,803,563</u>
TOTAL NET POSITION	<u>\$ 52,502,799</u>	<u>\$ 28,803,563</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 199,053,901	\$ 186,869,288
Broker Fees	8,011,128	7,174,439
Contributions for Retained Risk	13,368,101	9,710,811
Administration Fees	10,910,271	10,950,031
School Loss Control Fees	37,002	40,571
AmTrust Commutation Income	-	68,468,509
Other Income	3,003,500	3,000,000
	<u>234,383,903</u>	<u>286,213,649</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	199,053,901	186,869,289
Broker Fees	8,011,128	7,174,439
Provision for Claims		
Current Year Claims	2,092,040	3,229,905
Prior Year Claims	5,360,540	133,805,283
Unallocated Loss Adjustment Expenses	113,000	126,000
Program Services	1,405,643	1,352,669
	<u>216,036,252</u>	<u>332,557,585</u>
TOTAL OPERATING EXPENSES		
TRANSFERS IN OR (OUT):		
Transfer Out	(8,241,315)	(7,718,612)
	<u>(8,241,315)</u>	<u>(7,718,612)</u>
TOTAL TRANSFERS		
OPERATING INCOME (LOSS)	<u>10,106,336</u>	<u>(54,062,548)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	13,474,325	8,895,337
Financing Fees	118,575	98,492
	<u>13,592,900</u>	<u>8,993,829</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
CHANGE IN NET POSITION	<u>23,699,236</u>	<u>(45,068,719)</u>
NET POSITION:		
Beginning of Year	28,803,563	73,872,282
NET POSITION, END OF YEAR	<u>\$ 52,502,799</u>	<u>\$ 28,803,563</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 231,544,831	\$ 213,058,036
Payments from Others	3,040,502	71,509,080
Payments in Reinsurance Layers	(17,729,364)	(18,842,525)
Reinsurance Recoveries	20,974,437	54,858,330
Claims Paid	(31,118,382)	(18,699,570)
Insurance Purchased	(199,053,901)	(186,869,289)
Payments to Suppliers	(4,589,753)	(8,514,207)
Internal Activities	60,904,495	(27,488,061)
NET CASH PROVIDED BY OPERATING ACTIVITIES	63,972,865	79,011,794
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(333,027,065)	(190,618,780)
Sales of Securities	300,805,294	132,867,846
Cash from Investment Earnings	10,079,701	6,615,737
Investment in Captive	-	1,989,148
Finance Fees from Members	118,575	98,492
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(22,023,495)	(49,047,557)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,949,370	29,964,237
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	49,046,608	19,082,371
END OF YEAR	\$ 90,995,978	\$ 49,046,608
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	10,106,336	(54,062,548)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	3,446,503	34,369,272
Due From or To Other Funds	69,145,810	(19,769,449)
Accounts Payable and Other Liabilities	4,827,018	12,901
Claim Liabilities	(23,665,802)	118,335,618
Unallocated Loss Adjustment Expense Payable	113,000	126,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 63,972,865	\$ 79,011,794
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 2,890,314	\$ 1,882,378

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 274,029,307	\$ 155,567,689
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	2,092,040	3,229,905
Increase (Decrease) in the provision for claims of prior fiscal years	<u>5,473,540</u>	<u>133,931,283</u>
B. Total incurred claims and claim adjustment expenses	<u>7,565,580</u>	<u>137,161,188</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	532,674	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>30,585,708</u>	<u>18,699,570</u>
C. Total Payments	<u>31,118,382</u>	<u>18,699,570</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 250,476,505</u>	<u>\$ 274,029,307</u>
Current Claim Liabilities	23,383,384	35,476,880
Noncurrent Claim Liabilities	<u>227,093,121</u>	<u>238,552,427</u>
Total Claim Liabilities	<u>\$ 250,476,505</u>	<u>\$ 274,029,307</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
EXCESS WORKERS' COMPENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

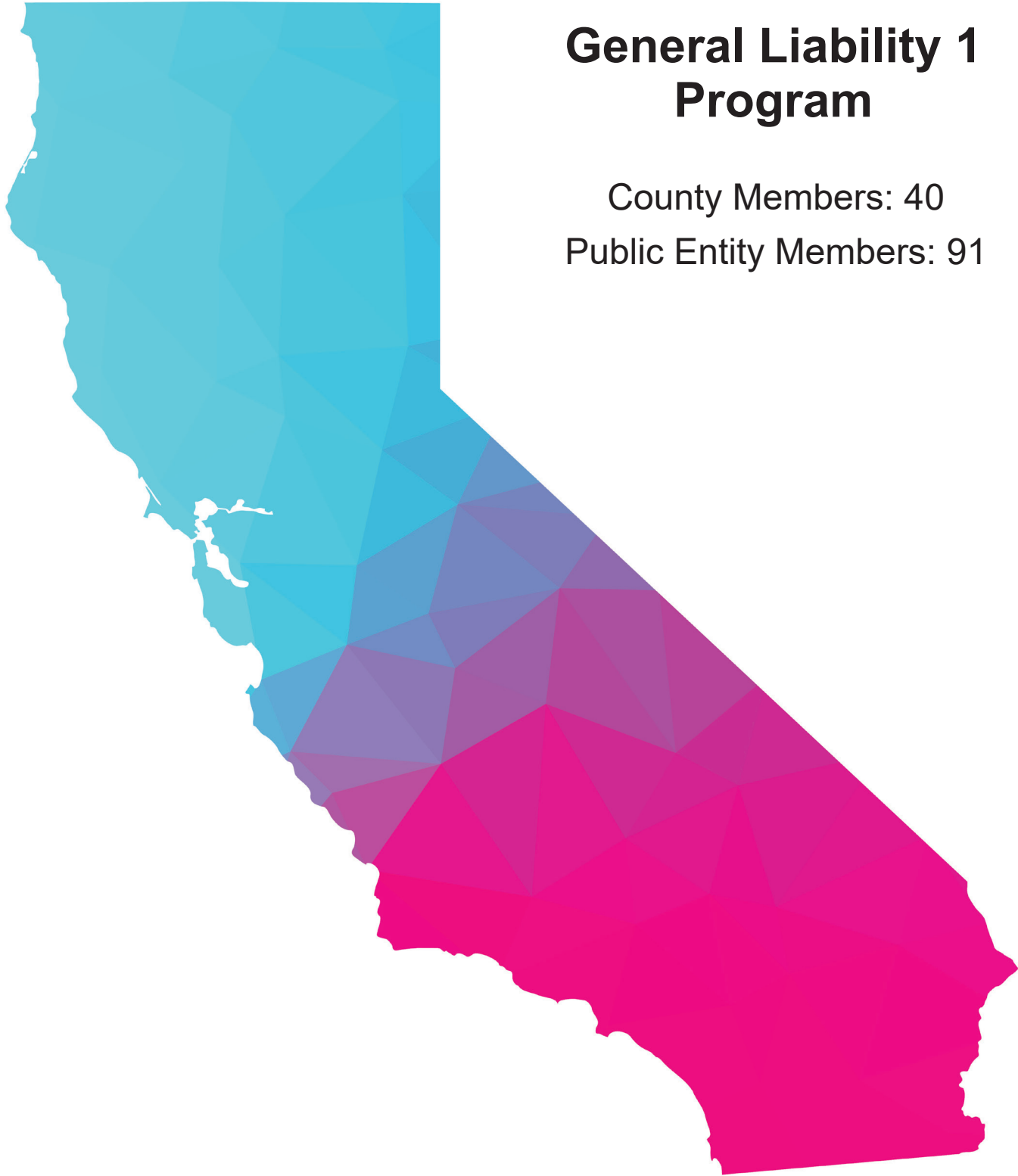
The columns of the schedule show data for successive policy years.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 119,149,648	\$ 127,468,312	\$ 136,582,963	\$ 135,901,948	\$ 139,873,210	\$ 143,111,045	\$ 167,110,660	\$ 183,702,303	\$ 199,971,547	\$ 203,937,309
Less Ceded	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(162,822,618)	(173,038,796)	(185,388,265)	(189,585,222)
Investment Earnings	4,165,294	1,947,209	1,765,625	1,322,334	724,897	352,338	305,474	1,002,451	1,143,017	714,835
1. Total Revenues Available For Payment of Claims	55,056,096	26,542,289	12,665,390	10,029,576	7,552,370	5,057,620	4,593,516	11,665,958	15,726,299	15,066,922
2. Unallocated Loss Adjustment Expense	1,051,592	923,252	-	107,657	158,903	42,851	8,799	52,272	149,510	49,275
3. Estimated Incurred Claims Less Ceded Claims	106,542,005	117,788,870	125,683,198	128,007,526	134,815,587	141,420,763	164,665,515	178,086,348	188,618,170	191,677,262
Net Incurred Claims and Expenses, End of Policy Year	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(162,822,618)	(173,038,796)	(185,388,265)	(189,585,222)
4. Cumulative Paid Claims as of:	38,283,159	14,915,638	-	812,820	1,769,850	3,015,000	1,842,897	5,047,552	3,229,905	2,092,040
End of the Policy Year	3,293,817	3,623,460	-	-	-	-	-	-	-	532,674
One Year Later	9,034,334	8,426,745	-	-	-	-	-	-	-	-
Two Years Later	17,164,800	11,266,723	-	-	-	-	-	-	-	-
Three Years Later	25,264,694	12,782,592	-	-	-	-	-	-	-	-
Four Years Later	38,263,345	13,403,080	-	-	-	-	-	-	-	-
Five Years Later	36,641,861	13,900,729	-	-	-	-	-	-	-	-
Six Years Later	38,893,131	14,240,013	-	-	-	-	-	-	-	-
Seven Years Later	39,085,985	15,431,826	-	-	-	-	-	-	-	-
Eight Years Later	40,088,277	17,906,632	-	-	-	-	-	-	-	-
Nine Years Later	43,229,509	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	27,116,532	39,953,047	90,661,101	115,668,911	297,306,807	69,037,170	72,764,692	45,159,612	61,202,014	61,202,014
6. Reestimated Incurred Claims and Expenses	38,283,159	14,915,638	-	812,820	1,769,850	3,015,000	1,842,897	5,047,552	3,229,905	2,092,040
End of the Policy Year	39,483,699	16,869,019	-	1,813,455	2,791,237	1,882,902	1,792,224	3,081,958	4,731,431	-
One Year Later	42,063,111	16,249,725	-	1,906,906	4,230,230	1,867,839	1,261,332	1,654,234	-	-
Two Years Later	41,451,544	15,627,821	-	2,112,827	4,055,854	1,481,655	278,465	-	-	-
Three Years Later	52,256,161	15,316,902	-	2,018,265	4,337,421	1,356,080	-	-	-	-
Four Years Later	43,070,093	15,397,768	-	1,706,364	5,028,706	-	-	-	-	-
Five Years Later	44,087,329	15,307,473	-	3,407,633	-	-	-	-	-	-
Six Years Later	44,076,949	48,019,647	-	-	-	-	-	-	-	-
Seven Years Later	76,962,062	47,124,287	-	-	-	-	-	-	-	-
Eight Years Later	76,508,690	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 38,225,531	\$ 32,208,649	\$ -	\$ 2,594,813	\$ 3,258,856	\$ (1,658,920)	\$ (1,564,432)	\$ (3,393,318)	\$ 1,501,526	\$ -

General Liability 1 Program

County Members: 40
Public Entity Members: 91



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 224,156	\$ 284,798
TOTAL CASH & CASH EQUIVALENTS	<u>224,156</u>	<u>284,798</u>
Accounts Receivable		
Due From Members	891,919	938,325
Reinsurance Claims, Deposit with Carrier and Other	23,690,433	8,160,222
GL1 LPT Rate Credit Receivable	12,742,182	11,670,015
GL1 LPT Prepaid Expense	40,000,000	40,000,000
Prepaid Insurance and Expenses	345,112	239,247
TOTAL CURRENT ASSETS	<u>77,893,802</u>	<u>61,292,607</u>
Noncurrent Assets:		
Investment in Captive	1,035,807	1,035,807
GL1 LPT Rate Credit Receivable	14,383,057	12,198,749
TOTAL NONCURRENT ASSETS	<u>15,418,864</u>	<u>13,234,556</u>
TOTAL ASSETS	<u>93,312,666</u>	<u>74,527,163</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	19,874,019	22,516,288
Deposits From Insurance Companies	277,132	277,133
Due to Other Funds	33,875,537	36,366,494
Due to Members	321,588	306,129
Unearned Income	1,580,140	995,982
Claim Liabilities		
Claims Reported	2,001,388	1,184,080
TOTAL CURRENT LIABILITIES	<u>57,929,804</u>	<u>61,646,106</u>
Noncurrent Liabilities:		
Claims Reported	6,771,027	7,077,859
Claims Incurred But Not Reported	24,544,916	11,274,097
Unallocated Loss Adjustment Expense Payable	3,048,000	2,766,000
TOTAL NONCURRENT LIABILITIES	<u>34,363,943</u>	<u>21,117,956</u>
TOTAL LIABILITIES	<u>92,293,747</u>	<u>82,764,062</u>
NET POSITION:		
Unrestricted	1,018,919	(8,236,899)
TOTAL NET POSITION	<u>\$ 1,018,919</u>	<u>\$ (8,236,899)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 275,283,751	\$ 221,939,443
Broker Fees	9,788,218	7,376,062
Contributions for Retained Risk	27,660,055	3,203,288
Administration Fees	8,188,653	6,819,192
School Loss Control Fees	47,724	47,278
AmTrust Commutation Income	-	2,959,165
Other Income	644	-
	<u>320,969,045</u>	<u>242,344,428</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	103,201,011	73,165,921
GL1 LPT Premium Expense	172,082,740	132,762,572
Broker Fees	8,039,435	3,818,785
GL1 LPT Broker Fees	1,748,783	3,551,806
Provision for Claims		
Current Year Claims	3,671,420	2,407,842
Prior Year Claims	16,153,564	4,023,373
Unallocated Loss Adjustment Expenses	282,000	719,000
Program Services	512,289	698,361
	<u>305,691,242</u>	<u>221,147,660</u>
TOTAL OPERATING EXPENSES		
TRANSFERS IN OR (OUT):		
Transfer Out	(5,746,783)	(5,046,667)
	<u>(5,746,783)</u>	<u>(5,046,667)</u>
TOTAL TRANSFERS		
OPERATING INCOME (LOSS)	<u>9,531,020</u>	<u>16,150,101</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	569,230	569
Financing Fees	59,534	1,353
Program Financing Expenses	(903,966)	(2,278,708)
	<u>(275,202)</u>	<u>(2,276,786)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
CHANGE IN NET POSITION	<u>9,255,818</u>	<u>13,873,315</u>
NET POSITION:		
Beginning of Year	(8,236,899)	(22,110,214)
NET POSITION, END OF YEAR	<u>\$ 1,018,919</u>	<u>\$ (8,236,899)</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 321,614,424	\$ 239,633,908
Payments from Others	644	2,959,165
Payments in Reinsurance Layers	(63,914,270)	(57,880,614)
Reinsurance Recoveries	48,384,059	70,263,479
Claims Paid	(6,043,689)	(3,328,761)
Insurance Purchased	(278,540,227)	(260,192,793)
Payments to Suppliers	(13,048,641)	13,752,267
Internal Activities	<u>(8,237,740)</u>	<u>(4,126,566)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>214,560</u>	<u>1,080,085</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(12,585,576)	(8,389)
Sales of Securities	12,707,679	8,509
Cash from Investment Earnings	447,127	449
Program Financing Expenses	(903,966)	(2,278,708)
Investment in Captive	-	725,065
Finance Fees from Members	<u>59,534</u>	<u>1,353</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(275,202)</u>	<u>(1,551,721)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(60,642)	(471,636)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>284,798</u>	<u>756,434</u>
END OF YEAR	<u>\$ 224,156</u>	<u>\$ 284,798</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	9,531,020	16,150,101
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	(15,483,805)	11,623,292
GL1 LPT Rate Credit Receivable	(3,256,475)	(19,872,420)
Due From or To Other Funds	(2,490,957)	920,101
Prepaid Expenses	(105,865)	(239,247)
Unearned Income	584,158	995,982
Accounts Payable and Other Liabilities	(2,626,811)	22,072,703
GL1 LPT Payable	-	(34,391,881)
Claim Liabilities	13,781,295	3,102,454
Unallocated Loss Adjustment Expense Payable	<u>282,000</u>	<u>719,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 214,560</u>	<u>\$ 1,080,085</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 122,102</u>	<u>\$ 120</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 22,302,036	\$ 18,480,582
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	3,671,420	2,407,842
Increase (Decrease) in the provision for claims of prior fiscal years	<u>16,435,564</u>	<u>4,742,373</u>
B. Total incurred claims and claim adjustment expenses	<u>20,106,984</u>	<u>7,150,215</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>6,043,689</u>	<u>3,328,761</u>
C. Total Payments	<u>6,043,689</u>	<u>3,328,761</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 36,365,331</u>	<u>\$ 22,302,036</u>
Current Claim Liabilities	2,001,388	1,184,080
Noncurrent Claim Liabilities	<u>34,363,943</u>	<u>21,117,956</u>
Total Claim Liabilities	<u>\$ 36,365,331</u>	<u>\$ 22,302,036</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
SUPPLEMENTARY INFORMATION
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019 *	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 37,003,868	\$ 41,767,814	\$ 43,610,999	\$ 58,394,177	\$ 82,029,182	\$ 95,808,291	\$ 137,973,949	\$ 206,930,277	\$ 209,131,781	\$ 281,143,534
Less Ceded	(8,023,957)	(7,157,234)	(11,848,949)	(12,246,695)	(12,381,702)	(32,232,571)	(50,228,855)	(59,010,172)	(73,038,341)	(102,457,389)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)	(95,378,213)	(62,172,884)	(82,869,495)	(145,565,580)	(132,890,152)	(173,831,523)
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	922,026	(1,437,519)	1,676,030	1,725,850	(49,004)	-	-	-	-	569,226
1. Total Revenues Available* For Payment of Claims	(14,915,219)	(2,078,701)	4,184,290	22,035,215	(25,779,737)	1,402,836	4,875,599	2,354,525	3,203,288	5,423,848
2. Unallocated Loss Adjustment Expense	31,839	59,417	105,329	89,874	171,948	288,148	408,704	474,648	593,416	629,218
3. Estimated Incurred Claims Less Ceded Claims	37,608,997	35,678,944	43,891,669	15,666,695	12,381,702	36,091,152	51,995,779	60,283,572	75,446,183	106,128,809
Less Ceded Claims	(8,023,957)	(7,157,234)	(11,848,949)	(12,246,695)	(12,381,702)	(32,232,571)	(50,228,855)	(59,010,172)	(73,038,341)	(102,457,389)
Net Incurred Claims and Expenses, End of Policy Year	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924	1,273,400	2,407,842	3,671,420
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	760,444	732,315	2,113,472	-	-	-	-	-	-	-
Two Years Later	14,004,016	6,113,260	2,113,472	-	-	-	-	-	-	-
Three Years Later	33,792,442	6,113,260	2,113,472	-	-	3,329,762	-	-	-	-
Four Years Later	33,792,442	6,113,260	2,113,472	-	-	4,207,933	-	-	-	-
Five Years Later	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-	-
Six Years Later	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-	-
Seven Years Later	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-	-
Eight Years Later	33,792,442	6,113,260	-	-	-	-	-	-	-	-
Nine Years Later*	33,792,442	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	79,157,735	91,749,852	147,646,714	103,607,603	154,104,876	148,199,864	128,243,888	101,030,993	61,965,772	9,296,295
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924	1,273,400	2,407,842	3,671,420
One Year Later	30,362,640	28,180,080	2,113,472	23,662,000	-	3,471,664	1,766,924	1,030,020	2,209,086	-
Two Years Later	42,210,919	6,113,260	2,113,472	23,662,000	-	3,471,664	1,766,924	1,046,988	-	-
Three Years Later	33,792,442	6,113,260	2,113,472	23,662,000	-	3,825,054	1,873,251	-	-	-
Four Years Later	33,792,442	6,113,260	2,113,472	23,662,000	-	4,830,544	-	-	-	-
Five Years Later	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-	-	-	-
Six Years Later	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-	-	-	-
Seven Years Later	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-	-
Eight Years Later	33,792,442	6,113,260	-	-	-	-	-	-	-	-
Nine Years Later*	33,792,442	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 4,207,402	\$ (22,408,450)	\$ (29,929,248)	\$ 20,242,000	\$ -	\$ 971,963	\$ 106,327	\$ (226,412)	\$ (198,756)	\$ -

*Claims transferred to reinsurer via an Loss Portfolio Transfer



General Liability 2 Program

County Members: 13
Public Entity Members: 16

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Due From Members	8,964,111	25,000,000
Reinsurance Claims, Deposit with Carrier and Other	22,701,624	34,138,077
TOTAL CURRENT ASSETS	<u>31,665,735</u>	<u>59,138,077</u>
Noncurrent Assets:		
Investment in Captive	65,294	65,294
TOTAL NONCURRENT ASSETS	<u>65,294</u>	<u>65,294</u>
TOTAL ASSETS	<u>31,731,029</u>	<u>59,203,371</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	658,063	210,312
Due to Other Funds	2,968,083	35,217,662
Claim Liabilities		
Claims Reported	1,005,401	3,067,922
Claims Incurred But Not Reported	1,983,909	-
TOTAL CURRENT LIABILITIES	<u>6,615,456</u>	<u>38,495,896</u>
Noncurrent Liabilities:		
Claims Reported	-	14,062,244
Claims Incurred But Not Reported	22,133,174	10,237,585
Unallocated Loss Adjustment Expense Payable	2,654,000	2,736,000
TOTAL NONCURRENT LIABILITIES	<u>24,787,174</u>	<u>27,035,829</u>
TOTAL LIABILITIES	<u>31,402,630</u>	<u>65,531,725</u>
NET POSITION:		
Unrestricted	328,399	(6,328,354)
TOTAL NET POSITION	<u>\$ 328,399</u>	<u>\$ (6,328,354)</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 203,643,927	\$ 177,061,649
Broker Fees	7,457,774	6,799,094
Contributions for Retained Risk	7,100,000	25,000,000
Administration Fees	5,384,538	4,213,841
Other Income	76,901	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	223,663,140	213,074,584
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	203,643,927	177,002,830
Broker Fees	7,457,774	6,799,094
Provision for Claims		
Prior Year Claims	2,060,568	31,041,834
Unallocated Loss Adjustment Expenses	(82,000)	569,000
Program Services	1,075,580	3,078,931
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	214,155,849	218,491,689
TRANSFERS IN OR (OUT):		
Transfer Out	(3,506,002)	(2,910,501)
	<hr/>	<hr/>
TOTAL TRANSFERS	(3,506,002)	(2,910,501)
OPERATING INCOME (LOSS)	6,001,289	(8,327,606)
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	538,809	-
Financing Fees	177,538	97,387
Program Financing Expenses	(60,883)	(1,737,724)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	655,464	(1,640,337)
CHANGE IN NET POSITION	6,656,753	(9,967,943)
NET POSITION:		
Beginning of Year	(6,328,354)	3,639,589
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 328,399	\$ (6,328,354)
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 239,622,128	\$ 188,074,584
Payments from Others	76,901	-
Payments in Reinsurance Layers	(66,966,032)	(47,251,183)
Reinsurance Recoveries	78,402,485	51,832,261
Claims Paid	(4,305,835)	(3,674,083)
Insurance Purchased	(203,643,927)	(177,002,830)
Payments to Suppliers	(8,085,603)	(9,683,148)
Internal Activities	(35,755,581)	(700,970)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(655,464)	1,594,631
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(11,912,974)	-
Sales of Securities	12,028,551	-
Cash from Investment Earnings	423,232	-
Program Financing Expenses	(60,883)	(1,737,724)
Investment in Captive	-	45,706
Finance Fees from Members	177,538	97,387
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	655,464	(1,594,631)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	-	-
END OF YEAR	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	6,001,289	(8,327,606)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	27,472,342	(20,418,922)
Due From or To Other Funds	(32,249,579)	2,209,531
Accounts Payable and Other Liabilities	447,751	194,877
Claim Liabilities	(2,245,267)	27,367,751
Unallocated Loss Adjustment Expense Payable	(82,000)	569,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (655,464)	\$ 1,594,631
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 115,576	\$ -

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 30,103,751	\$ 2,167,000
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	-	-
Increase (Decrease) in the provision for claims of prior fiscal years	1,978,568	31,610,834
B. Total incurred claims and claim adjustment expenses	1,978,568	31,610,834
Payments attributable to insured events of the Claims and claim adjustment expenses attributable to insured events of prior fiscal years	4,305,835	3,674,083
C. Total Payments	4,305,835	3,674,083
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	\$ 27,776,484	\$ 30,103,751
Current Claim Liabilities	2,989,310	3,067,922
Noncurrent Claim Liabilities	24,787,174	27,035,829
Total Claim Liabilities	\$ 27,776,484	\$ 30,103,751

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
GENERAL LIABILITY 2 PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

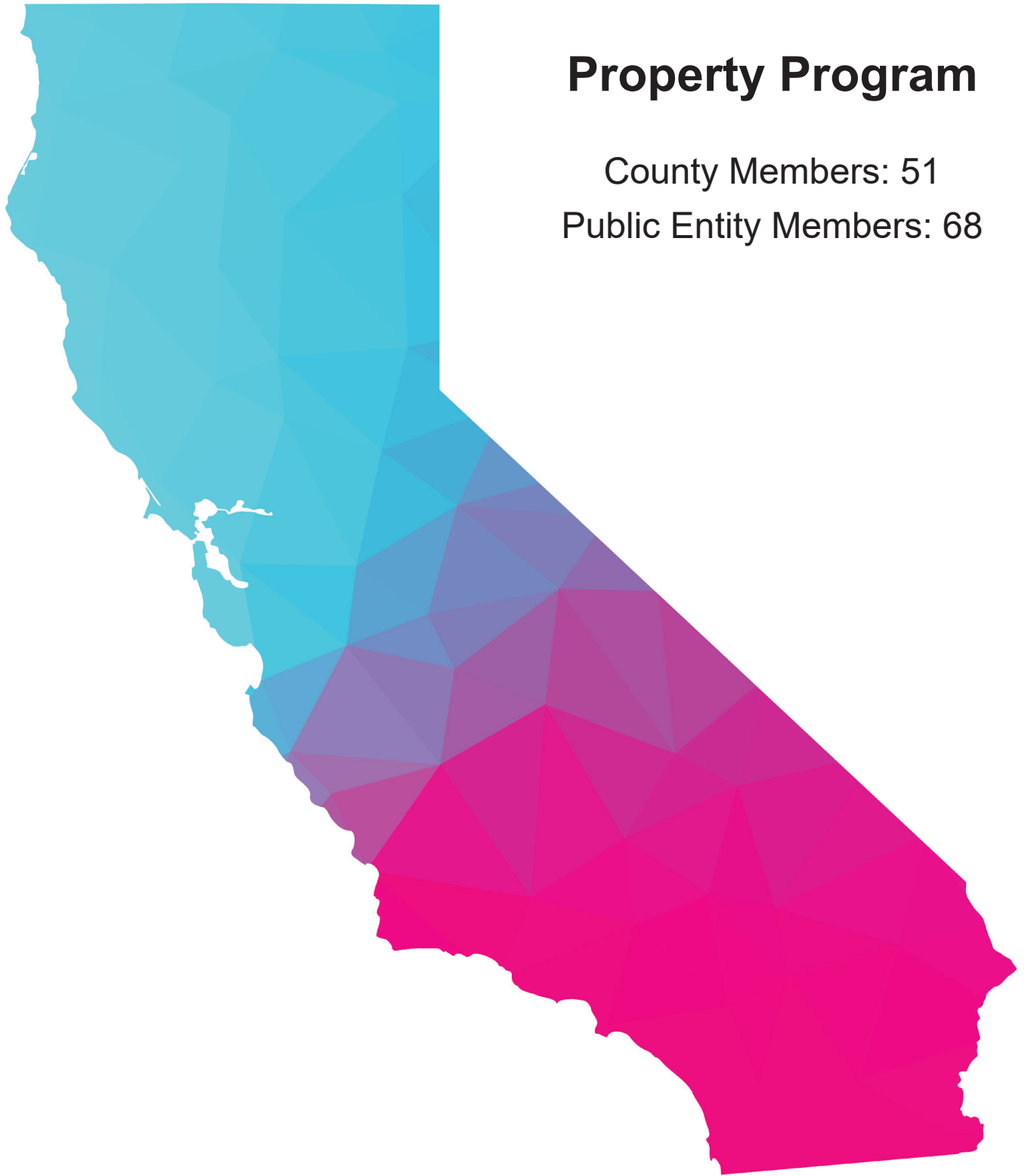
The columns of the schedule show data for successive policy years.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2016	June 30, 2017*	June 30, 2018*	June 30, 2019*	June 30, 2020*	June 30, 2021*	June 30, 2022*	June 30, 2023*	June 30, 2024*	June 30, 2025*
Earned Premiums	\$ 32,140,342	\$ 46,724,983	\$ 48,889,112	\$ 62,346,508	\$ 78,462,797	\$ 100,070,874	\$ 116,914,368	\$ 147,305,485	\$ 202,061,649	\$ 210,743,927
Less Ceded	(22,887,339)	(46,724,983)	(48,889,112)	(62,346,508)	(78,462,797)	(99,313,728)	(116,872,384)	(147,252,374)	(177,002,830)	(203,643,927)
Investment Earnings	171,997	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	9,425,000	-	-	-	-	757,146	41,984	53,111	25,058,819	7,100,000
2. Unallocated Loss Adjustment Expense	8,414	14,993	91,405	531,820	442,773	217,225	394,678	252,276	257,904	-
3. Estimated Incurred Claims Less Ceded Claims	32,312,339 (22,887,339)	46,724,983 (46,724,983)	48,889,112 (48,889,112)	62,346,508 (62,346,508)	78,462,797 (78,462,797)	99,313,728 (99,313,728)	116,872,384 (116,872,384)	147,252,374 (147,252,374)	177,002,830 (177,002,830)	203,643,927 (203,643,927)
Net Incurred Claims and Expenses, End of Policy Year	9,425,000	-	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	6,192,816	-	-	-	-	-	-	-	-	-
Two Years Later	8,928,354	-	-	-	-	-	-	-	-	-
Three Years Later	9,073,189	-	-	-	-	-	-	-	-	-
Four Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Five Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Six Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Seven Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Eight Years Later	13,099,083	-	-	-	-	-	-	-	-	-
Nine Years Later	13,099,869	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	35,906,991	64,298,521	84,503,315	131,721,307	98,817,160	55,306,627	71,804,922	34,167,082	25,111,346	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	9,425,000	-	-	-	-	-	-	-	-	-
One Year Later	9,425,000	-	-	-	-	-	-	-	-	-
Two Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Three Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Four Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Five Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Six Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Seven Years Later	9,425,000	-	-	-	-	-	-	-	-	-
Eight Years Later	24,247,346	-	-	-	-	-	-	-	-	-
Nine Years Later	24,239,970	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 14,814,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Fully Insured.

*Fully Insured.
**Fully Insured above Corridor Deductible of \$7,000,000.
***Fully Insured above Corridor Deductible of \$9,425,000.



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 13,463,709	\$ -
TOTAL CASH & CASH EQUIVALENTS	13,463,709	-
Investments	2,604,637	-
Accounts Receivable		
Due From Members	80,700,937	72,733,664
Investment Income Receivable	217,143	-
Reinsurance Claims, Deposit with Carrier and Other	3,500,453	-
Due From Other Funds	2,742,469	-
Prepaid Insurance and Expenses	148,311,918	124,986,199
TOTAL CURRENT ASSETS	<u>251,541,266</u>	<u>197,719,863</u>
Noncurrent Assets:		
Investments	28,252,104	-
Due From Other Funds	278,182	-
Investment in Captive	66,714	66,714
TOTAL NONCURRENT ASSETS	<u>28,597,000</u>	<u>66,714</u>
TOTAL ASSETS	<u>280,138,266</u>	<u>197,786,577</u>
LIABILITIES:		
Current Liabilities:		
Reinsurance Recoveries Payable	98,000,000	-
Accounts Payable	419,698	425,275
Due to Other Funds	-	68,045,051
Due to Members	406,162	415,500
Claim Liabilities		
Claims Reported	72,718,988	51,288,072
TOTAL CURRENT LIABILITIES	<u>171,544,848</u>	<u>120,173,898</u>
Noncurrent Liabilities:		
Claims Reported	28,305,394	46,579,495
Claims Incurred But Not Reported	28,629,265	13,600,994
Unallocated Loss Adjustment Expense Payable	26,000	22,000
TOTAL NONCURRENT LIABILITIES	<u>56,960,659</u>	<u>60,202,489</u>
TOTAL LIABILITIES	<u>228,505,507</u>	<u>180,376,387</u>
NET POSITION:		
Unrestricted	51,632,759	17,410,190
TOTAL NET POSITION	<u>\$ 51,632,759</u>	<u>\$ 17,410,190</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 176,415,607	\$ 138,815,651
Contributions for Retained Risk	121,952,193	101,361,553
Administration Fees	2,018,062	1,585,506
School Loss Control Fees	44,591	40,253
Other Income	6,416,556	-
	<u>306,847,009</u>	<u>241,802,963</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	176,393,139	138,761,097
Provision for Claims		
Current Year Claims	105,325,523	106,038,313
Prior Year Claims	(6,230,484)	17,298,184
Unallocated Loss Adjustment Expenses	4,000	3,000
Program Services	1,414,185	431,218
General Administrative Services	-	4,300
	<u>276,906,363</u>	<u>262,536,112</u>
TRANSFERS IN OR (OUT):		
Transfer Out	(1,074,808)	(727,922)
	<u>(1,074,808)</u>	<u>(727,922)</u>
OPERATING INCOME (LOSS)	<u>28,865,838</u>	<u>(21,461,071)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	5,342,265	4,700,577
Financing Fees	14,466	6,800
	<u>5,356,731</u>	<u>4,707,377</u>
CHANGE IN NET POSITION	<u>34,222,569</u>	<u>(16,753,694)</u>
NET POSITION:		
Beginning of Year	17,410,190	34,163,884
NET POSITION, END OF YEAR	<u>\$ 51,632,759</u>	<u>\$ 17,410,190</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 292,453,842	\$ 224,877,299
Payments from Others	4,501,610	3,503,705
Payments in Reinsurance Layers	(171,612,247)	-
Reinsurance Recoveries	268,026,740	-
Claims Paid	(80,909,953)	(79,795,064)
Insurance Purchased	(199,718,858)	(168,891,093)
Payments to Suppliers	(1,419,762)	(1,516,855)
Internal Activities	<u>(72,140,510)</u>	<u>17,067,932</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>39,180,862</u>	<u>(4,754,076)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(148,973,291)	(69,300,022)
Sales of Securities	119,262,494	70,294,730
Cash from Investment Earnings	3,979,178	3,705,869
Investment in Captive	-	46,699
Finance Fees from Members	<u>14,466</u>	<u>6,800</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(25,717,153)</u>	<u>4,754,076</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,463,709	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ 13,463,709</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	28,865,838	(21,461,071)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	(11,467,726)	(13,389,300)
Due From or To Other Funds	(71,065,702)	17,795,854
Prepaid Expenses	(23,325,719)	(30,129,996)
Accounts Payable and Other Liabilities	97,985,085	(1,113,996)
Claim Liabilities	18,185,086	43,541,433
Unallocated Loss Adjustment Expense Payable	<u>4,000</u>	<u>3,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 39,180,862</u>	<u>\$ (4,754,076)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 1,145,944</u>	<u>\$ 994,708</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30, 2025	June 30, 2024
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 111,490,561	\$ 67,946,128
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	105,325,523	106,038,313
Increase (Decrease) in the provision for claims of prior fiscal years	(6,226,484)	17,301,184
B. Total incurred claims and claim adjustment expenses	99,099,039	123,339,497
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	28,494,371	25,935,566
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	52,415,582	53,859,498
C. Total Payments	80,909,953	79,795,064
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	\$ 129,679,647	\$ 111,490,561
Current Claim Liabilities	72,718,988	51,288,072
Noncurrent Claim Liabilities	56,960,659	60,202,489
Total Claim Liabilities	\$ 129,679,647	\$ 111,490,561

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
PROPERTY PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

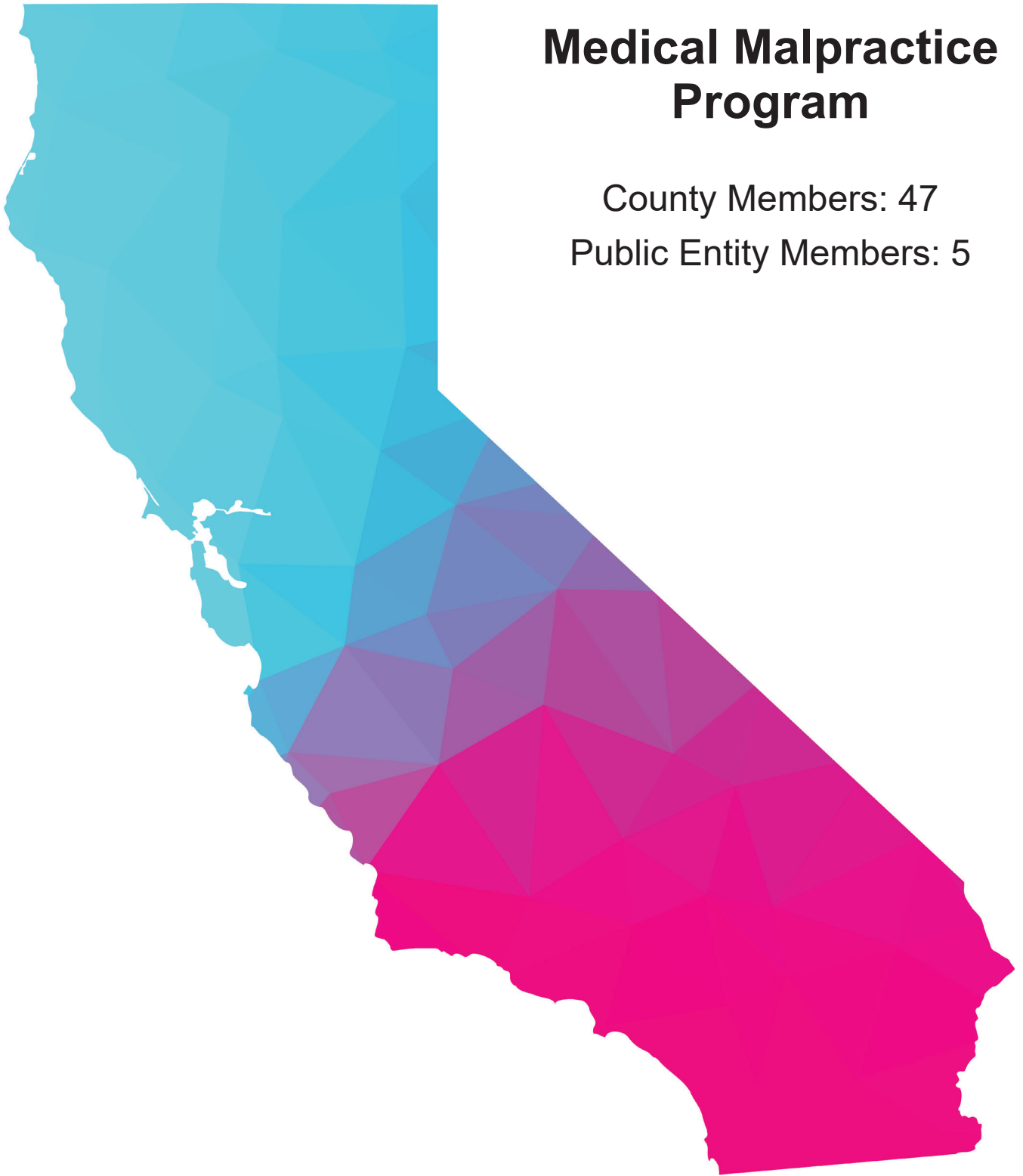
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 59,095,613	\$ 60,499,245	\$ 64,312,676	\$ 74,800,771	\$ 89,802,978	\$ 118,325,527	\$ 149,869,424	\$ 188,694,571	\$ 240,122,651	\$ 298,345,332
Less Ceded	(49,528,175)	(57,993,491)	(61,588,986)	(67,204,099)	(82,364,274)	(110,742,255)	(130,220,690)	(107,949,073)	(138,761,097)	(176,393,139)
Dividends Declared	-	-	-	-	(125,448)	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	235,646	1,736,081	3,907,036	2,458,809
1. Total Revenues Available For Payment of Claims	9,567,438	2,505,754	2,723,690	7,596,672	7,313,256	7,583,272	19,884,380	82,481,579	105,268,590	124,411,002
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	100	2,000	8,475	15,425
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	59,095,613 (49,528,175) 9,567,438	58,118,491 (57,993,491) 125,000	61,588,986 (61,588,986) -	67,329,099 (67,204,099) 125,000	82,364,274 (82,364,274) -	110,742,255 (110,742,255) -	145,147,145 (130,220,690) 14,926,455	200,414,126 (107,949,073) 92,465,053	244,799,410 (138,761,097) 106,038,313	281,718,662 (176,393,139) 105,325,523
4. Cumulative Paid Claims as of:										
End of the Policy Year	9,567,438	-	-	-	-	-	-	24,537,924	25,935,566	28,494,371
One Year Later	10,152,576	-	-	125,000	-	-	24,733,676	81,276,961	65,965,865	-
Two Years Later	10,152,576	125,000	-	1,306,329	-	267,600	24,217,413	93,879,662	-	-
Three Years Later	10,152,576	125,000	-	1,306,329	-	267,600	25,009,085	-	-	-
Four Years Later	10,152,576	125,000	-	1,306,329	-	267,600	-	-	-	-
Five Years Later	10,152,576	125,000	-	1,306,329	-	-	-	-	-	-
Six Years Later	10,152,576	125,000	-	1,306,329	-	-	-	-	-	-
Seven Years Later	10,152,576	125,000	-	-	-	-	-	-	-	-
Eight Years Later	10,152,576	125,000	-	-	-	-	-	-	-	-
Nine Years Later	10,152,576	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	9,415,410	41,615,225	44,852,569	58,636,383	34,947,293	81,174,526	52,139,034	93,162,030	29,492,242	400,000,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	9,567,438	125,000	-	125,000	-	-	14,926,455	92,465,053	106,038,313	105,325,523
One Year Later	10,152,576	30,840	-	125,000	-	-	24,733,676	109,421,046	108,116,184	-
Two Years Later	10,152,576	284,369	-	1,306,329	-	267,600	27,439,142	103,998,131	-	-
Three Years Later	10,152,576	284,369	-	1,306,329	-	267,600	25,562,793	-	-	-
Four Years Later	10,152,576	284,369	-	1,306,329	-	267,600	-	-	-	-
Five Years Later	10,152,576	284,369	-	1,306,329	-	-	-	-	-	-
Six Years Later	10,152,576	284,369	-	1,306,329	-	-	-	-	-	-
Seven Years Later	10,152,576	284,369	-	-	-	-	-	-	-	-
Eight Years Later	10,152,576	284,369	-	-	-	-	-	-	-	-
Nine Years Later	10,152,576	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 585,138	\$ 159,369	\$ -	\$ 1,181,329	\$ -	\$ 267,600	\$ 10,636,338	\$ 11,533,078	\$ 2,077,871	\$ -

Medical Malpractice Program

County Members: 47

Public Entity Members: 5



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 21,036	\$ 8,887
Cash in the PRISM Treasury	27,142,546	11,204,894
TOTAL CASH & CASH EQUIVALENTS	27,163,582	11,213,781
Investments	5,250,893	10,521,015
Accounts Receivable		
Due From Members	1,187,457	160,583
Investment Income Receivable	437,756	220,303
Reinsurance Claims, Deposit with Carrier and Other	241,836	8,254,495
Due From Other Funds	5,528,757	18,488,191
TOTAL CURRENT ASSETS	39,810,281	48,858,368
Noncurrent Assets:		
Investments	56,955,630	29,101,448
Due From Other Funds	560,809	551,098
Investment in Captive	253,487	253,487
TOTAL NONCURRENT ASSETS	57,769,926	29,906,033
TOTAL ASSETS	97,580,207	78,764,401
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,442,355	4,643,403
Due to Members		
Dividends Payable	2,211,435	-
Claim Liabilities		
Claims Reported	20,713,710	14,127,473
TOTAL CURRENT LIABILITIES	25,367,500	18,770,876
Noncurrent Liabilities:		
Claims Reported	12,227,278	9,081,095
Claims Incurred But Not Reported	44,933,969	26,945,122
Unallocated Loss Adjustment Expense Payable	1,173,000	1,024,000
TOTAL NONCURRENT LIABILITIES	58,334,247	37,050,217
TOTAL LIABILITIES	83,701,747	55,821,093
NET POSITION:		
Unrestricted	13,878,460	22,943,308
TOTAL NET POSITION	\$ 13,878,460	\$ 22,943,308

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 16,345,249	\$ 12,716,105
Broker Fees	16,335	17,547
Contributions for Retained Risk	27,079,366	23,718,721
Administration Fees	1,928,276	1,915,723
	TOTAL OPERATING REVENUES	38,368,096
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	16,483,061	12,692,671
Broker Fees	16,335	17,547
Provision for Claims		
Current Year Claims	19,374,303	16,361,569
Prior Year Claims	19,244,827	3,971,098
Unallocated Loss Adjustment Expenses	149,000	119,000
Program Services	796,841	2,761,272
Member Dividends & Stabilization Funds Distributed	2,211,435	-
	TOTAL OPERATING EXPENSES	35,923,157
TRANSFERS IN OR (OUT):		
Transfer Out	(968,594)	(1,093,992)
	TOTAL TRANSFERS	(1,093,992)
	OPERATING INCOME (LOSS)	1,350,947
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	4,809,836	3,113,028
Financing Fees	486	-
	TOTAL NONOPERATING REVENUES (EXPENSES)	3,113,028
	CHANGE IN NET POSITION	4,463,975
NET POSITION:		
Beginning of Year	22,943,308	18,479,333
	NET POSITION, END OF YEAR	\$ 22,943,308
	\$ 13,878,460	\$ 22,943,308

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 44,342,352	\$ 38,262,963
Payments in Reinsurance Layers	(9,862,480)	(9,451,332)
Reinsurance Recoveries	17,875,139	5,565,136
Claims Paid	(10,897,863)	(4,805,646)
Insurance Purchased	(16,483,061)	(12,692,671)
Payments to Suppliers	(3,014,224)	(63,229)
Internal Activities	<u>11,981,129</u>	<u>(3,697,647)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>33,940,992</u>	<u>13,117,574</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(128,928,697)	(55,970,647)
Sales of Securities	107,376,372	46,553,745
Cash from Investment Earnings	3,560,648	2,381,538
Investment in Captive	-	177,441
Finance Fees from Members	<u>486</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(17,991,191)</u>	<u>(6,857,923)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,949,801	6,259,651
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>11,213,781</u>	<u>4,954,130</u>
END OF YEAR	<u>\$ 27,163,582</u>	<u>\$ 11,213,781</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(13,875,170)	1,350,947
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	6,985,785	(3,991,329)
Due From or To Other Funds	12,949,723	(2,603,655)
Accounts Payable and Other Liabilities	10,387	2,715,590
Claim Liabilities	27,721,267	15,527,021
Unallocated Loss Adjustment Expense Payable	<u>149,000</u>	<u>119,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 33,940,992</u>	<u>\$ 13,117,574</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 1,031,735</u>	<u>\$ 658,760</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 51,177,690	\$ 35,531,669
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	19,374,303	16,361,569
Increase (Decrease) in the provision for claims of prior fiscal years	<u>19,393,827</u>	<u>4,090,098</u>
B. Total incurred claims and claim adjustment expenses	<u>38,768,130</u>	<u>20,451,667</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>10,897,863</u>	<u>4,805,646</u>
C. Total Payments	<u>10,897,863</u>	<u>4,805,646</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 79,047,957</u>	<u>\$ 51,177,690</u>
Current Claim Liabilities	20,713,710	14,127,473
Noncurrent Claim Liabilities	<u>58,334,247</u>	<u>37,050,217</u>
Total Claim Liabilities	<u>\$ 79,047,957</u>	<u>\$ 51,177,690</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
MEDICAL MALPRACTICE PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 12,377,511	\$ 13,376,499	\$ 14,099,920	\$ 14,985,163	\$ 16,894,700	\$ 21,666,468	\$ 23,730,636	\$ 28,541,770	\$ 36,411,392	\$ 43,424,615
Less Ceded	(5,587,223)	(6,087,843)	(6,145,622)	(6,376,774)	(8,497,910)	(10,773,580)	(11,200,135)	(10,223,158)	(12,692,671)	(16,345,249)
Investment Earnings and Other Income	4,181	(88,234)	319,125	356,633	201,375	873,224	348,870	2,115,612	345,802	1,634,395
1. Total Revenues Available For Payment of Claims	6,794,469	7,200,422	8,273,423	8,965,022	8,598,165	11,766,112	12,879,371	20,434,224	24,064,523	28,713,761
2. Unallocated Loss Adjustment Expense	749	2,740	7,437	25,225	64,516	83,849	60,301	264,726	371,494	291,828
3. Estimated Incurred Claims Less Ceded Claims	11,115,839	11,939,908	12,281,464	12,333,491	17,408,296	15,909,580	18,005,447	19,806,006	29,054,240	35,719,552
Net Incurred Claims and Expenses, End of Policy Year	5,528,616	5,852,065	6,135,842	5,956,717	8,910,386	5,136,000	6,805,312	9,582,848	16,361,569	19,374,303
4. Cumulative Paid Claims as of:										
End of the Policy Year	17,502	37,635	15,523	245,810	-	-	-	-	-	-
One Year Later	243,443	1,894,067	1,752,099	2,176,225	19,547	35,000	36,912	365,533	129,066	-
Two Years Later	1,261,135	5,071,771	3,849,559	3,087,506	1,550,511	15,860	3,991,041	4,095,270	-	-
Three Years Later	5,406,575	7,301,811	5,106,054	7,086,043	10,185,992	777,537	4,057,120	-	-	-
Four Years Later	7,711,389	7,715,476	8,321,433	11,232,966	7,566,420	2,531,685	-	-	-	-
Five Years Later	7,720,104	8,885,464	10,662,501	12,911,524	11,205,090	-	-	-	-	-
Six Years Later	9,221,743	9,270,145	11,319,292	14,335,596	-	-	-	-	-	-
Seven Years Later	9,226,738	9,270,145	11,475,383	-	-	-	-	-	-	-
Eight Years Later	9,230,433	9,270,145	-	-	-	-	-	-	-	-
Nine Years Later	9,230,433	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	3,713,084	7,126,472	6,037,570	19,028,494	28,299,609	6,033,345	16,720,891	7,560,000	6,323,625	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	5,528,616	5,852,065	6,135,842	5,956,717	8,910,386	5,136,000	6,805,312	9,582,848	16,361,569	19,374,303
One Year Later	6,575,046	9,989,538	8,779,726	7,480,935	8,738,250	7,177,850	7,432,955	11,028,100	24,792,413	-
Two Years Later	10,624,337	10,379,536	13,770,438	14,297,448	12,107,966	8,283,926	8,431,962	21,670,289	-	-
Three Years Later	9,330,511	10,347,322	12,956,481	14,126,261	15,623,224	7,436,549	8,060,494	-	-	-
Four Years Later	8,361,424	10,975,751	11,914,386	14,286,454	15,448,531	8,098,373	-	-	-	-
Five Years Later	9,689,339	9,508,078	11,416,138	15,982,547	15,488,279	-	-	-	-	-
Six Years Later	9,081,016	9,550,615	12,009,895	16,010,275	-	-	-	-	-	-
Seven Years Later	9,005,850	9,481,367	11,969,119	-	-	-	-	-	-	-
Eight Years Later	9,307,565	9,452,039	-	-	-	-	-	-	-	-
Nine Years Later	9,280,168	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 3,751,552	\$ 3,599,974	\$ 5,833,277	\$ 10,053,558	\$ 6,577,893	\$ 2,962,373	\$ 1,255,182	\$ 12,087,441	\$ 8,430,844	\$ -



Master Rolling Owner Controlled Insurance Program

County Members: 3

Public Entity Members: 1

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

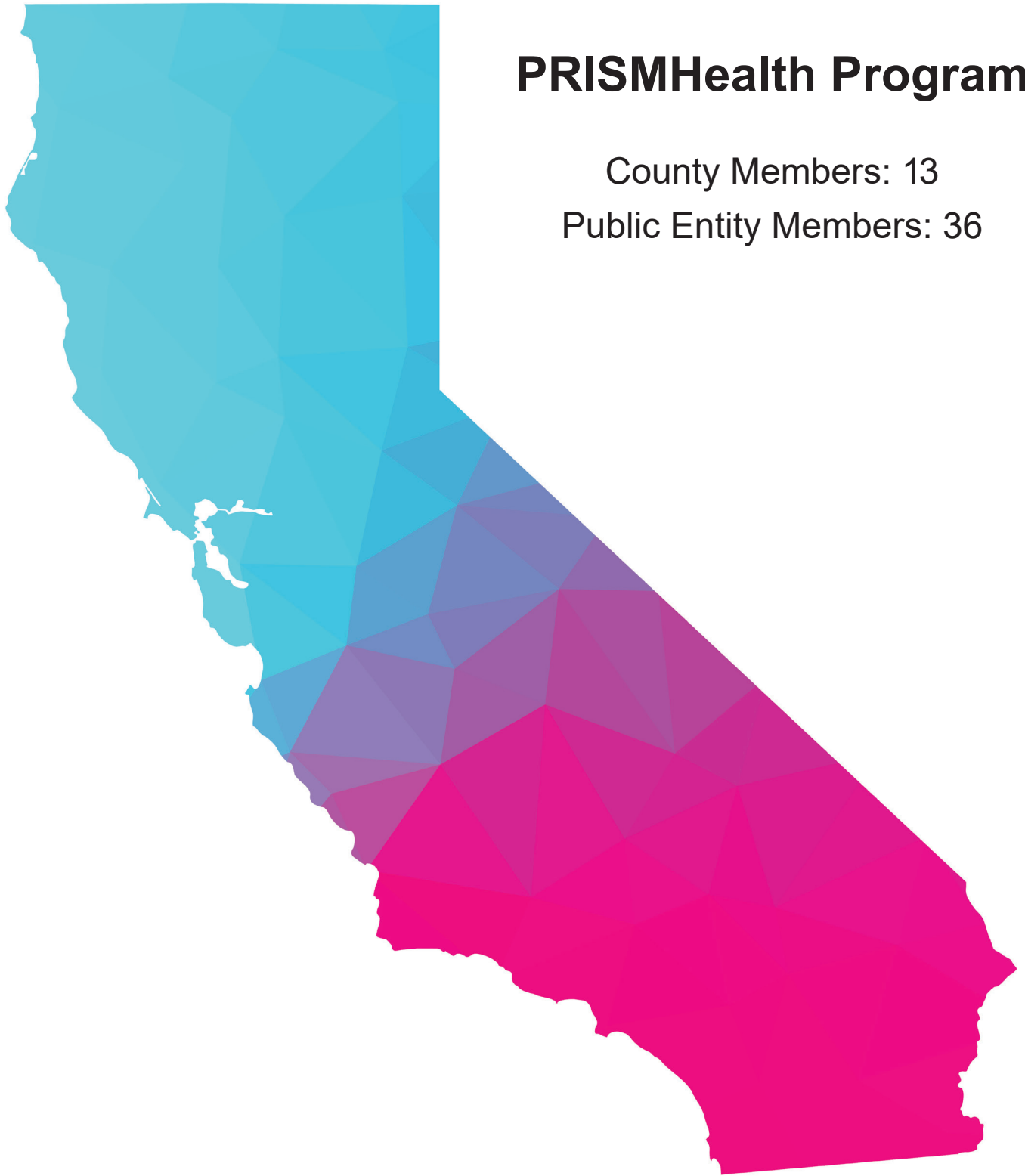
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 98,118	\$ -
TOTAL CASH & CASH EQUIVALENTS	98,118	-
Investments	18,982	-
Accounts Receivable		
Due From Members	1,255,650	720,477
Investment Income Receivable	1,582	-
Due From Other Funds	19,986	-
Prepaid Insurance and Expenses	4,992,524	163,568
TOTAL CURRENT ASSETS	6,386,842	884,045
Noncurrent Assets:		
Investments	205,890	-
Due From Other Funds	2,027	-
Investment in Captive	654	654
TOTAL NONCURRENT ASSETS	208,571	654
TOTAL ASSETS	6,595,413	884,699
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,372,782	-
Due to Other Funds	-	497,915
Unearned Income	4,828,956	-
TOTAL CURRENT LIABILITIES	6,201,738	497,915
TOTAL LIABILITIES	6,201,738	497,915
NET POSITION:		
Unrestricted	393,675	386,784
TOTAL NET POSITION	\$ 393,675	\$ 386,784

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 3,453,362	\$ 4,933,072
Administration Fees	58,211	23,400
	<u>3,511,573</u>	<u>4,956,472</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses Transferred Risk & Insurance Expense	3,453,362	4,933,072
	<u>3,453,362</u>	<u>4,933,072</u>
TRANSFERS IN OR (OUT):		
Transfer Out	(55,961)	(51,643)
	<u>(55,961)</u>	<u>(51,643)</u>
OPERATING INCOME (LOSS)	<u>2,250</u>	<u>(28,243)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense	6,598	-
Investment Income (Loss) Program Financing Expenses	(1,957)	(21,749)
	<u>4,641</u>	<u>(21,749)</u>
CHANGE IN NET POSITION	<u>6,891</u>	<u>(49,992)</u>
NET POSITION:		
Beginning of Year	386,784	436,776
NET POSITION, END OF YEAR	<u>\$ 393,675</u>	<u>\$ 386,784</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 7,805,356	\$ 4,235,995
Insurance Purchased	(6,909,536)	(4,933,072)
Internal Activities	<u>(575,889)</u>	<u>533,815</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>319,931</u>	<u>(163,262)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(370,753)	-
Sales of Securities	147,296	157,379
Cash from Investment Earnings	3,601	786
Program Financing Expenses	(1,957)	(21,749)
Investment in Captive	<u>-</u>	<u>459</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(221,813)</u>	<u>136,875</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	98,118	(26,387)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>-</u>	<u>26,387</u>
END OF YEAR	<u><u>\$ 98,118</u></u>	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	2,250	(28,243)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	(535,173)	(720,477)
Due From or To Other Funds	(519,928)	585,458
Prepaid Expenses	(4,828,956)	-
Unearned Income	4,828,956	-
Accounts Payable and Other Liabilities	<u>1,372,782</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 319,931</u></u>	<u><u>\$ (163,262)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ 1,415</u></u>	<u><u>\$ -</u></u>



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

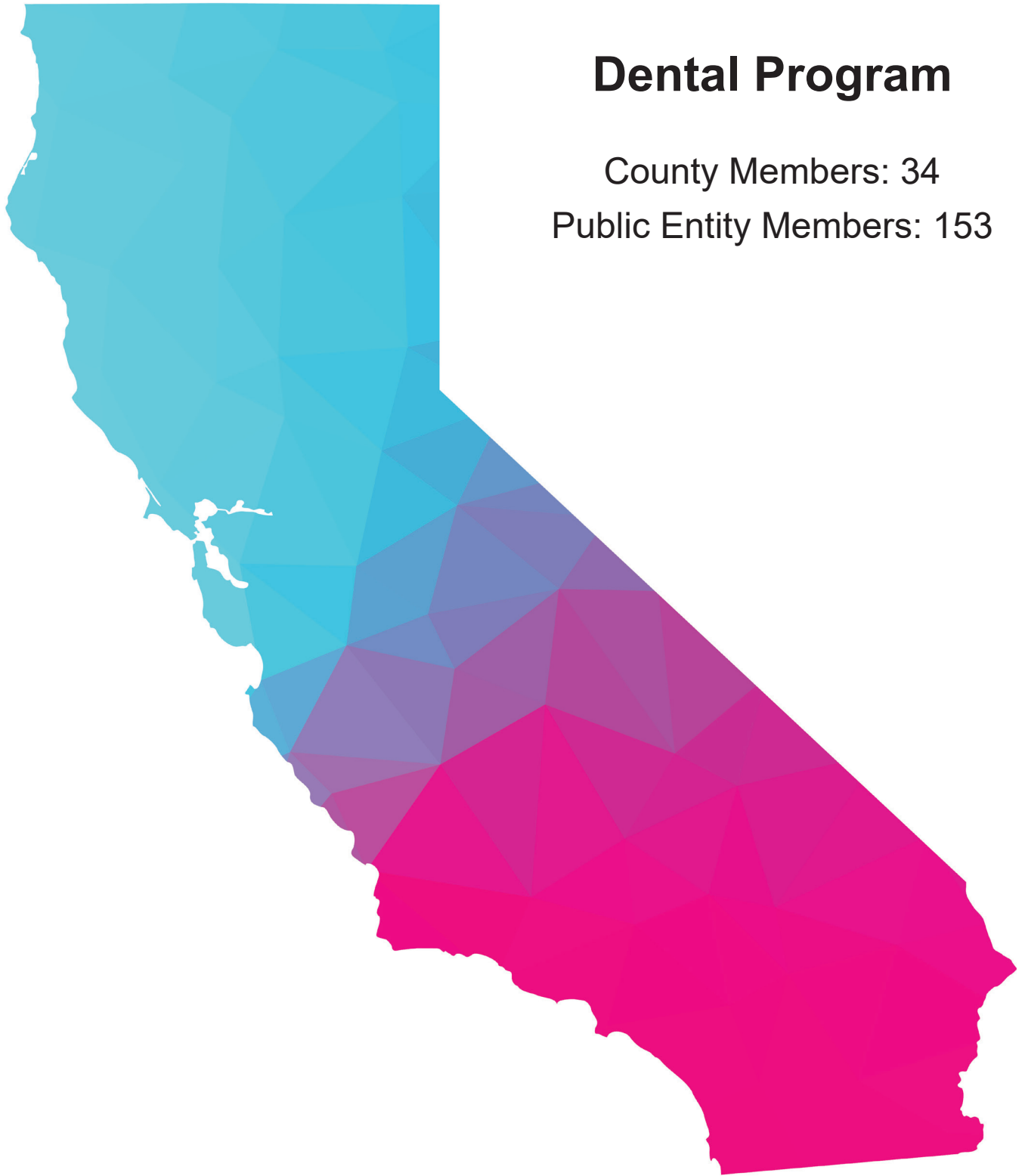
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 7,113,786	\$ 1,494,491
TOTAL CASH & CASH EQUIVALENTS	7,113,786	1,494,491
Investments	1,376,206	1,403,276
Accounts Receivable		
Due From Members	1,879,917	16,306
Investment Income Receivable	114,731	29,384
Due From Other Funds	1,449,031	2,465,924
TOTAL CURRENT ASSETS	11,933,671	5,409,381
Noncurrent Assets:		
Investments	14,927,491	3,881,502
Due From Other Funds	146,982	73,504
Investment in Captive	77,472	77,472
TOTAL NONCURRENT ASSETS	15,151,945	4,032,478
TOTAL ASSETS	27,085,616	9,441,859
LIABILITIES:		
Current Liabilities:		
Accounts Payable	6,909,210	2,168,139
Due to Members		
Dividends Payable	1,101,869	2,182,175
Due to Members	271,765	181,765
Member Deposits	116,802	-
Unearned Income	7,377	7,960
TOTAL CURRENT LIABILITIES	8,407,023	4,540,039
TOTAL LIABILITIES	8,407,023	4,540,039
NET POSITION:		
Unrestricted	18,678,593	4,901,820
TOTAL NET POSITION	\$ 18,678,593	\$ 4,901,820

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 773,167,210	\$ 708,262,307
Broker Fees	7,785,637	4,579,771
Contributions for Retained Risk	12,704,422	-
Administration Fees	1,326,961	1,022,676
Other Income	20,000	107,518
	<u>795,004,230</u>	<u>713,972,272</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	773,167,210	708,262,306
Broker Fees	7,785,637	4,579,771
Program Services	48,000	52,500
General Administrative Services	142,275	58,239
Member Dividends & Stabilization Funds Distributed	26,038	23,490
	<u>781,169,160</u>	<u>712,976,306</u>
TOTAL OPERATING EXPENSES		
TRANSFERS IN OR (OUT):		
Transfer Out	(747,078)	(597,145)
	<u>(747,078)</u>	<u>(597,145)</u>
TOTAL TRANSFERS		
OPERATING INCOME (LOSS)	<u>13,087,992</u>	<u>398,821</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	672,637	404,243
Financing Fees	16,144	-
Lease Income, net of Building Expense		
	<u>688,781</u>	<u>404,243</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
CHANGE IN NET POSITION	<u>13,776,773</u>	<u>803,064</u>
NET POSITION:		
Beginning of Year	4,901,820	4,098,756
NET POSITION, END OF YEAR	<u>\$ 18,678,593</u>	<u>\$ 4,901,820</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 793,346,838	\$ 714,112,151
Dividends Paid	(1,106,344)	-
Insurance Purchased	(773,394,660)	(704,319,642)
Payments to Suppliers	(3,007,391)	(7,746,664)
Internal Activities	196,337	(742,561)
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	16,034,780	1,303,284
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(25,890,806)	(6,940,702)
Sales of Securities	15,016,171	6,045,248
Cash from Investment Earnings	443,006	310,813
Investment in Captive	-	54,230
Finance Fees from Members	16,144	-
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(10,415,485)	(530,411)
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,619,295	772,873
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	1,494,491	721,618
	<hr/>	<hr/>
END OF YEAR	\$ 7,113,786	\$ 1,494,491
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	13,087,992	398,821
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	(1,863,611)	2,870
Due From or To Other Funds	943,415	(145,416)
Accounts Payable and Other Liabilities	3,866,984	1,047,009
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 16,034,780	\$ 1,303,284
	<hr/> <hr/>	<hr/> <hr/>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 144,284	\$ 85,543
	<hr/> <hr/>	<hr/> <hr/>



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 3,012,948	\$ 1,917,127
TOTAL CASH & CASH EQUIVALENTS	<u>3,012,948</u>	<u>1,917,127</u>
Investments	582,873	1,800,116
Accounts Receivable		
Due From Members	1,844,582	1,915,859
Investment Income Receivable	48,593	37,693
Reinsurance Claims, Deposit with Carrier and Other	245,000	245,000
Due From Other Funds	613,718	3,163,277
TOTAL CURRENT ASSETS	<u>6,347,714</u>	<u>9,079,072</u>
Noncurrent Assets:		
Investments	6,322,337	4,979,176
Due From Other Funds	62,252	94,291
Investment in Captive	129,055	129,055
TOTAL NONCURRENT ASSETS	<u>6,513,644</u>	<u>5,202,522</u>
TOTAL ASSETS	<u>12,861,358</u>	<u>14,281,594</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,129,853	1,090,519
Due to Members		
Member Deposits	546,068	572,354
Claim Liabilities		
Claims Reported	2,827,838	2,793,306
TOTAL CURRENT LIABILITIES	<u>4,503,759</u>	<u>4,456,179</u>
TOTAL LIABILITIES	<u>4,503,759</u>	<u>4,456,179</u>
NET POSITION:		
Unrestricted	8,357,599	9,825,415
TOTAL NET POSITION	<u>\$ 8,357,599</u>	<u>\$ 9,825,415</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Broker Fees	\$ 3,494,589	\$ 2,768,305
Contributions for Retained Risk	47,583,173	46,664,958
Other Income	-	500
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	51,077,762	49,433,763
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Broker Fees	3,494,589	2,768,305
Provision for Claims		
Current Year Claims	42,203,717	39,646,233
Program Services	4,157,702	3,987,938
General Administrative Services	30,304	14,147
Member Dividends & Stabilization Funds Distributed	3,000,000	6,000,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	52,886,312	52,416,623
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer In	109,824	-
Transfer Out	(394,234)	(379,244)
	<hr/>	<hr/>
TOTAL TRANSFERS	(284,410)	(379,244)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(2,092,960)	(3,362,104)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	625,144	674,850
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	625,144	674,850
	<hr/>	<hr/>
CHANGE IN NET POSITION	(1,467,816)	(2,687,254)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	9,825,415	12,512,669
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 8,357,599	\$ 9,825,415
	<hr/> <hr/>	<hr/> <hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 51,122,753	\$ 48,917,022
Dividends Paid	(3,000,000)	(6,000,000)
Claims Paid	(42,169,185)	(39,785,510)
Payments to Suppliers	(7,643,261)	(6,510,442)
Internal Activities	<u>2,297,188</u>	<u>1,184,302</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>607,495</u>	<u>(2,194,628)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(13,947,743)	(8,061,469)
Sales of Securities	13,955,922	10,092,037
Cash from Investment Earnings	480,147	537,637
Investment in Captive	<u>-</u>	<u>90,339</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>488,326</u>	<u>2,658,544</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,095,821	463,916
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>1,917,127</u>	<u>1,453,211</u>
END OF YEAR	<u>\$ 3,012,948</u>	<u>\$ 1,917,127</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(2,092,960)	(3,362,104)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	71,277	(495,586)
Due From or To Other Funds	2,581,598	1,563,546
Accounts Payable and Other Liabilities	13,048	238,793
Claim Liabilities	<u>34,532</u>	<u>(139,277)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 607,495</u>	<u>\$ (2,194,628)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 134,097</u>	<u>\$ 142,808</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 2,793,306	\$ 2,932,583
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	42,203,717	39,646,233
Increase (Decrease) in the provision for claims of prior fiscal years	<u>-</u>	<u>-</u>
B. Total incurred claims and claim adjustment expenses	<u>42,203,717</u>	<u>39,646,233</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	39,375,879	36,852,927
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,793,306</u>	<u>2,932,583</u>
C. Total Payments	<u>42,169,185</u>	<u>39,785,510</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 2,827,838</u>	<u>\$ 2,793,306</u>
Current Claim Liabilities	2,827,838	2,793,306
Noncurrent Claim Liabilities	<u>-</u>	<u>-</u>
Total Claim Liabilities	<u>\$ 2,827,838</u>	<u>\$ 2,793,306</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
DENTAL PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

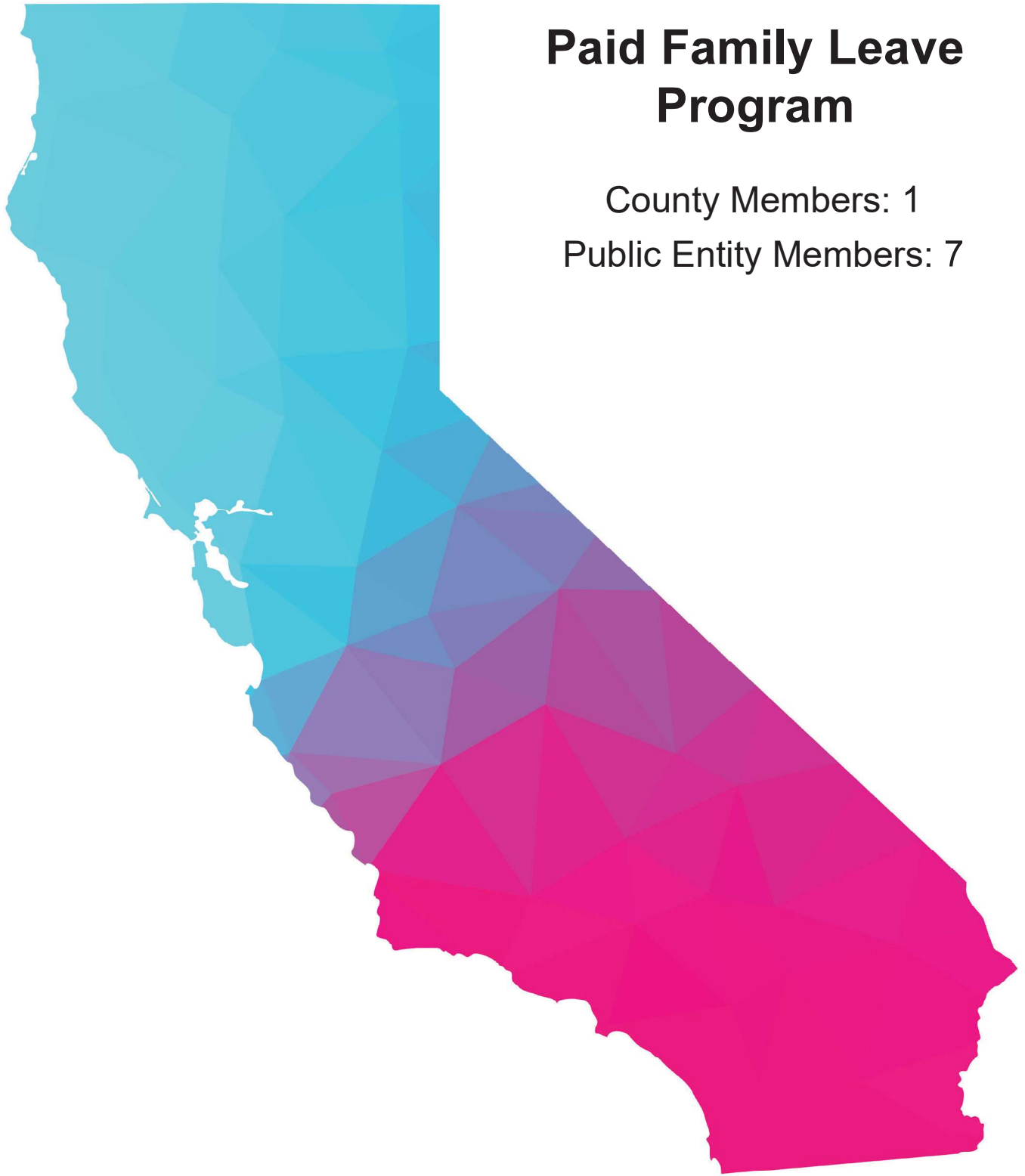
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 31,736,745	\$ 32,978,281	\$ 33,604,042	\$ 35,255,976	\$ 37,758,487	\$ 37,770,792	\$ 39,200,009	\$ 42,801,341	\$ 45,359,523	\$ 46,226,119
Dividends Declared	-	-	-	-	(5,000,000)	(7,000,000)	(2,000,000)	-	(6,000,000)	(3,000,000)
1. Total Revenues Available For Payment of Claims	31,736,745	32,978,281	33,604,042	35,255,976	32,758,487	30,770,792	37,200,009	42,801,341	39,359,523	43,226,119
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Net Incurred Claims and Expenses, End of Policy Year	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122	39,646,233	42,203,717
4. Cumulative Paid Claims as of:										
End of the Policy Year	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	35,850,497	33,523,595	33,551,539	36,852,927	39,375,879
One Year Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122	39,646,233	
Two Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122		
Three Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833			
Four Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649				
Five Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710					
Six Years Later	29,738,033	29,186,280	31,142,949	33,073,327						
Seven Years Later	29,738,033	29,186,280	31,142,949							
Eight Years Later	29,738,033	29,186,280								
Nine Years Later	29,738,033									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122	39,646,233	42,203,717
One Year Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122	39,646,233	
Two Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122		
Three Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833			
Four Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649				
Five Years Later	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710					
Six Years Later	29,738,033	29,186,280	31,142,949	33,073,327						
Seven Years Later	29,738,033	29,186,280	31,142,949							
Eight Years Later	29,738,033	29,186,280								
Nine Years Later	29,738,033									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Paid Family Leave Program

County Members: 1

Public Entity Members: 7



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PAID FAMILY LEAVE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 135,420	\$ -
TOTAL CASH & CASH EQUIVALENTS	135,420	-
Investments	26,198	-
Accounts Receivable		
Due From Members	613,714	-
Investment Income Receivable	2,184	-
Due From Other Funds	27,584	-
TOTAL CURRENT ASSETS	805,100	-
Noncurrent Assets:		
Investments	284,163	-
Due From Other Funds	2,798	-
TOTAL NONCURRENT ASSETS	286,961	-
TOTAL ASSETS	1,092,061	-
LIABILITIES:		
Current Liabilities:		
Claim Liabilities		
Claims Reported	249,568	-
TOTAL CURRENT LIABILITIES	249,568	-
TOTAL LIABILITIES	249,568	-
NET POSITION:		
Unrestricted	842,493	-
TOTAL NET POSITION	\$ 842,493	\$ -

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PAID FAMILY LEAVE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Broker Fees	\$ 5,469	\$ -
Contributions for Retained Risk	1,862,276	-
	1,867,745	-
TOTAL OPERATING REVENUES	1,867,745	-
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Broker Fees	5,469	-
Provision for Claims		
Current Year Claims	1,283,218	-
Program Services	130,336	-
	1,419,023	-
TOTAL OPERATING EXPENSES	1,419,023	-
TRANSFERS IN OR (OUT):		
Transfer In	381,996	-
	381,996	-
TOTAL TRANSFERS	381,996	-
OPERATING INCOME (LOSS)	830,718	-
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	11,775	-
	11,775	-
TOTAL NONOPERATING REVENUES (EXPENSES)	11,775	-
CHANGE IN NET POSITION	842,493	-
NET POSITION:		
Beginning of Year	-	-
NET POSITION, END OF YEAR	\$ 842,493	\$ -

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PAID FAMILY LEAVE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,254,031	\$ -
Claims Paid	(1,033,650)	-
Payments to Suppliers	(135,805)	-
Internal Activities	351,614	-
	436,190	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	436,190	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(570,704)	-
Sales of Securities	262,869	-
Cash from Investment Earnings	7,065	-
	(300,770)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(300,770)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,420	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	-	-
END OF YEAR	\$ 135,420	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	830,718	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	(613,714)	-
Due From or To Other Funds	(30,382)	-
Claim Liabilities	249,568	-
	436,190	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 436,190	\$ -
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 2,526	\$ -

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PAID FAMILY LEAVE PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ -</u>	<u>\$ -</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	1,283,218	-
Increase (Decrease) in the provision for claims of prior fiscal years	<u>-</u>	<u>-</u>
B. Total incurred claims and claim adjustment expenses	<u>1,283,218</u>	<u>-</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	1,033,650	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>-</u>	<u>-</u>
C. Total Payments	<u>1,033,650</u>	<u>-</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 249,568</u>	<u>\$ -</u>
Current Claim Liabilities	249,568	-
Noncurrent Claim Liabilities	<u>-</u>	<u>-</u>
Total Claim Liabilities	<u>\$ 249,568</u>	<u>\$ -</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
PAID FAMILY LEAVE PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PAID FAMILY LEAVE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2025*
Earned Premiums	\$ 1,731,940
1. Total Revenues Available For Payment of Claims	1,731,940
2. Unallocated Loss Adjustment Expense	-
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	1,283,218 - 1,283,218
4. Cumulative Paid Claims as of:	
End of the Policy Year	1,033,650
One Year Later	
Two Years Later	
Three Years Later	
Four Years Later	
Five Years Later	
Six Years Later	
Seven Years Later	
Eight Years Later	
Nine Years Later	
5. Reestimated Ceded Claims and Expenses	-
6. Reestimated Incurred Claims and Expenses	
End of the Policy Year	1,283,218
One Year Later	
Two Years Later	
Three Years Later	
Four Years Later	
Five Years Later	
Six Years Later	
Seven Years Later	
Eight Years Later	
Nine Years Later	
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -

*The Paid Family Leave Program started January 1, 2025

PRISM Internal Guarantee Account



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM INTERNAL GUARANTEE ACCOUNT
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 147,066	\$ 67,619
TOTAL CASH & CASH EQUIVALENTS	147,066	67,619
Investments	27,999	62,268
Accounts Receivable		
Due From Other Funds	29,481	109,421
TOTAL CURRENT ASSETS	204,546	239,308
Noncurrent Assets:		
Investments	303,704	172,236
Due From Other Funds	2,990	3,262
TOTAL NONCURRENT ASSETS	306,694	175,498
TOTAL ASSETS	511,240	414,806
LIABILITIES:		
Current Liabilities:		
Accounts Payable	511,240	414,806
TOTAL CURRENT LIABILITIES	511,240	414,806
TOTAL LIABILITIES	511,240	414,806
NET POSITION:		
TOTAL NET POSITION	\$ -	\$ -

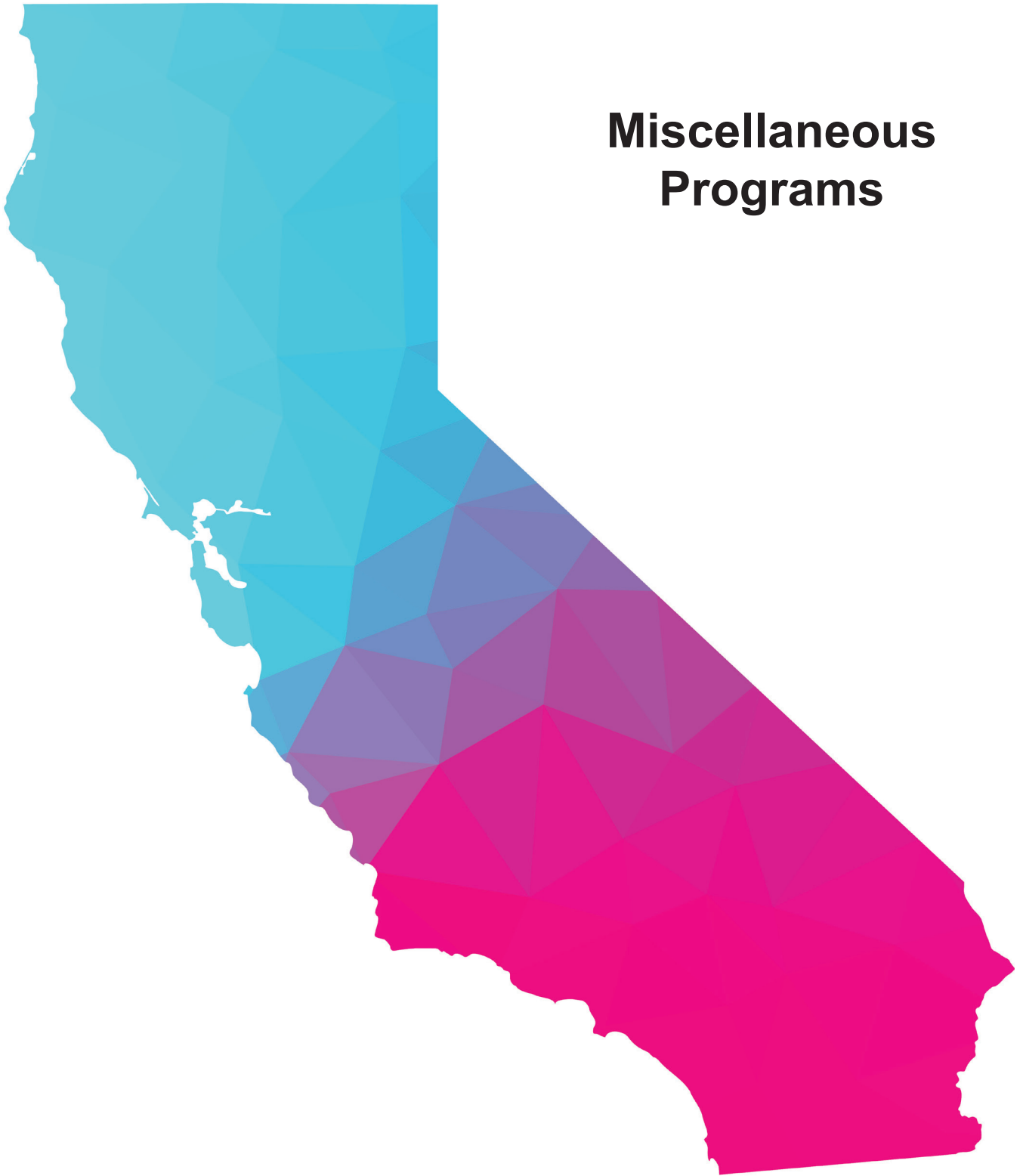
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM INTERNAL GUARANTEE ACCOUNT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 5,127,377	\$ 414,806
TOTAL OPERATING REVENUES	<u>5,127,377</u>	<u>414,806</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses Transferred Risk & Insurance Expense	<u>5,127,377</u>	<u>414,806</u>
TOTAL OPERATING EXPENSES	<u>5,127,377</u>	<u>414,806</u>
CHANGE IN NET POSITION	-	-
NET POSITION:		
Beginning of Year	<u>-</u>	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM INTERNAL GUARANTEE ACCOUNT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 5,127,377	\$ 414,806
Insurance Purchased	(5,030,943)	-
Internal Activities	80,212	(112,683)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>176,646</u>	<u>302,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	<u>(97,199)</u>	<u>(234,504)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(97,199)</u>	<u>(234,504)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79,447	67,619
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>67,619</u>	<u>-</u>
END OF YEAR	<u><u>\$ 147,066</u></u>	<u><u>\$ 67,619</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	-	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Due From or To Other Funds	80,212	(112,683)
Accounts Payable and Other Liabilities	96,434	414,806
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 176,646</u></u>	<u><u>\$ 302,123</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Miscellaneous Programs



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 1,917,848	\$ 1,001,086
TOTAL CASH & CASH EQUIVALENTS	1,917,848	1,001,086
Investments	371,020	939,986
Accounts Receivable		
Due From Members	122,035	124,706
Investment Income Receivable	30,931	19,683
Due From Other Funds	390,653	1,651,803
TOTAL CURRENT ASSETS	2,832,487	3,737,264
Noncurrent Assets:		
Investments	4,024,392	2,600,030
Due From Other Funds	39,626	49,237
Investment in Captive	14,907	14,907
TOTAL NONCURRENT ASSETS	4,078,925	2,664,174
TOTAL ASSETS	6,911,412	6,401,438
LIABILITIES:		
Current Liabilities:		
Accounts Payable	163,423	276,388
Due to Members		
Dividends Payable	-	308,119
TOTAL CURRENT LIABILITIES	163,423	584,507
TOTAL LIABILITIES	163,423	584,507
NET POSITION:		
Unrestricted	6,747,989	5,816,931
TOTAL NET POSITION	\$ 6,747,989	\$ 5,816,931

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 117,623,201	\$ 103,869,499
Member Services & Dividend Income	-	674,276
Administration Fees	197,234	192,970
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	117,820,435	104,736,745
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	116,812,157	100,988,112
Program Services	43,000	110,000
General Administrative Services	32,738	-
Member Dividends & Stabilization Funds Distributed	-	674,276
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	116,887,895	101,772,388
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(399,471)	(15,558)
	<hr/>	<hr/>
TOTAL TRANSFERS	(399,471)	(15,558)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	533,069	2,948,799
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	387,365	238,534
Financing Fees	10,624	12,005
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	397,989	250,539
	<hr/>	<hr/>
CHANGE IN NET POSITION	931,058	3,199,338
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	5,816,931	2,617,593
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 6,747,989	\$ 5,816,931
	<hr/> <hr/>	<hr/> <hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 117,823,106	\$ 103,949,274
Payments from Others	-	674,276
Dividends Paid	(308,119)	(580,767)
Insurance Purchased	(116,925,122)	(100,809,084)
Payments to Suppliers	(75,738)	(110,000)
Internal Activities	<u>871,290</u>	<u>(785,907)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,385,417</u>	<u>2,337,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(9,419,969)	(5,383,564)
Sales of Securities	8,647,665	3,567,154
Cash from Investment Earnings	293,025	176,730
Investment in Captive	-	10,435
Finance Fees from Members	<u>10,624</u>	<u>12,005</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(468,655)</u>	<u>(1,617,240)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	916,762	720,552
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>1,001,086</u>	<u>280,534</u>
END OF YEAR	<u>\$ 1,917,848</u>	<u>\$ 1,001,086</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	533,069	2,948,799
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	2,671	(113,195)
Due From or To Other Funds	1,270,761	(770,349)
Accounts Payable and Other Liabilities	<u>(421,084)</u>	<u>272,537</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,385,417</u>	<u>\$ 2,337,792</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 83,092</u>	<u>\$ 50,477</u>



**General
Administration
and Building**

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
ASSETS:		
Current Assets:		
Cash	\$ 119	\$ 300
Cash in Banks	525,068	964,710
Cash in the PRISM Treasury	5,702,819	2,904,549
TOTAL CASH & CASH EQUIVALENTS	6,228,006	3,869,559
Investments	1,103,245	2,288,447
Accounts Receivable		
Due From Members	62,655	42,727
Investment Income Receivable	91,975	57,107
Lease Receivable	274,154	276,666
Reinsurance Claims, Deposit with Carrier and Other	108,771	4,880
Due From Other Funds	1,161,627	4,792,533
Prepaid Insurance and Expenses	277,055	23,426
TOTAL CURRENT ASSETS	9,307,488	11,355,345
Noncurrent Assets:		
Investments	3,597,364	-
Due From Other Funds	117,829	142,856
Investments - Restricted	8,369,368	7,982,540
Lease Receivable	4,560,010	2,732,794
Land and Buildings, Net		
Land	1,000,000	1,000,000
Building	6,113,874	5,959,312
Less Accumulated Depreciation, Building	(1,773,046)	(1,636,525)
Tenant Improvements	2,933,307	2,583,938
Less Accumulated Depreciation, Tenant Improvements	(2,202,668)	(2,051,222)
Furniture and Equipment, Net		
Office Furniture and Equipment	1,736,344	1,658,427
Computer Software	16,048,161	14,710,699
Less Accumulated Depreciation	(10,845,936)	(9,186,399)
TOTAL NONCURRENT ASSETS	29,654,607	23,896,420
TOTAL ASSETS	38,962,095	35,251,765
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on OPEB	3,343,655	4,101,081
Deferred Outflows of Resources on Pensions	312,892	271,276
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,656,547	\$ 4,372,357

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 1,162,561	\$ 619,806
Unearned Income	50,889	40,888
Compensated Absences	559,374	439,432
TOTAL CURRENT LIABILITIES	1,772,824	1,100,126
Noncurrent Liabilities:		
Due to Members, Long Term	8,369,368	7,982,540
Due to Other Funds	4,345,134	4,618,993
Compensated Absences, Long Term	721,250	655,533
Net OPEB Liability	35,509	99,554
Net Pension Liability	5,004,227	5,025,338
TOTAL NONCURRENT LIABILITIES	18,475,488	18,381,958
TOTAL LIABILITIES	20,248,312	19,482,084
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	4,834,164	3,009,460
Deferred Inflows of Resources on OPEB	248,774	377,181
Deferred Inflows of Resources on Pensions	619,888	618,996
TOTAL DEFERRED INFLOWS OF RESOURCES	5,702,826	4,005,637
NET POSITION:		
Net Investment in Capital Assets	13,010,036	13,038,230
Unrestricted	3,657,468	3,098,171
TOTAL NET POSITION	\$ 16,667,504	\$ 16,136,401

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
OPERATING REVENUES:		
Member Services & Dividend Income		
Dividend Income	17,888	4,880
Claims Information System	117,666	552,788
Loss Prevention and Enterprise Risk Consultant	423,119	281,740
Other Income	372,270	167,195
	<u>930,943</u>	<u>1,006,603</u>
OPERATING EXPENSES:		
Loss Prevention Expenses	2,478,358	2,608,261
General Administrative Services		
Salaries and Benefits	19,246,996	17,530,802
Staff Support	1,379,721	1,105,508
Services and Supplies	3,804,373	3,739,469
Depreciation	1,815,966	2,029,628
	<u>28,725,414</u>	<u>27,013,668</u>
TRANSFERS IN OR (OUT):		
Transfer In	26,890,407	25,117,837
	<u>26,890,407</u>	<u>25,117,837</u>
OPERATING INCOME (LOSS)	<u>(904,064)</u>	<u>(889,228)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	1,756,986	1,236,411
Financing Fees	-	314
Investment Expense	(245,065)	(155,681)
Lease Income, net of Building Expense		
Lease Income	484,917	468,675
Building Maintenance and Operating Expense	(253,366)	(83,790)
Depreciation and Amortization	(131,538)	(72,309)
Program Financing Expenses	(176,767)	(192,577)
	<u>1,435,167</u>	<u>1,201,043</u>
CHANGE IN NET POSITION	<u>531,103</u>	<u>311,815</u>
NET POSITION:		
Beginning of Year, as previously presented	16,411,951	16,135,503
Restatements	(275,550)	(310,917)
Beginning of Year, as Restated	16,136,401	15,824,586
NET POSITION, END OF YEAR	<u>\$ 16,667,504</u>	<u>\$ 16,136,401</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,920,140	\$ 1,777,340
Payments to Others	(327,292)	(198,066)
Payments from Others	315,743	301,355
Payments to Suppliers	(7,499,211)	(7,054,785)
Payments to Employees	(18,558,198)	(16,398,326)
Subsidy Payments to Members	(704,638)	(829,836)
Internal Activities	<u>30,272,481</u>	<u>25,395,187</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,419,025</u>	<u>2,992,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(41,645,645)	(19,248,069)
Sales of Securities	39,223,538	18,489,896
Cash from Investment Earnings	1,345,235	963,868
Investment Expenses	(245,065)	(155,681)
Program Financing Expenses	(176,767)	(192,577)
Finance Fees from Members	-	314
Lease Receipts	484,917	468,676
Operating Lease Disbursements	<u>(253,366)</u>	<u>(83,790)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,267,153)</u>	<u>242,637</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Building and Other Capital Assets	(503,931)	(230,961)
Purchase of Software, Furniture and Equipment	<u>(1,289,494)</u>	<u>(1,506,683)</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(1,793,425)</u>	<u>(1,737,644)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,358,447	1,497,862
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>3,869,559</u>	<u>2,371,697</u>
END OF YEAR	<u><u>\$ 6,228,006</u></u>	<u><u>\$ 3,869,559</u></u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
JUNE 30, 2025 AND 2024**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (904,064)	\$ (889,228)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,815,966	2,029,628
Changes in		
Members and Reinsurance Receivable, Net	(123,819)	60,816
Due From or To Other Funds	3,382,074	277,350
Prepaid Expenses	(253,629)	60,481
Deferred Outflows of Resources on OPEB and Pensions	715,810	355,409
Unearned Income	10,001	-
Accounts Payable and Other Liabilities	803,698	321,346
Compensated Absences	185,659	(8,001)
Net OPEB Liability	(64,045)	(262,212)
Net Pension Liability	(21,111)	1,009,118
Deferred Inflows of Resources on OPEB and Pensions	<u>(127,515)</u>	<u>38,162</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,419,025</u>	<u>\$ 2,992,869</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 376,886</u>	<u>\$ 261,642</u>

PRISM Affiliate Risk Captive



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF NET POSITION
JUNE 30. 2025 AND 2024

	<u>June 30. 2025</u>	<u>June 30. 2024</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 250,841	\$ 284,357
Cash in the PRISM Treasury	<u>3,178,866</u>	<u>1,606,483</u>
TOTAL CASH & CASH EQUIVALENTS	3,429,707	1,890,840
Investments	36,428,514	26,615,377
Accounts Receivable		
Due From Members	25,929,634	23,374,645
Investment Income Receivable	5,681,641	4,392,089
Reinsurance Claims, Deposit with Carrier and Other	43,961	106,722
Prepaid Insurance and Expenses	<u>1,591,640</u>	<u>1,003,482</u>
TOTAL CURRENT ASSETS	<u>73,105,097</u>	<u>57,383,155</u>
Noncurrent Assets:		
Investments	<u>794,247,129</u>	<u>659,406,264</u>
TOTAL NONCURRENT ASSETS	<u>794,247,129</u>	<u>659,406,264</u>
TOTAL ASSETS	<u>867,352,226</u>	<u>716,789,419</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,112,534	7,497,121
Unearned Income	1,580,140	461,944
Claim Liabilities		
Claims Reported	133,341,052	167,490,235
Claims Incurred But Not Reported	<u>822,417</u>	<u>74,320</u>
TOTAL CURRENT LIABILITIES	<u>136,856,143</u>	<u>175,523,620</u>
Noncurrent Liabilities:		
Claims Reported	301,535,299	185,470,363
Claims Incurred But Not Reported	<u>338,812,391</u>	<u>276,648,692</u>
TOTAL NONCURRENT LIABILITIES	<u>640,347,690</u>	<u>462,119,055</u>
TOTAL LIABILITIES	<u>777,203,833</u>	<u>637,642,675</u>
NET POSITION:		
Capital Stock	5,000,000	5,000,000
Unrestricted	<u>85,148,393</u>	<u>74,146,744</u>
TOTAL NET POSITION	<u>\$ 90,148,393</u>	<u>\$ 79,146,744</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30. 2025 AND 2024

	<u>June 30. 2025</u>	<u>June 30. 2024</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 10,742,210	\$ 5,639,398
Contributions for Retained Risk	285,336,957	214,854,863
Other Income	7,250	8,500
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	296,086,417	220,502,761
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	10,742,210	5,639,398
Provision for Claims		
Current Year Claims	131,876,961	108,007,801
Prior Year Claims	204,332,377	145,671,276
Program Services	57,597	61,276
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	347,009,145	259,379,751
TRANSFERS IN OR (OUT):		
Transfer Out	(150,000)	(150,000)
	<hr/>	<hr/>
TOTAL TRANSFERS	(150,000)	(150,000)
OPERATING INCOME (LOSS)	(51,072,728)	(39,026,990)
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	62,946,388	46,505,037
Investment Expense	(872,011)	(815,466)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	62,074,377	45,689,571
CHANGE IN NET POSITION	11,001,649	6,662,581
NET POSITION:		
Beginning of Year	74,146,744	67,484,163
Additional Paid in Capital	5,000,000	5,000,000
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 90,148,393	\$ 79,146,744

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 294,235,784	\$ 234,302,343
Payments from Others	7,250	8,500
Claims Paid	(191,381,789)	(171,162,546)
Other Claims-Related Payments	(6,189,613)	(16,711,120)
Insurance Purchased	(10,410,072)	(7,070,372)
Payments to Suppliers	(703,516)	2,383,634
Internal Activities	<u>(150,000)</u>	<u>(150,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>85,408,044</u>	<u>41,600,439</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(701,271,901)	(505,180,617)
Sales of Securities	588,435,283	430,181,482
Cash from Investment Earnings	29,839,452	24,640,571
Investment Expenses	<u>(872,011)</u>	<u>(815,466)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(83,869,177)</u>	<u>(51,174,030)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
(Purchase)/Sale of Capital Stock	<u>-</u>	<u>(3,500,000)</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(3,500,000)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,538,867	(13,073,591)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>1,890,840</u>	<u>14,964,431</u>
END OF YEAR	<u>\$ 3,429,707</u>	<u>\$ 1,890,840</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(51,072,728)	(39,026,990)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Members and Reinsurance Receivable, Net	(2,492,228)	12,113,707
Prepaid Expenses	(588,158)	(995,982)
Unearned Income	1,118,196	461,944
Accounts Payable and Other Liabilities	(6,384,587)	(13,468,771)
Claim Liabilities	<u>144,827,549</u>	<u>82,516,531</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 85,408,044</u>	<u>\$ 41,600,439</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 31,817,384</u>	<u>\$ 20,364,264</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 629,683,610	\$ 547,167,079
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	131,876,961	108,007,801
Increase (Decrease) in the provision for claims of prior fiscal years	<u>204,332,377</u>	<u>145,671,276</u>
B. Total incurred claims and claim adjustment expenses	<u>336,209,338</u>	<u>253,679,077</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	7,386,933	9,008,495
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>183,994,856</u>	<u>162,154,051</u>
C. Total Payments	<u>191,381,789</u>	<u>171,162,546</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 774,511,159</u>	<u>\$ 629,683,610</u>
Current Claim Liabilities	134,163,469	167,564,555
Noncurrent Claim Liabilities	<u>640,347,690</u>	<u>462,119,055</u>
Total Claim Liabilities	<u>\$ 774,511,159</u>	<u>\$ 629,683,610</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
PRISM AFFILIATE RISK CAPTIVE
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
SCHEDULE OF EARNED PREMIUMS AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

POLICY YEAR	June 30, 2017*	June 30, 2018	June 30, 2019**	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Earned Premiums	\$ 78,135,139	\$ 97,047,480	\$ 621,652,392	\$ 116,919,308	\$ 142,291,017	\$ 100,701,884	\$ 111,087,432	\$ 126,231,442	\$ 157,452,413
Less Ceded	-	-	-	-	(1,599,257)	(2,101,293)	(1,507,606)	(5,639,398)	(10,742,210)
Investment Earnings	9,952,500	12,746,474	58,628,348	9,955,059	8,013,784	(273,715)	14,389,884	14,335,786	10,283,618
1. Total Revenues Available For Payment of Claims	88,087,639	109,793,954	680,280,740	126,874,367	148,705,544	98,326,876	123,969,710	134,927,830	156,993,821
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims	75,803,096	93,571,460	136,235,191	115,460,318	126,941,559	90,032,146	96,894,622	113,647,199	142,619,171
Less Ceded Claims	-	-	-	-	(1,599,257)	(2,101,293)	(1,507,606)	(5,639,398)	(10,742,210)
Net Incurred Claims and Expenses, End of Policy Year	75,803,096	93,571,460	136,235,191	115,460,318	125,342,302	87,930,853	95,387,016	108,007,801	131,876,961
4. Cumulative Paid Claims as of:									
End of the Policy Year	15,161,362	14,402,517	15,791,866	15,800,219	20,379,129	23,760,627	6,350,923	9,008,495	7,386,933
One Year Later	25,087,580	34,315,031	31,499,850	34,032,022	35,135,227	35,654,146	28,233,683	40,196,247	
Two Years Later	49,070,991	48,376,052	56,452,674	52,745,455	65,520,110	47,860,994	39,654,664		
Three Years Later	61,901,911	65,867,160	78,892,048	60,228,568	77,914,226	55,687,021			
Four Years Later	72,906,676	74,319,643	120,434,767	91,934,190	87,459,534				
Five Years Later	75,493,265	80,759,329	198,352,375	109,885,248					
Six Years Later	76,890,390	84,758,901	296,544,731						
Seven Years Later	78,937,916	91,831,578							
Eight Years Later	79,736,611								
Nine Years Later									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses									
End of the Policy Year	75,803,096	93,571,460	136,235,191	115,460,318	125,342,302	87,930,853	95,387,016	108,007,801	131,876,961
One Year Later	78,766,357	96,621,991	180,278,594	121,586,409	126,386,024	91,781,899	102,785,406	116,897,800	
Two Years Later	81,353,377	99,213,918	251,908,323	119,204,534	131,060,575	93,914,572	105,152,696		
Three Years Later	81,768,607	100,157,999	321,744,618	121,199,660	132,734,187	96,431,467			
Four Years Later	82,783,448	100,126,065	369,273,324	124,194,238	134,468,187				
Five Years Later	82,394,213	101,449,861	499,338,018	126,439,166					
Six Years Later	82,852,978	102,100,144	684,784,430						
Seven Years Later	83,610,023	103,511,453							
Eight Years Later	83,331,568								
Nine Years Later									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 7,528,472	\$ 9,939,993	\$ 548,549,239	\$ 10,978,848	\$ 9,125,885	\$ 8,500,614	\$ 9,765,680	\$ 8,889,999	\$ -

*Affiliate Risk Captive established July 1, 2016

**GL1 LPT corridor included in 2018/19 program year

STATISTICAL SECTION

STATISTICAL SECTION

This part of PRISM's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about PRISM's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how PRISM's financial performance and well-being have changed over time. They show how revenues and expenses have developed over years. They show how our Net Position has increased, then fallen and increased again.

	<u>Page</u>
Schedule of Net Position	207
Schedule of Revenues, Expenses and Changes in Net Position.....	208
History of Dividends Returned to Members.....	209

Demographic and Economic Information

These schedules offer demographic and economic information indicators to help the reader understand the environment within which PRISM's financial activities take place. The number of Workers' Compensation, General Liability 1, Property, and Medical Malpractice claims is an indicator of the Provision for Claims. Payrolls for Workers' Compensation and General Liability 1, together with claims experience are an indicator for premium revenues. Property values are indicators for Property premiums.

	<u>Page</u>
Economic Statistics	210
Number of Claims.....	211
Property Insured Values.....	212

Operating Information

These schedules contain information regarding PRISM employees by department, member participation by program, and the change in office space.

	<u>Page</u>
Economic Indicators and Information	213

Schedules showing trends for property tax rates and revenues along with corresponding assessed valuations are not presented since PRISM does not levy such taxes.

Schedules showing bonded debt and related legal debt ratios are also not applicable.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SCHEDULE OF NET POSITION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020*	June 30, 2021*	June 30, 2022	June 30, 2023	June 30, 2024**	June 30, 2025
Assets										
Current Assets	\$ 227,525,217	\$ 237,651,931	\$ 176,669,754	\$ 290,175,714	\$ 286,240,447	\$ 318,236,898	\$ 273,630,975	\$ 379,218,610	\$ 538,846,641	\$ 629,015,397
Noncurrent Assets	511,133,020	553,711,422	657,644,997	675,593,331	587,286,053	691,650,987	780,129,760	805,632,960	909,058,502	1,211,438,098
Deferred Outflows - Pension & OPEB	3,329,112	1,537,233	1,718,920	1,227,362	1,995,729	2,167,314	2,000,236	4,727,766	4,372,357	3,656,547
Total Assets and Deferred Outflows	741,987,349	792,900,586	836,033,671	966,996,407	875,522,229	1,012,055,199	1,055,760,971	1,189,579,336	1,452,277,500	1,844,110,042
Liabilities										
Current Liabilities	144,506,871	144,362,878	183,323,834	321,909,836	130,180,773	179,117,210	255,520,486	257,945,110	307,166,355	403,330,575
Noncurrent Liabilities	458,363,786	506,550,093	528,994,951	444,459,373	566,410,195	641,852,245	652,488,174	663,577,279	919,770,565	1,124,749,473
Deferred Inflows - Leases, Pension & OPEB	1,444,075	1,466,353	1,144,292	595,345	4,668,279	4,731,110	3,713,839	4,229,528	4,005,637	5,702,826
Total Liabilities and Deferred Inflows	604,314,732	652,379,324	713,463,077	766,964,554	701,259,247	825,700,565	911,722,499	925,751,917	1,230,942,557	1,533,782,874
Net Position										
Invested in Capital Assets	9,578,879	9,838,240	10,205,042	10,072,121	10,175,084	10,825,450	12,624,998	13,402,523	13,038,230	13,010,036
Unrestricted	128,093,738	130,683,022	112,365,552	189,959,732	164,087,898	175,529,184	131,413,474	250,424,896	208,296,713	297,317,132
Total Net Position	\$ 137,672,617	\$ 140,521,262	\$ 122,570,594	\$ 200,031,853	\$ 174,262,982	\$ 186,354,634	\$ 144,038,472	\$ 263,827,419	\$ 221,334,943	\$ 310,327,168

*Includes restatement of financials for the adoption of GASB Statement No. 87

**Includes restatement of financials for the adoption of GASB Statement No. 101

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024**	June 30, 2025**
REVENUES:										
Premiums for Transferred Risk	\$ 493,749,250	\$ 535,583,984	\$ 639,585,449	\$ 826,382,527	\$ 844,596,238	\$ 950,074,535	\$ 1,112,076,538	\$ 1,142,729,744	\$ 1,376,138,017	\$ 1,518,545,602
Broker Fees	9,385,697	9,996,927	10,678,116	11,435,218	14,784,924	17,126,598	24,282,089	26,884,483	30,093,484	38,121,796
Contributions for Retained Risk	163,031,197	196,118,073	212,774,426	125,476,876	237,793,515	256,223,164	271,092,405	385,724,427	443,940,217	568,816,380
Dividend Income	232,389	192,828	93,904	173,634	174,054	192,456	540,855	496,674	679,156	17,888
Member Services	747,513	935,244	637,546	678,036	579,779	739,495	307,858	549,660	834,528	540,785
Administrative Fees	18,830,010	21,294,667	22,797,612	22,542,735	25,423,157	28,290,961	27,678,580	31,098,009	35,202,047	37,887,599
Public Entity/School Loss Control Fees	655,463	738,862	138,545	106,979	139,952	118,885	146,390	145,093	162,024	163,638
Program Development Fees	-	2,400	-	-	-	-	-	-	-	-
Other Income	86,854,558	2,172,511	2,105,826	2,502,795	1,975,014	4,970,600	2,503,075	776,440	80,641,631	9,997,134
Investment Income	13,786,527	4,602,220	6,283,097	38,142,841	32,943,625	33,271,574	(63,486,471)	22,395,857	65,409,866	98,575,237
Total Revenues	787,272,604	771,637,716	895,094,521	1,027,441,641	1,158,410,258	1,291,008,268	1,375,141,319	1,610,800,387	2,033,100,970	2,272,666,059
EXPENSES:										
Insurance Expense	496,527,761	537,135,168	638,628,836	808,697,072	870,164,217	931,306,209	1,092,944,347	1,172,598,290	1,357,108,873	1,518,064,624
Broker Fees	9,125,742	10,056,293	10,636,299	12,897,673	14,741,476	17,116,998	23,718,621	28,614,472	30,088,013	38,121,796
Provision for Insured Claims	213,524,014	185,159,424	231,224,547	96,385,288	260,612,179	286,903,721	256,228,194	244,745,147	630,924,432	564,155,305
Unallocated Loss Expenses	9,400,117	4,035,629	(5,702,516)	(574,000)	(590,000)	1,362,000	11,582,000	(9,742,000)	(3,343,388)	2,436,388
Program Services	13,744,756	13,006,216	13,382,182	13,393,090	13,102,555	13,436,501	14,722,010	22,069,927	20,216,479	17,227,517
Member Services and Subsidies	2,963,429	2,753,144	2,634,689	2,405,518	2,460,566	2,709,847	2,600,729	2,552,773	2,608,261	2,478,358
General Administration	9,574,758	12,500,483	12,910,631	13,067,124	14,525,157	15,157,622	11,700,198	21,699,968	22,380,156	24,504,869
Dividends	5,554,624	2,970,796	1,082,497	2,187,466	7,311,760	9,195,666	2,543,052	7,009,958	13,197,766	14,737,473
Stabilization Funds	477,716	64,106	47,210	-	-	-	-	-	-	-
Building Depreciation & Maintenance	1,113,715	1,107,812	2,005,446	1,521,151	1,851,219	1,728,052	1,418,330	1,462,905	2,101,937	1,947,504
Total Expenses	762,006,632	768,789,071	906,849,821	949,980,382	1,184,179,129	1,278,916,616	1,417,457,481	1,491,011,440	2,075,282,529	2,183,673,834
Changes in Net Position	25,265,972	2,848,645	(11,755,300)	77,461,259	(25,768,871)	12,091,652	(42,316,162)	119,788,947	(42,181,559)	88,992,225
NET POSITION:										
Beginning Net Position	112,406,645	137,672,617	140,521,262	122,570,594	200,031,853	174,262,982	186,354,634	144,038,472	263,827,419	221,610,493
Adjustment to Beginning Net Position	-	-	(6,195,368)	-	-	-	-	-	(310,917)	(275,550)
Ending Net Position	\$ 137,672,617	\$ 140,521,262	\$ 122,570,594	\$ 200,031,853	\$ 174,262,982	\$ 186,354,634	\$ 144,038,472	\$ 263,827,419	\$ 221,334,943	\$ 310,327,168

**Includes restatement of financials for the adoption of GASB Statement No. 101

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025

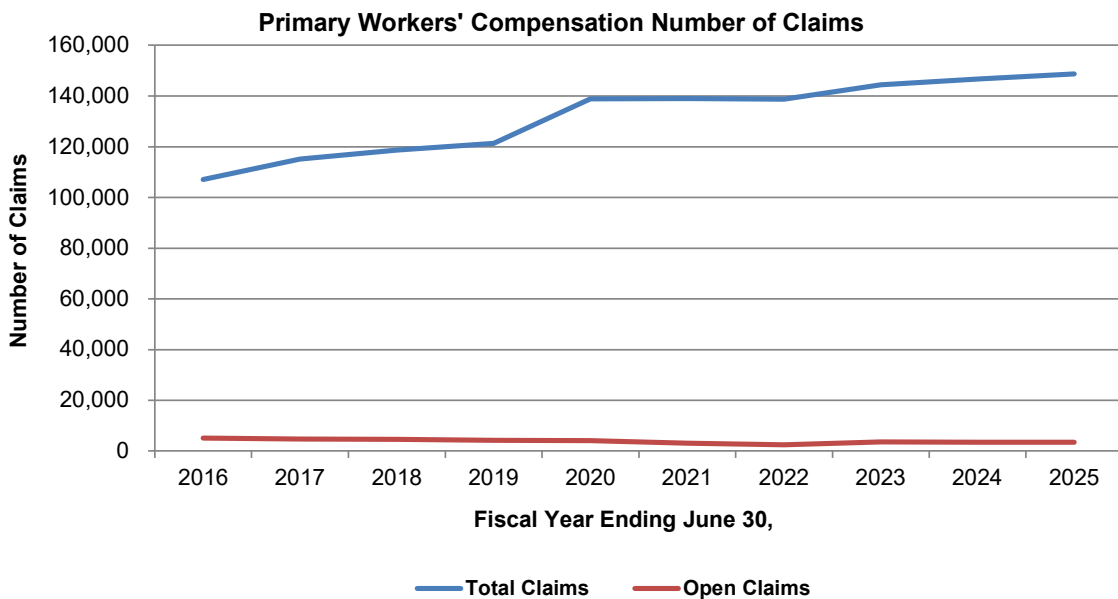
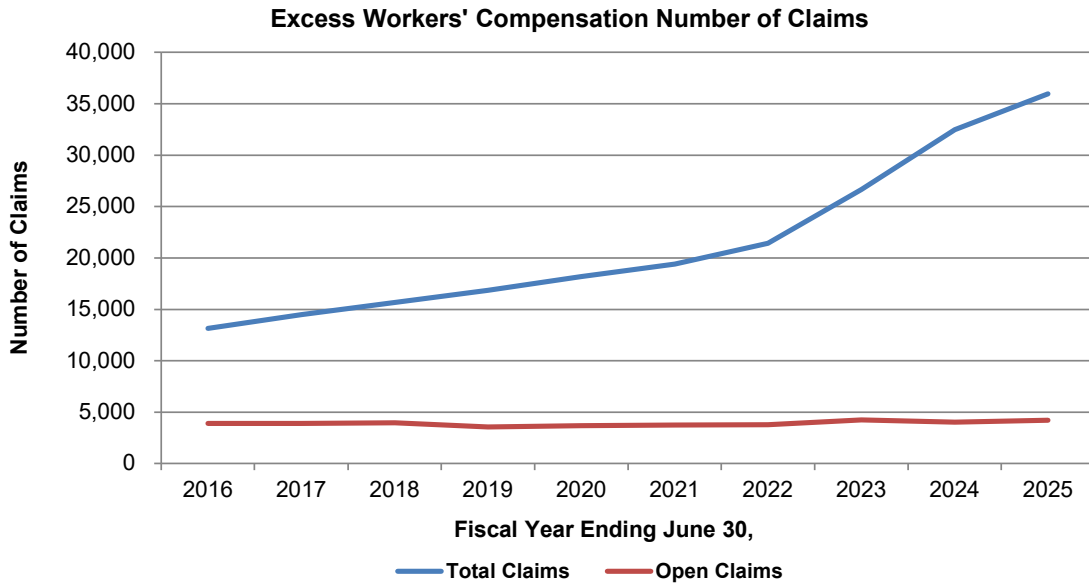
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Primary Workers' Compensation	\$ 2,300,000	\$ 2,500,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 6,500,000	\$ 6,500,000	\$ 9,500,000
Employee Benefits										
PRISMHealth Program	22,235	15,857	8,174	13,833	12,259	3,210	2,197	13,284	23,490	26,038
Dental	-	-	-	-	5,000,000	7,000,000	2,000,000	-	6,000,000	3,000,000
General Liability 1 Program	3,000,000	-	-	-	-	-	-	-	-	-
Primary General Liability	-	266,000	980,419	-	-	-	-	-	-	-
Miscellaneous Programs	116,728	91,516	20,239	173,634	174,053	192,456	540,855	496,674	674,276	-
Property	115,661	97,423	73,665	-	125,448	-	-	-	-	-
Medical Malpractice	-	-	-	-	-	-	-	-	-	2,211,435
Total	\$ 5,554,624	\$ 2,970,796	\$ 1,082,497	\$ 2,187,466	\$ 7,311,760	\$ 9,195,666	\$ 2,543,052	\$ 7,009,958	\$ 13,197,766	\$ 14,737,473

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC STATISTICS
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Excess Workers' Compensation										
Total Number of Claims	13,145	14,496	15,686	16,840	18,189	19,402	21,437	26,661	32,491	35,951
Open Claims	3,904	3,884	3,964	3,543	3,682	3,734	3,783	4,239	4,018	4,200
Covered Payroll	\$ 26,384,416,150	\$ 28,017,837,370	\$ 29,451,565,009	\$ 31,071,536,016	\$ 32,583,253,402	\$ 31,668,032,929	\$ 35,064,361,304	\$ 33,977,782,818	\$ 36,209,693,727	\$ 39,381,439,980
Primary Workers' Compensation										
Total Number of Claims	107,009	115,224	118,732	121,315	138,891	139,029	138,836	144,462	146,697	148,761
Open Claims	5,078	4,787	4,630	4,211	4,113	3,085	2,478	3,678	3,516	3,480
Covered Payroll	\$ 2,916,995,600	\$ 3,151,778,300	\$ 3,503,927,308	\$ 2,525,228,074	\$ 2,567,230,502	\$ 2,449,858,060	\$ 2,657,498,335	\$ 2,706,078,088	\$ 2,733,364,267	\$ 3,010,801,730
General Liability 1										
Total Number of Claims	5,944	6,255	6,688	7,123	7,430	8,135	9,114	9,414	10,195	10,965
Open Claims	556	547	661	775	700	964	1,209	1,379	1,476	1,561
Covered Payroll	\$ 4,959,948,402	\$ 5,709,976,288	\$ 6,252,866,616	\$ 6,682,822,103	\$ 6,916,517,840	\$ 8,231,319,666	\$ 8,079,440,997	\$ 7,867,354,705	\$ 8,431,052,665	\$ 9,331,184,260
Property										
Total Number of PRISM Claims	2,799	3,083	3,459	3,946	4,422	5,067	5,772	6,082	7,044	7,068
Open PRISM Claims	28	13	105	178	129	119	66	410	478	423
Total Number of Excess Claims	1,364	1,473	1,655	1,833	2,076	2,345	2,861	2,537	2,888	2,698
Open Excess Claims	141	165	191	211	294	317	280	186	294	89
Total Property Values	\$ 61,522,521,668	\$ 65,055,750,921	\$ 65,631,724,325	\$ 69,370,324,423	\$ 74,419,557,887	\$ 75,542,604,936	\$ 93,807,137,701	\$ 101,332,998,765	\$ 106,633,792,445	\$ 113,109,706,516

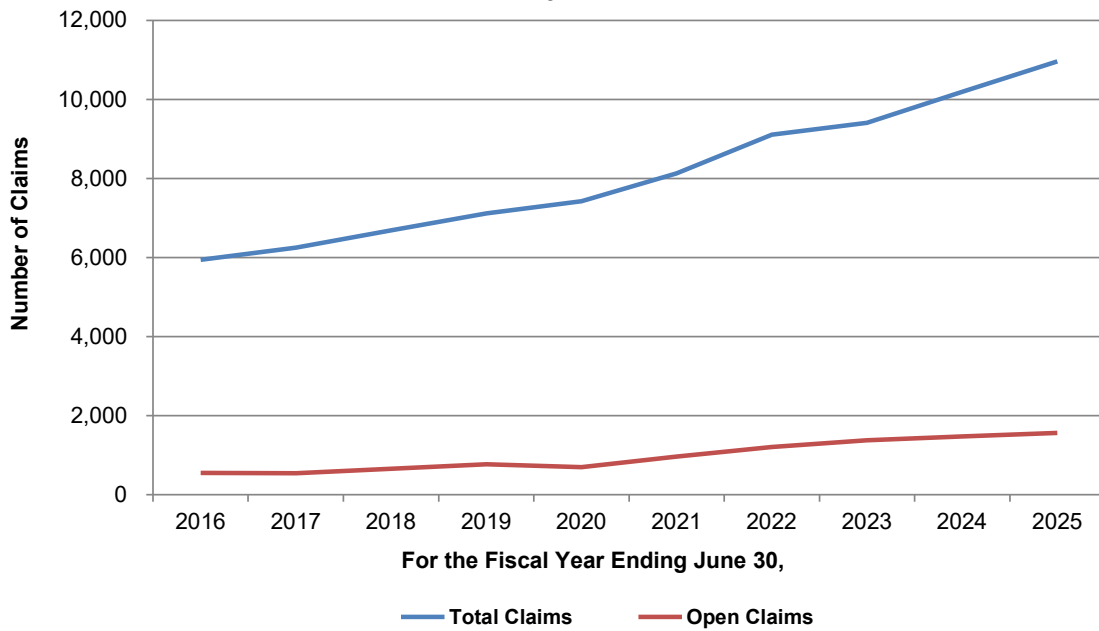
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025**

The best economic indicator of the financial stability for PRISM is the estimation of incurred claims expense (line 6) and claims paid (line 3) reported in the Schedule of Claim Development and Earned Assessments in the Required Supplemental Information section of the ACFR's Financial Section. Other relevant economic and demographic information would include trends for the number of claims, covered payrolls, property values, and PRISMHealth employees and lives covered as shown on the following charts.

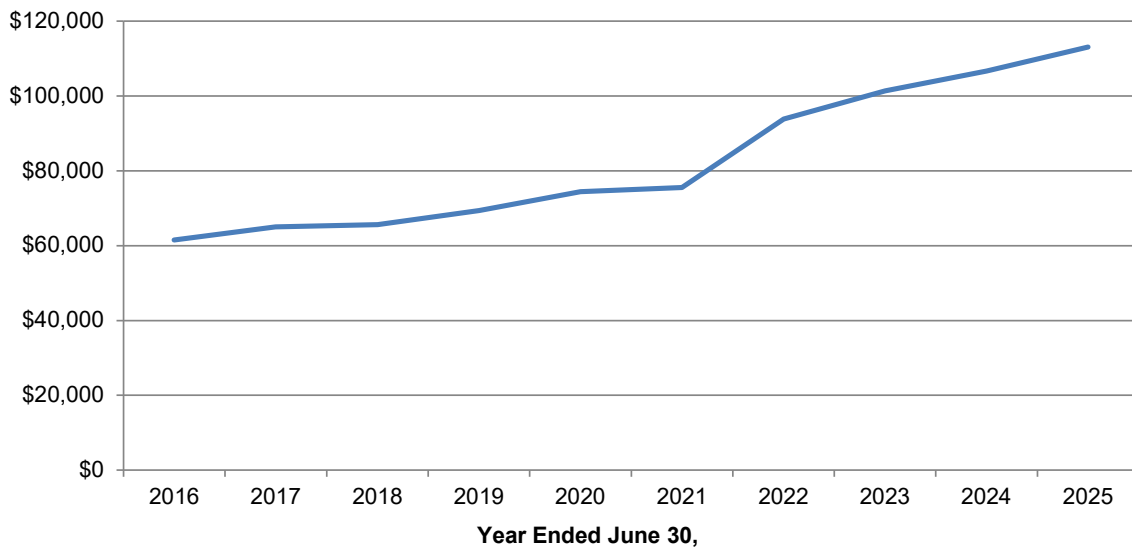


**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025**

General Liability I Number of Claims



**Property Insured Values
(\$ in Millions)**



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Full-time Equivalent Employees as of June 30	62	68	74	79	79	86	91	89	101	108
Number of Retirees	6	6	9	10	11	11	13	12	34	37
Square footage of Office Space	29,000	29,000	29,000	29,000	29,000	29,000	29,000	25,000	25,000	25,000
Member Units*										
Primary Workers' Compensation	38	39	39	41	39	38	37	37	36	36
Excess Workers' Compensation	167	171	175	174	180	180	182	181	179	181
Primary General Liability	23	22	-	-	-	-	-	-	-	-
General Liability 1	117	114	125	128	130	127	134	135	128	131
General Liability 2	12	15	18	18	18	21	25	25	28	29
Property	96	98	105	104	109	110	118	112	114	119
Medical Malpractice	49	51	52	52	52	51	51	51	52	52
Master Owner Controlled Ins	8	15	16	17	18	18	6	6	7	4
PRISMHealth	28	32	37	43	42	43	45	47	48	49
Dental	145	153	154	163	166	167	174	172	183	187
Paid Family Leave	-	-	-	-	-	-	-	-	-	8
Total Member Units	683	710	721	740	754	755	772	766	775	796
Member Counties	55	55	55	55	55	55	55	55	55	54
Member Public Entities	260	273	288	295	295	301	305	311	308	316
Total Members	315	328	343	350	350	356	360	366	363	370
Members within California	315	328	343	350	350	354	357	363	355	359
Participants outside California**	-	-	-	-	-	2	3	3	8	11
Total Members	315	328	343	350	350	356	360	366	363	370

* If a member participates in one program that counts as 1 member unit, if they participate in 3 programs, that counts as 3 member units.

**Referred to as "Participants" since entities outside California cannot join PRISM directly as a member; coverage is provided through PRISM ARC.

BUDGET HIGHLIGHTS

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
BUDGET HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual Results	Variance
Revenues:			
Premiums for Transferred Risk, Public Entity & School Loss Control Fees	\$ 1,572,581,902	\$ 1,518,709,240	\$ (53,872,662)
Broker Fees	35,777,692	38,121,796	2,344,104
Contributions for Retained Risk	529,237,143	568,816,380	39,579,237
Investment Income (Loss) & Financing Fees	31,249,000	99,692,313	68,443,313
Administration Fees	37,875,936	37,887,599	11,663
Member Services & Dividend Income	3,826,800	558,673	(3,268,127)
Lease Income	478,035	484,917	6,882
Other Income	175,000	9,897,121	9,722,121
Total Revenues	2,211,201,508	2,274,168,039	62,966,531
Expenses:			
Member Dividends & Stabilization Funds Distributed	8,518,000	14,737,473	(6,219,473)
Transferred Risk & Insurance Expense, including GL1 LPT Premium Expense	1,570,720,902	1,518,064,624	52,656,278
Broker Fees & GL1 LPT Broker Fees	35,777,692	38,121,796	(2,344,104)
Provision for Claims	415,608,931	564,155,305	(148,546,374)
Unallocated Loss Adjustment Expenses	3,753,000	2,436,388	1,316,612
Program Services	21,455,651	17,227,517	4,228,134
Member Services	2,507,600	2,478,358	29,242
General Administrative/Building/Depr Expense	29,921,540	27,954,353	1,967,187
Total Expenses	2,088,263,316	2,185,175,814	(96,912,498)
Total Income (Loss)	\$ 122,938,192	\$ 88,992,225	\$ (33,945,967)
Change in Net Position	122,938,192	88,992,225	
Beginning Net Position Balance July 1, 2024			
As Previously Presented	208,611,754	221,610,493	
Restatements	-	(275,550)	
As Restated	208,611,754	221,334,943	
Ending Net Position Balance, June 30, 2025	\$ 331,549,946	\$ 310,327,168	

For purposes of Actual to Budget comparison the above budgets do not include the \$50 million budgeted for both revenue and expense in the Member Growth category. New member revenue and expense is included in the appropriate revenue and expense category.