



PRISM

Annual Comprehensive Financial Report

Public Risk Innovation, Solutions, and Management

Fiscal Years Ended June 30, 2024 and 2023

- California -

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

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**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

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December 13, 2024

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

As we reflect on fiscal year 2023/24, 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 2023/24, our annual revenue was \$2.0B, and for 2024/25 we estimate the revenue at \$2.3B.

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 now around 2,175 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 own claims management system was launched for Liability Claims last October, and will launch for Workers' Comp next February. The project to build a claims management system, designed to accommodate the complexities of excess claims and the unique structures of our programs, began 4 years ago. The plan was for a year of design and two for development. Not only did the team meet their development goals, they also completed design and initial development within budget, which is often not the case with large IT projects. The team has built a full-featured claims system with many exciting custom features, and improvements and further development are already underway. Future development will likely include additional modules for medical malpractice and property, as well as the ability for our members to use the system to manage their claims.

We are also pleased to report that PRISM has reached a commutation settlement with AmTrust. Since 2020, PRISM had been involved in an ongoing dispute with AmTrust North America, Inc., one of the insurers that PRISM worked with between 2011 and 2017. In April 2024, after four years of negotiations, litigation, and arbitration, we reached a settlement agreement with AmTrust that PRISM's staff and governing committees felt represented the most prudent path forward. The settlement gave PRISM a partial, but significant recovery of its claims against AmTrust and enabled us to move forward along a clear path. Further pursuing litigation and arbitration would cost millions of dollars in additional legal fees without a substantial likelihood of success. The settlement removes uncertainty and distraction and allows us to focus on the needs of our members.



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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 2024, ARC has 9 entities as participants from outside of California: Cook County, Illinois; Pima County, Arizona; City of Glendale, Arizona; City of Portland, Oregon; 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 FY 2024/25, 5 new staff positions were approved. These new positions include 2 Employment Practices Liability (EPL) Attorneys, 1 Liability Claims Supervisor, 1 Data & Analytics Specialist, and 1 Actuarial Analyst Senior Specialist. As of July 1, 2024, PRISM has 109 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, 2024 and 2023, 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 62-member Board of Directors is comprised of representatives from each of the 55 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, 2024, PRISM has 363 members, consisting of 54 California counties and 309 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 31 joint powers authorities consisting of pools of cities, schools, or special districts. The members collectively represent approximately 2,045 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 112 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 (including an option for primary liability coverage), a property program, a medical malpractice program, a master rolling owner-controlled insurance program, an employee health benefit program, and a dental 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 evolve 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 2023/24 and 2024/25, 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 \$13.9M in 2023/24 though it remained in a deficit of \$8.2M at June 30, 2024. Management projections indicate that the net position for GL1 will again be in a surplus as early as 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.

Our PRISMHealth Program continues to produce stable and equitable renewals, issuing below-traditional market renewals. The PRISMHealth Program renewed with a 12.26% pool renewal in 2024 - the highest renewal in more than a decade - and 8.86% in 2023. The employee benefits suite of coverages, which includes Dental, Vision, Life/Disability, and Employee Assistance Program renewals, often include multi-year rate guarantees. The Dental Program utilized \$10k in unrestricted equity to buy down the 2024 renewal for the DHMO segment to 0%. The 2024 fixed rates PPO pooled renewal was -3.1% with no use of program equity. As of July 1, 2023, PRISM added Ameritas as a second dental carrier allowing for members to access a wider network of providers, especially in rural areas.

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 2023/24, 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 \$15.5M. As in prior years, the corridor risk was transferred to ARC.

The PWC Program maintained a strong net position in 2023/24 ending the year with surplus of \$55.5M. This very healthy funding position has enabled the PWC Committee to declare dividends in 13 of the last 15 years, including \$6.5M approved during 2023/24.

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 two \$5M corridors reinsured by ARC; one attaches at \$5M and the other attaches at \$10M. Pooled layers for both Towers are reinsured by Great American and are subject to a \$63M corridor retention. The Educational Tower maintained a \$7.1M corridor in its primary layer. Both corridors were transferred to ARC.

The EWC Program participated in the AmTrust commutation that was a major contributor to the total increase in the provision for prior year claims expense from (\$21.1M) in 2022/23 to \$133.8M in 2023/24. The Program experienced a net loss of \$45.1M, but still ended the year with a surplus of \$28.8M at June 30, 2024.

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 \$5M. The Program also offers a \$10k deductible through the Deductible Buy-Down (DBD) option, previously known as the Primary General Liability (PGL) Program, for those who want to transfer more risk. Members who elect 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. 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 \$22.1M at June 30, 2023 and to \$8.2M at June 30, 2024. 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 2023/24 renewal, the 1st reinsurance layer (SIR to \$10M) renewed with Starstone National and Berkshire Hathaway providing coverage to \$118.1M aggregate limit, and ACE American(a.k.a. Chubb) providing a \$52M aggregate limit. In this structure, Starstone National and Berkshire Hathaway 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 2023/24 coverage year.

The 2nd reinsurance layer (\$5M excess \$10M) has five carriers providing coverage in the quota-share layer to a \$55M aggregate limit. This 2nd reinsurance layer is also subject to a \$15M 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 on the layer slightly to \$41.8M from \$40M in the prior year.

AmTrust was a carrier on the GL2 Program for the policy years 2011/12 to 2015/16, hence claims from those years returned to it with the commutation, driving the net position into a deficit. In response, the GL2 Committee declared a \$25M assessment. Unfortunately, loss estimates were greater than initially expected and even after booking the assessment the Program ended the year with a negative net position of \$6.3M at June 30, 2024.

PROPERTY

The Property Program provides coverage for physical damage to members' real and personal property, with limits up to \$600M 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). Aggregate stop loss coverage of \$50M was purchased from Berkshire Hathaway to limit the Program's exposure. For aggregate losses that exceed a \$110M attachment point, Berkshire will pay claims up to their limit of \$50M, then any remaining exposure will return to PRISM. The Program experienced large losses again 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 Property renewal as of March 31, 2024 is structured with PRISM's aggregate stop loss attachment point set at \$120M before Harleysville/Nationwide provide additional limits of \$30M. A group of additional carriers are providing aggregate limits of \$25M at the top of the structure, bringing total aggregate limits to \$175M.

At June 30, 2023, this program had a surplus of \$34.2M. That surplus dropped to \$17.4M at June 30, 2024 due to losses in the Pool Layer beyond expectations primarily from storm claims.

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 2023/24 year, the pool provided coverage on a claims-made basis. The first reinsurance layer provided by Beta Healthcare Group (a JPA which PRISM has now 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 five years. This Program had a surplus of \$22.9M at June 30, 2024.

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 \$26M during the 2023/24 year. Total construction values covered in the Program exceed \$3.8B. The program experienced a small net loss in 2023/24, dropping its surplus from \$437k at June 30, 2023 to \$387k at June 30, 2024.

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 47 members, providing coverage for 43,000 employees/retirees. The Program ended the year with a surplus of \$4.9M.

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 \$6M to members during 2023/24 and still ended the year with a strong net position of \$9.8M. The Committee plans to monitor net position for the ability to issue more dividends in future years.

PRISM INTERNAL GUARANTEE ACCOUNT (PIGA)

This new program was launched 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. Inaugural 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. This 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 inaugural 2024/25 policy year are \$5M, with nearly all revenue being recognized in the 2024/25 fiscal year which will then be transferred to PRISM ARC for most Programs.

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 14.98% and 12.36% after mark-to-market adjustments for the 2023/24 and 2022/23 fiscal years, respectively. Since inception, the equity portfolio has yielded 9.21%. The consolidated ARC portfolio as a whole is less subject to market volatility and had a total rate of return of 6.04% and 7.28% in the 2023/24 and 2022/23 years, respectively, with a return since inception of 2.01%. 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 \$125M of fixed corridor risk for the program year 2023/24 as compared to \$114M in program year 2022/23. PRISM has also transferred corridor risk estimated at \$430M resulting from its Loss Portfolio Transfer agreement with Multi Strat Re to the Captive. The corridor for this risk is not fixed. PRISM has paid \$386M in discounted premiums to ARC to fund this risk. In total, over \$1B in premiums has been collected by ARC in its first 8 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, 2023. This was the 30th 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 2025.

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



Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	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	Klaus Leitenbauer, Director of Finance
Amador County	✓	✓	✓		✓	✓		✓	✓	Richard Forster, Supervisor	Sarah Duarte, Risk Analyst
Butte County		✓	✓		✓	✓				Julia Ogonowski, Risk Manager	Tiana Gray, Human Resources Manager
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	Jayme Vaccaro, Assistant Risk Manager
Del Norte County		✓	✓		✓	✓		✓	✓	Neal Lopez, Assistant County Administrative Officer	Cathy Hafterson, Human Resources/Risk Manager
El Dorado County	✓	✓		✓	✓	✓		✓	✓	Lavleen Cheema, RMP, Risk Analyst II	Joseph Carruesco, Director of Human Resources
Fresno County		✓	✓		✓	✓				Jenny Thompson, Risk Manager	Hollis Magill, Director of Human Resources



Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	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, CPCU, Risk Manager	Nate Greenberg, County Administrator
Kern County						✓	✓			Lisa Dearmore, Risk Manager	Brad Aragon, 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		✓	✓		✓	✓			✓	Richard Egan, County Administrative Officer	Samantha McMullen, Assistant to the CAO/Budget Analyst
Madera County		✓	✓		✓	✓				Darin McCandless, Deputy CAO	Jason Blanks, Risk Management Analyst
Marin County					✓					Karen Shelar, Risk Manager	Ariel Espiritu Santo, Assistant County Administrator



Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Mariposa County		✓	✓		✓	✓			✓	Steve Dahlem, 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	Jay Sloane, Risk Manager
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	✓	✓	✓		✓	✓				Alison Lehman, County Executive Officer	Brittni Inks, Risk Manager
Orange County										Vacant	Vacant
Placer County		✓	✓		✓	✓			✓	Sara Born, Assistant Risk Manager	Helaina Wilkinson, Risk Management Administrator HR Dept Workforce Optimization



Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Plumas County		✓	✓		✓	✓			✓	Travis Goings, Director of Risk Management	Nancy Selvage, Director of Human Resources
Riverside County		✓		✓	✓	✓				Ronak Patel, Assistant Human Resources Director	Vacant
Sacramento County	✓	✓	✓	✓		✓				Sarah Baker, Risk Manager	Charma Howard, Workers' Compensation Manager
San Benito County		✓	✓		✓	✓			✓	Henie Ring, Human Resources Manager	Gracie Rodriguez, Associate Administrative Analyst
San Bernardino County		✓	✓	✓		✓				Victor Tordesillas, Director, Dept. of Risk Mgmt.	Paul Kiehl, Risk Management Deputy Director
San Diego County		✓		✓		✓	✓			Jan Mazone, Deputy Director, Human Resources	Vacant
San Joaquin County		✓		✓	✓	✓			✓	Tanya Moreno, County Safety and 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	Nancy Anderson, Chief Assistant CEO
Santa Clara County				✓	✓	✓				Lance Sposito, Director of Risk Management	Vacant



Board of Directors and Alternates With Programs

As of 6/30/2024

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Santa Cruz County		✓		✓	✓	✓			✓	Enrique Sahagun, Interim Risk Manager	Vacant
Shasta County		✓	✓		✓	✓			✓	Monica Fugitt, Assistant Director of Support Services	Dolyene Lane, Risk Manager
Sierra County		✓	✓		✓	✓		✓	✓	Van Maddox, Risk Manager	Judi Behlke, Personnel Analyst
Siskiyou County	✓	✓	✓		✓	✓			✓	Hayley Hudson, Deputy CAO Personnel & Risk Management Officer	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	Vacant
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



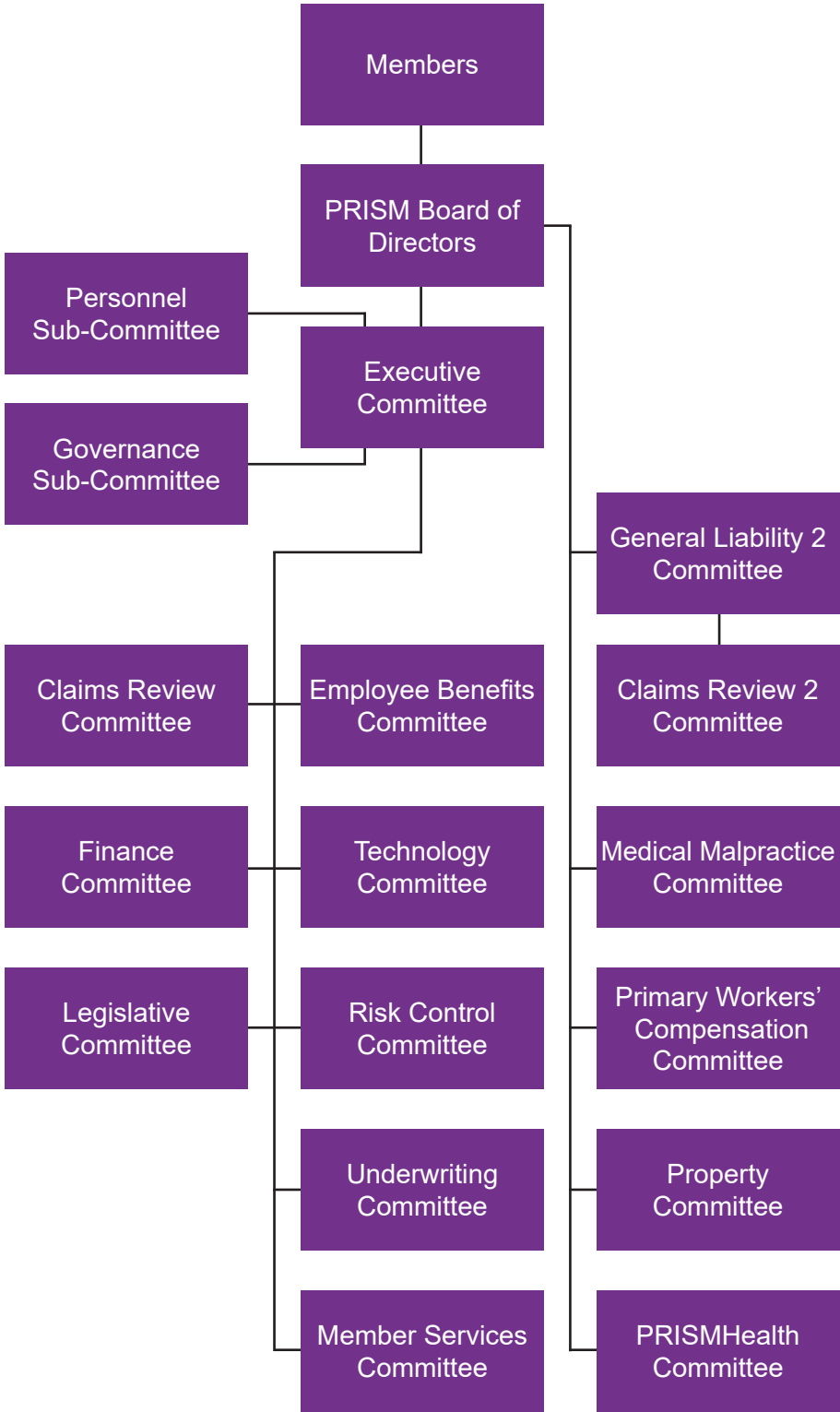
Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Tulare County		✓	✓	✓	✓	✓				Rob Anderson, Risk Manager	Danny Mendes, Deputy Risk Manager
Tuolumne County		✓	✓		✓	✓		✓	✓	Karen McGettigan, HR Director/Risk Manager	Sarah Olson, Risk Analyst
Ventura County				✓		✓				Tabin Cosio, Chief Deputy Executive Officer	Danielle Mancuso, Deputy Executive Officer, County Executive Office / Risk Management
Yolo County		✓			✓	✓			✓	Barbara Lubben, Yolo/YCPARMIA Executive Director	Vacant
Yuba County	✓	✓	✓		✓	✓			✓	Tiffany Manuel, Interim Human Resources Director/Risk Manager	Karen Fassler, Assistant Human Resources Director



Board Member	Public Entity	Designated Board Position/Representative
Mark Howard, Risk Manager	ACCEL	City
Janice Galleher, Claims and Insurance Manager	City of Chula Vista	At-Large
Scott Schimke, Executive Director	Golden State Risk Management Authority (GSRMA)	Special District
Barbara Esquivel, WC Claims Manager	Municipal Pooling Authority (MPA)	At-Large
Rhonda Haynes, Risk Manager	Orange County Fire Authority	At-Large
Craig Schweikhard	San Mateo County Schools Insurance Group (SMCSIG)	Schools
Barbara Lubben, Executive Director	Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)	At-Large
Susan Mendoza, Risk Manager	City of Fontana	Alternate
Erika Leahy, Risk Manager	City of Napa	Alternate
Armond Sarkis, Risk Manager	City of Vallejo	Alternate



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ORGANIZATIONAL CHART**





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, 2023

Christopher P. Morill

Executive Director/CEO



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*

Public Risk Innovations Solutions and Management

This

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

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



Accreditation Period: March 28, 2022 – March 28, 2025

Gina Dean

*Gina Dean
President*

Kimberly Dennis

*Kimberly Dennis
Chair, Accreditation Committee*

James P. Marta

*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, 2024 and 2023, 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, 2024 and 2023, 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, 101-105, and 107 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 9, 2024 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 9, 2024

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, 2024, and 2023. 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 net of investment 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, 2024, PRISM's captive insurance company, PRISM Affiliate Risk Captive (ARC), a blended component unit of PRISM, completed its eighth 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 11 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, 2024:

	Net Position
Primary Workers' Compensation	\$ 55,529,040
Excess Workers' Compensation	28,803,563
General Liability 1	(8,236,899)
General Liability 2	(6,328,354)
Property	17,410,190
Medical Malpractice	22,943,308
Master Rolling Owner Controlled Ins. Program	386,784
PRISMHealth	4,901,820
Dental Program	9,825,415
PRISM Internal Guarantee Account	-
Miscellaneous Programs	5,816,931
Administration and Building	16,411,951
ARC net of Elimination	74,146,744
Total Net Position	\$ 221,610,493

Financial Highlights

Combined Financial Analysis

PRISM's assets and deferred outflows exceeded liabilities and deferred inflows by \$222M, as of June 30, 2024, by \$264M, as of June 30, 2023, and by \$144M at June 30, 2022. Following is a condensed Statement of Net Position:

Combined Statement of Net Position

	June 30, 2024	June 30, 2023	June 30, 2022
Other Assets	\$ 1,434,866,913	\$ 1,171,449,047	\$ 1,041,135,737
Capital Assets	13,038,230	13,402,523	12,624,998
Total Assets	1,447,905,143	1,184,851,570	1,053,760,735
Deferred Outflows Current	4,372,357	4,727,766	2,000,236
Liabilities	306,890,805	257,945,110	255,520,486
Noncurrent Liabilities	919,770,565	663,577,279	652,488,174
Total Liabilities	1,226,661,370	921,522,389	908,008,660
Deferred Inflows	4,005,637	4,229,528	3,713,839
Net of Investment in			
Capital Assets	13,038,230	13,402,523	12,624,998
Unrestricted Net Position	208,572,263	250,424,896	131,413,474
Total Net Position	\$ 221,610,493	\$ 263,827,419	\$ 144,038,472

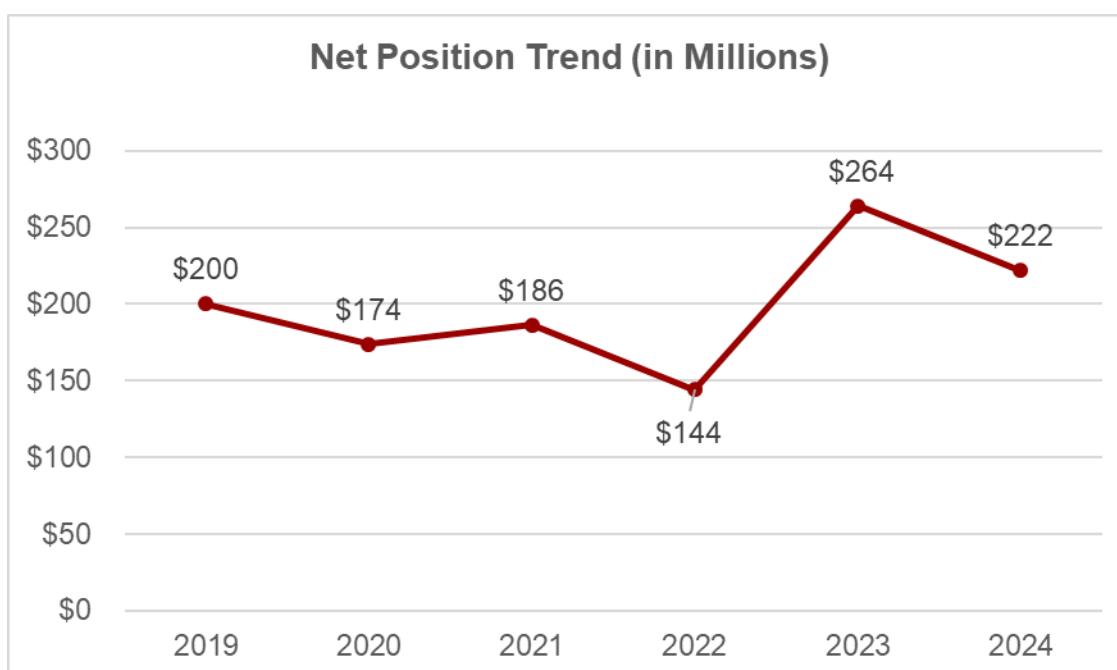
Management's Discussion & Analysis

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 2023/24 with a net position of \$264M. Our ending balance in net position at June 30, 2024 was \$222M, which is a decrease of \$42M from the prior year's end. The Operating Loss of \$108M was partially offset by Nonoperating Revenue – mainly investment income – of \$66M.

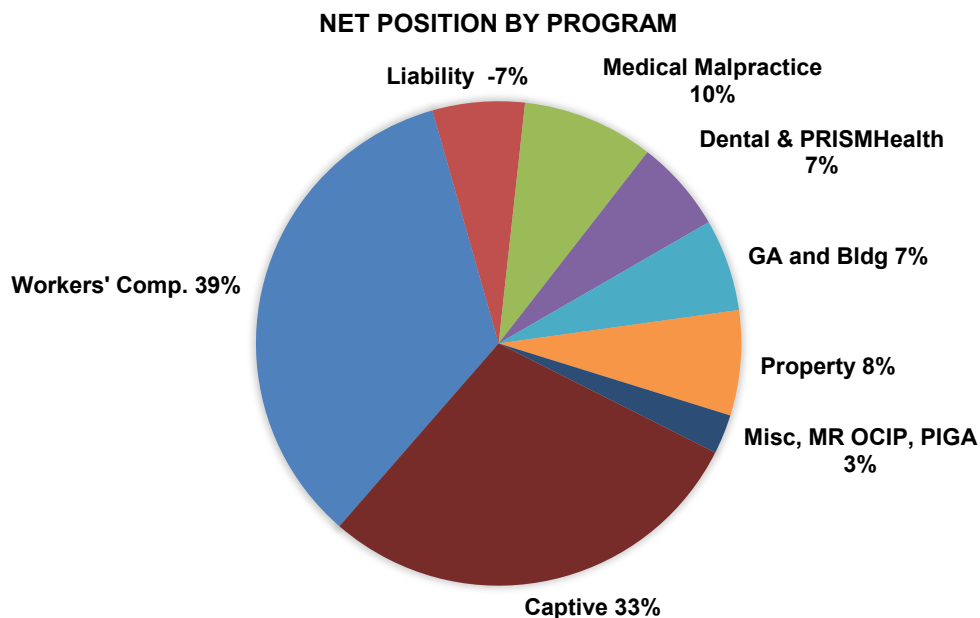
PRISM started fiscal year 2022/23 with a net position of \$144M. Our ending balance in net position at June 30, 2023 was \$264M, which is an increase of \$120M from fiscal year 2021/22. Net Operating Income was responsible for \$97M of this increase, with \$23M increase due to an increase in Investment income.

Our net position balances over the past 5 years are illustrated as follows:

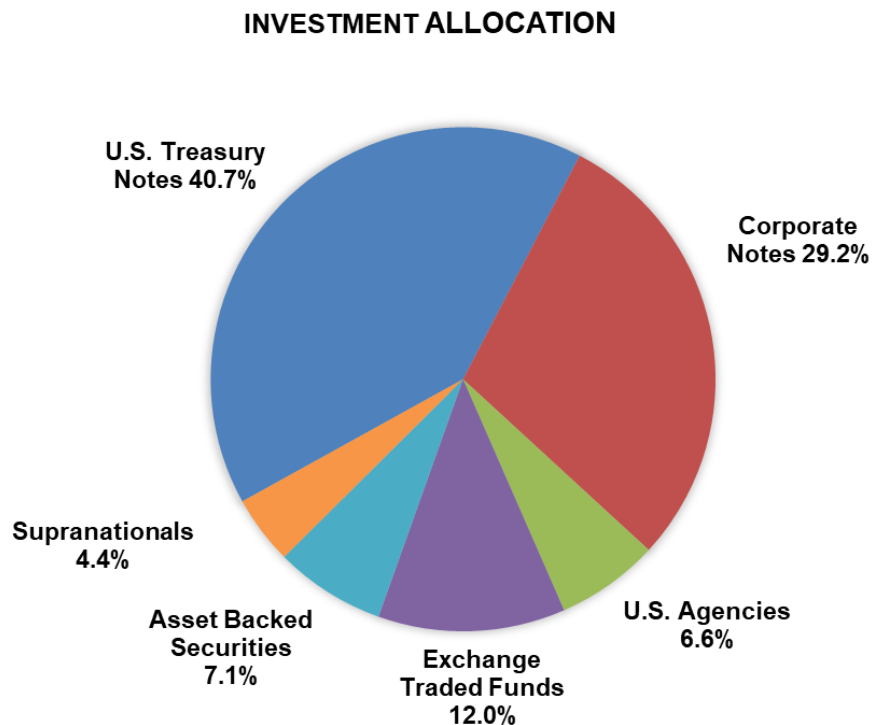


Management’s Discussion & Analysis

Our large pooled risk programs, workers’ compensation and liability programs, account for 39% and -7% of net position, respectively, as of June 30, 2024 as show below:



Treasury assets consist of funds held for the payment of claims. Of these funds, 8% is in cash and 92% is invested. The following chart shows the asset allocation for the invested funds at June 30, 2024:



Unrealized gains on investments of \$25.4M were recognized in fiscal year 2023/24 largely due to increases in ARC’s equity holdings. During fiscal year 2022/23, there was a modest \$907k net increase in the fair value of PRISM’s investments, compared to a net decrease of \$76M in fair

Management’s Discussion & Analysis

value in fiscal year 2021/22. During the 2021/2022 fiscal year, prevailing interest rates rose sharply. This resulted in the fair market value of PRISM’s fixed income holdings falling below the amortized cost, leading to unrealized losses. Also, in 2021/22, volatility in the equities markets drove mark-to-market valuation decreases of ARC’s equity holdings. 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

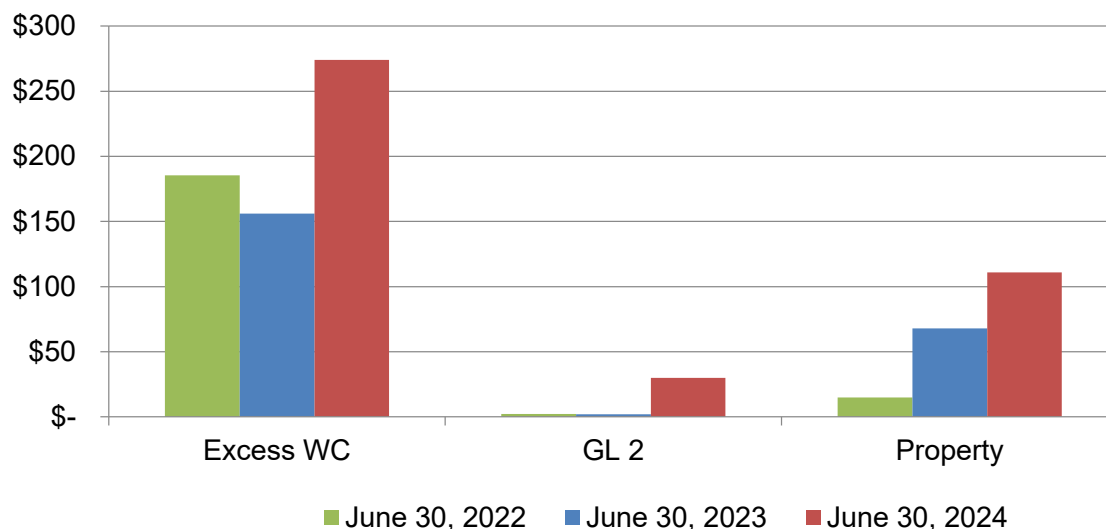
As another year is added on to our programs (some with a long payout pattern), claim liabilities will naturally increase. Claim payments will cause a decrease in outstanding claim liabilities. Claim liabilities increased from \$890M at June 30, 2023 to \$1.19B at June 30, 2024.

The claims taken on via the AmTrust commutation contributed to the increase in claim liabilities in 2023/24 in the PWC, EWC, GL1 and GL2 programs. 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. Prior to the commutation, claims in the GL2 program were fully reinsured and claim liabilities were limited to an estimate for unallocated loss adjustment expense only. Claim liabilities increased in the GL2 Program from \$2.2M at June 30, 2023 to \$30.1M at June 30, 2024.

The Property Program began to retain risk for claims starting March 31, 2022. Prior to this the Property Program was fully reinsured and claim liabilities were limited to an estimate for unallocated loss adjustment expense only. Total claim liabilities for the Property Program at June 30, 2022 totaling \$15M were limited to claim liabilities for the March 31, 2022 to June 30, 2022 coverage period. Claim liabilities increased to \$68M at June 30, 2023 and increased again to \$111M at June 30, 2024.

The ARC Captive continued to cover corridor risks for PRISM, including claim liabilities arising from the MsRe LPT agreement. Claim liabilities for the Captive increased from \$547M at June 30, 2023 to \$630M at June 30, 2024. Smaller changes in claim liabilities were seen in the Primary Workers’ Compensation (PWC) Program (\$5.4M increase), General Liability 1 (GL1) Program (\$3.8M increase), Medical Malpractice Program (\$15.6M increase) and Dental Program (\$139k decrease) from June 30, 2023 to June 30, 2024.

**Claim Liabilities
(In millions)**



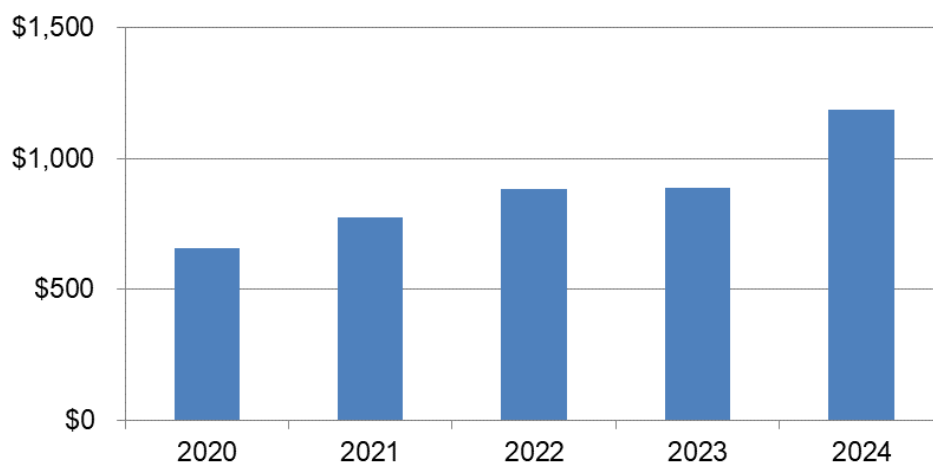
Management's Discussion & Analysis

Claim liabilities increased from \$885M at June 30, 2022 to \$890M at June 30, 2023. The Property Program began retaining risk at March 31, 2022 causing its claim liabilities to increase from \$15M at June 30, 2022 to \$68M at June 30, 2023. PRISM negotiated an extension of its GL1 Program Loss Portfolio Transfer (LPT) agreement with reinsurer MultiStrat Re (MS Re) during 2022/23 to transfer risk in the SIR to \$5M layer for claims between July 1, 2007 through June 30, 2026, subject to certain limits. The extension of the agreement contributed to a \$55M drop in GL1 Program claim liabilities from \$74M at June 30, 2022 to \$19M at June 30, 2023. Meanwhile corridor risk related to the LPT was transferred from PRISM to the Captive. Claim Liabilities for the Captive increased \$50M from \$497M at June 30, 2022 to \$547M at June 30, 2023, largely due to the LPT. Other changes in claim liabilities were seen in the PWC Program (\$11.9M decrease), the EWC Program (\$29.9M decrease), Medical Malpractice Program (\$1.2M decrease) and the Dental Program (\$163k increase).

In August 2016, the California Insurance Commissioner placed CastlePoint Insurance Companies (CastlePoint) in conservatorship. CastlePoint has been in liquidation since March 1, 2017. California Insurance Guarantee Association (CIGA) is administering the liquidation and paying claims. Our PWC and EWC Programs had coverage through 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 PRISM that is considered unrecoverable at June 30, 2024 is approximately \$4.1M, and this amount is included in claim liabilities.

Our 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. The rate of return on invested funds has been less than anticipated since the recession which started in 2008. In fiscal year 2011, PRISM made significant adjustments to the discount rates. In 2012, 2013, and again in 2016, PRISM adjusted our discount rates lower to reflect the low interest rate environment. Since we are now in rising interest rate environment, the Captive's discount factor was increased from 2.85% to 4.2% starting with fiscal year 2021/22. During 2023/24, discount factors applied to claim liabilities were increased in other programs: EWC from 3.5% to 3.75%, and Medical Malpractice from 2.5% to 3.0%. Discount rates for the GL1 and GL2 Programs remained at 2.5% and 2.25%, respectively, during 2023/24. The Property Program used a discount fact of 1.75% since 2021/22. The claim liability trend over the past 5 years is as follows:

CLAIM LIABILITIES (in millions)



Management's Discussion & Analysis

Net Pension Asset/Liability

Calculation of future pension obligations under Government Accounting Standards Board Statement No. 68 is performed using data with a measurement date one year in arrears. The net pension asset of \$800k reported at June 30, 2022 was calculated using data with a measurement date of June 30, 2021. Just as PRISM experienced investment losses in 2021/22, so did CalPERS. Those investment losses were included subsequent reports used to calculate PRISM's net pension liability of \$5M and \$4M at June 30, 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 2023/24, 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 when 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 \$100k for 2023/24, \$362k for 2022/23, and \$77k for 2021/22.

Lease Receivable/Deferred Inflows – Leases

PRISM implemented Government Accounting Standards Board Statement No. 87, Leases (GASB 87) 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 have 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 Equity, Equity to Pool retention, Outstanding Case Reserves to Equity, and Outstanding Ultimate Reserves to Equity. The following table shows the Target Equity Range for the pooled programs and program net position at June 30, 2024:

Program	Target Equity Range (in millions)		Program Net Position (in millions)
	Low	High	As of June 30, 2024
Primary Workers' Compensation	\$7.6	\$41.0	\$55.5
Excess Workers' Compensation	33.6	109.9	28.8
General Liability 1	126.1	137.9	(8.2)
Medical Malpractice	11.1	23.8	22.9

At June 30, 2024, the PWC Program's net position is above the target equity range, and the Medical Malpractice Program's net position is within the target equity range.

Management's Discussion & Analysis

The net position of the EWC Program dropped below the target equity range in 2023/24 due to additional claims expense resulting from the AmTrust commutation. It is expected that net position in this program will increase to within the target range in the next year.

The GL1 Program net position has been improving, but continues to fall below the target equity range. Adverse loss development is an industrywide 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, 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 return to a net surplus position. However, equity in this program is not expected to be in its target equity range in the next three years.

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, 2024	June 30, 2023	June 30, 2022
Operating Revenues:			
Premiums for Transferred Risk	\$ 1,376,138,017	\$ 1,142,729,744	\$ 1,112,076,538
Broker Fees	30,093,484	26,884,483	24,282,089
Contributions for Retained Risk	443,940,217	385,724,427	271,092,405
All Other Sources	117,206,810	32,828,733	30,938,830
Total Operating Revenues	<u>1,967,378,528</u>	<u>1,588,167,387</u>	<u>1,438,389,862</u>
Operating Expenses:			
Insurance Expense & Broker Fee	1,343,645,080	1,160,841,312	1,105,630,027
GL1 LPT Premium Expense & Broker Fee	43,551,806	40,371,450	11,032,941
Provisions for Claims & ULAE	627,581,044	235,003,147	267,810,194
Program Services & Loss Prevention Expenses	22,824,740	24,622,700	17,322,739
General Administrative Services	24,517,460	23,162,873	13,118,528
Member Dividends & Stabilization Funds Distributed	13,197,766	7,009,958	2,543,052
Total Operating Expenses	<u>2,075,317,896</u>	<u>1,491,011,440</u>	<u>1,417,457,481</u>
Operating Income (Loss)	<u>(107,939,368)</u>	<u>97,155,947</u>	<u>20,932,381</u>
Nonoperating Revenues (Expenses):			
Investment Income, Financing Fees, net of Investment Exp.	65,409,866	22,395,857	(63,486,471)
Lease Income, net of Building Maintenance and Depreciation	312,576	237,143	237,928
Total Nonoperating Revenues (Expenses)	<u>65,722,442</u>	<u>22,633,000</u>	<u>(63,248,543)</u>
Changes in Net Position	<u>(42,216,926)</u>	<u>119,788,947</u>	<u>(42,316,162)</u>
Net Position			
Beginning Balance, July 1	263,827,419	144,038,472	186,354,634
Ending Balance, June 30	<u>\$ 221,610,493</u>	<u>\$ 263,827,419</u>	<u>\$ 144,038,472</u>

Management's Discussion & Analysis

Revenues

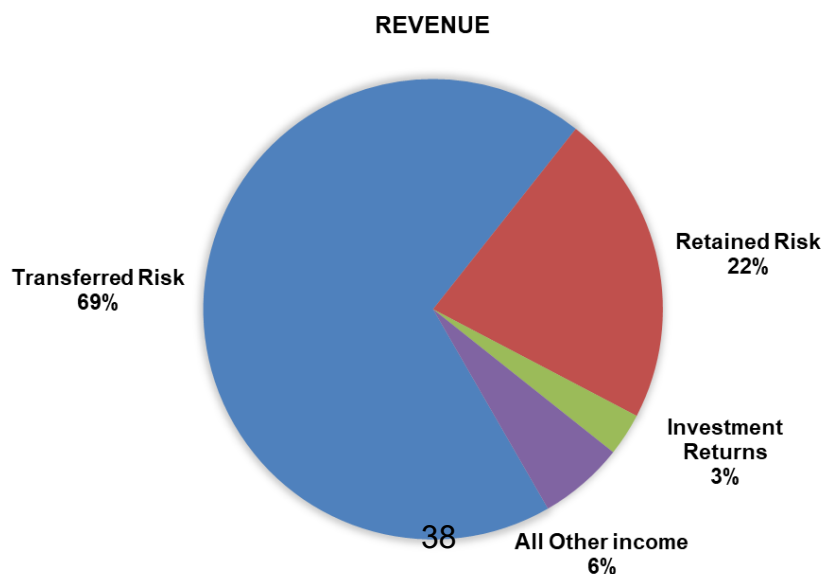
In fiscal year 2023/24, total revenues were \$2.03B, which was an increase of \$422M from \$1.61B in 2022/23. Operating revenues increased by \$379M to \$1.97B for fiscal year 2023/24 as compared to \$1.59B in the prior year. All major programs have reported higher operating revenue compared to 2022/23 and the exposure base (e.g. payroll for workers' compensation and liability, total insured value for property) increased for all major programs in 2023/24 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. 2021/22), but large increases in the second and the next several, subsequent years. As a result, GL1 rates increases differed by member type: 31.8% for non-schools, 26.8% for schools not in SELF and 46.4% for SELF members. Overall the GL1 Program saw transferred risk, broker fees, and retained risk revenue increase by a total of \$53M from \$179M in 2022/23 to \$233M in 2023/24.

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 \$25M assessment on its membership in 2023/24 whereas there was no similar revenue in the prior year. The PRISMHealth, Dental, and Miscellaneous Programs all saw increased rates in 2023/24 over the prior period. Nonoperating revenues consist of investment earnings and lease income, each net of related expenses. Net nonoperating revenue was by \$66M in fiscal year 2023/24, nearly all of which was investment earnings.

In fiscal year 2022/23, total revenues were \$1.61B, which was an increase of \$236M from \$1.38B in 2021/22. All major programs reported higher total revenue compared to 2021/22. Both premium and pool revenue are up partly due to rising payrolls, which is the exposure base for many programs, and partly due to rising pool and excess rates. A rising interest rate environment in fiscal year 2021/22 resulted in drops in the fair value of PRISM's fixed income holdings, leading to unrealized losses on investments. The mark-to-market valuation of ARC's equity holdings also decreased. As a result, net nonoperating revenue was negative by \$63.2M in fiscal year 2021/22. The investment markets and interest rates stabilized resulting in net nonoperating revenue of \$23M in 2022/23 including \$905k of unrealized gains on investments.

The total revenue allocation as of June 30, 2024 is shown in the following chart:



Management's Discussion & Analysis

Membership: PRISM represents around 2,045 public agencies statewide. Our membership includes 91% of the counties in California and nearly 74% 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 cities, counties, and special districts we insure directly, we cover an additional 1,680 members who are part of other Joint Powers Authorities that participate in our programs.

Premiums for Transferred Risk: Premiums for transferred risk for 2023/24 were \$1.38B, an increase of \$233M from the total for 2022/23 of \$1.14B. Much of the increase is in our Liability, Property and PRISMHealth Programs and is driven by excess and reinsurance carrier rate increases.

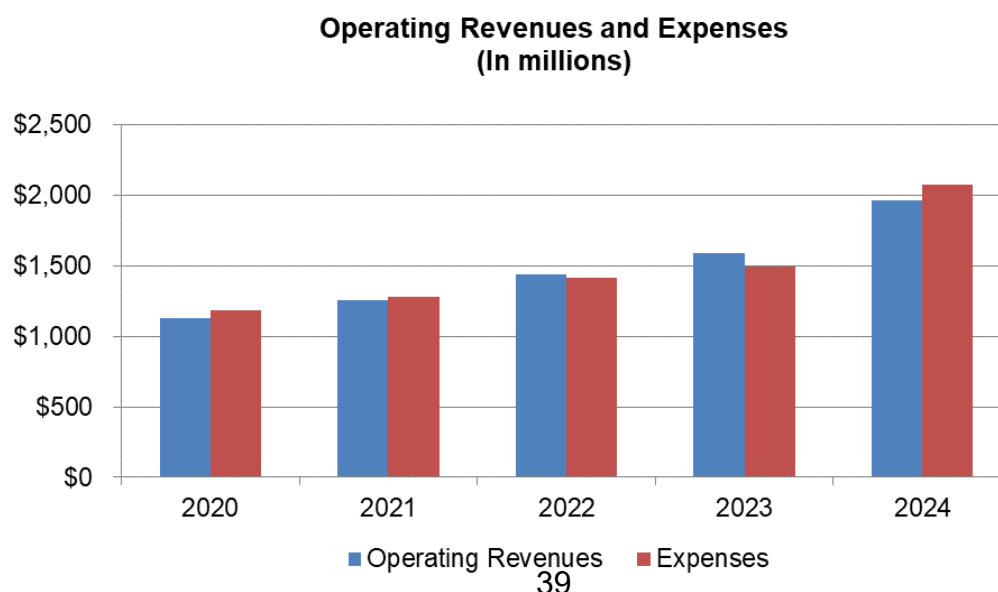
Contributions for Retained Risk: PRISM's contributions for retained risk revenues were \$444M in 2023/24, compared to \$386M last year, and \$271M in 2021/22. The Property Program accounted for \$21M of the increase between 2022/23 and 2023/24 and \$61M of the increase between 2021/22 and 2022/23 as it began its full year of retaining risk in 2022/23. The GL2 Program declared an assessment of \$25M in 2023/24 to cover claims from the AmTrust commutation; there was no similar revenue in 2022/23 or 2021/22. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims.

Other Income: 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 Other Income in 2023/24: \$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.

Expenses

Total operating expenses increased by 39% or \$584M in fiscal year 2023/24, compared to a 5% or \$74M increase in 2022/23, when compared to fiscal year 2021/22. The increase in 2023/24 was primarily due to an increase of \$351M in provision for prior year claims which includes the claims expense resulting from the AmTrust Commutation. Both the 2023/24 and 2022/23 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 revenue is shown in the following chart:



Management's Discussion & Analysis

Significant expense items in the 2023/24 fiscal year included:

- Member dividends included \$698k to members of the PRISMHealth and Miscellaneous Programs. Members of the PWC Program received a \$6.5M dividend in 2023/24 and members of the Dental Program received a \$6M dividend.
- Insurance premiums and broker fees for 2023/24, including those attributed to the GL1 LPT, increased by \$186M over the prior year. This is mirrored by the revenue increase in premiums for transferred risk.
- 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), increased by \$386M, from \$245M in 2023 to \$631M in 2024. The assumption of claims via the AmTrust commutation contributed to, but were not wholly responsible for, the increased expense in 2023/24 in the following programs: PWC (\$13M), EWC (\$153M), GL1 (\$61M) and GL2 (\$31M). Increases in the Captive year-over-year claims expenses were \$98M and are largely driven by the LPT corridor risk transferred from the GL1 Program. Smaller increases in the Property (\$21M), Medical Malpractice (\$6M), and Dental (\$3M) 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. The ULAE liability changed from \$62M at June 30, 2022, to \$52M at June 30, 2023 and then to \$49M at June 30, 2024. The ULAE expense reflects these changes with a negative expense of \$3M in 2023/24 and \$10M in 2022/23 booked to reflect the ULAE liability decreases.
- General Administrative Services expense were 5.8% higher in 2023/24 at \$24.5M compared to \$23.2M in 2022/23. 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% and 1.6% of operating expenses for the 2023/24 and 2022/23 years, respectively.
- Program Services and Loss Prevention Expenses decreased by 8% to \$20.2M in the 2023/24 fiscal year, as compared to \$22.1M in the 2022/23 fiscal year. The decrease was largely driven by a decrease in bad debt expense. Write downs of accounts receivable from carriers were \$3M and \$5M for the fiscal years 2023/24 and 2022/23, respectively.

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 2023/24 included:

- Four (4) POST-Certified Courses
 - Launch of second self-paced offering - Stress Management Strategies
 - Use of Force/De-Escalation (self-paced)
- STC-Certified Stress Management for Corrections Personnel
 - 5 in-person training events hosted by member law enforcement agencies throughout California with participation from 105 people from 9 agencies
- Addressing Homeless Encampments
 - 6 in-person workshops hosted by members throughout California with participation from 27 different agencies
- Workplace Violence – Hazard Assessment, Identification and Correction – the delivery of this regional training is currently in progress with 5 locations planned throughout California
- New courses were developed in partnership with Vector Solutions
 - Child Abuse: Mandated Reporter Training for California (General)
 - Child Abuse: Mandated Reporter Training for California (EDU)
 - California SB 553 Workplace Violence Prevention
 - PRISM: Indoor and Outdoor Heat Illness Prevention
 - PRISM: Suspicious Mail Handling
- Open Forums for risk control, and a podcast called Perspectives, held monthly on general risk management topics;
- Online courses through Vector Solutions added 8 new HR & Business Skills Courses, 25 First Aid 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; and

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 36% 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 84 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 market, investment market, 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 100 of this report. The combining and individual program statements for all PRISM programs are presented immediately following the required supplementary information beginning on page 108 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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	2,708,069	4,147,099
Cash in the PRISM Treasury	86,791,648	51,699,369
	89,500,017	55,846,768
TOTAL CASH AND CASH EQUIVALENTS		
Investments	106,162,531	37,442,403
Accounts Receivable		
Due from Members	104,689,276	57,819,660
Investment Income Receivable	6,066,942	3,998,594
Lease Receivable	276,666	262,053
Reinsurance Claims, Deposit with Carrier and Other	55,061,254	99,165,967
GL1 LPT Rate Credit Receivable	11,670,015	9,571,987
GL1 LPT Prepaid Expense	40,000,000	20,000,000
Prepaid Insurance and Expenses	125,419,940	95,111,178
	538,846,641	379,218,610
TOTAL CURRENT ASSETS		
Noncurrent Assets:		
Investments	873,106,189	766,797,452
Investments - Restricted	7,982,540	7,999,167
Lease Receivable	2,732,794	3,009,461
GL1 LPT Rate Credit Receivable	12,198,749	14,424,357
Land and Buildings, Net	5,855,503	5,855,655
Furniture and Equipment, Net	7,182,727	7,546,868
	909,058,502	805,632,960
TOTAL NONCURRENT ASSETS		
	1,447,905,143	1,184,851,570
TOTAL ASSETS		
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on Pensions	4,101,081	4,398,922
Deferred Outflows of Resources on OPEB	271,276	328,844
	4,372,357	4,727,766
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	\$

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 11,778,335	\$ 7,551,309
Deposits from Insurance Companies	2,470,185	435,866
Due to Members	10,868,365	10,497,334
Unearned Income	510,792	45,888
Claim Liabilities		
Claims Reported	281,024,926	239,181,983
Claims Incurred But Not Reported	74,320	74,320
Compensated Absences	163,882	158,410
	306,890,805	257,945,110
TOTAL CURRENT LIABILITIES		
Noncurrent Liabilities:		
Due to Members, Long Term	7,982,540	7,899,167
Claims Reported	445,231,242	271,151,609
Claims Incurred But Not Reported	411,973,746	327,368,878
Unallocated Loss Adjustment Expense Payable	48,802,612	52,146,000
Compensated Absences, Long Term	655,533	633,639
Net OPEB Liability	99,554	361,766
Net Pension Liability	5,025,338	4,016,220
	919,770,565	663,577,279
TOTAL NONCURRENT LIABILITIES		
	1,226,661,370	921,522,389
TOTAL LIABILITIES		
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	3,009,460	3,271,513
Deferred Inflows of Resources on Pensions	377,181	479,194
Deferred Inflows of Resources on OPEB	618,996	478,821
	4,005,637	4,229,528
TOTAL DEFERRED INFLOWS OF RESOURCES		
NET POSITION:		
Net Investment in Capital Assets	13,038,230	13,402,523
Unrestricted	208,572,263	250,424,896
	221,610,493	263,827,419
TOTAL NET POSITION		
	\$ 221,610,493	\$ 263,827,419

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 1,376,138,017	\$ 1,142,729,744
Broker Fees	30,093,484	26,884,483
Contributions for Retained Risk	443,940,217	385,724,427
Member Services & Dividend Income	1,513,684	1,046,334
Administration Fees	35,202,047	31,098,009
School Loss Control Fees	162,024	145,093
AmTrust Commutation Income	77,024,292	-
Other Income	3,304,763	539,297
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	1,967,378,528	1,588,167,387
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	1,317,108,873	1,135,500,303
GL1 LPT Premium Expense	40,000,000	37,097,987
Broker Fees	26,536,207	25,341,009
GL1 LPT Broker Fees	3,551,806	3,273,463
Provision for Claims		
Current Year Claims	284,550,663	249,174,990
Prior Year Claims	346,373,769	(4,429,843)
Unallocated Loss Adjustment Expenses	(3,343,388)	(9,742,000)
Program Services	20,216,479	22,069,927
Loss Prevention Expenses	2,608,261	2,552,773
General Administrative Services	24,517,460	23,162,873
Member Dividends & Stabilization Funds Distributed	13,197,766	7,009,958
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	2,075,317,896	1,491,011,440
OPERATING INCOME (LOSS)	(107,939,368)	97,155,947
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense	65,409,866	22,395,857
Lease Income, net of Building Expense	312,576	237,143
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	65,722,442	22,633,000
CHANGE IN NET POSITION	(42,216,926)	119,788,947
NET POSITION:		
Beginning of Year	263,827,419	144,038,472
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 221,610,493	\$ 263,827,419

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,850,384,958	\$ 1,580,426,620
Payments (to)/from Others	123,068,320	(25,312,287)
Dividends Paid	(12,835,862)	(466,735)
Claims Paid	(330,396,988)	(229,974,560)
Insurance Purchased	(1,432,324,362)	(1,215,358,946)
Payments to Suppliers	(34,904,385)	(58,615,451)
Payments to Employees	(16,398,326)	(14,880,926)
Subsidy Payments from (to) Members	83,373	(161,069)
	146,676,728	35,656,646
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	146,676,728	35,656,646
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Building and Other Capital Assets	(230,961)	-
Purchase of Software, Furniture and Equipment	(1,506,683)	(1,974,019)
	(1,737,644)	(1,974,019)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(1,737,644)	(1,974,019)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(934,384,911)	(767,034,042)
Sales of Securities	784,754,331	738,847,044
Cash from Investment Earnings	38,534,399	21,241,767
Investment Expenses	(971,147)	(878,094)
Finance Fees from Members	396,607	121,254
Lease Receipts	468,676	416,430
Operating Lease Disbursements	(83,790)	(122,206)
	(111,285,835)	(7,407,847)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(111,285,835)	(7,407,847)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,653,249	26,274,780
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	55,846,768	29,571,988
END OF YEAR	\$ 89,500,017	\$ 55,846,768

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (107,939,368)	\$ 97,155,947
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	2,029,628	1,393,162
Changes in		
Accounts Receivable, Net	(2,764,903)	(34,761,832)
GL1 LPT Receivable	(19,872,420)	(22,902,013)
Prepaid Expenses	(30,308,762)	(17,313,190)
Deferred Outflows of Resources	355,409	(2,727,530)
Unearned Premium from Members	461,944	(942,095)
Accounts and Other Payables	6,735,336	4,968,168
Subsidy Funds Payable	(16,626)	(161,069)
Compensated Absences	27,366	65,388
Claim Liabilities	300,527,444	14,770,587
Unallocated Loss Adjustment Expense Payable	(3,343,388)	(9,742,000)
Net Pension Liability/Asset	1,009,118	4,804,258
Net OPEB Liability	(262,212)	284,780
Deferred Inflows of Resources	38,162	764,085
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 146,676,728</u>	<u>\$ 35,656,646</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 25,381,658</u>	<u>\$ 904,708</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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, 2024 AND 2023

1. Organization and Significant Accounting Policies (continued)

B. Membership (continued)

The following number of members participated in PRISM's programs, as of June 30, 2024 and 2023:

	2024	2023
Primary Workers' Compensation	36	36
Excess Workers' Compensation	179	182
General Liability 1	128	131
General Liability 2	28	27
Property	114	114
Medical Malpractice	52	52
Master Rolling Owner Controlled Insurance	7	7
PRISMHealth	48	47
Dental	183	182
	775	778

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 9 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, 2024 AND 2023

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, 2024 and June 30, 2023 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, 2024 AND 2023

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:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Primary Workers' Compensation	\$ 34,066,612	\$ 38,946,000
Excess Workers' Compensation	8,188,000	8,062,000
General Liability 1	2,766,000	2,047,000
General Liability 2	2,736,000	2,167,000
Property	22,000	19,000
Medical Malpractice	1,024,000	905,000
	<u>\$ 48,802,612</u>	<u>\$ 52,146,000</u>

Compensated Absences

PRISM's vacation policy provides for a limited accumulation of earned vacation leave, with such leave being fully vested when earned. A liability of \$819,415 for vacation pay has been computed and recorded, based on the unused days multiplied by the current daily rates of pay.

At June 30, 2024, the current portion of the liability is \$163,882, and the balance of \$655,533 is considered long-term. At June 30, 2023, the current portion of the liability is \$158,410, and the balance of \$633,639 is considered long-term.

	Fiscal Year Ended	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Beginning Balance	\$ 792,049	\$ 726,661
Increases	763,510	608,721
Decreases	(736,144)	(543,333)
Ending Balance	<u>\$ 819,415</u>	<u>\$ 792,049</u>
Current Portion	<u>\$ 163,882</u>	<u>\$ 158,410</u>
Long Term Portion	<u>\$ 655,533</u>	<u>\$ 633,639</u>

PRISM's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave, accumulated at the time of retirement, may be used in the determination of length of service for retirement benefit purposes. Since PRISM has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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 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, 2024 AND 2023

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, 2024 AND 2023

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 \$209M, as of June 30, 2024, for a total of \$222M. The unrestricted net position balances are available for future operations or distribution. The net position, as of June 30, 2023, was \$263.8M, including \$13.4M net investment in capital assets, net of accumulated depreciation, and unrestricted net position of \$250.4M. 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.

2. Cash

A. Cash and Cash Equivalents

Cash and cash equivalents, as of June 30, 2024 and 2023, are reported at fair value and consist of the following:

	June 30, 2024	June 30, 2023
Petty Cash	\$ 300	\$ 300
Cash in Banks		
Primary Workers' Compensation	1,165,317	2,152,771
GL1 Deductible Buy Down	284,798	756,434
Medical Malpractice	8,887	-
Iron Point Building	964,710	820,248
ARC Checking Account	284,357	417,646
Total Cash in Banks	<u>2,708,069</u>	<u>4,147,099</u>
Cash in PRISM Treasury		
Cash in Banks		
General Checking	7,528,483	10,505,525
Out of State Claims Checking	2,994,255	-
Treasury Money Market	3,802,143	17,496,524
State of California,		
Local Agency Investment Fund	16,784	10,154
California Asset Management Program	72,449,983	23,687,166
Total Cash in PRISM Treasury	<u>86,791,648</u>	<u>51,699,369</u>
Total Cash and Cash Equivalents	<u>\$ 89,500,017</u>	<u>\$ 55,846,768</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

2. Cash (continued)

B. Custodial Credit Risk

The carrying amount of PRISM's total cash in banks was \$13.2M at June 30, 2024, and \$14.7M at June 30, 2023. The bank balance was \$23.1M at June 30, 2024 and \$19.3M at June 30, 2023, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2024, \$22.4M 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.

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, 2024</u>	<u>June 30, 2023</u>
Cash in Banks in PRISM Treasury	\$ 14,324,881	\$ 28,002,049
Cash in State of California		
Local Agency Investment Fund	16,784	10,154
Cash in California Asset Management Program	72,449,983	23,687,166
Investments	987,251,260	812,239,022
Investment Income Receivable	6,066,942	3,998,594
Total Treasury Assets	<u>\$ 1,080,109,850</u>	<u>\$ 867,936,985</u>

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Primary Workers' Compensation	\$ 124,070,187	\$ 107,697,030
Excess Workers' Compensation	292,494,192	182,729,972
General Liability 1	(36,366,494)	(35,446,393)
General Liability 2	(35,217,662)	(33,008,131)
Property	(68,045,051)	(50,249,197)
Medical Malpractice	70,086,949	51,084,138
Master Rolling OCIP	(497,915)	272,095
PRISMHealth	9,348,081	7,440,908
Dental	11,991,680	14,984,665
PRISM Internal Guarantee Account	414,806	-
Miscellaneous Programs	6,261,825	2,892,710
General Administration and Building	13,549,039	11,442,274
ARC	692,020,213	608,096,914
Total Treasury Balances	<u>\$ 1,080,109,850</u>	<u>\$ 867,936,985</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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, 2024	June 30, 2023
Investments - Current Portion	\$ 106,162,531	\$ 37,442,403
Investments - Noncurrent Portion	873,106,189	766,797,452
Investments - Restricted	7,982,540	7,999,167
Total	<u>\$ 987,251,260</u>	<u>\$ 812,239,022</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" 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, 2024 AND 2023

3. Investments (continued)

Category	Standard
U.S. Treasury Notes	No limitations
U.S Agencies	25% Maximum
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
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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, 2024 and 2023 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, 2024		June 30, 2023	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+	\$ 402,565,962	40.7%	\$ 288,830,917	35.5%
U.S. Agencies	AA+ to A-1+	65,266,308	6.6%	85,452,937	10.5%
Asset Backed Securities	AAA	45,774,046	4.6%	49,372,887	6.1%
Asset Backed Securities	NR*	24,282,124	2.5%	25,259,254	3.1%
Corporate Notes	AAA to A+	47,085,396	4.8%	47,579,735	5.9%
Corporate Notes	A to BBB-	230,409,402	23.3%	186,930,961	23.0%
Supranationals	AA+ to A-1+	43,150,682	4.4%	23,388,081	2.9%
Mortgage Pass Thru	AAA to AA+	10,676,801	1.1%	3,040,648	0.4%
International Equity	NR	11,646,960	1.2%	10,324,601	1.3%
International Real Estate	NR	1,556,062	0.2%	1,758,513	0.2%
Large Cap US Equity	NR	40,698,042	4.1%	25,570,828	3.1%
Mid Cap US Equity	NR	23,444,868	2.4%	35,138,467	4.3%
Real Estate	NR	11,455,018	1.2%	9,363,734	1.2%
Emerging Market Equity	NR	6,110,996	0.6%	4,997,457	0.6%
Small Cap US Equity	NR	23,128,593	2.3%	15,230,002	1.9%
Total Investments		\$ 987,251,260	100%	\$ 812,239,022	100%

NR - Not Rated

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

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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. 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.

Maturities of investments held at June 30, 2023 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	\$ 288,830,917	\$ 26,279,943	\$ 192,090,786	\$ 70,460,188	3.79
U.S. Agencies	85,452,937	6,892,646	72,009,793	6,550,498	2.54
Asset Backed Securities	74,632,141	1,262,779	73,369,362	-	2.89
Corporate Notes	234,510,696	3,007,035	167,332,274	64,171,387	4.55
Supranationals	23,388,081	-	23,388,081	-	2.47
Mortgage Pass Thru	3,040,648	-	1,941,426	1,099,222	25.74
Subtotals*	<u>\$ 709,855,420</u>	<u>\$ 37,442,403</u>	<u>\$ 530,131,722</u>	<u>\$ 142,281,295</u>	<u>3.30</u>
ETF	102,383,602	-	-	-	n/a
Totals	<u>\$ 812,239,022</u>	<u>\$ 37,442,403</u>	<u>\$ 530,131,722</u>	<u>\$ 142,281,295</u>	<u>3.30</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 \$25.4M and \$905k for the years ended June 30, 2024 and 2023, respectively.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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3. Investments (continued)B. Investment Interest Rate Risk (continued)

	2023/24	2022/23
Beginning Fair Value	\$ 812,239,022	\$ 783,147,316
Less: Proceeds of Investments Disposed	(784,754,331)	(738,847,044)
Add: Cost of Investments Purchased	934,384,911	767,034,042
Add: Unrealized Gain/(Loss) in the year	25,381,658	904,708
<u>Ending Fair Value</u>	<u>\$ 987,251,260</u>	<u>\$ 812,239,022</u>

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

	Beginning		Purchases	Subtotal	Ending		Unrealized Gain/(Loss) in the year
	Fair Value at July 1, 2023	Dispositions			Fair Value at June 30, 2024		
U.S. Treasury Notes	\$ 288,830,917	\$ (661,469,571)	\$ 770,862,858	\$ 398,224,204	\$ 402,565,962	\$ 4,341,758	
U.S. Agencies	85,452,937	(22,589,936)	-	62,863,001	65,266,308	2,403,307	
Asset Backed Securities	74,632,141	(53,259,834)	47,330,410	68,702,717	70,056,170	1,353,453	
Corporate Notes	234,510,696	(31,174,714)	67,076,165	270,412,147	277,494,798	7,082,651	
Supranationals	23,388,081	71,909	18,993,561	42,453,551	43,150,682	697,131	
Commercial Paper	-	(3,863,120)	3,863,120	-	-	-	
Negotiable CDs	-	-	-	-	-	-	
Mortgage Pass Thru	3,040,648	(119,948)	7,511,265	10,431,965	10,676,801	244,836	
International Equity	10,324,601	-	600,388	10,924,989	11,646,960	721,971	
International Real Estate	1,758,513	(222,912)	-	1,535,601	1,556,062	20,461	
Large Cap US Equity	25,570,828	216	8,821,666	34,392,710	40,698,042	6,305,332	
Mid Cap US Equity	35,138,467	(12,126,479)	-	23,011,988	23,444,868	432,880	
Real Estate	9,363,734	-	2,104,709	11,468,443	11,455,018	(13,425)	
Emerging Market Equity	4,997,457	-	698,434	5,695,891	6,110,996	415,105	
Small Cap US Equity	15,230,002	58	6,522,335	21,752,395	23,128,593	1,376,198	
<u>Totals</u>	<u>\$ 812,239,022</u>	<u>\$ (784,754,331)</u>	<u>\$ 934,384,911</u>	<u>\$ 961,869,602</u>	<u>\$ 987,251,260</u>	<u>\$ 25,381,658</u>	

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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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, 2024, conform to these guidelines.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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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, 2024 or June 30, 2023; 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
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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, 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	\$ -

The following table sets forth by level, within the fair value hierarchy, PRISM's assets at fair value as of June 30, 2023:

<u>Investment type</u>	<u>Assets at Fair Value as of June 30, 2023</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Notes	\$ -	\$ 288,830,917	\$ -
U.S. Agencies	-	85,452,937	-
Asset Backed Securities	-	74,632,141	-
Corporate Notes	-	234,510,696	-
Supranationals	-	23,388,081	-
Mortgage Pass Thru	-	3,040,648	-
International Equity	10,324,601	-	-
International Real Estate	1,758,513	-	-
Large Cap US Equity	25,570,828	-	-
Mid Cap US Equity	35,138,467	-	-
Real Estate	9,363,734	-	-
Emerging Market Equity	4,997,457	-	-
Small Cap US Equity	15,230,002	-	-
Total	\$ 102,383,602	\$ 709,855,420	\$ -

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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, 2024, was \$178.9B. The fair value is estimated at \$178.3B or 99.63% of cost. The average maturity of LAIF investments is 217 days at June 30, 2024.

PRISM's balance in LAIF, at June 30, 2024, was \$17k 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, 2023, was \$10k, 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, 2024, was \$20.4B. The fair value is estimated at \$20.4B or 99.99% of cost. The average maturity of CAMP investments is 38 days at June 30, 2024.

PRISM's balance in CAMP at was \$72.4M and \$23.7M at June 30, 2024 and 2023, respectively, and was recognized at CAMP's cost. CAMP's cost approximates the fair value of PRISM's shares. CAMP is rated AAAM rated by Standard & Poor's.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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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, 2024 in the amount of \$1.46B, have been presented at the net present value of \$1.19B. At June 30, 2023, claim liabilities in the amount of \$1.09B are presented at their present value of \$890M, 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.

Discount Effect on Claim Liabilities in the EWC Program			
Discount Rate Selected	3.75%	2.75%	1.75%
Claim Liabilities	\$274,029,307	\$301,907,477	\$335,685,428
Net Position Balance	\$28,803,563	\$925,393	(\$32,852,558)

In the PWC Program, PRISM only retains the first \$10k of liability for the years 2009/10 to 2023/24. Since this is paid relatively quickly, the claims for these years are not discounted. Corridors in the \$10k-\$125k layer adding up to \$108M for policy years 2016/17 through 2023/24 years were transferred to the Captive. Additionally, in fiscal year 2016/17, PRISM commuted or bought back the claim liabilities for the 1997-2004 years in the amount of \$9.8M, which was the balance of the aggregate stop loss coverage. PRISM transferred this risk to the Captive. Over and above the stop loss coverage, PRISM estimates a claim liability of \$4.6M, which is retained by PRISM and discounted at 1.5% to \$3.9M. The claims for the period 2004/05 to 2008/09 are fully insured.

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

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 ULAE	1.50%
Excess Workers' Compensation	3.75%
General Liability 1	2.50%
General Liability 2	2.25%
Property	1.75%
Medical Malpractice	3.00%
Dental	no discount
ARC	4.20%

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Primary Workers' Compensation	\$ 65,526,585	\$ 60,130,060
Excess Workers' Compensation	274,029,307	155,567,689
General Liability 1	22,302,036	18,480,582
General Liability 2	30,103,751	2,167,000
Property	111,490,561	67,946,128
Medical Malpractice	51,177,690	35,531,669
Dental	2,793,306	2,932,583
ARC	629,683,610	547,167,079
Total Claim Liabilities	<u>\$ 1,187,106,846</u>	<u>\$ 889,922,790</u>

Reported claim liabilities at June 30, 2024 include amounts commuted from AmTrust as described in Footnote 10.

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

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 889,922,790</u>	<u>\$ 884,894,203</u>
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	284,550,663	249,174,990
Increase in Provision for Retained Risk, prior fiscal years	<u>343,030,381</u>	<u>(14,171,843)</u>
Total incurred claims & claim adjustment expenses	<u>627,581,044</u>	<u>235,003,147</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	76,260,388	69,059,410
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	<u>254,136,600</u>	<u>160,915,150</u>
Total Payments	<u>330,396,988</u>	<u>229,974,560</u>
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$1,187,106,846</u>	<u>\$ 889,922,790</u>
Reported Claims	\$ 726,256,168	\$ 510,333,592
Incurred But Not Reported Claims	412,048,066	327,443,198
Unallocated Loss Adjustment Expenses	<u>48,802,612</u>	<u>52,146,000</u>
Total Claim Liabilities	<u>\$1,187,106,846</u>	<u>\$ 889,922,790</u>
Current Claim Liabilities	\$ 281,099,246	\$ 239,256,303
Noncurrent Claim Liabilities	<u>906,007,600</u>	<u>650,666,487</u>
Total Claim Liabilities	<u>\$1,187,106,846</u>	<u>\$ 889,922,790</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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 an 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, 2024, is approximately \$863k, undiscounted, and this amount is included in the claim liabilities in the PWC Program.

In 2019/20, the PWC Committee approved an 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 claims 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.

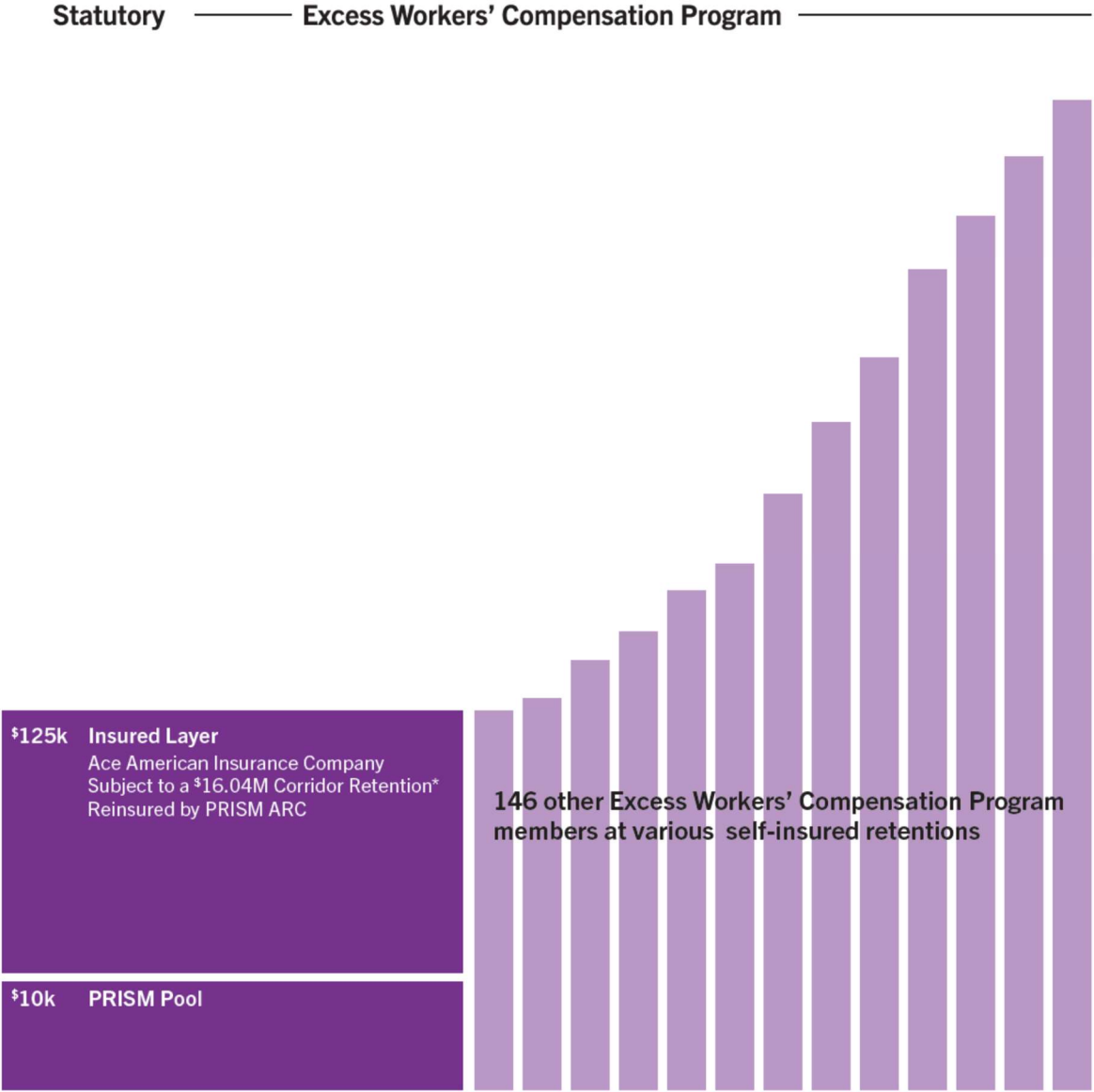
Starting in the 2016/17 policy year, the coverage for the \$115k excess of \$10k layer was purchased subject to a corridor retention. The insurance policies included a corridor retention of \$4.3M for 10 months from July 2016 to April 2017 from AmTrust Group, and another corridor retention of \$12.6M 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, and 2022/23 were \$10.9M, \$14.3M, \$15M, \$14.8M, \$15.5M, and \$16.2M respectively. A corridor of \$15.5M was transferred to the Captive for the 2023/24 year. The corridor will be finalized after the final payroll reporting for 2023/24. The Program has a liability for total claims and ULAE of \$66M out of which \$34M are ULAE liabilities at June 30, 2024.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

4. Claim Liabilities (continued)

A. Primary Workers' Compensation (continued)

The chart below shows the current structure of the Program.



* The Corridor Retention will be adjusted at the end of the year.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2024, is approximately \$3.2M, 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 claims 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, 2024 AND 2023

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 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.

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

B. Excess Workers' Compensation (continued)

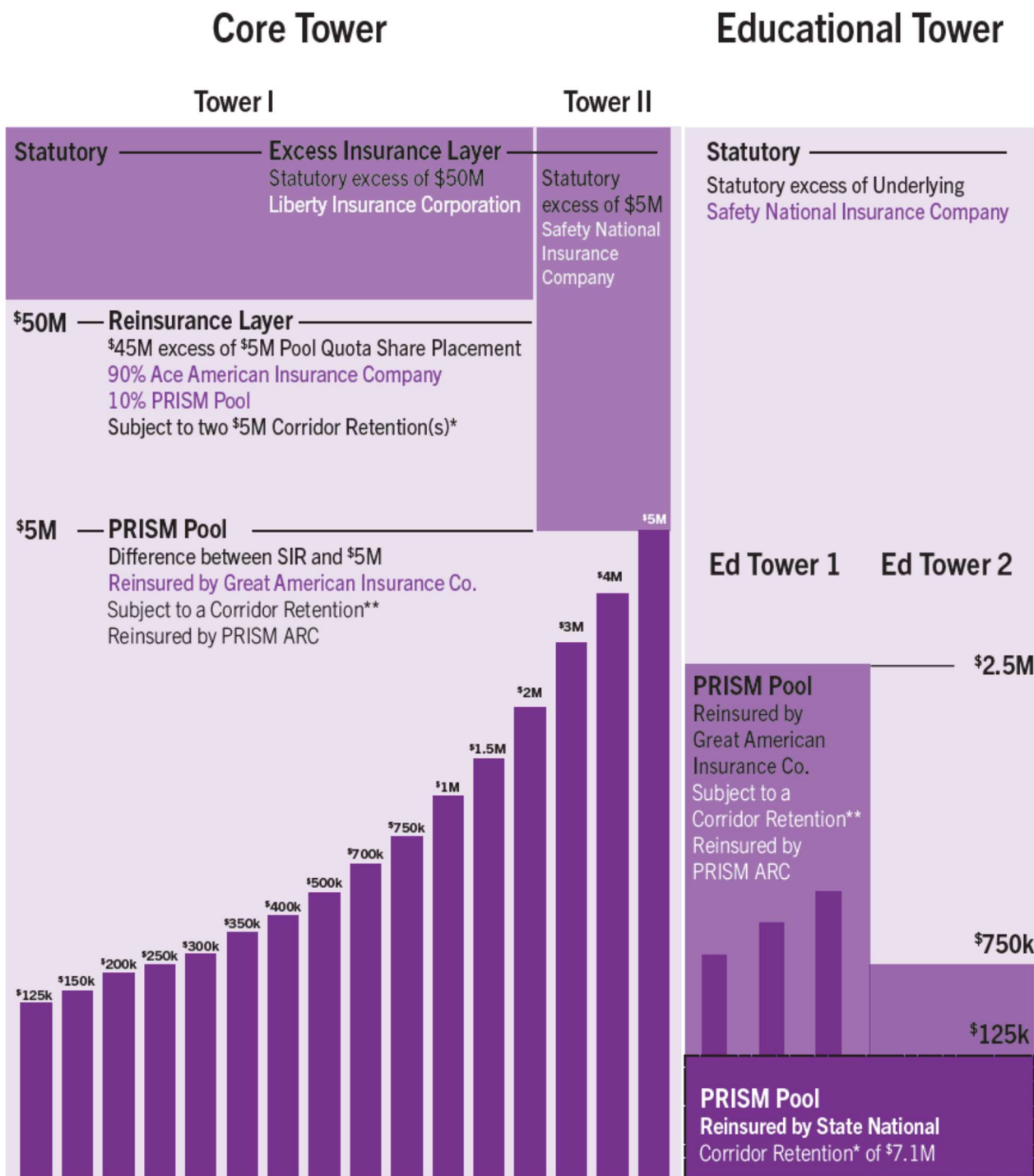
The Program maintains a strong funding position and has benefited from stability in workers' compensation insurance rates over the last several years. The Program's overall funding position is over an 80% confidence level; a result of the Underwriting Committee's recommended strategies, which PRISM's 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 \$50M layer with a 10% quota share of that layer and with two \$5M corridor retentions which were transferred to the Captive. In 2023/24 a new Core Tower II was created in the Statutory excess of \$5M layer and consists of 4 members: Alameda County, City of Sacramento, City of Santa Monica, and City of Torrance, totaling approximately \$2B in payroll.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

The chart below shows the current structure of the Program.



* There are two \$5M Corridors in the \$45M excess of \$5M layer. Corridor 1 attaches at \$5M and Corridor 2 attaches at \$10M. These corridors are not subject to audit.

** The Corridor Retention will be adjusted at the end of the year. The Core and Educational Towers are subject to a single, shared corridor retention of \$6.44M. (does not include Primary <\$125k layer).

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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 in a corridor risk transferred to the Captive in 2023/24.

For the rest of the GL1 Program, each member maintains an 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 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.

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.

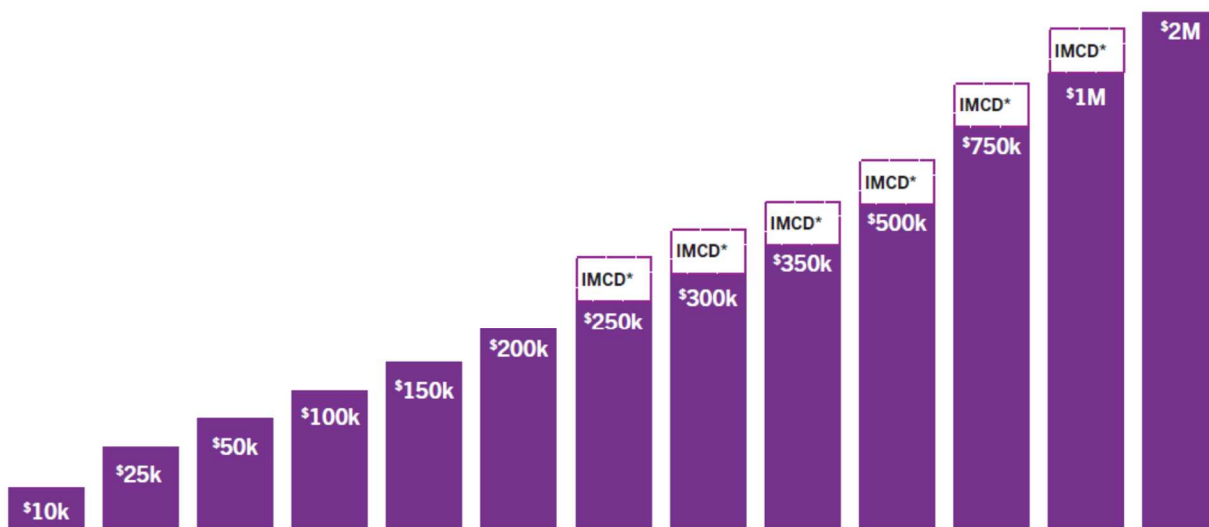
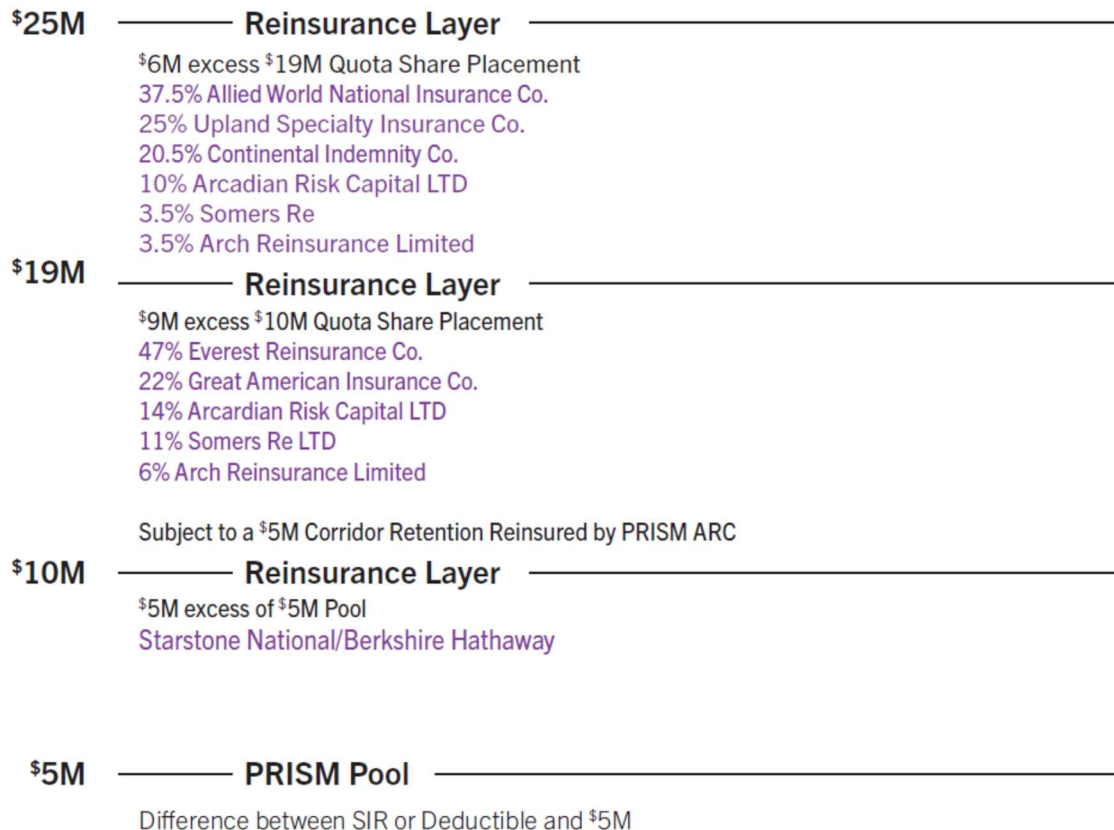
In 2023/24, the Board approved a Commutation of claims that were initially reinsured by AmTrust in program years 2015/16 and 2016/17. The cash received from AmTrust was \$2.9M which was offset against the claims liabilities and outstanding receivable. PRISM will continue to administer the claims and 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, 2024 AND 2023**

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.
- 58 GL1 Program members purchase additional limits through the Optional Excess Liability Program
- 21 GL1 Program members participate in the Deductible Buy-Down Option at a \$10k deductible

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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. For policy years 2019/20, 2020/21, and 2022/23 the Program retained corridor retentions in the \$5M to \$10M and the \$10M to \$15M layers for a total of \$34.8M, \$43.9M, and \$15M respectively. For the policy year 2023/24, the Program retained a corridor retention of \$16.3M. These corridors have been transferred to the Captive. There was no corridor risk transferred to the Captive for 2021/22 fiscal year.

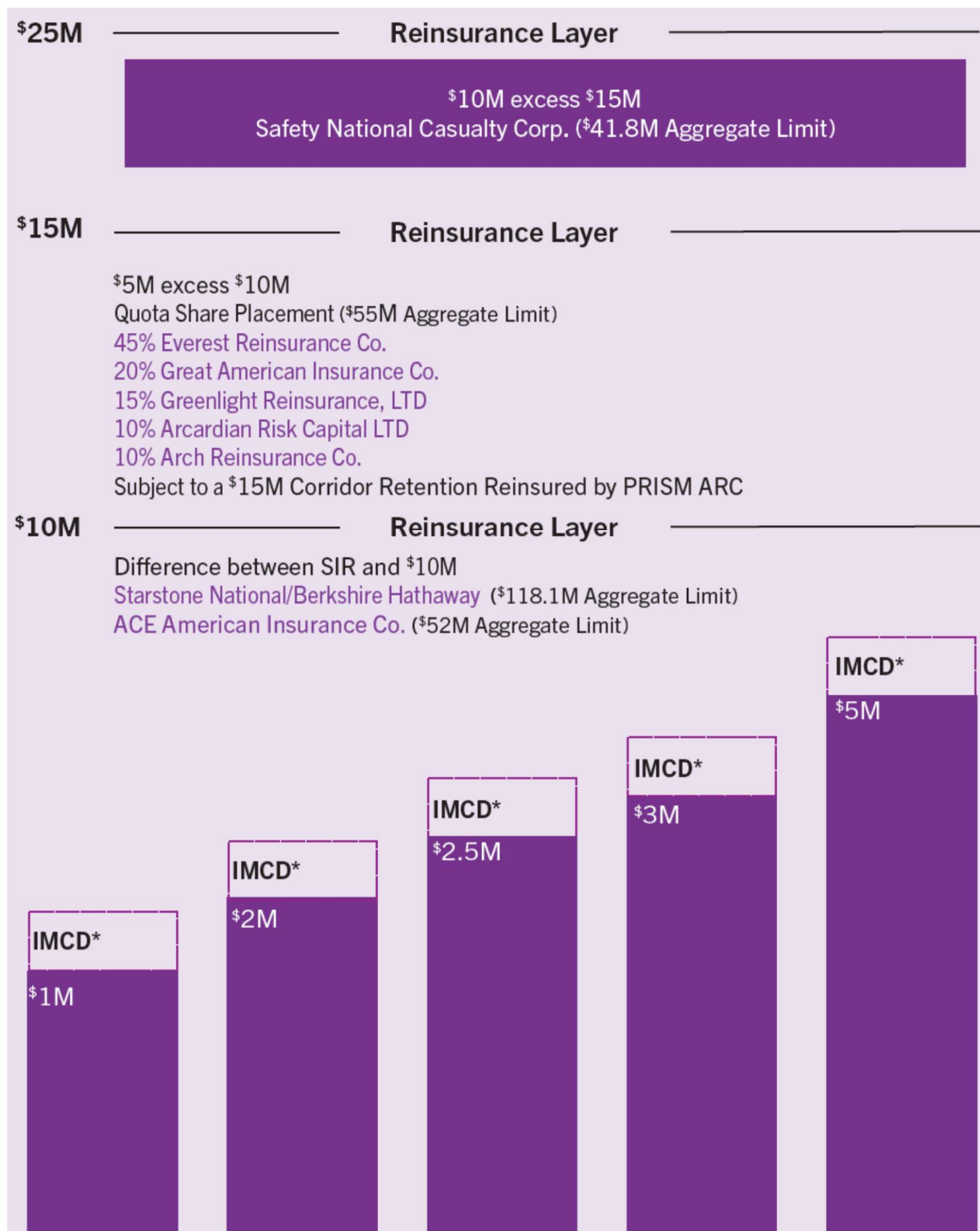
In 2023/24, the Board approved a Commutation of claims that were initially reinsured by AmTrust in program years 2011/12 to 2015/16. The cash received from AmTrust was \$27.6M which was offset against the claims liabilities and outstanding receivable. PRISM will continue to administer the claims and 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
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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.
•18 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.

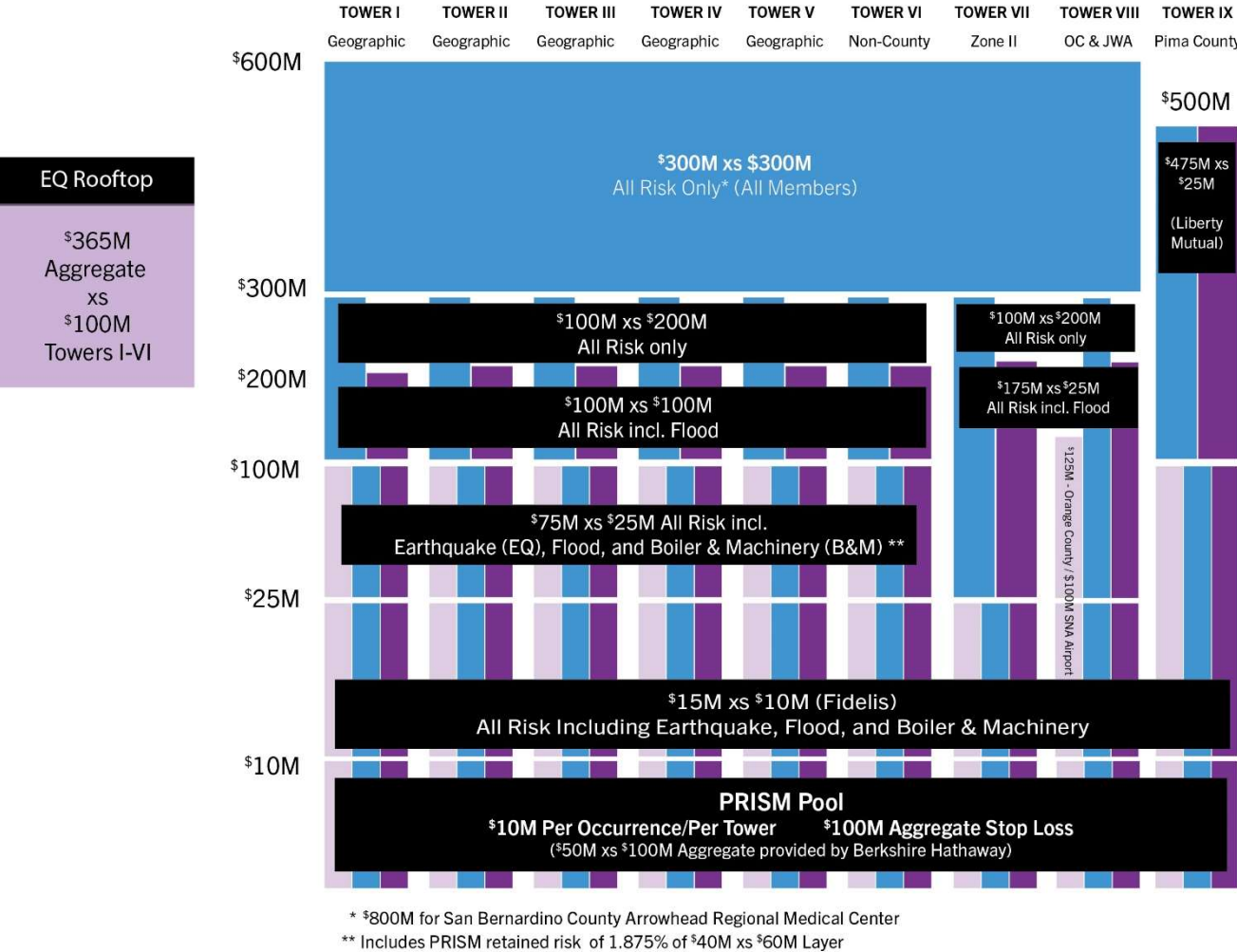
For the policy year ending March 31, 2025, PRISM is responsible for the first \$10M per tower, per occurrence. The Program purchased aggregate stop loss coverage from Nationwide, Berkshire Hathaway and others. PRISM will pay the first \$130M of claims in the \$10M primary layer from all towers combined if claims exceed \$130M, Nationwide, Berkshire and others will pay claims up to their limit of \$55M. In the event of significant losses eroding not only PRISM's \$130M 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.

The chart on the following page shows the current structure of the Program.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

4. Claim Liabilities (continued)

E. Property (continued)



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
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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 \$1.5M in excess of each member's deductible or retention and \$20M 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, and 2023/24 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.

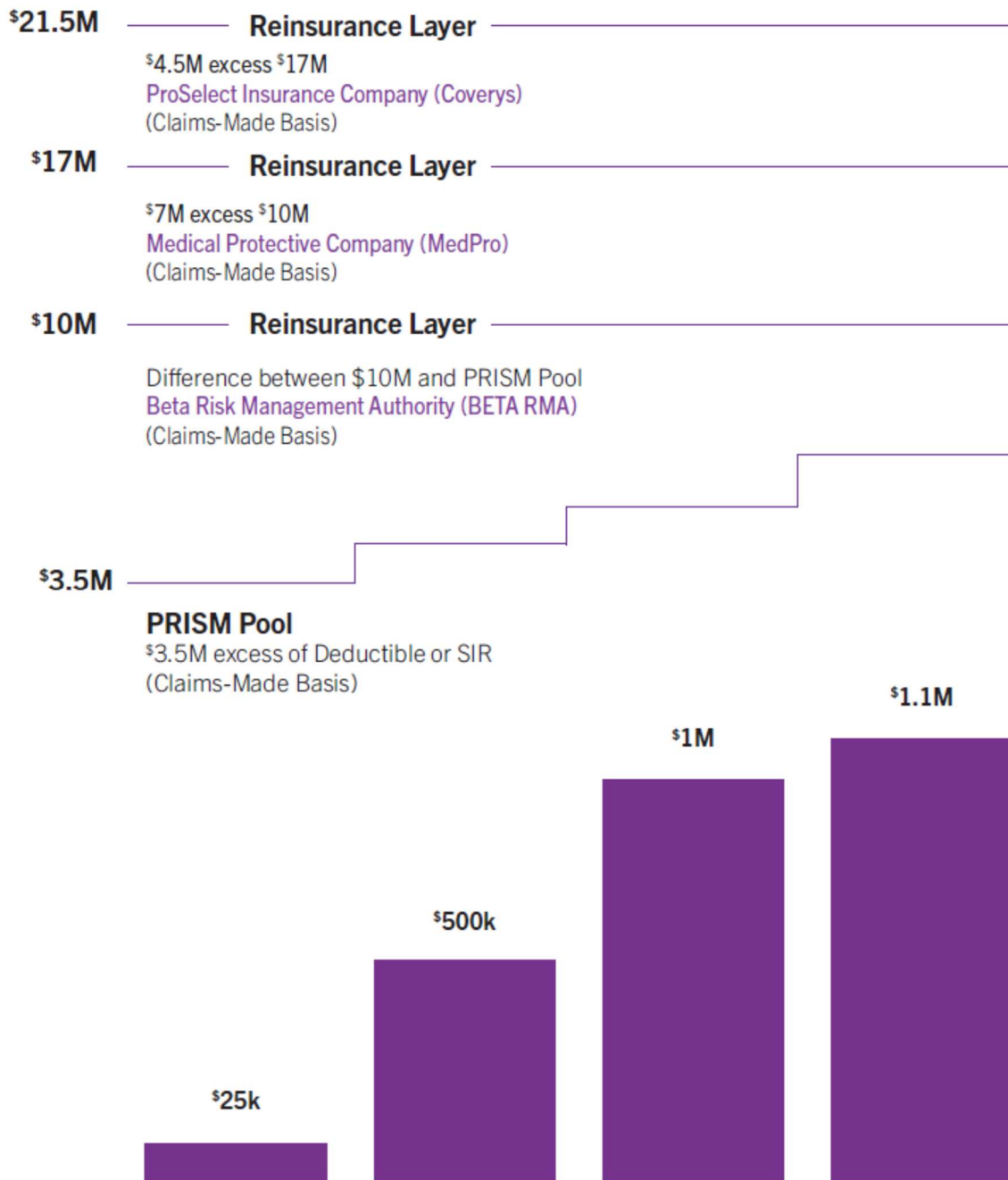
The Program is divided into 2 groups for underwriting purposes – Program 1 for members with SIRs, and Program 2 for members with deductibles. Medical Malpractice Program 1 members have a range of self-insured retentions from \$500k to \$1.1M. Medical Malpractice Program 2 members can elect deductibles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

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

F. Medical Malpractice (continued)

The Program structure is illustrated in the following chart:



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2024 and June 30, 2023 of \$2.8M and \$2.9M, respectively, are undiscounted and are considered short-term.

H. Captive

Total claim liabilities of the Captive, as of June 30, 2024, in the amount of \$737M have been presented at the net present value of \$630M using a 4.2% discount rate. On June 30, 2023, the total claim liabilities of \$694M have been presented at the net present value of \$547M 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	\$ 278,875	\$ -	\$ 278,875
2021/22	929,542	194,555	1,124,097
2022/23	1,101,641	809,184	1,910,825
2023/24	2,938,459	1,055,046	3,993,505
Total	\$ 5,248,517	\$ 2,058,785	\$ 7,307,302

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.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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5. GL1 Loss Portfolio Transfer (LPT) (continued)

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 \$1.04B for the entire period, about 30% of the payment total will be made on claims incurred in future program years (2024/25 to 2025/26). Approximately \$728M of the payments are associated with claims incurred in the 2007/08 to 2023/24. MS Re now has an annual cap of \$37.8M in claims payments for the first three years and a \$52.2M cap on the final 2025/26 year, after which ARC shall make payments for the remaining period subject to corridor limits. In addition, the discounted value of claims of \$4.5M in PRISM's experience account for the period up to June 30, 2024 is included in PRISM claim liabilities, as of June 30, 2024. The claims paid and discounted outstanding liabilities of \$385.8M in PRISM's Corridor 1 for period up to June 30, 2024 have been transferred to the Captive and are also part of the combined financial statements. The corresponding premium expense for those claim payments is \$657.4M, out of which \$271.5M was paid to MS Re and \$385.9M was paid to the Captive for the corridor that was transferred as explained below. Additionally, a rate credit of \$23.9M is recorded as an offset to the total premium expense. A breakdown of the layers is as follows:

Layer	Updated Layer Limit	Expected Future Payments as of June 30, 2023	Updated Layer Limit	Expected Future Payments as of June 30, 2024
MsRe Reinsurance 1	\$ 336,200,000	\$ 336,200,000	\$ 336,200,000	\$ 336,200,000
PRISM Corridor 1 *	552,772,229	552,772,229	638,135,670	638,135,670
PRISM Experience Account	20,000,000	20,000,000	20,000,000	20,000,000
MsRe Reinsurance 2	33,500,000	21,134,543	33,500,000	33,500,000
PRISM Corridor 2	Unlimited	-	Unlimited	8,658,013
Total		\$ 930,106,772		\$ 1,036,493,683

* PRISM Corridor 1 has been transferred to ARC.

Per the updated actuarial estimates, as of June 30, 2024, MS Re will cover the first \$336.2M in the claim payments, after which PRISM's Corridor 1 will cover the next \$638.1M. Even though these limits are thru June 30, 2026, the actuarially calculated MS Re layer thru June 30, 2024 is only \$260.6M and PRISM Corridor 1 is \$430M, on an undiscounted basis. PRISM corridor is transferred to the Captive for a premium of \$385.9M for all claims from July 1, 2007 to June 30, 2024. More payments will be transferred for this layer as we progress thru the years. Next is the PRISM experience account that is funded by the Premium Rate Credit, as explained below. The discounted value of claims of \$8.8M in PRISM's experience account are included in PRISM claim liabilities as of June 30, 2024. Once PRISM's experience account is exhausted, MS Re will cover the next \$33.5M in claim payments after which PRISM's Corridor 2 kicks in with unlimited liability. The actuarially calculated liability in PRISM's Corridor 2 is \$8.7M out of which discounted value of \$2.5M pertains to program years 2006/07 to 2023/24 which has been recorded in the books at June 30, 2024. Although it is expected that ultimately the total payments will be \$1.04B on an undiscounted basis, these numbers will be recalculated annually based on actual payments and recent claims developments.

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

A. Structure of the LPT (continued)

The total premium of \$271.5M in exchange of the liabilities has been paid to MS Re as of June 30, 2024. Additionally, \$385.9M is recorded as premium expense to the Captive (and eliminated upon consolidation with PRISM) for a discounted value of \$385.8M for the PRISM Corridor 1 claims paid and liabilities at June 30, 2024.

For the LPT experience account, MS Re has agreed to fund this layer thru Premium Rate Credits. They will pay PRISM a rate credit of .226328% per month, compounded, on the monthly balance of premium paid less claim payments plus any rate credits not withdrawn by PRISM. Accordingly, PRISM has recorded a receivable of \$23.9M that is the present value of this rate credit, as of June 30, 2024. Correspondingly, the same amount is recorded as a reduction to premium in 2018/19, 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 program years.

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:

	June 30, 2022	Additions	Deductions	June 30, 2023	Additions	Deductions	June 30, 2024
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
<u>Depreciable Assets:</u>							
Buildings and Tenant Improvements	8,312,289	-	-	8,312,289	230,961	-	8,543,250
Furniture and Equipment	1,408,343	117,429	-	1,525,772	132,655	-	1,658,427
Software	11,213,670	2,123,001	-	13,336,671	1,374,028	-	14,710,699
Total Depreciable Assets	20,934,302	2,240,430	-	23,174,732	1,737,644	-	24,912,376
<u>Less Accumulated Depreciation:</u>							
Buildings and Tenant Improvements	(3,232,651)	(223,983)	-	(3,456,634)	(231,113)	-	(3,687,747)
Furniture and Equipment	(1,139,433)	(135,794)	-	(1,275,227)	(135,962)	-	(1,411,189)
Software	(4,937,220)	(1,103,128)	-	(6,040,348)	(1,734,862)	-	(7,775,210)
Total Accumulated Depreciation	(9,309,304)	(1,462,905)	-	(10,772,209)	(2,101,937)	-	(12,874,146)
<u>Net Depreciable Assets:</u>							
Buildings and Tenant Improvements	5,079,638	(223,983)	-	4,855,655	(152)	-	4,855,503
Furniture and Equipment	268,910	(18,365)	-	250,545	(3,307)	-	247,238
Software	6,276,450	1,019,873	-	7,296,323	(360,834)	-	6,935,489
Net Depreciable Assets	11,624,998	777,525	-	12,402,523	(364,293)	-	12,038,230
Net Land, Buildings and Equipment	\$ 12,624,998	\$ 777,525	\$ -	\$ 13,402,523	\$ (364,293)		\$ 13,038,230
<u>Depreciation Expense:</u>							
Operating		\$ 1,393,162			\$ 2,029,628		
Nonoperating		69,743			72,309		
Total Depreciation Expense		\$ 1,462,905			\$ 2,101,937		

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7. Leases

PRISM has occupied 52% of its building at 75 Iron Point Circle, Folsom, California 95630, leased out 36% and has 12% vacant space at June 30, 2024. Leases with various commercial tenants have been executed for periods of 5 to 10 years, with two leases having additional options to extend to 2032 and 2035, respectively. The cost of tenant improvements for the space under lease is \$1.0M with accumulated depreciation of \$961k. The cost of the building and improvements under lease is \$3.1M with accumulated depreciation of \$1.5M. Lease-related inflows of resources for the last two fiscal years were:

	June 30, 2023	June 30, 2024
Lease Revenue	\$ 381,396	\$ 424,543
Lease Interest Revenue	47,696	44,132
	\$ 429,092	\$ 468,675

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)
2025	296,689	20,345	317,034	276,666
2026	203,714	122,679	326,393	289,982
2027	192,332	144,369	336,701	304,444
2028	-	346,803	346,803	318,899
2029	-	357,207	357,207	333,863
2030 to 2034	-	1,402,352	1,402,352	1,353,725
2035 to 2037	-	132,727	132,727	131,881
Total minimum lease payments	\$ 692,735	\$ 2,526,482	\$ 3,219,217	\$ 3,009,460

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.

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8. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

Employees covered by the benefit terms

At June 30, 2024, the following number of employees were covered by the benefit terms:

Active members	102
Inactive members receiving benefits	33
Total	135

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, 2023 (the measurement date) was 13.00% and 7.91% of annual pay for the Classic and PEPRA plans respectively.

For the year ended June 30, 2024, the legally required contributions were \$1,277,184. The legally required contribution for June 30, 2023 was \$1,016,309. The required contribution for the 2023/24 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, 2023.

Actuarial Assumptions

For the measurement period ended June 30, 2023 (the measurement date), the Total Pension Liability (TPL) was determined by rolling forward the June 30, 2022 TPL. The June 30, 2023 and June 30, 2022 TPL were based on the following actuarial methods and assumptions:

Measurement Date	June 30, 2023	June 30, 2022
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)

A. General Information about the Pension Plan (continued)

Changes in Assumptions

There were no changes in assumptions for the measurement period ended June 30, 2023. For the measurement period ended June 30, 2022, changes in assumptions included a reduction in the discount rate from 7.15% to 6.90% and reduction in the price inflation assumption from 2.50% to 2.30%.

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.

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

A. 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, 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

The following presents the net pension liability of the Plan as of the June 30, 2022 measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

June 30, 2022 Measurement Date	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Plan Net Pension Liability	\$ 8,544,338	\$ 4,016,220	\$ 290,702

B. 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:

	<u>2023 - 2024 Fiscal Year</u>	<u>2022 - 2023 Fiscal Year</u>
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Measurement Period	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

At June 30, 2024 and 2023, PRISM reported a Net Pension Liability (NPL) of \$5,025,338 and \$4,016,220, 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, 2023. The TPL used to calculate the NPL was determined by an actuarial valuation, as of June 30, 2022, and rolled forward to June 30, 2023 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, 2022, was 0.100498% 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, 2021, was 0.08583%.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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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 \$2,479,908. 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>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 1,082,259
2025	661,300
2026	679,810
2027	23,347
Total	<u>\$ 2,446,716</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, 2023, PRISM recognized a pension expense of \$4,372,523. At June 30, 2023, 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	\$ 80,654	\$ (54,018)
Changes in Assumptions	411,546	-
Net Difference Between Projected and Actual Earnings on Pension Plan investments	735,665	-
Change in Proportions	2,006,748	-
Change in Proportionate Share of Contributions	-	(425,176)
Contributions Subsequent to Measurement Date	1,164,309	-
Total	<u>\$ 4,398,922</u>	<u>\$ (479,194)</u>

The \$1,164,309 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, 2024.

At June 30, 2023, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ 1,004,011
2024	851,056
2025	450,394
2026	449,958
Total	<u>\$ 2,755,419</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 2020	\$139.00 per month
Calendar Year 2021	\$143.00 per month
Calendar Year 2022	\$149.00 per month
Calendar Year 2023	\$151.00 per month
Calendar Year 2024	\$157.00 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, 2024, 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.

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9. Other Postemployment Benefits (OPEB) (continued)

A. Plan Description (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	49%	6.80%
Fixed Income	23%	4.50%
Global Real Estate (REIT)	20%	6.20%
Treasury Inflation Protected Securities (TIPS)	5%	3.60%
Commodities	3%	3.50%

B. Net OPEB Liability

PRISM's net OPEB liability was \$99,554 as of June 30, 2024, and \$361,766 as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuations, as of June 30, 2023 and June 30, 2022.

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,	
	2024	2023
Valuation Date	June 30, 2023	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
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	6.20% net of plan investment expenses
Discount Rates	6.15% for all plan liabilities	6.20% for all plan liabilities
Municipal Bond Index	3.86%	3.69%
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.

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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% and 6.20% for all plan liabilities reported as of June 30, 2024 and 2023, respectively. 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:

<u>Effective January 1</u>	<u>Premium Increase</u>	<u>Effective January 1</u>	<u>Premium Increase</u>
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%

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9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability

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
Changes in Assumptions	(37,193)	-	(37,193)
Benefit Payments	(57,746)	(57,746)	-
Employer Contributions	-	196,224	(196,224)
Net Investment Income	-	99,246	(99,246)
Administrative Expenses	-	(445)	445
Plan experience	(201,960)	-	(201,960)
Investment experience	-	1,125	(1,125)
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>	\$ 1,869,680	\$ 1,770,126	\$ 99,554

Net OPEB Liability as of June 30, 2023 is \$361,766, an increase of \$284,780 compared to June 30, 2022.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at fiscal year ending June 30, 2022 <i>Measurement date June 30, 2021</i>	\$ 1,717,514	\$ 1,640,528	\$ 76,986
Changes during the period			
Service Cost	146,822	-	146,822
Interest Cost	111,987	-	111,987
Changes in Assumptions	(25,857)	-	(25,857)
Benefit Payments	(56,978)	(56,978)	-
Employer Contributions	-	168,227	(168,227)
Net Investment Income	-	105,149	(105,149)
Administrative Expenses	-	(416)	416
Plan experience	-	(324,788)	324,788
Net Change in Fiscal Year	175,974	(108,806)	284,780
Balance at fiscal year ending June 30, 2023 <i>Measurement date June 30, 2022</i>	\$ 1,893,488	\$ 1,531,722	\$ 361,766

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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, 2024:

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

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, 2023:

	1% Decrease	Discount Rate	1% Increase
	5.20%	6.20%	7.20%
Net OPEB Liability/(Asset)	\$ 644,318	\$ 361,766	\$ 128,527

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

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates as of June 30, 2023 is shown below:

	Medical Trend	Current Medical Trend	Medical Trend
	4.80%	5.80%	6.80%
Net OPEB Liability/(Asset)	\$ 78,609	\$ 361,766	\$ 720,768

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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, 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:

	Deferred Outflows of Resources		(Deferred Inflows) of Resources		Total	
	Explicit	Implicit	Explicit	Implicit	Deferred Outflows of Resources	(Deferred Inflows) of Resources
	Changes of assumptions	\$ 114,073	\$ 69,293	\$ (522,836)	\$ (13,184)	\$ -
Net difference between expected and actual investment experience	201,896	-	(96,303)	-	105,593	-
Difference between expected and actual plan experience	-	-	(266,342)	-	-	(266,342)
Contributions made subsequent to the measurement date	139,852	25,831	-	-	165,683	-
	<u>\$ 455,821</u>	<u>\$ 95,124</u>	<u>\$ (885,481)</u>	<u>\$ (13,184)</u>	<u>\$ 271,276</u>	<u>\$ (618,996)</u>

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, 2024.

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		Recognized Net Deferred Outflows (Inflows) of Resources		Total
	Explicit		Implicit		
	2025	\$	(85,295)	\$	
2026		(92,318)		10,375	(81,943)
2027		(44,619)		10,375	(34,244)
2028		(100,860)		13,467	(87,393)
2029		(70,449)		8,302	(62,147)
Thereafter		(175,971)		3,215	(172,756)

For the year ended June 30, 2023, PRISM recognized an OPEB expense of \$103,271. At June 30, 2023, PRISM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		(Deferred Inflows) of Resources		Total	
	Explicit	Implicit	Explicit	Implicit	Deferred Outflows of Resources	(Deferred Inflows) of Resources
	Changes of assumptions	\$ 128,279	\$ 83,748	\$ (580,168)	\$ (17,251)	\$ -
Net difference between expected and actual investment experience	273,878	-	(141,258)	-	132,620	-
Difference between expected and actual plan experience	-	-	(93,429)	-	-	(93,429)
Contributions made subsequent to the measurement date	165,941	30,283	-	-	196,224	-
	<u>\$ 568,098</u>	<u>\$ 114,031</u>	<u>\$ (814,855)</u>	<u>\$ (17,251)</u>	<u>\$ 328,844</u>	<u>\$ (478,821)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

9. Other Postemployment Benefits (OPEB) (continued)

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

The \$196,224 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, 2024.

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	Recognized Net Deferred Outflows (Inflows) of Resources	Total
	Explicit	Implicit	
2024	\$ (59,684)	\$ 8,981	\$ (50,703)
2025	(61,531)	8,981	(52,550)
2026	(68,554)	8,981	(59,573)
2027	(20,855)	8,981	(11,874)
2028	(77,087)	12,075	(65,012)
Thereafter	(124,987)	18,498	(106,489)

The Expected Average Remaining Service life was 10.80 years in the June 30, 2023 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, 2024 AND 2023

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 \$284 million 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 at June 30, 2024.

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 than 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

The Statement of Net Position as of June 30, 2023 includes \$55.4M owed to PRISM by AmTrust.

11. Castlepoint Liquidation

In August 2016, the California Insurance Commissioner placed CastlePoint Insurance Companies (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 \$3.2M, 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, 2024 AND 2023

12. Risk and Uncertainties

Short-term interest rates remain in restrictive territory as the Federal Reserve materially increased the Federal Funds rate between March 2022 and July 2023 from close to zero to a range of 5.25% to 5.50% as of July 2023. Despite the aggregate US economy continuing to grow above trend, the increase in interest rates created enough restriction in the economy to allow for inflation to trend lower, although still above the Federal Reserve's target of 2.0% on a year-over-year basis. Large changes in interest rates are a risk for the PRISM portfolios, however it is likely that interest rates have already peaked for the cycle and should be trending moderately lower over the coming fiscal year which should lead to lower volatility in the mark to market impact of the net position linked to the investment portfolio. If the trends in inflation were to reverse and trend materially higher, which is not part of our base case outlook and a lower probability risk, a further deterioration in the fixed income assets is possible.

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, 2024
10-YEAR SCHEDULE**

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PRISM's proportion of the net pension liability (asset)	0.100498%	0.085831%	-0.041502%	0.060654%	0.048206%	0.037935%	0.040671%	0.031435%	0.073809%	0.032050%
Proportionate share of the net pension liability (asset)	\$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	\$1,994,562
Covered payroll	\$10,972,582	\$9,837,764	\$9,387,325	\$7,426,247	\$7,828,396	\$7,123,473	\$6,441,367	\$5,449,159	\$4,924,748	\$4,058,309
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	45.80%	40.82%	-8.39%	34.45%	24.66%	20.07%	24.89%	20.04%	41.12%	49.15%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	78.40%	78.40%	83.03%

Notes to Schedule

1. There were no changes to benefit terms during the measurement period ended June 30, 2023.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, 2024
10-YEAR SCHEDULE

	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
Contractually Required Contribution (Actuarially Determined Contribution)	\$ 1,277,184	\$ 1,164,309	\$ 1,016,636	\$ 1,091,058	\$ 792,370	\$ 656,865	\$ 612,233	\$ 551,010	\$ 533,877	\$ 587,253
Contributions in Relation to the Contractually Required Contributions	1,277,184	1,164,309	1,016,636	1,091,058	792,370	656,865	612,233	551,010	533,877	587,253
Contributions Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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
Contributions as a Percentage of Covered Payroll	10.70%	10.61%	10.33%	11.62%	10.67%	8.39%	8.59%	8.55%	9.80%	11.92%

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2024
LAST 10 FISCAL YEARS*

	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	\$ 148,291	\$ 146,822	\$ 125,454	\$ 172,953	\$ 162,744	\$ 188,704	\$ 208,154
Interest Cost	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	(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	(23,808)	175,974	235,548	(132,844)	178,532	(45,454)	92,950
Total OPEB Liability - Beginning	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)	\$ 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	\$ 196,224	\$ 168,227	\$ 164,744	\$ 307,363	\$ 33,583	\$ 150,165	\$ 56,127
Net Investment Income	100,371	(219,639)	328,110	37,901	51,551	52,952	60,789
Benefit Payments	(57,746)	(56,978)	(45,768)	(37,363)	(33,583)	(25,165)	(20,480)
Administrative Expenses	(445)	(416)	(452)	(555)	(179)	(365)	(307)
Other Expenses	-	-	-	-	-	(871)	-
Net Change in Plan Fiduciary Net Position	238,404	(108,806)	446,634	307,346	51,372	176,716	96,129
Plan Fiduciary Net Position - Beginning	1,531,722	1,640,528	1,193,894	886,548	835,176	658,460	562,331
Plan Fiduciary Net Position - Ending (b)	\$ 1,770,126	\$ 1,531,722	\$ 1,640,528	\$ 1,193,894	\$ 886,548	\$ 835,176	\$ 658,460
Net OPEB Liability (a)-(b)	\$ 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	95%	81%	96%	81%	55%	58%	44%
Covered Payroll	\$ 11,937,744	\$ 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 Payroll	1%	3%	1%	3%	10%	8%	12%

* Fiscal year 2018 was the 1st year of implementation, therefore only 7 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, 2024
LAST 10 FISCAL YEARS***

	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)	\$ 165,683	\$ 196,224	\$ 168,227	\$ 164,744	\$ 175,356	\$ 163,716	\$ 159,232
Contributions in relation to the ADC							
Explicit Contributions	139,852	165,941	137,990	143,150	292,488	20,366	144,990
Implicit Contributions	25,831	30,283	30,237	21,594	14,875	13,217	5,175
Total Contributions	\$ 165,683	\$ 196,224	\$ 168,227	\$ 164,744	\$ 307,363	\$ 33,583	\$ 150,165
Contribution deficiency (excess) relative to the total ADC	\$ -	\$ -	\$ -	\$ -	\$ (132,007)	\$ 130,133	\$ 9,067
Covered Payroll	\$ 11,937,744	\$ 10,972,582	\$ 9,837,764	\$ 9,387,235	\$ 7,426,247	\$ 7,828,396	\$ 7,123,473
Contributions as % of Covered Payroll	1.39%	1.79%	1.71%	1.75%	4.14%	0.43%	2.11%
Valuation Date	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 7 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, 2024 AND 2023

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Dental	PRISM Affiliate Risk Captive	Total June 30, 2024	Total June 30, 2023
Unpaid Claims and Claim Adjustment Expenses at the Beginning of the Fiscal Year	\$ 60,130,060	\$ 155,567,689	\$ 18,480,582	\$ 2,167,000	\$ 67,946,128	\$ 35,531,669	\$ 2,932,583	\$ 547,167,079	\$ 889,922,790	\$ 884,894,203
Incurred Claims and Claim Adjustment Expenses:										
Provision for Claims										
Current Fiscal Year	8,859,000	3,229,905	2,407,842	-	106,038,313	16,361,569	39,646,233	108,007,801	284,550,663	249,174,990
Prior Fiscal Years	5,683,333	133,931,283	4,742,373	31,610,834	17,301,184	4,090,098	-	145,671,276	343,030,381	(14,171,843)
B. Total Incurred	14,542,333	137,161,188	7,150,215	31,610,834	123,339,497	20,451,667	39,646,233	253,679,077	627,581,044	235,003,147
Payments:										
Attributable to insured events of the										
Current Fiscal Year	4,463,400	-	-	-	25,935,566	-	36,852,927	9,008,495	76,260,388	69,059,410
Prior Fiscal Years	4,682,408	18,699,570	3,328,761	3,674,083	53,859,498	4,805,646	2,932,583	162,154,051	254,136,600	160,915,150
C. Total Payments	9,145,808	18,699,570	3,328,761	3,674,083	79,795,064	4,805,646	39,785,510	171,162,546	330,396,988	229,974,560
Total Unpaid Claims and Claim Adjustment Expenses at End of the Fiscal Year (A+B-C)	\$ 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
Claims Reported	\$ 19,964,223	\$ 204,069,801	\$ 8,261,939	\$ 17,130,166	\$ 97,867,567	\$ 23,208,568	\$ 2,793,306	\$ 352,960,598	\$ 726,256,168	\$ 510,333,592
Claims Incurred But Not Reported	11,495,750	61,771,506	11,274,097	10,237,585	13,600,994	26,945,122	-	276,723,012	412,048,066	327,443,198
Unallocated Loss Adjustment Expenses	34,066,612	8,188,000	2,766,000	2,736,000	22,000	1,024,000	-	-	48,802,612	52,146,000
Total Claim Liabilities	\$ 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
Current Claim Liabilities	\$ 5,596,958	\$ 35,476,880	\$ 1,184,080	\$ 3,067,922	\$ 51,288,072	\$ 14,127,473	\$ 2,793,306	\$ 167,564,555	\$ 281,099,246	\$ 239,256,303
Noncurrent Claim Liabilities	59,929,627	238,552,427	21,117,956	27,035,829	60,202,489	37,050,217	-	462,119,055	906,007,600	650,666,487
Total Claim Liabilities	\$ 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

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, 2024

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 10 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, 2024
(ALL PROGRAMS)**

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 313,727,248	\$ 345,795,948	\$ 467,848,725	\$ 493,420,999	\$ 916,086,740	\$ 607,788,729	\$ 701,426,183	\$ 779,537,019	\$ 955,722,151	\$ 1,090,793,082
Less Ceded	(177,530,235)	(196,444,500)	(275,526,162)	(297,095,846)	(310,413,725)	(347,824,023)	(425,306,988)	(507,129,567)	(534,614,175)	(618,250,203)
Loss Portfolio Transfer	(36,150,976)	(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)
Dividends Declared	-	-	-	-	(2,000,000)	(7,125,448)	(9,000,000)	(2,000,000)	(6,500,000)	(12,500,000)
Investment Earnings	4,599,502	4,808,063	9,467,520	14,609,583	35,015,661	8,917,094	4,002,273	(3,066,544)	11,866,689	10,515,643
1. Total Revenues Available For Payment of Claims	104,645,539	109,342,355	166,538,321	181,680,946	612,850,559	166,378,139	208,948,584	184,471,413	280,909,085	337,668,370
2. Unallocated Loss Adjustment Expense	1,733,753	2,161,152	1,783,468	2,467,074	2,884,829	4,059,560	3,867,310	6,558,006	7,593,082	7,677,978
3. Estimated Incurred Claims Less Ceded Claims	287,088,576	327,667,786	438,896,951	469,564,817	498,954,780	511,345,287	605,739,520	666,102,841	783,789,166	902,800,866
Net Incurred Claims and Expenses, End of Policy Year	(177,441,801)	(196,444,500)	(275,526,162)	(297,095,846)	(310,413,725)	(347,824,023)	(425,306,988)	(507,129,567)	(534,614,175)	(618,250,203)
4. Cumulative Paid Claims as of:										
End of the Policy Year	41,819,464	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
One Year Later	55,107,212	62,990,323	70,987,228	77,406,457	74,007,812	69,644,549	76,164,786	103,588,280	153,192,849	
Two Years Later	64,984,162	88,685,970	106,880,592	94,177,491	101,624,160	90,453,287	107,333,423	119,744,349		
Three Years Later	91,256,950	121,100,075	123,574,410	113,149,753	128,301,899	106,782,447	123,881,145			
Four Years Later	111,768,089	136,824,900	135,685,813	124,830,834	174,103,918	136,006,794				
Five Years Later	107,787,846	135,254,359	139,980,283	133,714,116	253,702,561					
Six Years Later	115,575,435	139,022,734	142,114,346	138,430,455						
Seven Years Later	115,692,112	139,235,294	145,376,630							
Eight Years Later	115,859,833	143,931,309								
Nine Years Later	117,479,109									
5. Reestimated Ceded Claims and Expenses	201,493,979	163,502,573	262,925,675	419,365,283	425,598,162	645,172,226	375,059,988	288,944,639	189,282,208	117,797,256
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	109,646,775	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
One Year Later	115,831,832	133,962,994	171,585,114	146,440,138	255,246,311	170,695,606	180,897,089	172,494,511	272,657,652	
Two Years Later	113,158,272	152,739,976	151,894,547	156,054,777	335,009,333	172,471,440	187,009,253	177,385,765		
Three Years Later	126,906,754	142,475,106	150,047,659	156,206,901	404,644,362	177,731,448	187,797,694			
Four Years Later	116,585,582	152,017,636	151,373,010	154,922,872	452,111,699	180,883,900				
Five Years Later	107,185,396	144,165,483	149,540,968	155,566,420	583,540,585					
Six Years Later	116,700,294	144,494,397	149,850,975	156,817,460						
Seven Years Later	118,640,307	144,281,851	183,248,946							
Eight Years Later	118,648,562	192,290,025								
Nine Years Later	149,147,791									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 39,501,016	\$ 61,066,739	\$ 19,878,157	\$ (15,651,511)	\$ 394,999,530	\$ 17,362,636	\$ 7,365,162	\$ 18,412,491	\$ 23,482,661	\$ -

SUPPLEMENTARY INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2024

ASSETS:	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	PRISM Internal Guarantee Account	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Transactions	Totals June 30, 2024
Current Assets:															
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Cash in Banks	1,165,317	-	284,798	-	-	8,887	-	-	-	-	-	964,710	284,357	-	2,708,069
Cash in the PRISM Treasury	17,548,791	49,046,608	-	-	-	11,204,894	-	1,494,491	1,917,127	67,619	1,001,086	2,904,549	1,606,483	-	86,791,648
Total Cash & Cash Equivalents	18,714,108	49,046,608	284,798	-	-	11,213,781	-	1,494,491	1,917,127	67,619	1,001,086	3,869,559	1,890,840	-	89,500,017
Investments	16,477,719	46,054,327	-	-	-	10,521,015	-	1,403,276	1,800,116	62,268	939,986	2,288,447	26,615,377	-	106,162,531
Accounts Receivable															
Due from Members	1,902,398	1,785,371	938,325	25,000,000	72,733,664	160,583	720,477	16,306	1,915,859	-	124,706	42,727	23,374,645	(24,025,785)	104,689,276
Investment Income Receivable	345,032	965,651	-	-	-	220,303	-	29,384	37,693	-	19,683	57,107	4,392,089	-	6,066,942
Lease Receivable	-	-	-	-	-	-	-	-	-	-	-	276,666	-	-	276,666
Reinsurance Claims, Deposit with Carrier and Other	3,021,599	7,319,872	8,160,222	34,138,077	-	8,254,495	-	-	245,000	-	-	4,880	106,722	(6,189,613)	55,061,254
GL1 LPT Rate Credit Receivable	-	-	11,670,015	-	-	-	-	-	-	-	-	-	-	-	11,670,015
GL1 LPT Prepaid Expense	-	-	40,000,000	-	-	-	-	-	-	-	-	-	-	-	40,000,000
Due from Other Funds	43,257,661	80,929,563	-	-	-	18,488,191	-	2,465,924	3,163,277	109,421	1,651,803	4,792,533	-	(154,858,373)	-
Prepaid Insurance and Expenses	-	-	239,247	-	124,986,199	-	163,568	-	-	-	-	23,426	1,003,482	(995,982)	125,419,940
Total Current Assets	83,718,517	186,101,392	61,292,607	59,138,077	197,719,863	48,858,368	884,045	5,409,381	9,079,072	239,308	3,737,264	11,355,345	57,383,155	(186,069,753)	538,846,641
Noncurrent Assets:															
Investments	45,577,870	127,387,663	-	-	-	29,101,448	-	3,881,502	4,979,176	172,236	2,600,030	-	659,406,264	-	873,106,189
Due from Other Funds	863,114	2,412,356	-	-	-	551,098	-	73,504	94,291	3,262	49,237	142,856	-	(4,189,718)	-
Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	7,982,540	-	-	7,982,540
Investment in Captive	514,969	2,841,641	1,035,807	65,294	66,714	253,487	654	77,472	129,055	-	14,907	-	-	(5,000,000)	-
Lease Receivable	-	-	-	-	-	-	-	-	-	-	-	2,732,794	-	-	2,732,794
GL1 LPT Rate Credit Receivable	-	-	12,198,749	-	-	-	-	-	-	-	-	-	-	-	12,198,749
Land and Buildings, Net	-	-	-	-	-	-	-	-	-	-	-	5,855,503	-	-	5,855,503
Furniture and Equipment, Net	-	-	-	-	-	-	-	-	-	-	-	7,182,727	-	-	7,182,727
Total Noncurrent Assets	46,955,953	132,641,660	13,234,556	65,294	66,714	29,906,033	654	4,032,478	5,202,522	175,498	2,664,174	23,896,420	659,406,264	(9,189,718)	909,058,502
Total Assets	130,674,470	318,743,052	74,527,163	59,203,371	197,786,577	78,764,401	884,699	9,441,859	14,281,594	414,806	6,401,438	35,251,765	716,789,419	(195,259,471)	1,447,905,143
DEFERRED OUTFLOWS OF RESOURCES:															
Deferred Outflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	-	4,101,081	-	-	4,101,081
Deferred Outflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	-	271,276	-	-	271,276
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,372,357	\$ -	\$ -	\$ 4,372,357

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2024

LIABILITIES:	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	PRISM Internal Guarantee Account	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Transactions	Totals June 30, 2024
Current Liabilities:															
Accounts Payable	\$ 523,470	\$ 1,608,206	\$ 22,516,288	\$ 210,312	\$ 425,275	\$ 4,643,403	\$ -	\$ 2,168,139	\$ 1,090,519	\$ 414,806	\$ 276,388	\$ 619,806	\$ 7,497,121	\$ (30,215,398)	\$ 11,778,335
Deposits from Insurance Companies	2,193,052	-	277,133	-	-	-	-	-	-	-	-	-	-	-	2,470,185
Due to Other Funds	-	14,301,976	36,366,494	35,217,662	68,045,051	-	497,915	-	-	-	-	-	-	(154,429,098)	-
Due to Members	6,902,323	-	306,129	-	415,500	-	-	2,363,940	572,354	-	308,119	-	-	-	10,868,365
Unearned Income	-	-	995,982	-	-	-	-	7,960	-	-	-	40,888	461,944	(995,982)	510,792
Claim Liabilities															
Claims Reported	5,596,958	35,476,880	1,184,080	3,067,922	51,288,072	14,127,473	-	-	2,793,306	-	-	-	167,490,235	-	281,024,926
Claims Incurred But Not Reported	-	-	-	-	-	-	-	-	-	-	-	-	74,320	-	74,320
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	163,882	-	-	163,882
Total Current Liabilities	15,215,803	51,387,062	61,646,106	38,495,896	120,173,898	18,770,876	497,915	4,540,039	4,456,179	414,806	584,507	824,576	175,523,620	(185,640,478)	306,890,805
Noncurrent Liabilities:															
Due to Members, Long Term	-	-	-	-	-	-	-	-	-	-	-	7,982,540	-	-	7,982,540
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	4,618,993	-	(4,618,993)	-
Claims Reported	14,367,265	168,592,921	7,077,859	14,062,244	46,579,495	9,081,095	-	-	-	-	-	-	185,470,363	-	445,231,242
Claims Incurred But Not Reported	11,495,750	61,771,506	11,274,097	10,237,585	13,600,994	26,945,122	-	-	-	-	-	-	276,648,692	-	411,973,746
Unallocated Loss Adjustment Expense Payable	34,066,612	8,188,000	2,766,000	2,736,000	22,000	1,024,000	-	-	-	-	-	-	-	-	48,802,612
Compensated Absences, Long Term	-	-	-	-	-	-	-	-	-	-	-	655,533	-	-	655,533
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	99,554	-	-	99,554
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	-	5,025,338	-	-	5,025,338
Total Noncurrent Liabilities	59,929,627	238,552,427	21,117,956	27,035,829	60,202,489	37,050,217	-	-	-	-	-	18,381,958	462,119,055	(4,618,993)	919,770,565
Total Liabilities	75,145,430	289,939,489	82,764,062	65,531,725	180,376,387	55,821,093	497,915	4,540,039	4,456,179	414,806	584,507	19,206,534	637,642,675	(190,259,471)	1,226,661,370
DEFERRED INFLOWS OF RESOURCES:															
Deferred Inflows of Resources on Leases	-	-	-	-	-	-	-	-	-	-	-	3,009,460	-	-	3,009,460
Deferred Inflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	-	377,181	-	-	377,181
Deferred Inflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	-	618,996	-	-	618,996
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	4,005,637	-	-	4,005,637
NET POSITION:															
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-	-	13,038,230	-	-	13,038,230
Capital Stock Unrestricted	55,529,040	28,803,563	(8,236,899)	(6,328,354)	17,410,190	22,943,308	386,784	4,901,820	9,825,415	-	5,816,931	3,373,721	74,146,744	(5,000,000)	208,572,263
Total Net Position	\$ 55,529,040	\$ 28,803,563	\$ (8,236,899)	\$ (6,328,354)	\$ 17,410,190	\$ 22,943,308	\$ 386,784	\$ 4,901,820	\$ 9,825,415	\$ -	\$ 5,816,931	\$ 16,411,951	\$ 79,146,744	\$ (5,000,000)	\$ 221,610,493

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	PRISM Internal Guarantee Account	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Transactions	Totals June 30, 2024
OPERATING REVENUES:															
Premiums for Transferred Risk	\$ 36,111,061	\$ 186,869,288	\$ 221,939,443	\$ 177,061,649	\$ 138,815,651	\$ 12,716,105	\$ 4,933,072	\$ 708,262,307	\$ -	\$ 414,806	\$ 103,869,499	\$ -	\$ 5,639,398	\$ (220,494,262)	\$ 1,376,138,017
Broker Fees	1,378,266	7,174,439	7,376,062	6,799,094	-	17,547	-	4,579,771	2,768,305	-	-	-	-	-	30,093,484
Contributions for Retained Risk	19,426,023	9,710,811	3,203,288	25,000,000	101,361,553	23,718,721	-	-	46,664,958	-	-	-	214,854,863	-	443,940,217
Member Services & Dividend Income	-	-	-	-	-	-	-	-	-	-	674,276	839,408	-	-	1,513,684
Administration Fees	8,478,708	10,950,031	6,819,192	4,213,841	1,585,506	1,915,723	23,400	1,022,676	-	-	192,970	-	-	-	35,202,047
School Loss Control Fees	33,922	40,571	47,278	-	40,253	-	-	-	-	-	-	-	-	-	162,024
AmTrust Commutation Income	5,617,668	68,468,509	2,938,115	-	-	-	-	-	-	-	-	-	-	-	77,024,292
Other Income	-	3,000,000	21,050	-	-	-	-	107,518	500	-	-	167,195	8,500	-	3,304,763
Total Operating Revenues	71,045,648	286,213,649	242,344,428	213,074,584	241,802,963	38,368,096	4,956,472	713,972,272	49,433,763	414,806	104,736,745	1,006,603	220,502,761	(220,494,262)	1,967,378,528
OPERATING EXPENSES:															
Insurance and Provision for Losses															
Transferred Risk & Insurance Expense	36,111,061	186,869,289	73,165,921	177,002,830	138,761,097	12,692,671	4,933,072	708,262,306	-	414,806	100,988,112	-	5,639,398	(127,731,690)	1,317,108,873
GL1 LPT Premium Expense	-	-	132,762,572	-	-	-	-	-	-	-	-	-	-	(92,762,572)	40,000,000
Broker Fees	1,378,266	7,174,439	3,818,785	6,799,094	-	17,547	-	4,579,771	2,768,305	-	-	-	-	-	26,536,207
GL1 LPT Broker Fees	-	-	3,551,806	-	-	-	-	-	-	-	-	-	-	-	3,551,806
Provision for Claims															
Current Year Claims	8,859,000	3,229,905	2,407,842	-	106,038,313	16,361,569	-	-	39,646,233	-	-	-	108,007,801	-	284,550,663
Prior Year Claims	10,562,721	133,805,283	4,023,373	31,041,834	17,298,184	3,971,098	-	-	-	-	-	-	145,671,276	-	346,373,769
Unallocated Loss															
Adjustment Expenses	(4,879,388)	126,000	719,000	569,000	3,000	119,000	-	-	-	-	-	-	-	-	(3,343,388)
Program Services	7,682,314	1,352,669	698,361	3,078,931	431,218	2,761,272	-	52,500	3,987,938	-	110,000	-	61,276	-	20,216,479
Loss Prevention Expenses	-	-	-	-	-	-	-	-	-	-	-	2,608,261	-	-	2,608,261
General Administrative Services	-	-	-	-	4,300	-	-	58,239	14,147	-	-	24,440,774	-	-	24,517,460
Member Dividends & Stabilization Funds Distributed	6,500,000	-	-	-	-	-	-	23,490	6,000,000	-	674,276	-	-	-	13,197,766
Total Operating Expenses	\$ 66,213,974	\$ 332,557,585	\$ 221,147,660	\$ 218,491,689	\$ 262,536,112	\$ 35,923,157	\$ 4,933,072	\$ 712,976,306	\$ 52,416,623	\$ 414,806	\$ 101,772,388	\$ 27,049,035	\$ 259,379,751	\$ (220,494,262)	\$ 2,075,317,896

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	PRISM Internal Guarantee Account	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Transactions	Totals June 30, 2024
TRANSFERS IN (OUT):															
Transfer In	-	-	-	-	-	-	-	-	-	-	-	25,117,837	-	(25,117,837)	-
Transfer Out	(6,426,553)	(7,718,612)	(5,046,667)	(2,910,501)	(727,922)	(1,093,992)	(51,643)	(597,145)	(379,244)	-	(15,558)	-	(150,000)	25,117,837	-
Total Transfers	(6,426,553)	(7,718,612)	(5,046,667)	(2,910,501)	(727,922)	(1,093,992)	(51,643)	(597,145)	(379,244)	-	(15,558)	25,117,837	(150,000)	-	-
Operating Income (Loss)	(1,594,879)	(54,062,548)	16,150,101	(8,327,606)	(21,461,071)	1,350,947	(28,243)	398,821	(3,362,104)	-	2,948,799	(924,595)	(39,026,990)	-	(107,939,368)
NONOPERATING REVENUES (EXPENSES):															
Investment Income (Loss) & Financing Fees, net of Investment Expense	4,626,834	8,993,829	1,922	97,387	4,707,377	3,113,028	-	404,243	674,850	-	250,539	1,081,044	45,689,571	(4,230,758)	65,409,866
Lease Income, net of Building Expense	-	-	-	-	-	-	-	-	-	-	-	312,576	-	-	312,576
Program Financing Expenses	-	-	(2,278,708)	(1,737,724)	-	-	(21,749)	-	-	-	-	(192,577)	-	4,230,758	-
Total Nonoperating Revenues (Expenses)	4,626,834	8,993,829	(2,276,786)	(1,640,337)	4,707,377	3,113,028	(21,749)	404,243	674,850	-	250,539	1,201,043	45,689,571	-	65,722,442
Change in Net Position	3,031,955	(45,068,719)	13,873,315	(9,967,943)	(16,753,694)	4,463,975	(49,992)	803,064	(2,687,254)	-	3,199,338	276,448	6,662,581	-	(42,216,926)
NET POSITION:															
Beginning of Year	52,497,085	73,872,282	(22,110,214)	3,639,589	34,163,884	18,479,333	436,776	4,098,756	12,512,669	-	2,617,593	16,135,503	67,484,163	-	263,827,419
Additional Paid in Capital	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Beginning of Year	52,497,085	73,872,282	(22,110,214)	3,639,589	34,163,884	18,479,333	436,776	4,098,756	12,512,669	-	2,617,593	16,135,503	72,484,163	(5,000,000)	263,827,419
Net Position, End of Year	\$ 55,529,040	\$ 28,803,563	\$ (8,236,899)	\$ (6,328,354)	\$ 17,410,190	\$ 22,943,308	\$ 386,784	\$ 4,901,820	\$ 9,825,415	\$ -	\$ 5,816,931	\$ 16,411,951	\$ 79,146,744	\$ (5,000,000)	\$ 221,610,493

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	PRISM Internal Guarantee Account	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Transactions	Totals June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:															
Receipts from Members	\$ 63,624,744	\$ 213,058,036	\$ 239,633,908	\$ 188,074,584	\$ 224,442,307	\$ 38,262,963	\$ 4,235,995	\$ 714,112,151	\$ 48,917,022	\$ 414,806	\$ 103,949,274	\$ 864,131	\$ 236,758,506	\$ (225,963,469)	\$ 1,850,384,958
Payments (to)/from Others	11,463,430	107,524,885	15,342,030	4,581,078	3,938,697	(3,886,196)	-	-	-	-	674,276	103,289	8,500	(16,681,669)	123,068,320
Dividends Paid	(6,255,095)	-	-	-	-	-	-	-	(6,000,000)	-	(580,767)	-	-	-	(12,835,862)
Claims Paid	(9,145,808)	(18,699,570)	(3,328,761)	(3,674,083)	(79,795,064)	(4,805,646)	-	-	(39,785,510)	-	-	-	(187,873,666)	16,711,120	(330,396,988)
Insurance Purchased	(36,111,061)	(186,869,289)	(260,192,793)	(177,002,830)	(168,287,017)	(12,692,671)	(4,933,072)	(704,319,642)	-	(100,809,084)	-	-	(7,070,372)	225,963,469	(1,432,324,362)
Payments to Suppliers	(6,751,266)	(8,514,207)	13,752,267	(9,683,148)	(2,120,931)	(63,229)	-	(7,746,664)	(6,510,442)	-	(110,000)	(7,054,785)	(72,529)	(29,451)	(34,904,385)
Payments to Employees	-	-	-	-	-	-	-	-	-	-	-	(16,398,326)	-	-	(16,398,326)
Subsidy Payments from (to) Members	(6,376,841)	(27,488,061)	(4,126,566)	(700,970)	17,067,932	(3,697,647)	533,815	(742,561)	1,184,302	(112,683)	(785,907)	25,395,187	(150,000)	-	83,373
Internal Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	10,448,103	79,011,794	1,080,085	1,594,631	(4,754,076)	13,117,574	(163,262)	1,303,284	(2,194,628)	302,123	2,337,792	2,992,869	41,600,439	-	146,676,728
CASH FLOWS FROM INVESTING ACTIVITIES:															
Purchase of Securities	(73,438,148)	(190,618,780)	(8,389)	-	(69,300,022)	(55,970,647)	-	(6,940,702)	(8,061,469)	(234,504)	(5,383,564)	(19,248,069)	(505,180,617)	-	(934,384,911)
Sales of Securities	66,496,305	132,867,846	8,509	-	70,294,730	46,553,745	157,379	6,045,248	10,092,037	-	3,567,154	18,489,896	430,181,482	-	784,754,331
Cash from Investment Earnings	3,431,159	6,615,737	449	-	3,705,869	2,381,538	786	310,813	537,637	-	176,730	963,868	24,640,571	(4,230,758)	38,534,399
Investment Expenses	-	-	-	-	-	-	-	-	-	-	-	(155,681)	(815,466)	-	(971,147)
Program Financing Expenses	-	-	(2,278,708)	(1,737,724)	-	-	(21,749)	-	-	-	-	(192,577)	-	4,230,758	-
Investment in Captive	360,478	1,989,148	725,065	45,706	46,699	177,441	459	54,230	90,339	-	10,435	-	-	(3,500,000)	-
Finance Fees from Members	180,256	98,492	1,353	97,387	6,800	-	-	-	-	-	12,005	314	-	-	396,607
Lease Receipts	-	-	-	-	-	-	-	-	-	-	-	468,676	-	-	468,676
Operating Lease Disbursements	-	-	-	-	-	-	-	-	-	-	-	(83,790)	-	-	(83,790)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,969,950)	(49,047,557)	(1,551,721)	(1,594,631)	4,754,076	(6,857,923)	136,875	(530,411)	2,658,544	(234,504)	(1,617,240)	242,637	(51,174,030)	(3,500,000)	(111,285,835)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:															
Purchase of Building and Other Capital Assets	-	-	-	-	-	-	-	-	-	-	-	(230,961)	-	-	(230,961)
Purchase of Software, Furniture and Equipment	-	-	-	-	-	-	-	-	-	-	-	(1,506,683)	-	-	(1,506,683)
(Purchase)/Sale of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	(3,500,000)	3,500,000	-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	(1,737,644)	(3,500,000)	3,500,000	(1,737,644)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,478,153	29,964,237	(471,636)	-	-	6,259,651	(26,387)	772,873	463,916	67,619	720,552	1,497,862	(13,073,591)	-	33,653,249
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,235,955	19,082,371	756,434	-	-	4,954,130	26,387	721,618	1,453,211	-	280,534	2,371,697	14,964,431	-	55,846,768
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 18,714,108	\$ 49,046,608	\$ 284,798	\$ -	\$ -	\$ 11,213,781	\$ -	\$ 1,494,491	\$ 1,917,127	\$ 67,619	\$ 1,001,086	\$ 3,869,559	\$ 1,890,840	\$ -	\$ 89,500,017

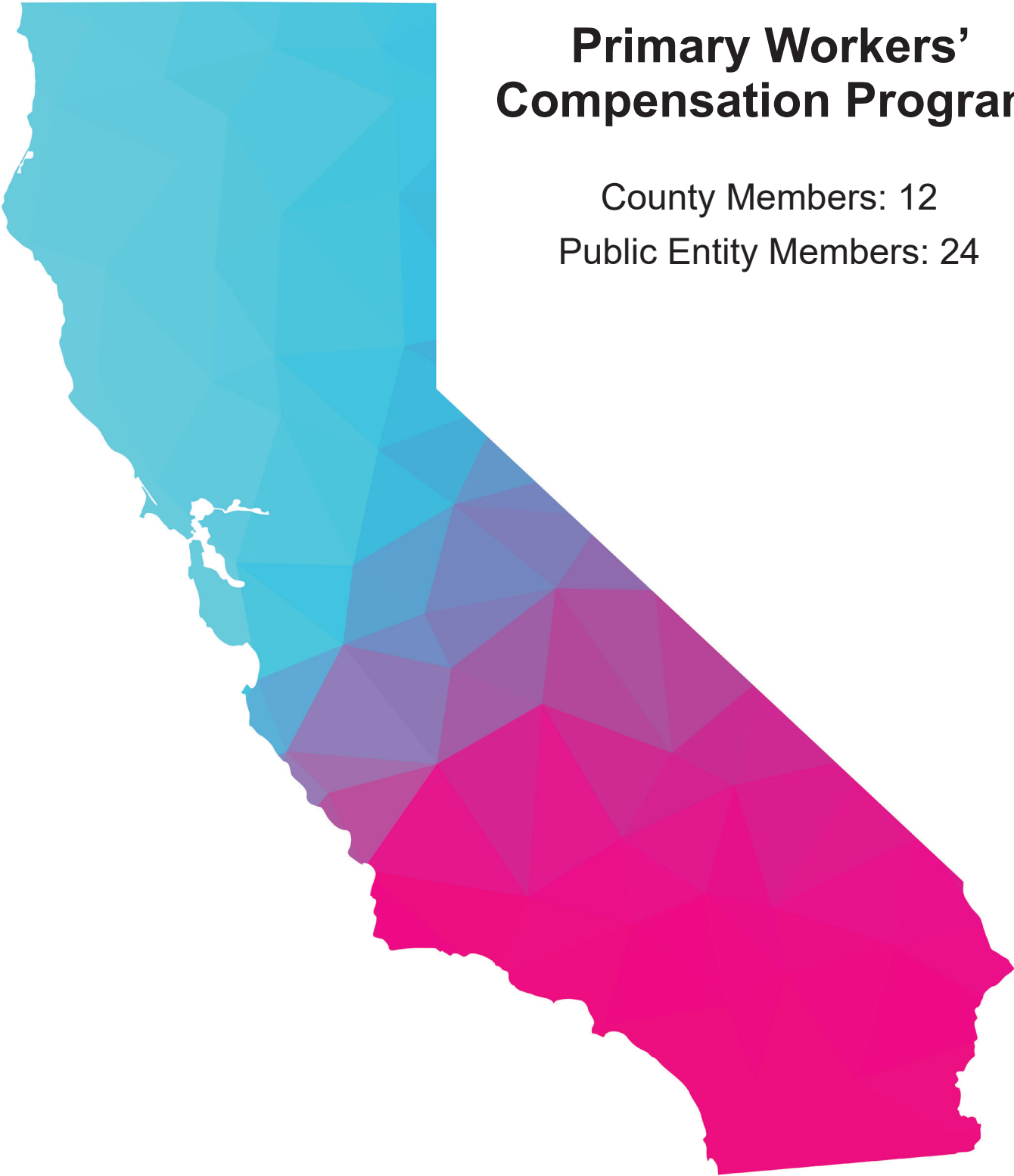
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	PRISM Internal Guarantee Account	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Transactions	Totals June 30, 2024
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:															
Operating Income/(Loss)	\$ (1,594,879)	\$ (54,062,548)	\$ 16,150,101	\$ (8,327,606)	\$ (21,461,071)	\$ 1,350,947	\$ (28,243)	\$ 398,821	\$ (3,362,104)	\$ -	\$ 2,948,799	\$ (924,595)	\$ (39,026,990)	\$ -	\$ (107,939,368)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities															
Depreciation	-	-	-	-	-	-	-	-	-	-	-	2,029,628	-	-	2,029,628
Changes in															
Accounts Receivable, Net	4,025,870	34,369,272	11,623,292	(20,418,922)	(13,389,300)	(3,991,329)	(720,477)	2,870	(495,586)	-	(113,195)	60,816	12,113,707	(25,831,921)	(2,764,903)
GL1 LPT Receivable	-	-	(19,872,420)	-	-	-	-	-	-	-	-	-	-	-	(19,872,420)
Due from or to Other Funds	49,712	(19,769,449)	920,101	2,209,531	17,795,854	(2,603,655)	585,458	(145,416)	1,563,546	(112,683)	(770,349)	277,350	-	-	-
Prepaid Expenses	-	-	(239,247)	-	(30,129,996)	-	-	-	-	-	-	60,481	(995,982)	995,982	(30,308,762)
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	355,409	-	-	355,409
Unearned Premium from Members	-	-	995,982	-	-	-	-	-	-	-	-	-	461,944	(995,982)	461,944
Accounts and Other Payables	2,570,875	12,901	22,072,703	194,877	(1,113,996)	2,715,590	-	1,047,009	238,793	414,806	272,537	337,972	(13,468,771)	(8,559,960)	6,735,336
Subsidy Funds Payable	-	-	-	-	-	-	-	-	-	-	-	(16,626)	-	-	(16,626)
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	27,366	-	-	27,366
GL1 LPT Payable	-	-	(34,391,881)	-	-	-	-	-	-	-	-	-	-	34,391,881	-
Claim Liabilities	10,275,913	118,335,618	3,102,454	27,367,751	43,541,433	15,527,021	-	-	(139,277)	-	-	-	82,516,531	-	300,527,444
Unallocated Loss Adjustment Expense Payable	(4,879,388)	126,000	719,000	569,000	3,000	119,000	-	-	-	-	-	-	-	-	(3,343,388)
Net Pension Liability/Asset	-	-	-	-	-	-	-	-	-	-	-	1,009,118	-	-	1,009,118
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	(262,212)	-	-	(262,212)
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	38,162	-	-	38,162
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 10,448,103	\$ 79,011,794	\$ 1,080,085	\$ 1,594,631	\$ (4,754,076)	\$ 13,117,574	\$ (163,262)	\$ 1,303,284	\$ (2,194,628)	\$ 302,123	\$ 2,337,792	\$ 2,992,869	\$ 41,600,439	\$ -	\$ 146,676,728
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES															
Unrealized gain/(loss) on investments	\$ 940,958	\$ 1,882,378	\$ 120	\$ -	\$ 994,708	\$ 658,760	\$ -	\$ 85,543	\$ 142,808	\$ -	\$ 50,477	\$ 261,642	\$ 20,364,264	\$ -	\$ 25,381,658

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 1,165,317	\$ 2,152,771
Cash in the PRISM Treasury	17,548,791	9,083,184
TOTAL CASH AND CASH EQUIVALENTS	<u>18,714,108</u>	<u>11,235,955</u>
Investments	16,477,719	1,333,359
Accounts Receivable		
Due from Members	1,902,398	116,428
Investment Income Receivable	345,032	270,571
Reinsurance Claims, Deposit with Carrier and Other	3,021,599	8,833,439
Due from Other Funds	43,257,661	43,162,479
TOTAL CURRENT ASSETS	<u>83,718,517</u>	<u>64,952,231</u>
Noncurrent Assets:		
Investments	45,577,870	52,839,429
Due from Other Funds	863,114	1,008,008
Investment in Captive	514,969	875,447
TOTAL NONCURRENT ASSETS	<u>46,955,953</u>	<u>54,722,884</u>
TOTAL ASSETS	<u>130,674,470</u>	<u>119,675,115</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	523,470	248,474
Deposits from Insurance Companies	2,193,052	158,734
Due to Members		
Dividends Payable	6,744,905	6,500,000
Member Deposits	157,418	140,762
Claim Liabilities		
Claims Reported	5,596,958	4,260,118
TOTAL CURRENT LIABILITIES	<u>15,215,803</u>	<u>11,308,088</u>
Noncurrent Liabilities:		
Claims Reported	14,367,265	11,637,546
Claims Incurred But Not Reported	11,495,750	5,286,396
Unallocated Loss Adjustment Expense Payable	34,066,612	38,946,000
TOTAL NONCURRENT LIABILITIES	<u>59,929,627</u>	<u>55,869,942</u>
TOTAL LIABILITIES	<u>75,145,430</u>	<u>67,178,030</u>
NET POSITION:		
Unrestricted	55,529,040	52,497,085
TOTAL NET POSITION	<u>\$ 55,529,040</u>	<u>\$ 52,497,085</u>

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 36,111,061	\$ 33,505,674
Broker Fees	1,378,266	1,379,465
Contributions for Retained Risk	19,426,023	18,811,123
Administration Fees	8,478,708	6,848,950
School Loss Control Fees	33,922	34,011
AmTrust Commutation Income	5,617,668	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	71,045,648	60,579,223
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	36,111,061	33,505,674
Broker Fees	1,378,266	1,379,465
Provision for Claims		
Current Year Claims	8,859,000	8,935,000
Prior Year Claims	10,562,721	(2,416,494)
Unallocated Loss Adjustment Expenses	(4,879,388)	(9,488,000)
Program Services	7,682,314	7,711,585
General Administrative Services	-	673
Member Dividends & Stabilization Funds Distributed	6,500,000	6,500,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	66,213,974	46,127,903
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(6,426,553)	(5,674,657)
	<hr/>	<hr/>
TOTAL TRANSFERS	(6,426,553)	(5,674,657)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(1,594,879)	8,776,663
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	4,446,578	1,537,955
Financing Fees	180,256	49,800
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	4,626,834	1,587,755
	<hr/>	<hr/>
CHANGE IN NET POSITION	3,031,955	10,364,418
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	52,497,085	42,132,667
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 55,529,040	\$ 52,497,085
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 63,624,744	\$ 60,768,166
Payments (to)/from Others	11,463,430	7,669,978
Dividends Paid	(6,255,095)	-
Claims Paid	(9,145,808)	(8,935,677)
Insurance Purchased	(36,111,061)	(33,505,674)
Payments to Suppliers	(6,751,266)	(8,737,339)
Internal Activities	<u>(6,376,841)</u>	<u>(17,896,871)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>10,448,103</u>	<u>(637,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(73,438,148)	(70,701,919)
Sales of Securities	66,496,305	77,083,748
Cash from Investment Earnings	3,431,159	819,082
Investment in Captive	360,478	(360,478)
Finance Fees from Members	<u>180,256</u>	<u>49,800</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,969,950)</u>	<u>6,890,233</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,478,153	6,252,816
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>11,235,955</u>	<u>4,983,139</u>
END OF YEAR	<u>\$ 18,714,108</u>	<u>\$ 11,235,955</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(1,594,879)	8,776,663
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	4,025,870	7,812,133
Due from or to Other Funds	49,712	(12,222,214)
Accounts and Other Payables	2,570,875	6,901,172
Claim Liabilities	10,275,913	(2,417,171)
Unallocated Loss Adjustment Expense Payable	<u>(4,879,388)</u>	<u>(9,488,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 10,448,103</u>	<u>\$ (637,417)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 940,958</u>	<u>\$ 665,143</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 60,130,060	\$ 72,035,231
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	8,859,000	8,935,000
Increase (Decrease) in the provision for claims of prior fiscal years	<u>5,683,333</u>	<u>(11,904,494)</u>
B. Total incurred claims and claim adjustment expenses	<u>14,542,333</u>	<u>(2,969,494)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	4,463,400	4,619,024
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>4,682,408</u>	<u>4,316,653</u>
C. Total Payments	<u>9,145,808</u>	<u>8,935,677</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 65,526,585</u>	<u>\$ 60,130,060</u>
Current Claim Liabilities	5,596,958	4,260,118
Noncurrent Claim Liabilities	<u>59,929,627</u>	<u>55,869,942</u>
Total Claim Liabilities	<u>\$ 65,526,585</u>	<u>\$ 60,130,060</u>

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, 2024

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 10 years. The rows of the schedule are defined as follows:

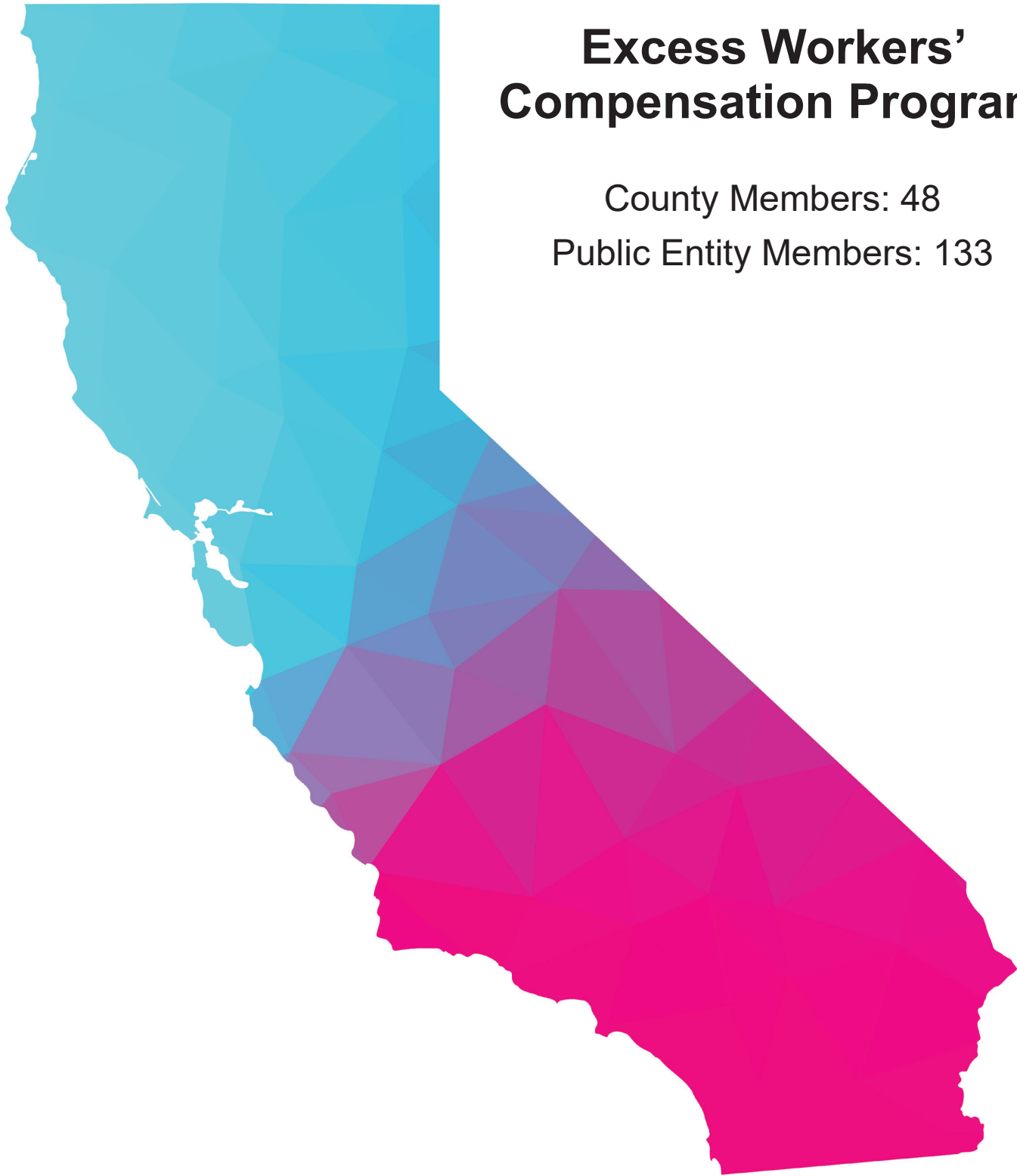
1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other 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, 2024

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 52,591,920	\$ 54,292,222	\$ 66,898,451	\$ 55,273,807	\$ 48,089,020	\$ 46,048,068	\$ 42,382,168	\$ 44,036,089	\$ 46,658,971	\$ 46,537,687
Less Ceded	(40,948,454)	(42,158,960)	(54,689,379)	(42,939,979)	(35,044,943)	(33,071,603)	(32,239,834)	(33,683,592)	(35,632,996)	(34,154,825)
Dividends Declared	-	-	-	-	(2,000,000)	(2,000,000)	(2,000,000)	-	(6,500,000)	(6,500,000)
1. Total Revenues Available For Payment of Claims	11,643,466	12,133,262	12,209,072	12,333,828	11,044,077	10,976,465	8,142,334	10,352,497	4,525,975	5,882,862
2. Less Unallocated Loss Adjustment Expense	875,052	908,018	723,903	2,189,135	2,403,421	2,573,644	3,247,349	5,605,332	6,576,830	6,473,404
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	54,185,020	51,254,960	63,656,379	52,515,979	43,962,943	40,848,603	39,207,834	43,091,592	44,567,996	43,013,825
4. Cumulative Paid Claims as of:										
End of the Policy Year	3,951,291	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
One Year Later	6,607,142	6,868,677	5,660,241	8,082,907	7,133,410	5,989,270	4,881,910	6,870,713	6,832,550	
Two Years Later	7,164,498	7,437,056	6,046,567	8,695,460	7,704,324	6,553,611	5,360,258	7,382,068		
Three Years Later	7,424,915	7,672,566	6,163,557	8,920,118	7,944,152	6,764,177	5,479,371			
Four Years Later	7,571,974	7,742,115	6,236,041	8,933,337	8,056,529	6,902,474				
Five Years Later	7,603,551	7,784,343	6,276,285	9,035,865	8,059,006					
Six Years Later	7,638,043	7,799,809	6,289,258	9,095,841						
Seven Years Later	7,675,517	7,814,520	6,312,203							
Eight Years Later	7,687,275	7,830,465								
Nine Years Later	7,694,978									
5. Reestimated Ceded Claims and Expenses	30,426,656	30,502,915	21,944,081	40,162,597	29,540,390	25,848,553	22,456,740	28,551,104	24,834,526	13,979,571
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	13,325,000	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
One Year Later	8,222,000	8,226,000	8,563,000	7,782,000	8,813,000	7,976,000	5,866,000	8,694,000	8,827,000	
Two Years Later	7,792,000	8,526,000	8,328,000	9,814,000	8,855,000	7,325,000	5,945,000	8,279,000		
Three Years Later	8,206,000	8,585,000	6,720,000	9,836,000	8,619,000	7,249,000	5,940,000			
Four Years Later	8,253,000	8,292,000	6,713,000	9,626,000	8,492,000	7,300,000				
Five Years Later	8,089,000	8,298,000	6,657,000	9,444,000	8,472,000					
Six Years Later	8,083,000	8,218,001	6,556,000	9,451,000						
Seven Years Later	8,033,999	8,091,001	6,554,000							
Eight Years Later	7,942,999	8,090,001								
Nine Years Later	7,947,999									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (5,377,001)	\$ (1,005,999)	\$ (2,413,000)	\$ (125,000)	\$ (446,000)	\$ (477,000)	\$ (1,028,000)	\$ (1,129,000)	\$ (108,000)	\$ -



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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 49,046,608	\$ 19,082,371
TOTAL CASH & CASH EQUIVALENTS	<u>49,046,608</u>	<u>19,082,371</u>
Investments	46,054,327	2,801,182
Accounts Receivable		
Due from Members	1,785,371	138,838
Investment Income Receivable	965,651	568,429
Reinsurance Claims, Deposit with Carrier and Other	7,319,872	43,335,677
Due from Other Funds	80,929,563	61,189,282
TOTAL CURRENT ASSETS	<u>186,101,392</u>	<u>127,115,779</u>
Noncurrent Assets:		
Investments	127,387,663	111,007,496
Due from Other Funds	2,412,356	2,117,669
Investment in Captive	2,841,641	4,830,789
TOTAL NONCURRENT ASSETS	<u>132,641,660</u>	<u>117,955,954</u>
TOTAL ASSETS	<u>318,743,052</u>	<u>245,071,733</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,608,206	1,595,305
Due to Other Funds	14,301,976	14,036,457
Claim Liabilities		
Claims Reported	35,476,880	18,887,426
TOTAL CURRENT LIABILITIES	<u>51,387,062</u>	<u>34,519,188</u>
Noncurrent Liabilities:		
Claims Reported	168,592,921	83,949,795
Claims Incurred But Not Reported	61,771,506	44,668,468
Unallocated Loss Adjustment Expense Payable	8,188,000	8,062,000
TOTAL NONCURRENT LIABILITIES	<u>238,552,427</u>	<u>136,680,263</u>
TOTAL LIABILITIES	<u>289,939,489</u>	<u>171,199,451</u>
NET POSITION:		
Unrestricted	28,803,563	73,872,282
TOTAL NET POSITION	<u>\$ 28,803,563</u>	<u>\$ 73,872,282</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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 186,869,288	\$ 169,413,741
Broker Fees	7,174,439	6,802,706
Contributions for Retained Risk	9,710,811	5,774,162
Administration Fees	10,950,031	9,358,208
School Loss Control Fees	40,571	43,144
Other Income	71,468,509	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	286,213,649	191,391,961
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	186,869,289	169,413,741
Broker Fees	7,174,439	6,802,706
Provision for Claims		
Current Year Claims	3,229,905	5,047,552
Prior Year Claims	133,805,283	(21,113,410)
Unallocated Loss Adjustment Expenses	126,000	249,000
Program Services	1,352,669	1,178,668
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	332,557,585	161,578,257
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(7,718,612)	(6,847,894)
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TOTAL TRANSFERS	(7,718,612)	(6,847,894)
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OPERATING INCOME (LOSS)	(54,062,548)	22,965,810
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	8,895,337	2,745,794
Financing Fees	98,492	33,914
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	8,993,829	2,779,708
	<hr/>	<hr/>
CHANGE IN NET POSITION	(45,068,719)	25,745,518
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	73,872,282	48,126,764
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 28,803,563	\$ 73,872,282
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 213,058,036	\$ 192,577,347
Payments (to)/from Others	107,524,885	(1,618,298)
Claims Paid	(18,699,570)	(14,102,430)
Insurance Purchased	(186,869,289)	(169,413,741)
Payments to Suppliers	(8,514,207)	(7,528,408)
Internal Activities	<u>(27,488,061)</u>	<u>(22,038,879)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>79,011,794</u>	<u>(22,124,409)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(190,618,780)	(107,306,120)
Sales of Securities	132,867,846	137,621,773
Cash from Investment Earnings	6,615,737	1,507,378
Investment in Captive	1,989,148	(1,989,148)
Finance Fees from Members	<u>98,492</u>	<u>33,914</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(49,047,557)</u>	<u>29,867,797</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,964,237	7,743,388
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>19,082,371</u>	<u>11,338,983</u>
END OF YEAR	<u>\$ 49,046,608</u>	<u>\$ 19,082,371</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(54,062,548)	22,965,810
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	34,369,272	(432,912)
Due from or to Other Funds	(19,769,449)	(15,190,985)
Accounts and Other Payables	12,901	452,966
Claim Liabilities	118,335,618	(30,168,288)
Unallocated Loss Adjustment Expense Payable	<u>126,000</u>	<u>249,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 79,011,794</u>	<u>\$ (22,124,409)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 1,882,378</u>	<u>\$ 1,187,516</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 155,567,689	\$ 185,486,977
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	3,229,905	5,047,552
Increase (Decrease) in the provision for claims of prior fiscal years	<u>133,931,283</u>	<u>(20,864,410)</u>
B. Total incurred claims and claim adjustment expenses	<u>137,161,188</u>	<u>(15,816,858)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>18,699,570</u>	<u>14,102,430</u>
C. Total Payments	<u>18,699,570</u>	<u>14,102,430</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 274,029,307</u>	<u>\$ 155,567,689</u>
Current Claim Liabilities	35,476,880	18,887,426
Noncurrent Claim Liabilities	<u>238,552,427</u>	<u>136,680,263</u>
Total Claim Liabilities	<u>\$ 274,029,307</u>	<u>\$ 155,567,689</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, 2024

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 10 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.

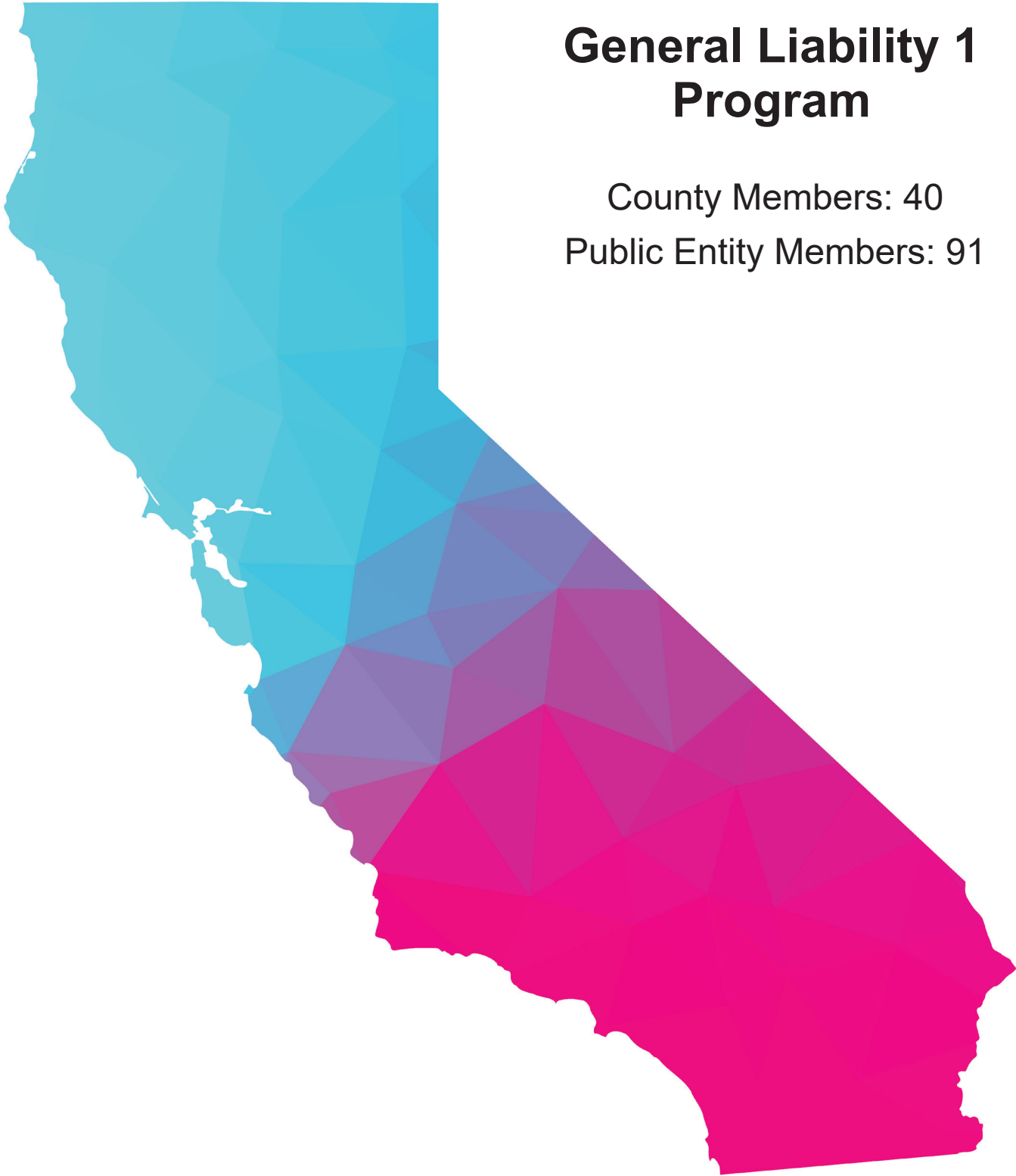
The columns of the schedule show data for successive policy years.

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, 2024

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 97,699,836	\$ 119,149,647	\$ 127,468,312	\$ 136,582,963	\$ 135,901,948	\$ 139,873,209	\$ 143,111,046	\$ 167,110,660	\$ 183,702,304	\$ 188,224,494
Less Ceded	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(162,822,618)	(173,038,796)	(176,961,041)
Investment Earnings	3,138,129	3,583,630	1,522,483	1,142,706	829,084	353,451	103,590	79,552	428,686	369,552
1. Total Revenues Available For Payment of Claims	43,639,906	54,474,431	26,117,563	12,042,471	9,536,326	7,180,923	4,808,873	4,367,594	11,092,194	11,633,005
2. Unallocated Loss Adjustment Expense	815,285	1,077,366	952,140		49,856	126,729	43,291	36,853	90,048	94,370
3. Estimated Incurred Claims Less Ceded Claims	80,522,151	106,542,005	117,788,870	125,683,198	128,007,526	134,815,587	141,420,763	164,665,515	178,086,348	180,190,946
Net Incurred Claims and Expenses, End of Policy Year	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(162,822,618)	(173,038,796)	(176,961,041)
4. Cumulative Paid Claims as of:										
End of the Policy Year	950,641	3,293,817	3,623,460	-	-	-	-	-	-	-
One Year Later	5,161,301	9,034,334	8,426,745	-	-	-	-	-	-	-
Two Years Later	10,430,178	17,164,800	11,266,723	-	-	-	56,946	-	-	-
Three Years Later	21,652,538	25,264,694	12,782,592	-	-	-	-	-	-	-
Four Years Later	29,973,034	38,263,345	13,403,080	-	-	-	-	-	-	-
Five Years Later	25,919,301	36,641,861	13,900,729	-	-	-	-	-	-	-
Six Years Later	33,562,033	38,893,131	14,240,013	-	-	-	-	-	-	-
Seven Years Later	33,641,236	39,085,985	15,431,826	-	-	-	-	-	-	-
Eight Years Later	33,729,551	40,088,277		-	-	-	-	-	-	-
Nine Years Later	35,336,289			-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	35,204,498	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
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	23,324,092	38,283,159	14,915,638	-	812,820	1,769,850	3,015,000	1,842,897	5,047,552	3,229,905
One Year Later	30,278,418	39,483,699	16,869,019	-	1,813,455	2,791,237	1,882,902	1,792,224	3,081,958	
Two Years Later	31,534,751	42,063,111	16,249,725	-	1,906,906	4,230,230	1,867,839	1,261,332		
Three Years Later	33,388,255	41,451,544	15,627,821	-	2,112,827	4,055,854	1,481,655			
Four Years Later	33,285,931	52,256,161	15,316,902	-	2,018,265	4,337,421				
Five Years Later	24,218,000	43,070,093	15,397,768	-	1,706,364					
Six Years Later	33,768,027	44,087,329	15,307,473	-						
Seven Years Later	36,088,288	44,076,949	48,019,647	-						
Eight Years Later	36,211,782	76,962,062		-						
Nine Years Later	63,240,138			-						
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 39,916,046	\$ 38,678,903	\$ 33,104,009	\$ -	\$ 893,544	\$ 2,567,571	\$ (1,533,345)	\$ (581,565)	\$ (1,965,594)	\$ -

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 284,798	\$ 756,434
TOTAL CASH & CASH EQUIVALENTS	284,798	756,434
Accounts Receivable		
Due from Members	938,325	178,752
Reinsurance Claims, Deposit with Carrier and Other	8,160,222	20,543,087
GL1 LPT Rate Credit Receivable	11,670,015	9,571,987
GL1 LPT Prepaid Expense	40,000,000	20,000,000
Prepaid Insurance and Expenses	239,247	-
TOTAL CURRENT ASSETS	61,292,607	51,050,260
Noncurrent Assets:		
Investment in Captive	1,035,807	1,760,872
GL1 LPT Rate Credit Receivable	12,198,749	14,424,357
TOTAL NONCURRENT ASSETS	13,234,556	16,185,229
TOTAL ASSETS	74,527,163	67,235,489
LIABILITIES:		
Current Liabilities:		
Accounts Payable	22,516,288	455,822
GL1 LPT Payable	-	34,391,881
Deposits from Insurance Companies	277,133	277,132
Due to Other Funds	36,366,494	35,446,393
Due to Members	306,129	293,893
Unearned Income	995,982	-
Claim Liabilities		
Claims Reported	1,184,080	543,326
TOTAL CURRENT LIABILITIES	61,646,106	71,408,447
Noncurrent Liabilities:		
Claims Reported	7,077,859	2,781,198
Claims Incurred But Not Reported	11,274,097	13,109,058
Unallocated Loss Adjustment Expense Payable	2,766,000	2,047,000
TOTAL NONCURRENT LIABILITIES	21,117,956	17,937,256
TOTAL LIABILITIES	82,764,062	89,345,703
NET POSITION:		
Unrestricted	(8,236,899)	(22,110,214)
TOTAL NET POSITION	\$ (8,236,899)	\$ (22,110,214)

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 221,939,443	\$ 171,303,253
Broker Fees	7,376,062	5,655,534
Contributions for Retained Risk	3,203,288	2,354,525
Administration Fees	6,819,192	6,387,932
School Loss Control Fees	47,278	32,523
Other Income	2,959,165	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	242,344,428	185,733,767
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	73,165,921	59,010,172
GL1 LPT Premium Expense	132,762,572	145,565,580
Broker Fees	3,818,785	4,112,060
GL1 LPT Broker Fees	3,551,806	3,273,463
Provision for Claims		
Current Year Claims	2,407,842	1,273,400
Prior Year Claims	4,023,373	(55,621,492)
Unallocated Loss Adjustment Expenses	719,000	(489,000)
Program Services	698,361	5,718,144
General Administrative Services	-	2,500
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TOTAL OPERATING EXPENSES	221,147,660	162,844,827
TRANSFERS IN OR (OUT):		
Transfer Out	(5,046,667)	(4,694,668)
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TOTAL TRANSFERS	(5,046,667)	(4,694,668)
OPERATING INCOME (LOSS)	16,150,101	18,194,272
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	569	-
Financing Fees	1,353	3,867
Program Financing Expenses	(2,278,708)	(322,630)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(2,276,786)	(318,763)
CHANGE IN NET POSITION	13,873,315	17,875,509
NET POSITION:		
Beginning of Year	(22,110,214)	(39,985,723)
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ (8,236,899)	\$ (22,110,214)

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 239,633,908	\$ 185,678,900
Payments (to)/from Others	15,342,030	(6,531,301)
Claims Paid	(3,328,761)	-
Insurance Purchased	(260,192,793)	(216,908,259)
Payments to Suppliers	13,752,267	(13,038,904)
Internal Activities	(4,126,566)	35,475,513
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,080,085</u>	<u>(15,324,051)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(8,389)	-
Sales of Securities	8,509	14,510,687
Cash from Investment Earnings	449	52,539
Program Financing Expenses	(2,278,708)	(322,630)
Investment in Captive	725,065	(725,065)
Finance Fees from Members	1,353	3,867
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,551,721)</u>	<u>13,519,398</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(471,636)	(1,804,653)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>756,434</u>	<u>2,561,087</u>
END OF YEAR	<u>\$ 284,798</u>	<u>\$ 756,434</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	16,150,101	18,194,272
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	11,623,292	(6,549,601)
GL1 LPT Receivable	(19,872,420)	(22,902,013)
Due from or to Other Funds	920,101	40,170,181
Prepaid Expenses	(239,247)	-
Unearned Premium from Members	995,982	-
Accounts and Other Payables	22,072,703	(2,063,179)
GL1 LPT Payable	(34,391,881)	12,663,381
Claim Liabilities	3,102,454	(54,348,092)
Unallocated Loss Adjustment Expense Payable	719,000	(489,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,080,085</u>	<u>\$ (15,324,051)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 120</u>	<u>\$ -</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 18,480,582	\$ 73,317,674
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	2,407,842	1,273,400
Increase (Decrease) in the provision for claims of prior fiscal years	<u>4,742,373</u>	<u>(56,110,492)</u>
B. Total incurred claims and claim adjustment expenses	<u>7,150,215</u>	<u>(54,837,092)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>3,328,761</u>	<u>-</u>
C. Total Payments	<u>3,328,761</u>	<u>-</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 22,302,036</u>	<u>\$ 18,480,582</u>
Current Claim Liabilities	1,184,080	543,326
Noncurrent Claim Liabilities	<u>21,117,956</u>	<u>17,937,256</u>
Total Claim Liabilities	<u>\$ 22,302,036</u>	<u>\$ 18,480,582</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, 2024

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 10 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.

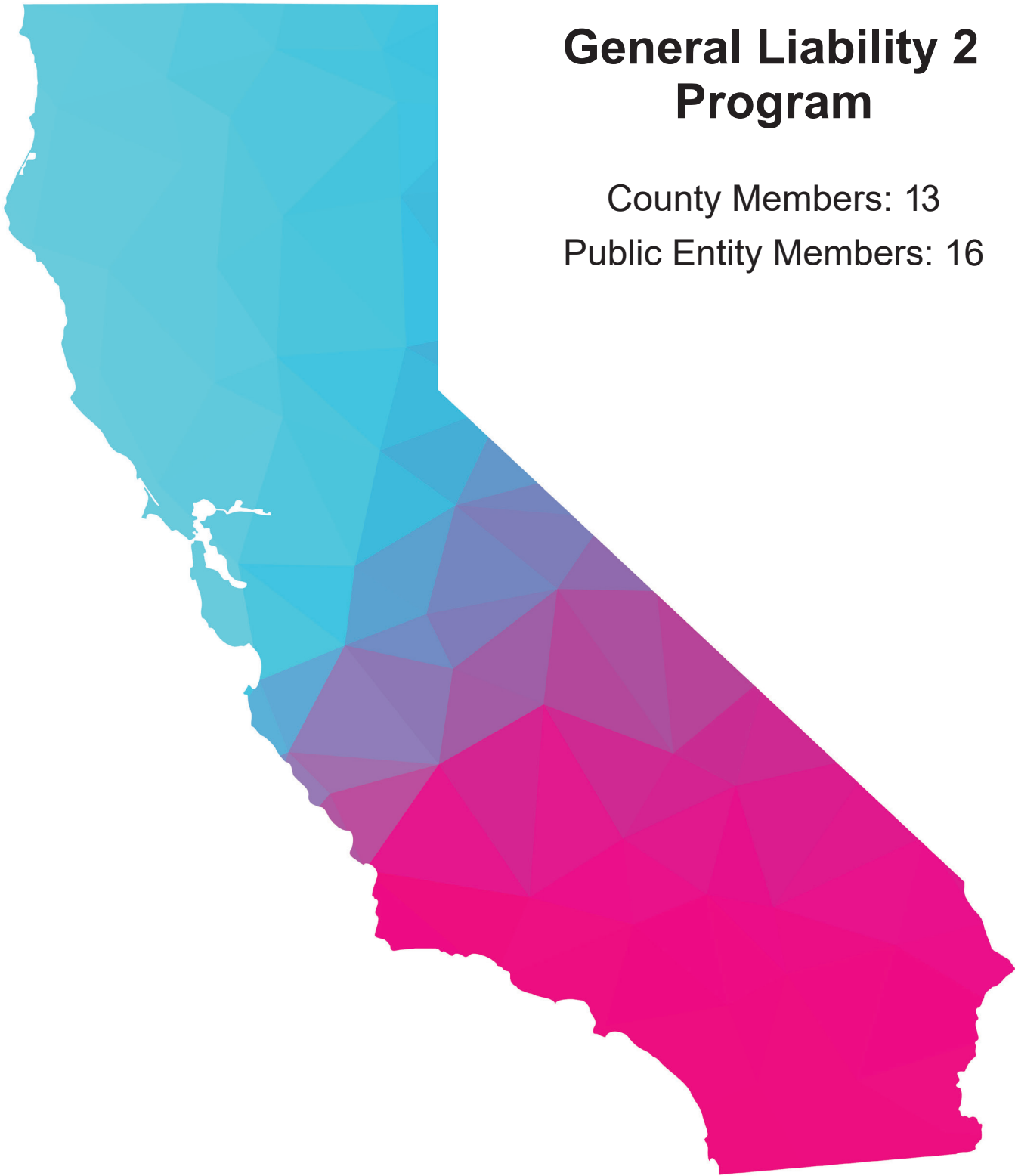
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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, 2024

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 31,414,089	\$ 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
Less Ceded	(6,011,558)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	(36,150,976)	(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)
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	1,156,040	922,026	(1,437,519)	1,676,030	1,725,850	(49,004)	-	-	-	-
1. Total Revenues Available* For Payment of Claims	(9,592,405)	(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
2. Unallocated Loss Adjustment Expense	19,036	17,927	67,214	139,345	178,229	276,160	318,738	431,385	505,324	652,274
3. Estimated Incurred Claims Less Ceded Claims	29,495,948	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
Net Incurred Claims and Expenses, End of Policy Year	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924	1,273,400	2,407,842
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	110,653	760,444	732,315	2,113,472	-	-	-	-	-	-
Two Years Later	1,489,584	14,004,016	6,113,260	2,113,472	-	-	-	-	-	-
Three Years Later	14,487,153	33,792,442	6,113,260	2,113,472	-	-	3,329,762	-	-	-
Four Years Later	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-
Five Years Later	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-
Six Years Later	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-
Seven Years Later	24,021,768	33,792,442	6,113,260	-	-	-	-	-	-	-
Eight Years Later	24,021,768	33,792,442	-	-	-	-	-	-	-	-
Nine Years Later*	24,021,768	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	23,011,890	56,241,719	88,266,740	146,386,533	107,978,055	152,837,988	136,467,328	69,727,213	45,656,939	17,613,219
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924	1,273,400	2,407,842
One Year Later	24,657,164	30,362,640	28,180,080	2,113,472	23,662,000	-	3,471,664	1,766,924	1,030,020	-
Two Years Later	19,501,022	42,210,919	6,113,260	2,113,472	23,662,000	-	3,471,664	1,766,924	-	-
Three Years Later	33,763,193	33,792,442	6,113,260	2,113,472	23,662,000	-	3,825,054	-	-	-
Four Years Later	24,021,768	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-	-	-
Five Years Later	24,021,768	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-	-	-
Six Years Later	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-	-
Seven Years Later	24,021,768	33,792,442	6,113,260	-	-	-	-	-	-	-
Eight Years Later	24,021,768	33,792,442	-	-	-	-	-	-	-	-
Nine Years Later*	24,021,768	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 537,378	\$ 4,207,402	\$ (22,408,450)	\$ (29,929,248)	\$ 20,242,000	\$ -	\$ (33,527)	\$ -	\$ (243,380)	\$ -

*Claims transferred to reinsurer via an Loss Portfolio Transfer



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Due from Members	25,000,000	-
Reinsurance Claims, Deposit with Carrier and Other	<u>34,138,077</u>	<u>38,719,155</u>
TOTAL CURRENT ASSETS	<u>59,138,077</u>	<u>38,719,155</u>
Noncurrent Assets:		
Investment in Captive	<u>65,294</u>	<u>111,000</u>
TOTAL NONCURRENT ASSETS	<u>65,294</u>	<u>111,000</u>
TOTAL ASSETS	<u>59,203,371</u>	<u>38,830,155</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	210,312	15,435
Due to Other Funds	35,217,662	33,008,131
Claim Liabilities		
Claims Reported	<u>3,067,922</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>38,495,896</u>	<u>33,023,566</u>
Noncurrent Liabilities:		
Claims Reported	14,062,244	-
Claims Incurred But Not Reported	10,237,585	-
Unallocated Loss Adjustment Expense Payable	<u>2,736,000</u>	<u>2,167,000</u>
TOTAL NONCURRENT LIABILITIES	<u>27,035,829</u>	<u>2,167,000</u>
TOTAL LIABILITIES	<u>65,531,725</u>	<u>35,190,566</u>
NET POSITION:		
Unrestricted	<u>(6,328,354)</u>	<u>3,639,589</u>
TOTAL NET POSITION	<u>\$ (6,328,354)</u>	<u>\$ 3,639,589</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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 177,061,649	\$ 147,305,485
Broker Fees	6,799,094	6,009,433
Contributions for Retained Risk	25,000,000	-
Administration Fees	4,213,841	4,234,662
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	213,074,584	157,549,580
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	177,002,830	147,252,374
Broker Fees	6,799,094	6,009,433
Provision for Claims		
Prior Year Claims	31,041,834	-
Unallocated Loss Adjustment Expenses	569,000	14,000
Program Services	3,078,931	496,442
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	218,491,689	153,772,249
TRANSFERS IN OR (OUT):		
Transfer Out	(2,910,501)	(2,734,400)
	<hr/>	<hr/>
TOTAL TRANSFERS	(2,910,501)	(2,734,400)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(8,327,606)	1,042,931
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Financing Fees	97,387	26,879
Program Financing Expenses	(1,737,724)	(387,553)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,640,337)	(360,674)
	<hr/>	<hr/>
CHANGE IN NET POSITION	(9,967,943)	682,257
NET POSITION:		
Beginning of Year	3,639,589	2,957,332
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ (6,328,354)	\$ 3,639,589
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 188,074,584	\$ 157,549,580
Payments (to)/from Others	4,581,078	(10,434,168)
Claims Paid	(3,674,083)	-
Insurance Purchased	(177,002,830)	(147,252,374)
Payments to Suppliers	(9,683,148)	(6,497,485)
Internal Activities	(700,970)	7,040,827
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,594,631</u>	<u>406,380</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Program Financing Expenses	(1,737,724)	(387,553)
Investment in Captive	45,706	(45,706)
Finance Fees from Members	97,387	26,879
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,594,631)</u>	<u>(406,380)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	-	-
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(8,327,606)	1,042,931
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(20,418,922)	(10,434,168)
Due from or to Other Funds	2,209,531	9,775,227
Accounts and Other Payables	194,877	8,390
Claim Liabilities	27,367,751	-
Unallocated Loss Adjustment Expense Payable	569,000	14,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,594,631</u>	<u>\$ 406,380</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ -</u>	<u>\$ -</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 2,167,000	\$ 2,153,000
Incurring claims and claim adjustment expenses:		
Increase (Decrease) in the provision for claims of prior fiscal years	<u>31,610,834</u>	<u>14,000</u>
B. Total incurred claims and claim adjustment expenses	<u>31,610,834</u>	<u>14,000</u>
Payments attributable to insured events of the Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>3,674,083</u>	<u>-</u>
C. Total Payments	<u>3,674,083</u>	<u>-</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 30,103,751</u>	<u>\$ 2,167,000</u>
Current Claim Liabilities	3,067,922	-
Noncurrent Claim Liabilities	<u>27,035,829</u>	<u>2,167,000</u>
Total Claim Liabilities	<u>\$ 30,103,751</u>	<u>\$ 2,167,000</u>

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, 2024

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 10 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, 2024

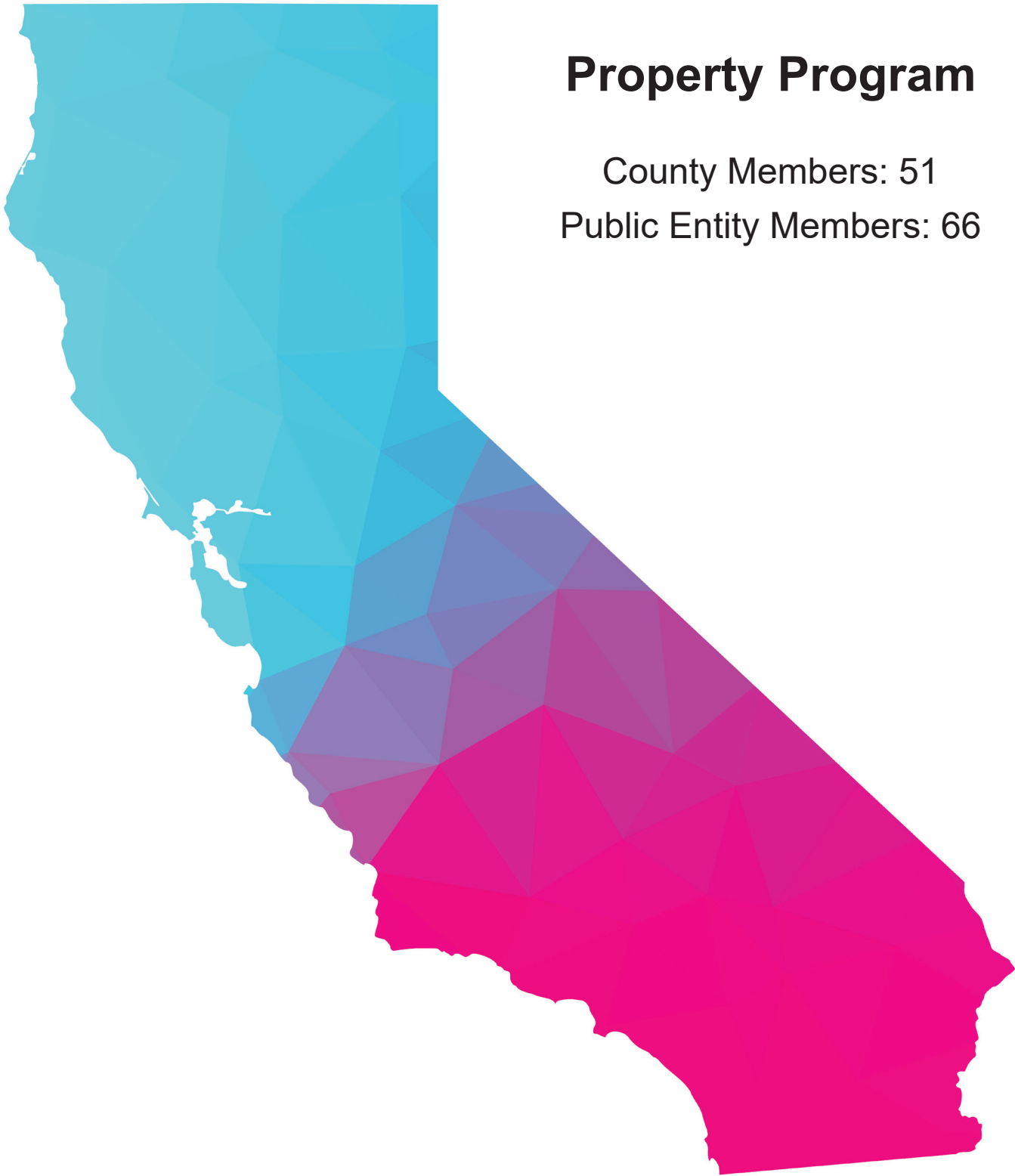
POLICY YEAR	June 30, 2015**	June 30, 2016***	June 30, 2017*	June 30, 2018*	June 30, 2019*	June 30, 2020*	June 30, 2021*	June 30, 2022*	June 30, 2023*	June 30, 2024*
Earned Premiums	\$ 26,484,451	\$ 32,140,342	\$ 46,724,983	\$ 48,889,112	\$ 62,346,508	\$ 78,462,797	\$ 100,070,874	\$ 116,914,368	\$ 147,305,485	\$ 202,061,649
Less Ceded	(19,484,451)	(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)
Investment Earnings	-	171,997	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,000,000	9,425,000	-	-	-	-	757,146	41,984	53,111	25,058,819
2. Unallocated Loss Adjustment Expense	-	167,168	31,895	234,835	194,621	924,096	135,973	401,765	198,180	120,264
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	26,484,451	32,312,339	46,724,983	48,889,112	62,346,508	78,462,797	99,313,728	116,872,384	147,252,374	177,002,830
	(19,484,451)	(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)
	7,000,000	9,425,000	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	5,600,000	6,192,816	-	-	-	-	-	-	-	-
Two Years Later	7,000,000	8,928,354	-	-	-	-	-	-	-	-
Three Years Later	7,000,000	9,073,189	-	-	-	-	-	-	-	-
Four Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Five Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Six Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Seven Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Eight Years Later	7,000,000	13,099,083	-	-	-	-	-	-	-	-
Nine Years Later	7,000,000	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	52,103,238	36,513,814	64,891,008	87,192,430	90,307,893	97,937,760	41,040,595	36,513,583	21,031,130	9,757,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	7,000,000	9,425,000	-	-	-	-	-	-	-	-
One Year Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Two Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Three Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Four Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Five Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Six Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Seven Years Later	7,000,000	9,425,000	-	-	-	-	-	-	-	-
Eight Years Later	7,000,000	24,247,346	-	-	-	-	-	-	-	-
Nine Years Later	10,473,671	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 3,473,671	\$ 14,822,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* 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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Due from Members	72,733,664	55,405,667
Reinsurance Claims, Deposit with Carrier and Other	-	3,938,697
Prepaid Insurance and Expenses	124,986,199	94,856,203
TOTAL CURRENT ASSETS	<u>197,719,863</u>	<u>154,200,567</u>
Noncurrent Assets:		
Investment in Captive	66,714	113,413
TOTAL NONCURRENT ASSETS	<u>66,714</u>	<u>113,413</u>
TOTAL ASSETS	<u>197,786,577</u>	<u>154,313,980</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	425,275	1,506,612
Due to Other Funds	68,045,051	50,249,197
Due to Members	415,500	448,159
Claim Liabilities		
Claims Reported	51,288,072	52,115,000
TOTAL CURRENT LIABILITIES	<u>120,173,898</u>	<u>104,318,968</u>
Noncurrent Liabilities:		
Claims Reported	46,579,495	6,724,353
Claims Incurred But Not Reported	13,600,994	9,087,775
Unallocated Loss Adjustment Expense Payable	22,000	19,000
TOTAL NONCURRENT LIABILITIES	<u>60,202,489</u>	<u>15,831,128</u>
TOTAL LIABILITIES	<u>180,376,387</u>	<u>120,150,096</u>
NET POSITION:		
Unrestricted	17,410,190	34,163,884
TOTAL NET POSITION	<u>\$ 17,410,190</u>	<u>\$ 34,163,884</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, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 138,815,651	\$ 107,949,166
Contributions for Retained Risk	101,361,553	80,745,405
Administration Fees	1,585,506	1,442,233
School Loss Control Fees	40,253	35,415
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	241,802,963	190,172,219
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	138,761,097	104,445,368
Provision for Claims		
Current Year Claims	106,038,313	92,465,052
Prior Year Claims	17,298,184	10,074,821
Unallocated Loss Adjustment Expenses	3,000	5,000
Program Services	431,218	2,737,535
General Administrative Services	4,300	-
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	262,536,112	209,727,776
TRANSFERS IN OR (OUT):		
Transfer Out	(727,922)	(700,365)
	<hr/>	<hr/>
TOTAL TRANSFERS	(727,922)	(700,365)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(21,461,071)	(20,255,922)
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	4,700,577	1,984,014
Financing Fees	6,800	1,703
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	4,707,377	1,985,717
	<hr/>	<hr/>
CHANGE IN NET POSITION	(16,753,694)	(18,270,205)
NET POSITION:		
Beginning of Year	34,163,884	52,434,089
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 17,410,190	\$ 34,163,884
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 224,442,307	\$ 179,364,667
Payments (to)/from Others	3,938,697	8,954,301
Claims Paid	(79,795,064)	(49,539,200)
Insurance Purchased	(168,287,017)	(126,895,889)
Payments to Suppliers	(2,120,931)	(790,972)
Internal Activities	<u>17,067,932</u>	<u>(13,031,925)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(4,754,076)</u>	<u>(1,939,018)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(69,300,022)	(98,582,586)
Sales of Securities	70,294,730	99,440,644
Cash from Investment Earnings	3,705,869	1,125,956
Investment in Captive	46,699	(46,699)
Finance Fees from Members	<u>6,800</u>	<u>1,703</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4,754,076</u>	<u>1,939,018</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	-	-
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(21,461,071)	(20,255,922)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(13,389,300)	(1,909,840)
Due from or to Other Funds	17,795,854	(12,331,560)
Prepaid Expenses	(30,129,996)	(19,346,445)
Accounts and Other Payables	(1,113,996)	(1,100,924)
Claim Liabilities	43,541,433	53,000,673
Unallocated Loss Adjustment Expense Payable	<u>3,000</u>	<u>5,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (4,754,076)</u>	<u>\$ (1,939,018)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 994,708</u>	<u>\$ 858,058</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 67,946,128	\$ 14,940,455
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	106,038,313	92,465,052
Increase (Decrease) in the provision for claims of prior fiscal years	<u>17,301,184</u>	<u>10,079,821</u>
B. Total incurred claims and claim adjustment expenses	<u>123,339,497</u>	<u>102,544,873</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	25,935,566	24,537,924
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>53,859,498</u>	<u>25,001,276</u>
C. Total Payments	<u>79,795,064</u>	<u>49,539,200</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 111,490,561</u>	<u>\$ 67,946,128</u>
Current Claim Liabilities	51,288,072	52,115,000
Noncurrent Claim Liabilities	<u>60,202,489</u>	<u>15,831,128</u>
Total Claim Liabilities	<u>\$ 111,490,561</u>	<u>\$ 67,946,128</u>

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, 2024

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 10 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.

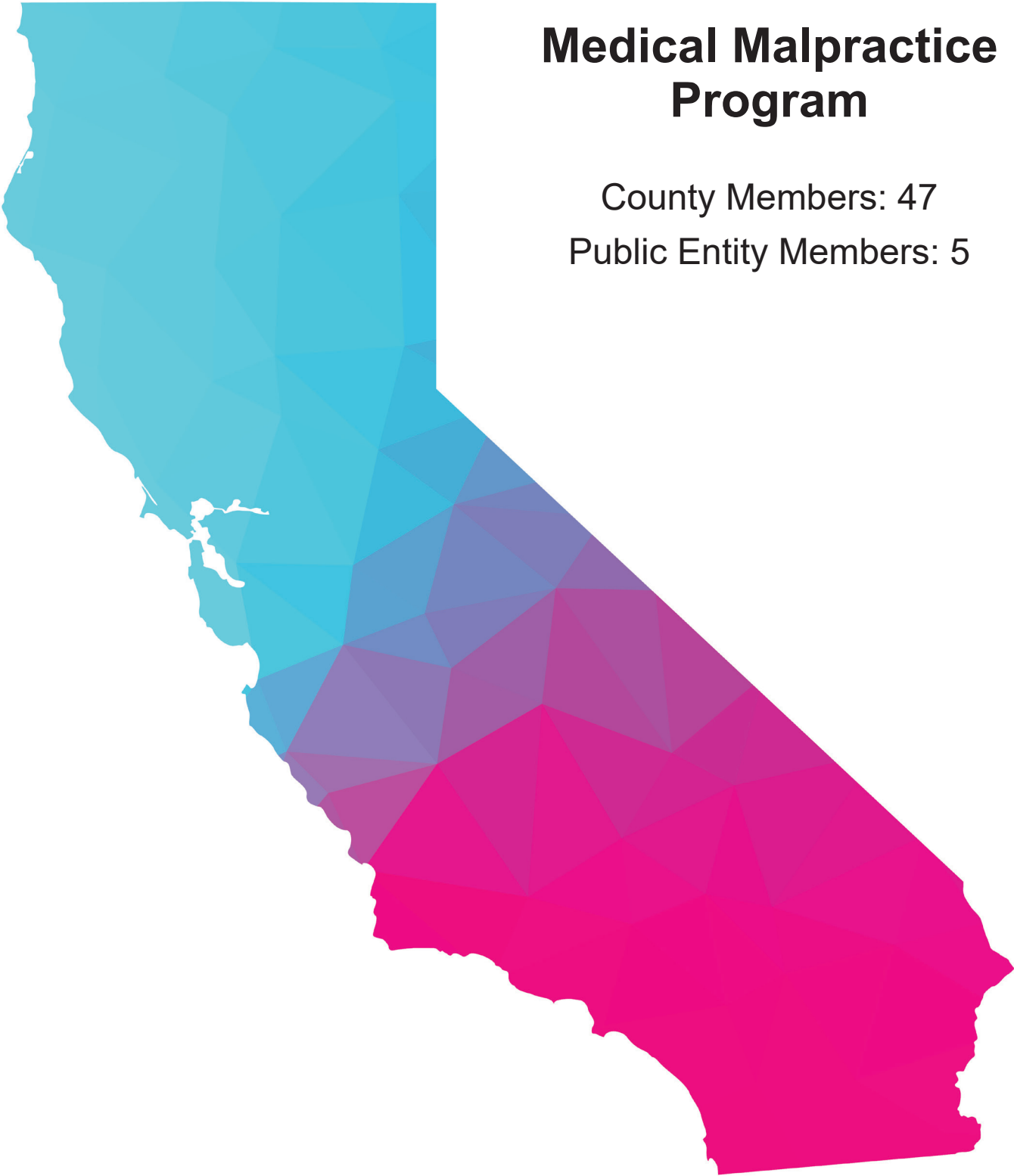
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2024

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 61,349,158	\$ 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
Less Ceded	(48,609,374)	(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)
Dividends Declared	-	-	-	-	-	(125,448)	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	370,012	1,822,245	2,136,629
1. Total Revenues Available For Payment of Claims	12,739,784	9,567,438	2,505,754	2,723,690	7,596,672	7,313,256	7,583,272	20,018,746	82,567,743	103,498,183
2. Unallocated Loss Adjustment Expense	23,601	(10,902)	4,003	(110,341)	(4,000)	(2,000)	(14,000)	(8,000)	5,000	3,000
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	58,677,313 (48,609,374)	59,095,613 (49,528,175)	58,118,491 (57,993,491)	61,588,986 (61,588,986)	67,329,099 (67,204,099)	82,364,274 (82,364,274)	110,742,255 (110,742,255)	145,147,145 (130,220,690)	200,414,126 (107,949,073)	244,799,410 (138,761,097)
	10,067,939	9,567,438	125,000	-	125,000	-	-	14,926,455	92,465,053	106,038,313
4. Cumulative Paid Claims as of:										
End of the Policy Year	10,000,000	9,567,438	-	-	-	-	-	-	24,537,924	25,935,566
One Year Later	10,206,664	10,152,576	-	-	125,000	-	-	24,733,676	81,276,961	
Two Years Later	10,209,664	10,152,576	125,000	-	1,306,329	-	267,600	24,217,413		
Three Years Later	10,209,664	10,152,576	125,000	-	1,306,329	-	267,600			
Four Years Later	10,209,664	10,152,576	125,000	-	1,306,329	-				
Five Years Later	10,209,664	10,152,576	125,000	-	1,306,329	-				
Six Years Later	10,209,664	10,152,576	125,000	-						
Seven Years Later	10,209,664	10,152,576	125,000							
Eight Years Later	10,209,664	10,152,576								
Nine Years Later	10,209,664									
5. Reestimated Ceded Claims and Expenses	53,665,794	9,415,410	40,744,327	48,498,125	62,992,737	42,391,847	101,083,267	67,592,156	50,000,000	12,545,452
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	10,067,939	9,567,438	125,000	-	125,000	-	-	14,926,455	92,465,053	106,038,313
One Year Later	10,206,664	10,152,576	30,840	-	125,000	-	-	24,733,676	109,421,046	
Two Years Later	10,209,664	10,152,576	284,369	-	1,306,329	-	267,600	27,439,142		
Three Years Later	10,209,664	10,152,576	284,369	-	1,306,329	-	267,600			
Four Years Later	10,209,664	10,152,576	284,369	-	1,306,329	-				
Five Years Later	10,209,664	10,152,576	284,369	-	1,306,329	-				
Six Years Later	10,209,664	10,152,576	284,369	-						
Seven Years Later	10,209,664	10,152,576	284,369							
Eight Years Later	10,209,664	10,152,576								
Nine Years Later	10,209,664									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 141,725	\$ 585,138	\$ 159,369	\$ -	\$ 1,181,329	\$ -	\$ 267,600	\$ 12,512,687	\$ 16,955,993	\$ -

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 8,887	\$ -
Cash in the PRISM Treasury	11,204,894	4,954,130
TOTAL CASH & CASH EQUIVALENTS	<u>11,213,781</u>	<u>4,954,130</u>
Investments	10,521,015	727,238
Accounts Receivable		
Due from Members	160,583	55,450
Investment Income Receivable	220,303	147,574
Reinsurance Claims, Deposit with Carrier and Other	8,254,495	4,368,299
Due from Other Funds	18,488,191	15,885,849
TOTAL CURRENT ASSETS	<u>48,858,368</u>	<u>26,138,540</u>
Noncurrent Assets:		
Investments	29,101,448	28,819,562
Due from Other Funds	551,098	549,785
Investment in Captive	253,487	430,928
TOTAL NONCURRENT ASSETS	<u>29,906,033</u>	<u>29,800,275</u>
TOTAL ASSETS	<u>78,764,401</u>	<u>55,938,815</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	4,643,403	1,927,813
Claim Liabilities		
Claims Reported	14,127,473	12,225,555
TOTAL CURRENT LIABILITIES	<u>18,770,876</u>	<u>14,153,368</u>
Noncurrent Liabilities:		
Claims Reported	9,081,095	6,860,725
Claims Incurred But Not Reported	26,945,122	15,540,389
Unallocated Loss Adjustment Expense Payable	1,024,000	905,000
TOTAL NONCURRENT LIABILITIES	<u>37,050,217</u>	<u>23,306,114</u>
TOTAL LIABILITIES	<u>55,821,093</u>	<u>37,459,482</u>
NET POSITION:		
Unrestricted	22,943,308	18,479,333
TOTAL NET POSITION	<u>\$ 22,943,308</u>	<u>\$ 18,479,333</u>

**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, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 12,716,105	\$ 10,326,523
Broker Fees	17,547	12,321
Contributions for Retained Risk	23,718,721	18,318,612
Administration Fees	1,915,723	1,737,128
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	38,368,096	30,394,584
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	12,692,671	10,223,158
Broker Fees	17,547	12,321
Provision for Claims		
Current Year Claims	16,361,569	9,582,848
Prior Year Claims	3,971,098	4,814,743
Unallocated Loss Adjustment Expenses	119,000	(33,000)
Program Services	2,761,272	571,485
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	35,923,157	25,171,555
TRANSFERS IN OR (OUT):		
Transfer Out	(1,093,992)	(994,493)
	<hr/>	<hr/>
TOTAL TRANSFERS	(1,093,992)	(994,493)
OPERATING INCOME (LOSS)	1,350,947	4,228,536
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	3,113,028	819,478
Financing Fees	-	317
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	3,113,028	819,795
CHANGE IN NET POSITION	4,463,975	5,048,331
NET POSITION:		
Beginning of Year	18,479,333	13,431,002
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 22,943,308	\$ 18,479,333

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 38,262,963	\$ 30,366,087
Payments (to)/from Others	(3,886,196)	(2,797,567)
Claims Paid	(4,805,646)	(15,584,507)
Insurance Purchased	(12,692,671)	(10,223,158)
Payments to Suppliers	(63,229)	(1,246,617)
Internal Activities	<u>(3,697,647)</u>	<u>(5,660,706)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>13,117,574</u>	<u>(5,146,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(55,970,647)	(34,111,702)
Sales of Securities	46,553,745	41,073,007
Cash from Investment Earnings	2,381,538	448,393
Investment in Captive	177,441	(177,441)
Finance Fees from Members	-	317
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(6,857,923)</u>	<u>7,232,574</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,259,651	2,086,106
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>4,954,130</u>	<u>2,868,024</u>
END OF YEAR	<u>\$ 11,213,781</u>	<u>\$ 4,954,130</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	1,350,947	4,228,536
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(3,991,329)	(2,826,064)
Due from or to Other Funds	(2,603,655)	(4,666,213)
Accounts and Other Payables	2,715,590	(662,811)
Claim Liabilities	15,527,021	(1,186,916)
Unallocated Loss Adjustment Expense Payable	<u>119,000</u>	<u>(33,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 13,117,574</u>	<u>\$ (5,146,468)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 658,760</u>	<u>\$ 354,412</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 35,531,669	\$ 36,751,585
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	16,361,569	9,582,848
Increase (Decrease) in the provision for claims of prior fiscal years	<u>4,090,098</u>	<u>4,781,743</u>
B. Total incurred claims and claim adjustment expenses	<u>20,451,667</u>	<u>14,364,591</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>4,805,646</u>	<u>15,584,507</u>
C. Total Payments	<u>4,805,646</u>	<u>15,584,507</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 51,177,690</u>	<u>\$ 35,531,669</u>
Current Claim Liabilities	14,127,473	12,225,555
Noncurrent Claim Liabilities	<u>37,050,217</u>	<u>23,306,114</u>
Total Claim Liabilities	<u>\$ 51,177,690</u>	<u>\$ 35,531,669</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, 2024

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 10 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, 2024

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 12,159,000	\$ 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
Less Ceded	(5,278,339)	(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)
Investment Earnings and Other Income	305,333	130,410	19,017	485,047	634,931	336,463	394,705	(108,290)	1,268,945	1,045,033
1. Total Revenues Available For Payment of Claims	7,185,994	6,920,698	7,307,673	8,439,345	9,243,320	8,733,253	11,287,593	12,422,211	19,587,557	24,763,754
2. Unallocated Loss Adjustment Expense	779	1,575	4,313	14,100	62,702	160,931	135,959	90,671	217,700	334,666
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	10,806,161	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
	(5,278,339)	(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)
	5,527,822	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	17,502	37,635	15,523	245,810	-	-	-	-	-
One Year Later	503,920	243,443	1,894,067	1,752,099	2,176,225	19,547	35,000	36,912	365,533	-
Two Years Later	1,772,706	1,261,135	5,071,771	3,849,559	3,087,506	1,550,511	15,860	3,991,041	-	-
Three Years Later	3,565,148	5,406,575	7,301,811	5,106,054	7,086,043	10,185,992	777,537	-	-	-
Four Years Later	6,074,117	7,711,389	7,715,476	8,321,433	11,232,966	7,566,420	-	-	-	-
Five Years Later	6,116,030	7,720,104	8,885,464	10,662,501	12,911,524	-	-	-	-	-
Six Years Later	6,226,395	9,221,743	9,270,145	11,319,292	-	-	-	-	-	-
Seven Years Later	6,226,395	9,226,738	9,270,145	-	-	-	-	-	-	-
Eight Years Later	6,294,043	9,230,433	-	-	-	-	-	-	-	-
Nine Years Later	6,298,878	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	7,081,902	3,712,184	7,126,472	6,464,496	19,110,176	28,849,271	4,974,888	13,795,891	2,600,000	2,700,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	5,527,822	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
One Year Later	8,550,054	6,575,046	9,989,538	8,779,726	7,480,935	8,738,250	7,177,850	7,432,955	11,028,100	-
Two Years Later	10,203,303	10,624,337	10,379,536	13,770,438	14,297,448	12,107,966	8,283,926	8,431,962	-	-
Three Years Later	7,422,110	9,330,511	10,347,322	12,956,481	14,126,261	15,623,224	7,436,549	-	-	-
Four Years Later	6,897,687	8,361,424	10,975,751	11,914,386	14,286,454	15,448,531	-	-	-	-
Five Years Later	6,729,432	9,689,339	9,508,078	11,416,138	15,982,547	-	-	-	-	-
Six Years Later	6,700,303	9,081,016	9,550,615	12,009,895	-	-	-	-	-	-
Seven Years Later	6,369,056	9,005,850	9,481,367	-	-	-	-	-	-	-
Eight Years Later	6,344,817	9,307,565	-	-	-	-	-	-	-	-
Nine Years Later	6,337,019	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 809,197	\$ 3,778,949	\$ 3,629,302	\$ 5,874,053	\$ 10,025,830	\$ 6,538,145	\$ 2,300,549	\$ 1,626,650	\$ 1,445,252	\$ -



Master Rolling Owner Controlled Insurance Program

County Members: 4

Public Entity Members: 3

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

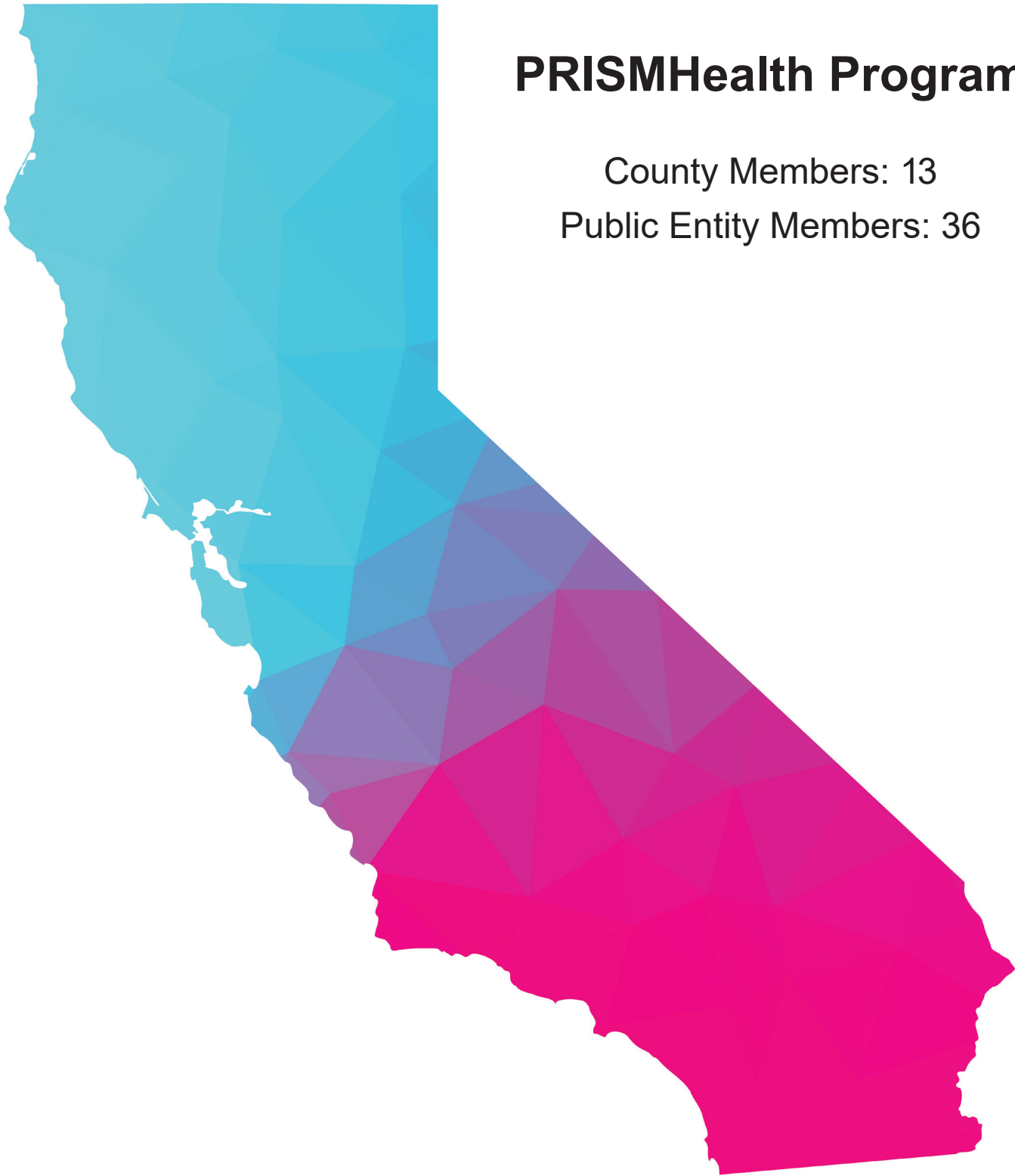
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ 26,387
TOTAL CASH & CASH EQUIVALENTS	-	26,387
Investments	-	3,874
Accounts Receivable		
Due from Members	720,477	-
Investment Income Receivable	-	786
Due from Other Funds	-	84,615
Prepaid Insurance and Expenses	163,568	163,568
TOTAL CURRENT ASSETS	884,045	279,230
Noncurrent Assets:		
Investments	-	153,505
Due from Other Funds	-	2,928
Investment in Captive	654	1,113
TOTAL NONCURRENT ASSETS	654	157,546
TOTAL ASSETS	884,699	436,776
LIABILITIES:		
Current Liabilities:		
Due to Other Funds	497,915	-
TOTAL CURRENT LIABILITIES	497,915	-
TOTAL LIABILITIES	497,915	-
NET POSITION:		
Unrestricted	386,784	436,776
TOTAL NET POSITION	\$ 386,784	\$ 436,776

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 4,933,072	\$ 5,071,948
Administration Fees	23,400	102,502
	<u>4,956,472</u>	<u>5,174,450</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses Transferred Risk & Insurance Expense	4,933,072	5,688,282
	<u>4,933,072</u>	<u>5,688,282</u>
TRANSFERS IN OR (OUT):		
Transfer Out	(51,643)	(49,332)
	<u>(51,643)</u>	<u>(49,332)</u>
OPERATING INCOME (LOSS)	<u>(28,243)</u>	<u>(563,164)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		13,383
Investment Income (Loss)	-	
Program Financing Expenses	(21,749)	-
	<u>(21,749)</u>	<u>13,383</u>
CHANGE IN NET POSITION	<u>(49,992)</u>	<u>(549,781)</u>
NET POSITION:		
Beginning of Year	436,776	986,557
	<u>436,776</u>	<u>986,557</u>
NET POSITION, END OF YEAR	<u>\$ 386,784</u>	<u>\$ 436,776</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 4,235,995	\$ 4,232,355
Insurance Purchased	(4,933,072)	(4,782,215)
Internal Activities	533,815	61,515
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(163,262)	(488,345)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	-	(212,939)
Sales of Securities	157,379	670,769
Cash from Investment Earnings	786	9,016
Program Financing Expenses	(21,749)	-
Investment in Captive	459	(459)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	136,875	466,387
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(26,387)	(21,958)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	26,387	48,345
	<hr/>	<hr/>
END OF YEAR	\$ -	\$ 26,387
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(28,243)	(563,164)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(720,477)	-
Due from or to Other Funds	585,458	110,847
Prepaid Expenses	-	942,095
Unearned Premium from Members	-	(942,095)
Accounts and Other Payables	-	(36,028)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (163,262)	\$ (488,345)
	<hr/> <hr/>	<hr/> <hr/>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ -	\$ 5,788
	<hr/> <hr/>	<hr/> <hr/>



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

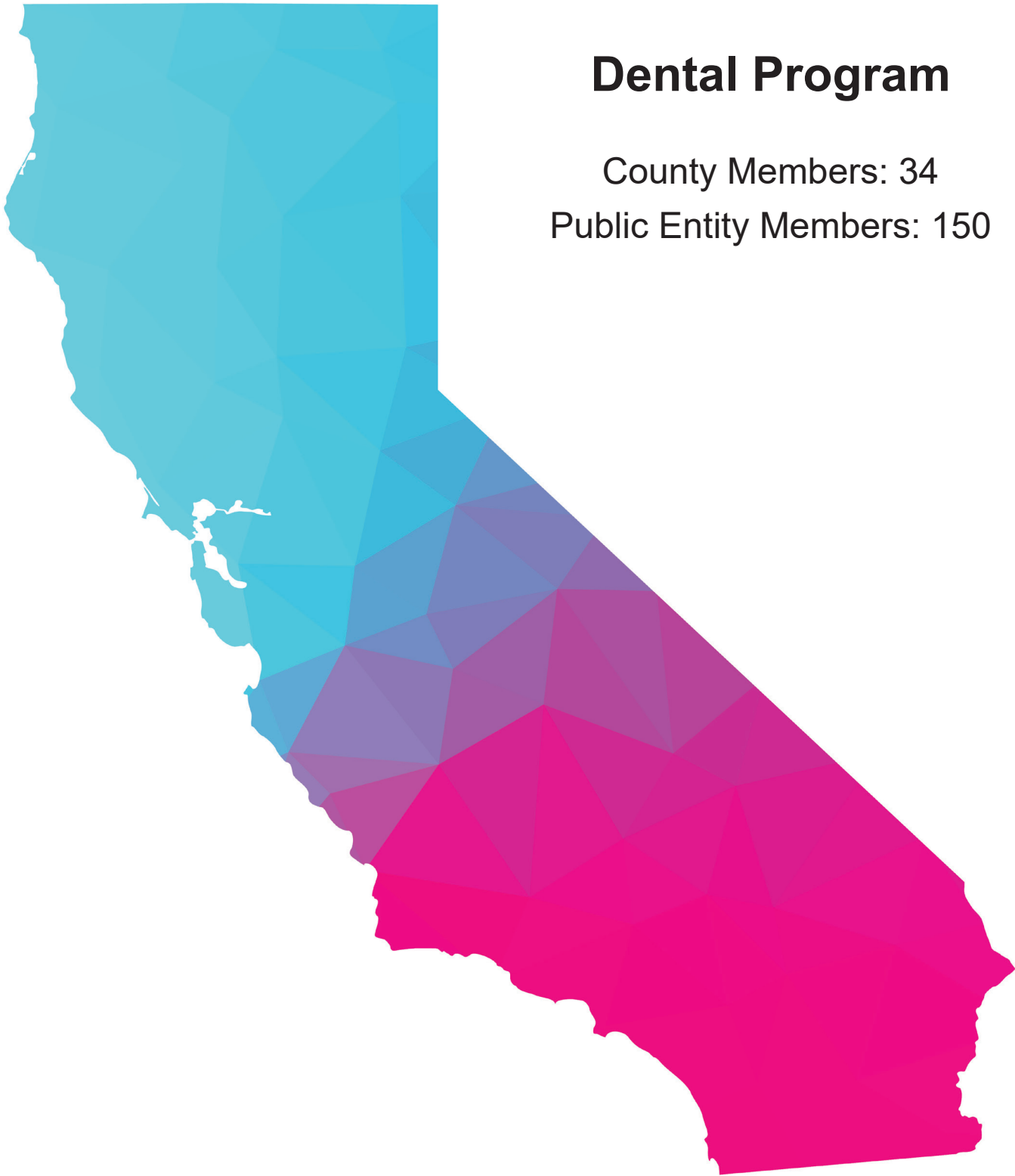
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 1,494,491	\$ 721,618
TOTAL CASH & CASH EQUIVALENTS	<u>1,494,491</u>	<u>721,618</u>
Investments	1,403,276	105,929
Accounts Receivable		
Due from Members	16,306	19,176
Investment Income Receivable	29,384	21,496
Due from Other Funds	<u>2,465,924</u>	<u>2,313,930</u>
TOTAL CURRENT ASSETS	<u>5,409,381</u>	<u>3,182,149</u>
Noncurrent Assets:		
Investments	3,881,502	4,197,853
Due from Other Funds	73,504	80,082
Investment in Captive	<u>77,472</u>	<u>131,702</u>
TOTAL NONCURRENT ASSETS	<u>4,032,478</u>	<u>4,409,637</u>
TOTAL ASSETS	<u>9,441,859</u>	<u>7,591,786</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,168,139	1,281,629
Due to Members		
Dividends Payable	2,182,175	2,158,685
Due to Members	181,765	47,716
Unearned Income	<u>7,960</u>	<u>5,000</u>
TOTAL CURRENT LIABILITIES	<u>4,540,039</u>	<u>3,493,030</u>
TOTAL LIABILITIES	<u>4,540,039</u>	<u>3,493,030</u>
NET POSITION:		
Unrestricted	<u>4,901,820</u>	<u>4,098,756</u>
TOTAL NET POSITION	<u>\$ 4,901,820</u>	<u>\$ 4,098,756</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 708,262,307	\$ 624,749,643
Broker Fees	4,579,771	4,419,705
Administration Fees	1,022,676	986,314
Other Income	107,518	324,328
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	713,972,272	630,479,990
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	708,262,306	624,749,643
Broker Fees	4,579,771	4,419,705
Program Services	52,500	70,465
General Administrative Services	58,239	19,774
Member Dividends & Stabilization Funds Distributed	23,490	13,284
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	712,976,306	629,272,871
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(597,145)	(564,241)
	<hr/>	<hr/>
TOTAL TRANSFERS	(597,145)	(564,241)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	398,821	642,878
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	404,243	176,275
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	404,243	176,275
	<hr/>	<hr/>
CHANGE IN NET POSITION	803,064	819,153
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	4,098,756	3,279,603
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 4,901,820	\$ 4,098,756
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 714,112,151	\$ 630,379,348
Insurance Purchased	(704,319,642)	(621,001,447)
Payments to Suppliers	(7,746,664)	(8,020,161)
Internal Activities	<u>(742,561)</u>	<u>(1,450,070)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,303,284</u>	<u>(92,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(6,940,702)	(8,429,728)
Sales of Securities	6,045,248	8,835,068
Cash from Investment Earnings	310,813	95,317
Investment in Captive	<u>54,230</u>	<u>(54,230)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(530,411)</u>	<u>446,427</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	772,873	354,097
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>721,618</u>	<u>367,521</u>
END OF YEAR	<u>\$ 1,494,491</u>	<u>\$ 721,618</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	398,821	642,878
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	2,870	(2,754)
Due from or to Other Funds	(145,416)	(885,829)
Accounts and Other Payables	<u>1,047,009</u>	<u>153,375</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,303,284</u>	<u>\$ (92,330)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 85,543</u>	<u>\$ 76,236</u>



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 1,917,127	\$ 1,453,211
TOTAL CASH & CASH EQUIVALENTS	<u>1,917,127</u>	<u>1,453,211</u>
Investments	1,800,116	213,323
Accounts Receivable		
Due from Members	1,915,859	1,420,273
Investment Income Receivable	37,693	43,288
Reinsurance Claims, Deposit with Carrier and Other	245,000	245,000
Due from Other Funds	<u>3,163,277</u>	<u>4,659,844</u>
TOTAL CURRENT ASSETS	<u>9,079,072</u>	<u>8,034,939</u>
Noncurrent Assets:		
Investments	4,979,176	8,453,729
Due from Other Funds	94,291	161,270
Investment in Captive	<u>129,055</u>	<u>219,394</u>
TOTAL NONCURRENT ASSETS	<u>5,202,522</u>	<u>8,834,393</u>
TOTAL ASSETS	<u>14,281,594</u>	<u>16,869,332</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,090,519	830,571
Due to Members		
Member Deposits	572,354	593,509
Claim Liabilities		
Claims Reported	<u>2,793,306</u>	<u>2,932,583</u>
TOTAL CURRENT LIABILITIES	<u>4,456,179</u>	<u>4,356,663</u>
TOTAL LIABILITIES	<u>4,456,179</u>	<u>4,356,663</u>
NET POSITION:		
Unrestricted	<u>9,825,415</u>	<u>12,512,669</u>
TOTAL NET POSITION	<u>\$ 9,825,415</u>	<u>\$ 12,512,669</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, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Broker Fees	\$ 2,768,305	\$ 2,547,902
Contributions for Retained Risk	46,664,958	43,890,991
Other Income	500	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	49,433,763	46,438,893
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Broker Fees	2,768,305	2,547,902
Provision for Claims		
Current Year Claims	39,646,233	36,484,122
Program Services	3,987,938	3,535,612
General Administrative Services	14,147	4,626
Member Dividends & Stabilization Funds Distributed	6,000,000	-
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	52,416,623	42,572,262
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(379,244)	(400,050)
	<hr/>	<hr/>
TOTAL TRANSFERS	(379,244)	(400,050)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(3,362,104)	3,466,581
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	674,850	236,572
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	674,850	236,572
	<hr/>	<hr/>
CHANGE IN NET POSITION	(2,687,254)	3,703,153
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	12,512,669	8,809,516
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 9,825,415	\$ 12,512,669
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 48,917,022	\$ 47,882,722
Dividends Paid	(6,000,000)	-
Claims Paid	(39,785,510)	(36,320,777)
Payments to Suppliers	(6,510,442)	(6,035,523)
Internal Activities	1,184,302	(2,976,452)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,194,628)</u>	<u>2,549,970</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(8,061,469)	(13,526,567)
Sales of Securities	10,092,037	11,857,211
Cash from Investment Earnings	537,637	115,936
Investment in Captive	90,339	(90,339)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,658,544</u>	<u>(1,643,759)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	463,916	906,211
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>1,453,211</u>	<u>547,000</u>
END OF YEAR	<u>\$ 1,917,127</u>	<u>\$ 1,453,211</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(3,362,104)	3,466,581
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(495,586)	1,469,582
Due from or to Other Funds	1,563,546	(2,576,402)
Accounts and Other Payables	238,793	26,864
Claim Liabilities	(139,277)	163,345
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (2,194,628)</u>	<u>\$ 2,549,970</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 142,808</u>	<u>\$ 102,314</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 2,932,583	\$ 2,769,238
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>39,646,233</u>	<u>36,484,122</u>
B. Total incurred claims and claim adjustment expenses	<u>39,646,233</u>	<u>36,484,122</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	36,852,927	33,551,539
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,932,583</u>	<u>2,769,238</u>
C. Total Payments	<u>39,785,510</u>	<u>36,320,777</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 2,793,306</u>	<u>\$ 2,932,583</u>
Current Claim Liabilities	<u>2,793,306</u>	<u>2,932,583</u>
Total Claim Liabilities	<u>\$ 2,793,306</u>	<u>\$ 2,932,583</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, 2024

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 10 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, 2024

POLICY YEAR	June 30, 2015	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
Earned Premiums	\$ 32,028,794	\$ 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
Dividends Declared	-	-	-	-	-	(5,000,000)	(7,000,000)	(2,000,000)	-	(6,000,000)
1. Total Revenues Available For Payment of Claims	32,028,794	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
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Net Incurred Claims and Expenses, End of Policy Year	26,917,532	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	26,917,532	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
One Year Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122	
Two Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833		
Three Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649			
Four Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710				
Five Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327					
Six Years Later	26,917,532	29,738,033	29,186,280	31,142,949						
Seven Years Later	26,917,532	29,738,033	29,186,280							
Eight Years Later	26,917,532	29,738,033								
Nine Years Later	26,917,532									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	26,917,532	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
One Year Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	36,484,122	
Two Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833		
Three Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649			
Four Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710				
Five Years Later	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327					
Six Years Later	26,917,532	29,738,033	29,186,280	31,142,949						
Seven Years Later	26,917,532	29,738,033	29,186,280							
Eight Years Later	26,917,532	29,738,033								
Nine Years Later	26,917,532									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PRISM Internal Guarantee Account



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM INTERNAL GUARANTEE ACCOUNT
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 67,619	\$ -
TOTAL CASH & CASH EQUIVALENTS	67,619	-
Investments	62,268	-
Accounts Receivable		
Due from Other Funds	109,421	-
TOTAL CURRENT ASSETS	239,308	-
Noncurrent Assets:		
Investments	172,236	-
Due from Other Funds	3,262	-
TOTAL NONCURRENT ASSETS	175,498	-
TOTAL ASSETS	414,806	-
LIABILITIES:		
Current Liabilities:		
Accounts Payable	414,806	-
TOTAL CURRENT LIABILITIES	414,806	-
TOTAL LIABILITIES	414,806	-
NET POSITION:		
Unrestricted	-	-
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, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 414,806	\$ -
TOTAL OPERATING REVENUES	<u>414,806</u>	<u>-</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses Transferred Risk & Insurance Expense	<u>414,806</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>414,806</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>-</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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 414,806	\$ -
Internal Activities	(112,683)	-
	302,123	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	302,123	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(234,504)	-
	(234,504)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(234,504)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	67,619	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	-	-
END OF YEAR	\$ 67,619	\$ -
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	(112,683)	-
Accounts and Other Payables	414,806	-
	302,123	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 302,123	\$ -
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ -	\$ -



Miscellaneous Programs



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 1,001,086	\$ 280,534
TOTAL CASH & CASH EQUIVALENTS	1,001,086	280,534
Investments	939,986	41,181
Accounts Receivable		
Due from Members	124,706	11,511
Investment Income Receivable	19,683	8,357
Due from Other Funds	1,651,803	899,558
TOTAL CURRENT ASSETS	3,737,264	1,241,141
Noncurrent Assets:		
Investments	2,600,030	1,631,948
Due from Other Funds	49,237	31,132
Investment in Captive	14,907	25,342
TOTAL NONCURRENT ASSETS	2,664,174	1,688,422
TOTAL ASSETS	6,401,438	2,929,563
LIABILITIES:		
Current Liabilities:		
Accounts Payable	276,388	97,360
Due to Members		
Dividends Payable	308,119	214,610
TOTAL CURRENT LIABILITIES	584,507	311,970
TOTAL LIABILITIES	584,507	311,970
NET POSITION:		
Unrestricted	5,816,931	2,617,593
TOTAL NET POSITION	\$ 5,816,931	\$ 2,617,593

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 103,869,499	\$ 87,434,670
Member Services & Dividend Income	674,276	496,674
Administration Fees	192,970	80
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	104,736,745	87,931,424
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	100,988,112	87,074,657
Program Services	110,000	4,809
General Administrative Services	-	66,637
Member Dividends & Stabilization Funds Distributed	674,276	496,674
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	101,772,388	87,642,777
TRANSFERS IN OR (OUT):		
Transfer Out	(15,558)	(14,900)
	<hr/>	<hr/>
TOTAL TRANSFERS	(15,558)	(14,900)
OPERATING INCOME (LOSS)	2,948,799	273,747
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	238,534	58,334
Financing Fees	12,005	4,401
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	250,539	62,735
CHANGE IN NET POSITION	3,199,338	336,482
NET POSITION:		
Beginning of Year	2,617,593	2,281,111
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 5,816,931	\$ 2,617,593

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 103,949,274	\$ 87,482,918
Payments (to)/from Others	674,276	507,770
Dividends Paid	(580,767)	(466,735)
Insurance Purchased	(100,809,084)	(86,977,297)
Payments to Suppliers	(110,000)	(71,445)
Internal Activities	(785,907)	(395,488)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,337,792</u>	<u>79,723</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(5,383,564)	(2,881,829)
Sales of Securities	3,567,154	2,923,755
Cash from Investment Earnings	176,730	30,866
Investment in Captive	10,435	(10,435)
Finance Fees from Members	12,005	4,401
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,617,240)</u>	<u>66,758</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	720,552	146,481
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>280,534</u>	<u>134,053</u>
END OF YEAR	<u>\$ 1,001,086</u>	<u>\$ 280,534</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	2,948,799	273,747
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(113,195)	59,264
Due from or to Other Funds	(770,349)	(380,587)
Accounts and Other Payables	272,537	127,299
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,337,792</u>	<u>\$ 79,723</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 50,477</u>	<u>\$ 25,229</u>



**General
Administration
and Building**



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	964,710	820,248
Cash in the PRISM Treasury	2,904,549	1,551,149
TOTAL CASH & CASH EQUIVALENTS	3,869,559	2,371,697
Investments	2,288,447	227,700
Accounts Receivable		
Due from Members	42,727	38,573
Investment Income Receivable	57,107	46,206
Lease Receivable	276,666	262,053
Reinsurance Claims, Deposit with Carrier and Other	4,880	69,850
Due from Other Funds	4,792,533	4,973,896
Prepaid Insurance and Expenses	23,426	83,907
TOTAL CURRENT ASSETS	11,355,345	8,073,882
Noncurrent Assets:		
Investments	-	1,024,305
Due from Other Funds	142,856	172,139
Investments - Restricted	7,982,540	7,999,167
Lease Receivable	2,732,794	3,009,461
Land and Buildings, Net		
Land	1,000,000	1,000,000
Building	5,959,312	5,745,390
Less Accumulated Depreciation, Building	(1,636,525)	(1,517,249)
Tenant Improvements	2,583,938	2,566,899
Less Accumulated Depreciation, Tenant Improvements	(2,051,222)	(1,939,385)
Furniture and Equipment, Net		
Office Furniture and Equipment	1,658,427	1,525,772
Computer Software	14,710,699	13,336,671
Less Accumulated Depreciation	(9,186,399)	(7,315,575)
TOTAL NONCURRENT ASSETS	23,896,420	25,607,595
TOTAL ASSETS	35,251,765	33,681,477
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on Pensions	4,101,081	4,398,922
Deferred Outflows of Resources on OPEB	271,276	328,844
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,372,357	\$ 4,727,766

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 619,806	\$ 281,834
Due to Other Funds	-	429,275
Due to Members	-	100,000
Unearned Income	40,888	40,888
Compensated Absences	163,882	158,410
	TOTAL CURRENT LIABILITIES	1,010,407
Noncurrent Liabilities:		
Due to Members, Long Term	7,982,540	7,899,167
Due to Other Funds	4,618,993	4,123,013
Compensated Absences, Long Term	655,533	633,639
Net OPEB Liability	99,554	361,766
Net Pension Liability	5,025,338	4,016,220
	TOTAL NONCURRENT LIABILITIES	17,033,805
	TOTAL LIABILITIES	18,044,212
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	3,009,460	3,271,513
Deferred Inflows of Resources on Pensions	377,181	479,194
Deferred Inflows of Resources on OPEB	618,996	478,821
	TOTAL DEFERRED INFLOWS OF RESOURCES	4,229,528
NET POSITION:		
Net Investment in Capital Assets	13,038,230	13,402,523
Unrestricted	3,373,721	2,732,980
	TOTAL NET POSITION	\$ 16,135,503

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Member Services & Dividend Income		
Dividend Income	\$ 4,880	\$ -
Member Services		
Claims Information System	552,788	312,396
Loss Prevention and Enterprise Risk Consultant	281,740	237,264
Other Income	167,195	214,969
	<u>1,006,603</u>	<u>764,629</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Loss Prevention Expenses	2,608,261	2,552,773
General Administrative Services		
Salaries and Benefits	17,566,169	18,071,907
Staff Support	1,105,508	782,278
Services and Supplies	3,739,469	2,821,316
Depreciation	2,029,628	1,393,162
	<u>27,049,035</u>	<u>25,621,436</u>
TRANSFERS IN OR (OUT):		
Transfer In	25,117,837	22,825,000
	<u>25,117,837</u>	<u>22,825,000</u>
OPERATING INCOME (LOSS)	<u>(924,595)</u>	<u>(2,031,807)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	1,236,411	375,028
Financing Fees	314	373
Investment Expense	(155,681)	(170,759)
Lease Income, net of Building Expense		
Lease Income	468,675	429,092
Building Maintenance and Operating Expense	(83,790)	(122,206)
Depreciation and Amortization	(72,309)	(69,743)
Program Financing Expenses	(192,577)	(53,864)
	<u>1,201,043</u>	<u>387,921</u>
CHANGE IN NET POSITION	<u>276,448</u>	<u>(1,643,886)</u>
NET POSITION:		
Beginning of Year	16,135,503	17,779,389
NET POSITION, END OF YEAR	<u>\$ 16,411,951</u>	<u>\$ 16,135,503</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 864,131	\$ 801,285
Payments (to)/from Others	103,289	51,022
Payments to Suppliers	(7,054,785)	(6,569,416)
Payments to Employees	(16,398,326)	(14,880,926)
Subsidy Payments from (to) Members	83,373	(161,069)
Internal Activities	25,395,187	21,022,536
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,992,869</u>	<u>263,432</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(19,248,069)	(16,583,183)
Sales of Securities	18,489,896	18,796,755
Cash from Investment Earnings	963,868	207,551
Investment Expenses	(155,681)	(170,759)
Program Financing Expenses	(192,577)	(53,864)
Finance Fees from Members	314	373
Lease Receipts	468,676	416,430
Operating Lease Disbursements	(83,790)	(122,206)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>242,637</u>	<u>2,491,097</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Building and Other Capital Assets	(230,961)	-
Purchase of Software, Furniture and Equipment	(1,506,683)	(1,974,019)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(1,737,644)</u>	<u>(1,974,019)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,497,862	780,510
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>2,371,697</u>	<u>1,591,187</u>
END OF YEAR	<u>\$ 3,869,559</u>	<u>\$ 2,371,697</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (924,595)	\$ (2,031,807)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	2,029,628	1,393,162
Changes in		
Accounts Receivable, Net	60,816	87,678
Due from or to Other Funds	277,350	(1,802,465)
Prepaid Expenses	60,481	113,842
Deferred Outflows of Resources	355,409	(2,727,530)
Accounts and Other Payables	337,972	(526,890)
Subsidy Funds Payable	(16,626)	(161,069)
Compensated Absences	27,366	65,388
Net Pension Liability/Asset	1,009,118	4,804,258
Net OPEB Liability	(262,212)	284,780
Deferred Inflows of Resources	38,162	764,085
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,992,869</u>	<u>\$ 263,432</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 261,642</u>	<u>\$ 162,194</u>



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 284,357	\$ 417,646
Cash in the PRISM Treasury	1,606,483	14,546,785
TOTAL CASH & CASH EQUIVALENTS	1,890,840	14,964,431
Investments	26,615,377	31,988,617
Accounts Receivable		
Due from Members	23,374,645	434,992
Investment Income Receivable	4,392,089	2,891,887
Reinsurance Claims, Deposit with Carrier and Other	106,722	35,160,082
Prepaid Insurance and Expenses	1,003,482	7,500
TOTAL CURRENT ASSETS	57,383,155	85,447,509
Noncurrent Assets:		
Investments	659,406,264	558,669,625
TOTAL NONCURRENT ASSETS	659,406,264	558,669,625
TOTAL ASSETS	716,789,419	644,117,134
LIABILITIES:		
Current Liabilities:		
Accounts Payable	7,497,121	20,965,892
Unearned Income	461,944	-
Claim Liabilities		
Claims Reported	167,490,235	148,217,975
Claims Incurred But Not Reported	74,320	74,320
TOTAL CURRENT LIABILITIES	175,523,620	169,258,187
Noncurrent Liabilities:		
Claims Reported	185,470,363	159,197,992
Claims Incurred But Not Reported	276,648,692	239,676,792
TOTAL NONCURRENT LIABILITIES	462,119,055	398,874,784
TOTAL LIABILITIES	637,642,675	568,132,971
NET POSITION:		
Capital Stock	5,000,000	8,500,000
Unrestricted	74,146,744	67,484,163
TOTAL NET POSITION	\$ 79,146,744	\$ 75,984,163

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, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 5,639,398	\$ 2,671,817
Broker Fees	-	57,417
Contributions for Retained Risk	214,854,863	215,829,609
Other Income	8,500	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	220,502,761	218,558,843
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	5,639,398	2,671,817
Broker Fees	-	57,417
Provision for Claims		
Current Year Claims	108,007,801	95,387,016
Prior Year Claims	145,671,276	59,831,989
Program Services	61,276	45,182
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	259,379,751	157,993,421
TRANSFERS IN OR (OUT):		
Transfer Out	(150,000)	(150,000)
	<hr/>	<hr/>
TOTAL TRANSFERS	(150,000)	(150,000)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(39,026,990)	60,415,422
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	46,505,037	15,969,911
Investment Expense	(815,466)	(707,335)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	45,689,571	15,262,576
	<hr/>	<hr/>
CHANGE IN NET POSITION	6,662,581	75,677,998
NET POSITION:		
Beginning of Year	67,484,163	(8,193,835)
Additional Paid in Capital	5,000,000	8,500,000
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 79,146,744	\$ 75,984,163
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 236,758,506	\$ 208,306,916
Receipts from Others	8,500	-
Claims Paid	(187,873,666)	(126,637,830)
Insurance Purchased	(7,070,372)	(3,362,563)
Payments to Suppliers	(72,529)	(47,344)
Internal Activities	(150,000)	(150,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>41,600,439</u>	<u>78,109,179</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(505,180,617)	(414,697,469)
Sales of Securities	430,181,482	326,033,627
Cash from Investment Earnings	24,640,571	17,593,780
Investment Expenses	(815,466)	(707,335)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(51,174,030)</u>	<u>(71,777,397)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
(Purchase)/Sale of Capital Stock	(3,500,000)	3,500,000
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(3,500,000)</u>	<u>3,500,000</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,073,591)	9,831,782
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>14,964,431</u>	<u>5,132,649</u>
END OF YEAR	<u>\$ 1,890,840</u>	<u>\$ 14,964,431</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(39,026,990)	60,415,422
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	12,113,707	(10,962,711)
Prepaid Expenses	(995,982)	977,318
Unearned Premium from Members	461,944	-
Accounts and Other Payables	(13,468,771)	(22,047,886)
Claim Liabilities	82,516,531	49,727,036
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 41,600,439</u>	<u>\$ 78,109,179</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 20,364,264</u>	<u>\$ (2,532,182)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 547,167,079	\$ 497,440,043
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	108,007,801	95,387,016
Increase (Decrease) in the provision for claims of prior fiscal years	<u>145,671,276</u>	<u>59,831,989</u>
B. Total incurred claims and claim adjustment expenses	<u>253,679,077</u>	<u>155,219,005</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	9,008,495	6,350,923
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>162,154,051</u>	<u>99,141,046</u>
C. Total Payments	<u>171,162,546</u>	<u>105,491,969</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 629,683,610</u>	<u>\$ 547,167,079</u>
Current Claim Liabilities	167,564,555	148,292,295
Noncurrent Claim Liabilities	<u>462,119,055</u>	<u>398,874,784</u>
Total Claim Liabilities	<u>\$ 629,683,610</u>	<u>\$ 547,167,079</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, 2024

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 10 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, 2024

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
Earned Premiums	\$ 78,135,139	\$ 97,047,480	\$ 486,313,177	\$ 116,919,308	\$ 142,291,017	\$ 100,701,884	\$ 111,087,432	\$ 122,943,905
Less Ceded	-	-	-	-	(1,599,257)	(2,101,293)	(1,507,606)	(5,639,398)
Investment Earnings	9,363,539	11,305,800	31,825,796	8,276,184	3,503,978	(3,407,818)	8,346,813	6,964,429
1. Total Revenues Available For Payment of Claims	87,498,678	108,353,280	518,138,973	125,195,492	144,195,738	95,192,773	117,926,639	124,268,936
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded 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
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	(1,599,257)	(2,101,293)	(1,507,606)	(5,639,398)
4. Cumulative Paid Claims as of:	75,803,096	93,571,460	136,235,191	115,460,318	125,342,302	87,930,853	95,387,016	108,007,801
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
One Year Later	25,087,580	34,315,031	31,499,850	34,032,022	35,135,227	35,654,146	28,233,683	
Two Years Later	49,070,991	48,376,052	56,452,674	52,745,455	65,520,110	47,860,994		
Three Years Later	61,901,911	65,867,160	78,892,048	60,228,568	77,914,226			
Four Years Later	72,906,676	74,319,643	120,434,767	91,934,190				
Five Years Later	75,493,265	80,759,329	198,352,375					
Six Years Later	76,890,390	84,758,901						
Seven Years Later	78,937,916							
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
One Year Later	78,766,357	96,621,991	180,278,594	121,586,409	126,386,024	91,781,899	102,785,406	
Two Years Later	81,353,377	99,213,918	251,908,323	119,204,534	131,060,575	93,914,572		
Three Years Later	81,768,607	100,157,999	321,744,618	121,199,660	132,734,187			
Four Years Later	82,783,448	100,126,065	369,273,324	124,194,238				
Five Years Later	82,394,213	101,449,861	499,338,018					
Six Years Later	82,852,978	102,100,144						
Seven Years Later	83,610,023							
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 7,806,927	\$ 8,528,684	\$ 363,102,827	\$ 8,733,920	\$ 7,391,885	\$ 5,983,719	\$ 7,398,390	\$ -

*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.

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Schedule of Net Position	195
Schedule of Revenues, Expenses and Changes in Net Position	196
History of Dividends Returned to Members	197

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.

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Number of Claims	199
Property Values.....	200

Operating Information

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

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Economic Indicators and Information.....	201

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 10-YEAR PERIOD ENDING JUNE 30, 2024

	June 30, 2015	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
Assets										
Current Assets	\$ 207,777,344	\$ 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
Noncurrent Assets	434,584,578	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
Deferred Outflows - Pension & OPEB	587,253	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
Total Assets and Deferred Outflows	642,949,175	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
Liabilities										
Current Liabilities	148,795,667	144,506,871	144,362,878	183,323,834	321,909,836	130,180,773	179,117,210	255,520,486	257,945,110	306,890,805
Noncurrent Liabilities	380,901,782	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
Deferred Inflows - Leases, Pension & OPEB	845,081	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
Total Liabilities and Deferred Inflows	530,542,530	604,314,732	652,379,324	713,463,077	766,964,554	701,259,247	825,700,565	911,722,499	925,751,917	1,230,667,007
Net Position										
Net of Investment in Capital Assets	9,043,933	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
Unrestricted	103,362,712	128,093,738	130,683,022	112,365,552	189,959,732	164,087,898	175,529,184	131,413,474	250,424,896	208,572,263
Total 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

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2024

	June 30, 2015	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
REVENUES:										
Premiums for Transferred Risk	\$ 443,008,816	\$ 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
Broker Fees	8,775,741	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
Contributions for Retained Risk	143,354,781	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
Dividend Income	241,593	232,389	192,828	93,904	173,634	174,054	192,456	540,855	496,674	679,156
Member Services	1,111,493	747,513	935,244	637,546	678,036	579,779	739,495	307,858	549,660	834,528
Administrative Fees	16,107,839	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
Public Entity/School Loss Control Fees	604,556	655,463	738,862	138,545	106,979	139,952	118,885	146,390	145,093	162,024
Program Development Fees	-	-	2,400	-	-	-	-	-	-	-
Other Income	1,878,251	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
Investment Income	6,159,321	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
Total Revenues	621,242,391	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
EXPENSES:										
Insurance Expense	444,479,808	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
Broker Fees	8,559,724	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
Provision for Insured Claims	135,224,386	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
Unallocated Loss Expenses	2,119,213	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)
Program Services	12,005,843	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
Member Services and Subsidies	2,852,087	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
General Administration	8,870,057	9,574,758	12,500,483	12,910,631	13,067,124	14,525,157	15,157,622	11,700,198	21,699,968	22,415,522
Dividends	4,703,871	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
Stabilization Funds	-	477,716	64,106	47,210	-	-	-	-	-	-
Building Depreciation & Maintenance	888,371	1,113,715	1,107,812	2,005,446	1,521,151	1,851,219	1,728,052	1,418,330	1,462,905	2,101,938
Total Expenses	619,703,360	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	2,075,317,896
Changes in Net Position	1,539,031	25,265,972	2,848,645	(11,755,300)	77,461,259	(25,768,871)	12,091,652	(42,316,162)	119,788,947	(42,216,926)
NET POSITION:										
Beginning Net Position	113,329,001	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
Adjustment to Beginning Net Position	(2,461,387)	-	-	(6,195,368)	-	-	-	-	-	-
Ending 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

PUBLIC RISK INNOVATIONS, SOLUTION, AND MANAGEMENT
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2024

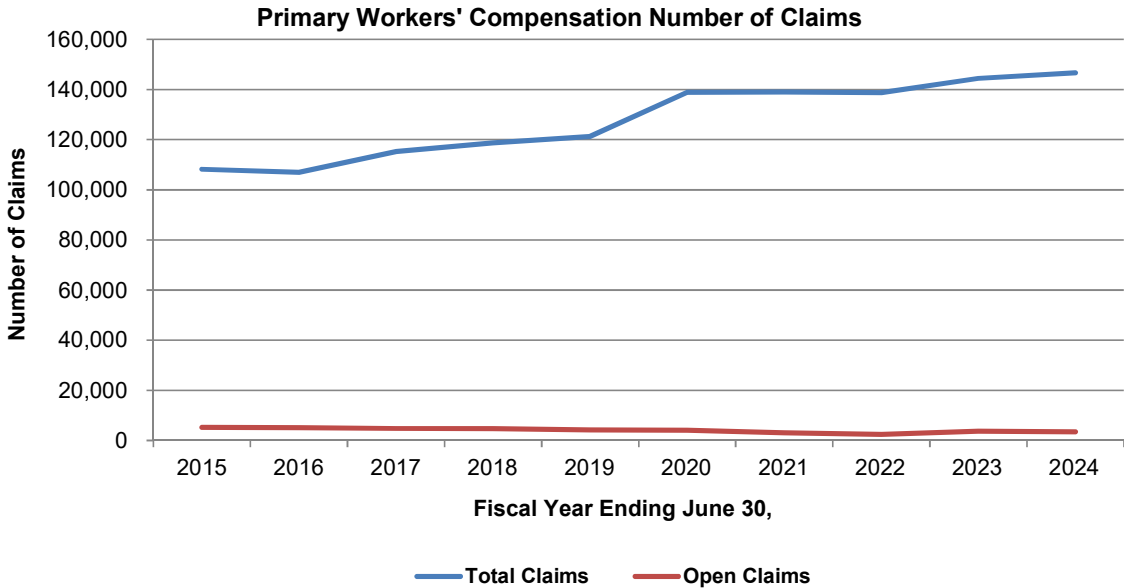
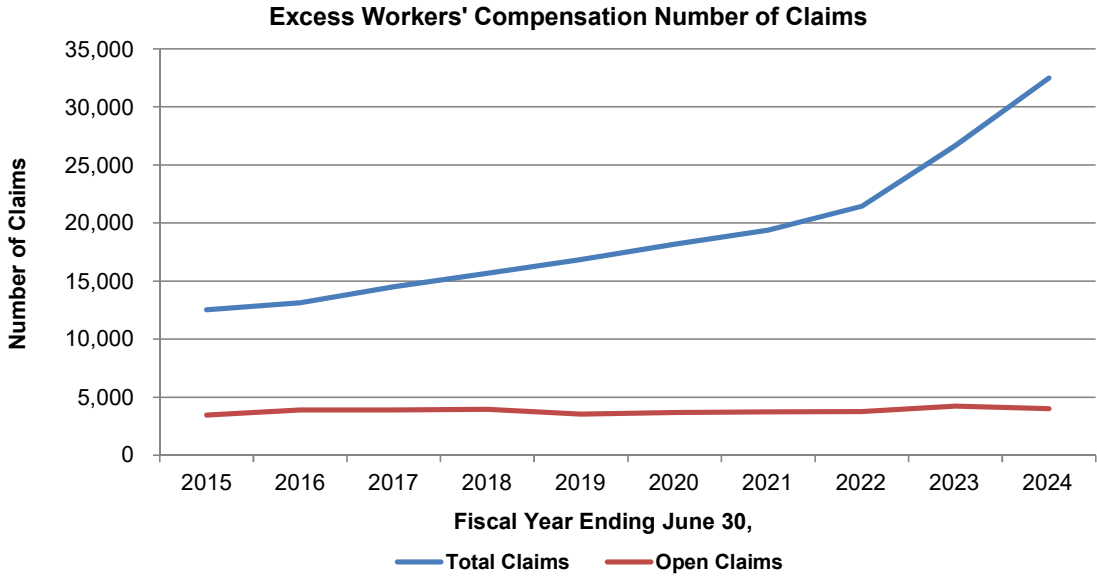
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Primary Workers' Compensation	\$ 3,998,408	\$ 2,300,000	\$ 2,500,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 6,500,000	\$ 6,500,000
Employee Benefits										
PRISMHealth Program	13,870	22,235	15,857	8,174	13,833	12,259	3,210	2,197	13,284	23,490
Dental	-	-	-	-	-	5,000,000	7,000,000	2,000,000	-	6,000,000
General Liability 1 Program Pool Dividend	-	3,000,000	-	-	-	-	-	-	-	-
Primary General Liability	450,000	-	266,000	980,419	-	-	-	-	-	-
Miscellaneous Programs	114,475	116,728	91,516	20,239	173,634	174,053	192,456	540,855	496,674	674,276
Property	127,118	115,661	97,423	73,665	-	125,448	-	-	-	-
Total	\$ 4,703,871	\$ 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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC STATISTICS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2024

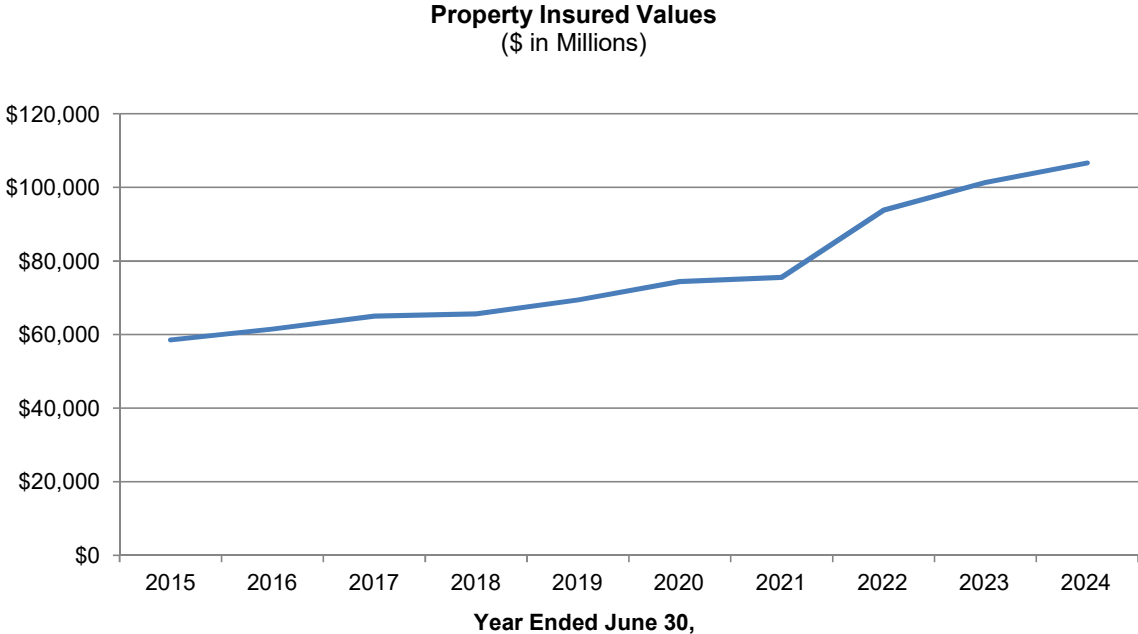
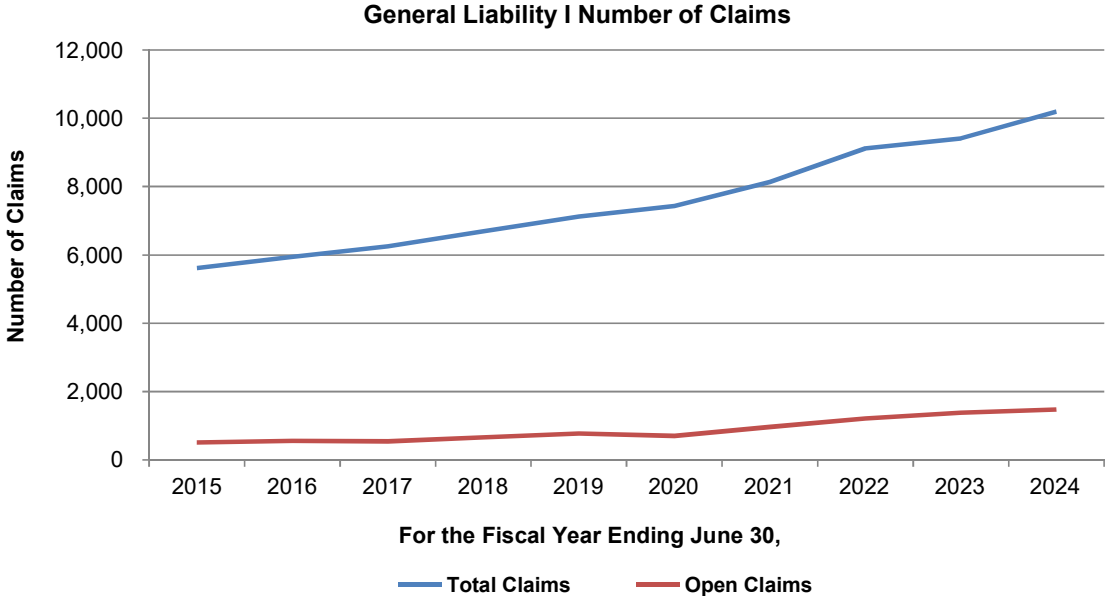
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Excess Workers' Compensation										
Total Number of Claims	12,525	13,145	14,496	15,686	16,840	18,189	19,402	21,437	26,661	32,491
Open Claims	3,465	3,904	3,884	3,964	3,543	3,682	3,734	3,783	4,239	4,018
Covered Payroll	\$ 23,245,479,774	\$ 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
Primary Workers' Compensation										
Total Number of Claims	108,204	107,009	115,224	118,732	121,315	138,891	139,029	138,836	144,462	146,697
Open Claims	5,198	5,078	4,787	4,630	4,211	4,113	3,085	2,478	3,678	3,516
Covered Payroll	\$ 2,834,695,200	\$ 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
General Liability 1										
Total Number of Claims	5,612	5,944	6,255	6,688	7,123	7,430	8,135	9,114	9,414	10,195
Open Claims	511	556	547	661	775	700	964	1,209	1,379	1,476
Covered Payroll	\$ 4,699,750,004	\$ 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
Property										
Total Number of PRISM Claims	2,593	2,799	3,083	3,459	3,946	4,422	5,067	5,772	6,082	7,044
Open PRISM Claims	164	28	13	105	178	129	119	66	410	478
Total Number of Excess Claims	1,283	1,364	1,473	1,655	1,833	2,076	2,345	2,861	2,537	2,888
Open Excess Claims	128	141	165	191	211	294	317	280	186	294
Total Property Values	\$ 58,530,759,169	\$ 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

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2024**

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 (PRISM)
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2024**



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Full-time Equivalent Employees as of June 30	59	62	68	74	79	79	86	91	89	101
Number of Retirees	6	6	6	9	10	11	11	13	12	34
Square footage of Office Space	25,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	25,000	25,000
Member Units*										
Primary Workers' Compensation	38	38	39	39	41	39	38	37	36	36
Excess Workers' Compensation	166	167	171	175	174	180	180	182	182	179
Primary General Liability	23	23	22	-	-	-	-	-	-	-
General Liability 1	104	117	114	125	128	130	127	134	131	128
General Liability 2	11	12	15	18	18	18	21	25	27	28
Property	85	96	98	105	104	109	110	118	114	114
Medical Malpractice	49	49	51	52	52	52	51	51	52	52
Master Owner Controlled Ins	4	8	15	16	17	18	18	6	7	7
PRISMHealth	25	28	32	37	43	42	43	45	47	48
Dental	142	145	153	154	163	166	167	174	182	183
Total Member Units	647	683	710	721	740	754	755	772	778	775
Member Counties	55	55	55	55	55	55	55	55	55	55
Member Public Entities	262	260	273	288	295	295	301	305	311	308
Total Members	317	315	328	343	350	350	356	360	366	363
Members within California	317	315	328	343	350	350	354	357	363	355
Participants outside California**	-	-	-	-	-	-	2	3	3	8
Total Members	317	315	328	343	350	350	356	360	366	363

* 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, 2024

	Final Budget	Actual Results	Variance
Revenues:			
Premiums for Transferred Risk, Public Entity & School Loss Control Fees	\$ 1,346,628,956	\$ 1,376,300,041	\$ 29,671,085
Broker Fees	29,531,534	30,093,484	561,950
Contributions for Retained Risk	416,492,120	443,940,217	27,448,097
Investment Income (Loss) & Financing Fees	16,036,500	64,438,719	48,402,219
Administration Fees	36,026,685	35,202,047	(824,638)
Member Services & Dividend Income	608,515	1,513,684	905,169
Lease Income	446,000	468,675	22,675
Other Income	160,000	80,329,055	80,169,055
Total Revenues	1,845,930,310	2,032,285,922	186,355,612
Expenses:			
Member Dividends & Stabilization Funds Distributed	8,512,000	13,197,766	(4,685,766)
Transferred Risk & Insurance Expense, including GL1 LPT Premium Expense	1,350,533,433	1,357,108,873	(6,575,440)
Broker Fees & GL1 LPT Broker Fees	17,449,208	30,088,013	(12,638,805)
Provision for Claims	319,164,558	630,924,432	(311,759,874)
Unallocated Loss Adjustment Expenses	3,897,000	(3,343,388)	7,240,388
Program Services	17,628,975	20,216,479	(2,587,504)
Member Services	3,024,615	2,608,261	416,354
General Administrative/Building/Depr Expense	27,667,696	23,702,412	3,965,284
Total Expenses	1,747,877,485	2,074,502,848	(326,625,363)
Total Income (Loss)	\$ 98,052,825	\$ (42,216,926)	\$ (140,269,751)
Change in Net Position	98,052,825	(42,216,926)	
Beginning Net Position Balance July 1, 2023	287,503,733	263,827,419	
Ending Net Position Balance, June 30, 2024	\$ 385,556,558	\$ 221,610,493	

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.