



Annual Comprehensive Financial Report

Public Risk Innovation, Solutions, and Management

Fiscal Years Ended June 30, 2022 and 2021

- California -

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 and 2021

EXECUTIVE COMMITTEE

Name	Office	Entity
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Matt Gutierrez	Vice President	Kern County
Janell Crane	At-Large (Past President)	Sonoma County
Mark Howard	Public Entity Representative	ACCEL
Karen Caoile	At-Large	Contra Costa County
Richard Egan	CAO	Lassen County
Heather Rose	Risk Manager	Mendocino County
Kerry John Whitney	At-Large (Supervisor)	Napa County
Lance Sposito	At-Large	Santa Clara County
Nathan Black	Finance	Sutter County
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Michael Pott	Legal Counsel	PRISM General Counsel

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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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December 8, 2022

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

Ladies and Gentlemen:

As we reflect on fiscal year 2021/22, we are very pleased with all that was accomplished despite the ongoing challenges related to COVID, the legal and claims environment in California, and the insurance marketplace. 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 2021/22, our annual revenue was \$1.44B, and for 2022/23 we estimate the revenue at \$1.65B.

Membership is growing at a steady and healthy pace. Year-over-year, our number of members, as well as the number of member units (each member in each major program), increased. There are now around 2,050 entities, including members of members, who are covered in one or more of our major programs.

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. Values in the ARC equity portfolio dropped in concert with wider market volatility during the 2021/22 fiscal year, returning (14.76%) after mark-to-market adjustments. This is in contrast to past performance in the consolidated ARC portfolio where the total rate of return was 10.23%, 11.13%, 5.12%, (2.68)%, and 7.28% in the 2016/17, 2017/18, 2018/19, 2019/20, and 2020/21 years, respectively. Since inception, the equity portfolio has yielded 7.73%. The drop in investment values, combined with increases in claim liabilities eroded the surplus position of ARC during the year and prompted an additional capital contribution of \$3.5M by PRISM at April 1, 2022. ARC assumed risk from PRISM within fixed corridors in the Workers' Compensation, Liability, Property, and Medical Malpractice Programs. Those risks were fully funded except for anticipated investment earnings. Starting with the 2019/20 year, PRISM's Property Program transferred \$10M of aggregated earthquake risk, which was not fully funded; however, the expected loss for that risk was zero based on the very high attachment point (excess of \$340M). ARC assumed \$233M of corridor risk for the program year 2021/22 as compared to \$208M in program year 2020/21. In total, nearly \$814M in premiums has been collected by ARC in its first 6 years of operations from 6 PRISM programs.



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In 2021/22, PRISM made great strides in the development of our own Claims Management Information System (CMIS). Software development efforts have been progressing throughout the year and the result is a fully functional claims system that is almost ready for General Liability (GL) claims to be processed in the new system. The schedule anticipates conversion of the GL data from the current system to the new system in the beginning of November 2022. Once this data is validated and the PRISM GL team is confident, the final go-live cutover will be scheduled by the business units and technical teams. A functional system for Workers' Compensation claims is close behind with a target of the Spring 2023.

We continued to market the PRISM programs utilizing ARC as a vehicle to expand outside of California. National expansion will enable 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 PRIMIS's California members. Actual implementation will be on a program-by-program basis. As of October 2022, ARC has 3 entities as participants from outside of California: Pima County, Arizona; City of Portland, Oregon; and Arizona Schools Risk Retention Trust.

Ensuring PRISM has adequate staff resources to meet the members' needs is extremely important. For FY 2022/23, 2 new staff positions were approved in the Workers' Compensation Claims and IT Departments. PRISM had increased staffing levels with 3 new positions designed to meet the growing needs and complexities of our membership during 2021/22.

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, 2022 and 2021, 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.

PRISM has 360 members, consisting of 55 counties and 305 public entities. The 55 member counties represent more than a 95% 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 2,050 public agencies. Over 140 public agency representatives from 93 entities actively participate in PRISM's policy making and governance by their service on the Board of Directors and committees.

WHAT WE DO

PRISM operates programs for excess and primary workers' compensation, 2 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. 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 2021/22 and 2022/23, with premium increases. Property Program rates have increased as property insurance capacity has decreased globally in response to natural disasters. PRISM's own Property Program has experienced losses from catastrophic California wildfires. In response to the hard market for property coverage, PRISM began self-insuring the primary \$10M in coverage per tower, except for a \$10M flood and earthquake aggregate 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. 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. In 2021/22, the GL1 Program and the LPT corridor, transferred to the Captive, experienced adverse development. Although we did not expect the losses to deteriorate to that degree in 2021/22, the LPT transaction provided PRISM with more time to build their equity.

Although the liability, property, and medical malpractice markets' coverages are experiencing rate increases, we have successfully used multi-year reinsurance agreements to mitigate rates increases in the GL1, 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 (1.69%) pool renewal in 2022 and 5.22% in 2021. The employee benefits suite of coverages, which includes Dental, Vision, Life/Disability, and Employee Assistance Program renewals, often include multi-year rate guarantees. Members in the Dental Program renewed in 2022 with small increases ranging from 3.3% to 3.9%. In addition, a dividend of \$2M from the Dental Program was declared in 2021/22.

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 2021/22, 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 2021/22 ending the year with surplus of \$42.1M. This very healthy funding position has enabled the PWC Committee to declare dividends in 13 of the last 15 years, though no dividends were declared in the 2021/22 fiscal year.

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 Tower, the Program funds a \$5M pool, subject to members' self-insured retentions, then purchases reinsurance to secure statutory limits. Pooled layers for both Towers are reinsured by Great American and are subject to a \$43.1M corridor retention. The Educational Tower maintained a \$6.8M corridor in its primary layer. Both corridors were transferred to ARC. The EWC Program ended the 2021/22 year with surplus of \$48.1M.

GENERAL LIABILITY 1

The GL1 Program provides members with coverage for third party liabilities (including general, automobile, employment practices, and errors and omissions) up to a limit of \$25M, subject to each member's self-insured retention, which can range from \$100k to \$2M. 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 via a LPT, 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, 2024 for their pool layer of SIR to \$5M. As of June 30, 2022, the net position for this Program was in deficit totaling (\$40M), which is a decrease of \$14.4M over the prior year deficit of (\$25.6M). 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 2021/22 renewal, the Program's structure changed substantially with the addition of a new tower (Tower 2) to accommodate four new members. Three Tower 2 members had self-insured retentions of \$1M with the \$4M excess of \$1M layer reinsured by PRISM's GL1 Program. The fourth member of Tower 2 elected an SIR of \$5M. Claims in Tower 2 are then covered by PRISM's GL1 Program reinsured by Starstone (100% reinsured by Berkshire Hathaway) for the \$5M excess \$5M layer and Everest in the \$5M excess \$10M layer with a \$25M aggregate limit. For 2021/22 in Tower 1, the first layer provided coverage between the member's self-insured retention (and IMCD where applicable) and \$10M. The layer was reinsured by Starstone (100% reinsured by Berkshire Hathaway) and Chubb with aggregate limits of \$93M and \$52M, respectively. The top layer of Tower 1 covers \$5M excess of \$10M which is reinsured by several reinsurers on a quota share basis with a \$35M aggregate limit. The GL2 Program ended the year with a surplus of \$3M at June 30, 2022.

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 the primary \$10M in coverage per tower (occurrence), except for a \$10M flood and earthquake aggregate. Self-insuring the primary layer led to a Program rate increase of only 11% for the March 2022 renewal, which was far less than the increase would have been if the layer continued on an insured basis. Aggregate stop loss coverage from Berkshire Hathaway was purchased to limit the Program's exposure for unlimited claims in the layer. If claims exceed \$100M, Berkshire will pay claims up to their limit of \$50M. At June 30, 2022, this program had a surplus of \$52.4M. Because this Program is well funded, the Property Committee determined to rely upon the Program's Net Position rather than to fully fund the Program's \$100M pooled exposure, saving the Property Program members approximately \$25M in premium collection for the 2022/23 year.

MEDICAL MALPRACTICE

The Medical Malpractice Program provides members with coverage for medical professional services and limited general liability exposures at established healthcare facilities. 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.

The Program moved to a July 1st renewal in 2022. Previously the Program renewed October 1st. For the 2021/22 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 \$7M, reinsurance was provided on an occurrence basis by Medical Protective Company (Med Pro), a Berkshire Hathaway Company, and Coverys, a medical liability insurer. However, the medical malpractice marketplace is hardening for the same reasons as the general liability marketplace, which has increased pricing and reduced some limits available to the Program. In order to provide some premium relief for the members, a \$2M corridor deductible within the pool layer was established, and that risk was transferred to ARC. This Program had a surplus of \$13.4M at June 30, 2022.

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 one large member and additional construction values during the 2021/22 year. This program had a surplus of \$1M at June 30, 2022.

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 experienced a 2% growth in membership in 2022, with the addition of 2 new members representing an additional 700 employee/retiree lives. The Program now consists of 45 members, providing coverage for 40,000 employees/retirees. The Program ended the year with a surplus of \$3.3M.

DENTAL

Since 2010, the Dental Program has offered 2 segments of participation: pooled (fixed-rate) and standalone self-funded. In 2019, another pooled segment was added - the 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 to provide administrative services and access to the Delta Dental network of providers. The administrative fees in the Program are some of the lowest offered by Delta Dental of California. In light of the Program's strong net position, the Employee Benefits Committee declared a dividend of \$2M in 2021/22 and ended the year with a net position of \$8.8M. The Committee did not subsidize rates for the 2022 renewal, as it had for the previous 4 years. The Committee plans to monitor net position for the ability to issue more dividends in future years.

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, 2021. This was the 28th 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

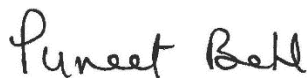
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 2019, PRISM was once again granted Recognition with AGRiP for 2020-2023. Renewal of AGRiP's Recognition Program is currently underway.

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

Respectfully Submitted,



Puneet Behl, CPA

Chief Financial Officer



Gina Dean

Chief Executive Officer



Board of Directors and Alternates for Counties With Programs

As of 6/30/2022

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	Sarah Simis, Deputy CAO to Personnel and Risk Management
Amador County	✓	✓	✓		✓	✓		✓	✓	Richard Forster, Supervisor	Sarah Duarte, HR/Risk Administrator
Butte County		✓	✓		✓	✓				Julia Ogonowski, Risk Manager	Danielle Nuzum, Deputy Chief Administrative Officer
Calaveras County	✓	✓	✓		✓	✓		✓	✓	Judy Hawkins, Deputy CAO/Director of Human Resources & Risk Management	Nicholas William Marvin, Human Resources Analyst
Colusa County		✓	✓		✓	✓			✓	Todd Manouse, Safety Officer/Assistant Risk Manager	Kaline Moore, CAO Budget Management Analyst
Contra Costa County		✓		✓	✓	✓				Karen Caoile, Director of Risk Management	Vacant
Del Norte County		✓	✓		✓	✓		✓	✓	Neal Lopez, Assistant County Administrative Officer	Cathy Hafterson, Human Resources/Risk Manager
El Dorado County	✓	✓		✓	✓	✓		✓	✓	Michael Andersen, Risk Manager	Joseph Carruesco, Director of Human Resources
Fresno County		✓	✓		✓	✓				Steve Johnson, Risk Manager	Hollis Magill, Director of Human Resources



Board of Directors and Alternates for Counties With Programs

As of 6/30/2022

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, Assistant Director of Human Resources
Imperial County		✓	✓		✓	✓		✓		Rodolfo Aguayo, Director of HR & RM	Brenda Olivas-Neujahr, Human Resources Manager
Inyo County	✓	✓	✓		✓	✓			✓	Aaron Holmberg, Risk Manager	Leslie Chapman, CAO
Kern County						✓				Matt Gutierrez, Risk Manager	Brad Aragon, Loss Prevention Specialist
Kings County		✓	✓		✓	✓				Edward Hill, County Administrative Officer	Francesca Lizaola, Risk Technician II
Lake County	✓	✓	✓			✓		✓	✓	Anita Grant, County Counsel	Vacant
Lassen County		✓	✓		✓	✓			✓	Richard Egan, County Administrative Officer	Tony Shaw, Deputy County Administrative Officer
Madera County		✓	✓		✓	✓				Darin McCandless, Deputy CAO	Jason Blanks, Risk Management Analyst
Marin County					✓					Karen Shelar, Risk Manager	Daniel Eilerman, Assistant County Administrator



Board of Directors and Alternates for Counties With Programs

As of 6/30/2022

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 Correll 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		✓	✓		✓	✓			✓	Robert Lawton, CAO	Jay Sloane, Risk Manager
Monterey County		✓		✓		✓				Charles McKee, County Executive Officer	Leslie Girard, County Counsel, County Counsel's Office
Napa County		✓	✓		✓	✓			✓	Kerry John Whitney, Risk Manager	Helene Franchi, Deputy CEO
Nevada County	✓	✓	✓		✓	✓				Alison Lehman, County Executive Officer	Nick Poole, Risk Manager
Orange County						✓	✓			Michael Alio, Director of Risk Management	Michelle Aguirre, Chief Financial Officer
Placer County		✓	✓		✓	✓			✓	Jim Kotey, Risk Manager	Brenda McGuire, Risk Manager



Board of Directors and Alternates for Counties With Programs

As of 6/30/2022

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Plumas County		✓	✓		✓	✓			✓	Vacant	Vacant
Riverside County		✓		✓	✓	✓				Brenda Diederichs, Assistant County Exec Officer/Human Resources Director of the HR Dept.	Mike Bowers, Assistant Human Resources Director
Sacramento County	✓	✓	✓	✓		✓				Paul Hight, Risk and Loss Control Division Manager	Denise Currie, Workers' Compensation Division Manager
San Benito County		✓	✓		✓	✓			✓	Gabriel Orozco, Budget Officer	Gracie Rodriguez, Administrative Analyst
San Bernardino County		✓	✓	✓		✓				Victor Tordesillas, Director, Dept. of Risk Mgmt.	Vacant
San Diego County		✓				✓	✓			Janice Mazone, Deputy Director, Human Resources	Vacant
San Joaquin County		✓		✓	✓	✓			✓	Tanya Moreno, County Safety and Risk Manager	Brandi Hopkins, Director of Human Resources
San Luis Obispo County		✓	✓		✓	✓		✓	✓	Pamela Mitchell, Liability Manager	Ashleigh Szkubiel, Benefits Manager
Santa Barbara County	✓	✓	✓		✓	✓	✓	✓	✓	Greg Milligan, Risk Manager	Jeff Frapwell, Assistant County Executive Officer
Santa Clara County		✓		✓	✓	✓				Lance Sposito, Director of Risk Management	Vacant



Board of Directors and Alternates for Counties With Programs
As of 6/30/2022

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Santa Cruz County		✓		✓	✓	✓			✓	Enrique Sahagun, Risk Manager	Vacant
Shasta County		✓	✓		✓	✓			✓	Shelley Forbes, Assistant Director of Support Services	Jim Johnson, Risk Management Analyst III
Sierra County		✓	✓		✓	✓		✓	✓	Van Maddox, Auditor/Treasurer/Tax Collector	Judi Behlke, Personnel Analyst
Siskiyou County	✓	✓	✓		✓	✓			✓	Melissa Cummins, Deputy County Administrator - Personnel and Risk Management Officer	Michael Kobseff, Supervisor
Solano County		✓	✓		✓	✓			✓	Vacant	Charmie Junn, Director of Human Resources
Sonoma County		✓	✓		✓	✓				Janell Crane, Risk Manager	Jamie Bloom, Insurance Manager
Stanislaus County		✓	✓		✓	✓			✓	Karyn Watson, Claims and Liability Manager	Cari Griffin, Benefits Manager
Sutter County		✓	✓		✓	✓		✓	✓	Nathan Black, Auditor-Controller	Jason Claunch
Tehama County	✓	✓	✓		✓	✓		✓	✓	Gabriel Hydrick, Chief Administrative Officer	Sean Houghtby, Staff Analyst II
Trinity County		✓	✓		✓	✓			✓	Vacant	Vacant



Board of Directors and Alternates for Counties With Programs
As of 6/30/2022

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Tulare County		✓	✓	✓	✓	✓				Susan Cox, Risk Manager	Robert Anderson, Supervising Analyst
Tuolumne County		✓	✓		✓	✓		✓	✓	Paul Loehr, Human Resources & Risk Management Director	Nathan Birtwhistle, Risk Analyst
Ventura County						✓				Leonardo Selvaggi, CPCU, CWCP, ARM, AIC, AIS, Deputy Executive Officer	Theresa Bucci, Risk Analyst
Yolo County		✓			✓	✓			✓	Barbara Lubben, Executive Director	Mindi Nunes, Assistant County Administrator
Yuba County	✓	✓	✓		✓	✓			✓	Jill Abel, Director, Human Resources & Risk Management	Karen Fassler, Assistant Human Resources Director

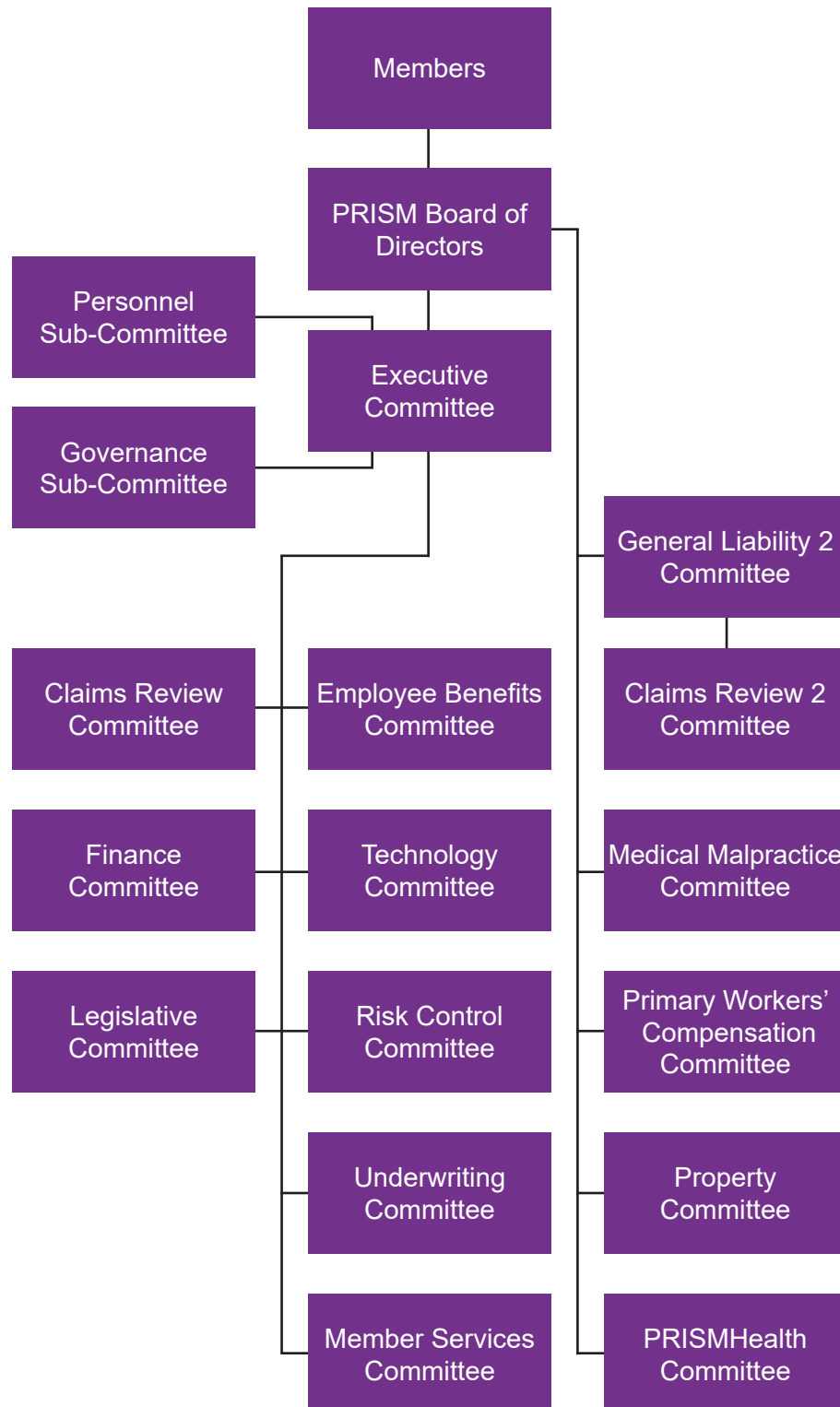


Board Member	Public Entity	Designated Board Position/Representative
Andrew Lathrop, Risk Manager	City of Oakland	At-Large
Barbara Esquivel, WC Claims Manager	Municipal Pooling Authority (MPA)	Alternate
Claudia Castillo del Muro, Program Manager	City of San Diego	At-Large
Craig Schweikhard, Executive Director	San Mateo County Schools Insurance Group (SMCSIG)	Schools
Jamie Cannon, Director of Human Resources & Risk Management	City of Chico	Alternate
Janice Galleher, Senior Risk Mgt Specialist	City of Chula Vista	At-Large
Mark Howard, Risk Manager	ACCEL	City
Mike James, Deputy Director II - Operations	City of El Cajon	Alternate
Scott Schimke, Executive Director	Golden State Risk Management Authority (GSRMA)	Special District



PRISM

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, 2021

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
President

Kimberly Dennis
Chair, Accreditation Committee

James P. Marta
Accreditation Program Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Public Risk Innovations, Solutions, and Management (PRISM) as of and for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 29-41, 94-98, and 100 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 do 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 November 18, 2022, 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

November 18, 2022

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, 2022, and 2021. 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 2 components: 1) combined financial statements including the PRISM Affiliate Risk Captive (ARC), a component unit; and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, which includes fund financial information for the individual programs.

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

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

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

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

The Combined financial statements can be found on pages 42 through 46 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 47 of this report.

Captive

On June 30, 2022, PRISM's captive insurance company, PRISM Affiliate Risk Captive (ARC), a blended component unit of PRISM, completed its sixth year of operations. ARC is domiciled in, and subject to, the Utah Department of Insurance regulations to insure only PRISM's risks. 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 10 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:

	Net Position
Primary Workers' Compensation	\$ 42,132,667
Excess Workers' Compensation	48,126,764
General Liability 1	(39,985,723)
General Liability 2	2,957,332
Property	52,434,089
Medical Malpractice	13,431,002
Master Rolling Owner Controlled Ins. Program	986,557
PRISMHealth	3,279,603
Dental Program	8,809,516
Miscellaneous Programs	2,281,111
Administration and Building	17,779,389
ARC net of Elimination	(8,193,835)
Total Net Position	\$ 144,038,472

Financial Highlights

Combined Financial Analysis

PRISM's assets and deferred outflows exceeded liabilities and deferred inflows by \$144M, as of June 30, 2022, by \$186.4M at June 30, 2021, and by \$174.3M at June 30, 2020. Following is a condensed Statement of Net Position:

Combined Statement of Net Position

	June 30, 2021	June 30, 2021	June 30, 2020
Other Assets	\$ 1,041,135,737	\$ 999,062,435	\$ 859,389,111
Capital Assets	12,624,998	10,825,450	10,175,084
Total Assets	1,053,760,735	1,009,887,885	869,564,195
Deferred Outflows	2,000,236	2,167,314	1,995,729
Current Liabilities	255,520,486	179,117,210	130,180,773
Noncurrent Liabilities	652,488,174	641,852,245	566,410,195
Total Liabilities	908,008,660	820,969,455	696,590,968
Deferred Inflows	3,713,839	4,731,110	705,974
Invested in Capital Assets	12,624,998	10,825,450	10,175,084
Unrestricted Net Position	131,413,474	175,529,184	164,087,898
Total Net Position	\$ 144,038,472	\$ 186,354,634	\$ 174,262,982

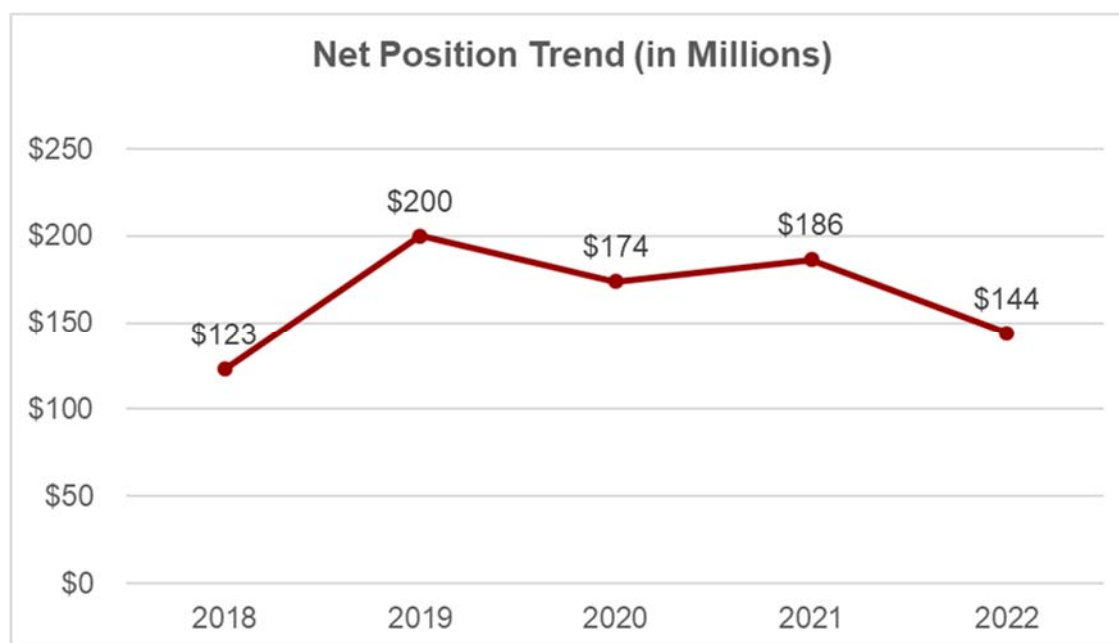
Management's Discussion & Analysis

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 2021/22 with a net position of \$186.4M. Our ending balance in net position at June 30, 2022 was \$144M, which is a decrease of \$42.3M from the prior year's end. While there was a net operating income of \$21M, this was more than offset by negative investment returns totaling \$63.2M, especially in the ARC portfolio (\$49.3M investment losses). PRISM provided an additional \$3.5M in paid in capital to ARC, bringing its total investment into the Captive to \$8.5M at June 30, 2022. ARC's total net position of \$306,165 at June 30, 2022 is reduced by an elimination of the \$8.5M paid in capital in the combined financial statements.

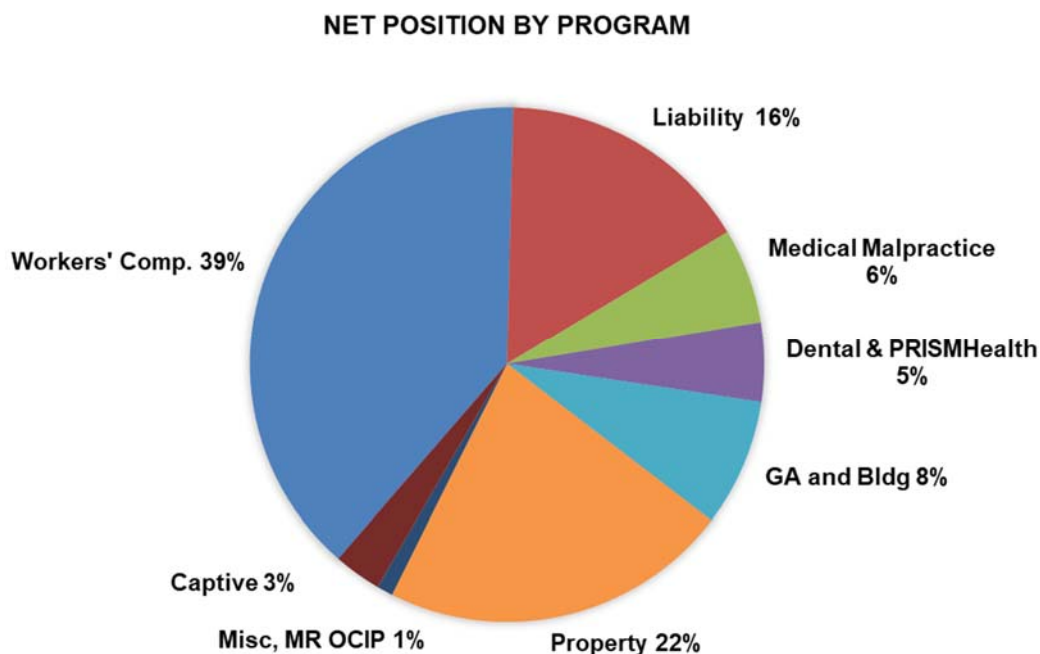
PRISM started fiscal year 2020/21 with a net position of \$174.3M. Our ending balance in net position at June 30, 2021 was \$186.4M, which increased by \$12.1M from fiscal year 2019/20. The increase in net position was largely driven by positive investment returns, especially in the ARC portfolio (\$32.4M investment income). This helped to offset PRISM's operating loss of \$21.4M in fiscal year 2020/21.

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

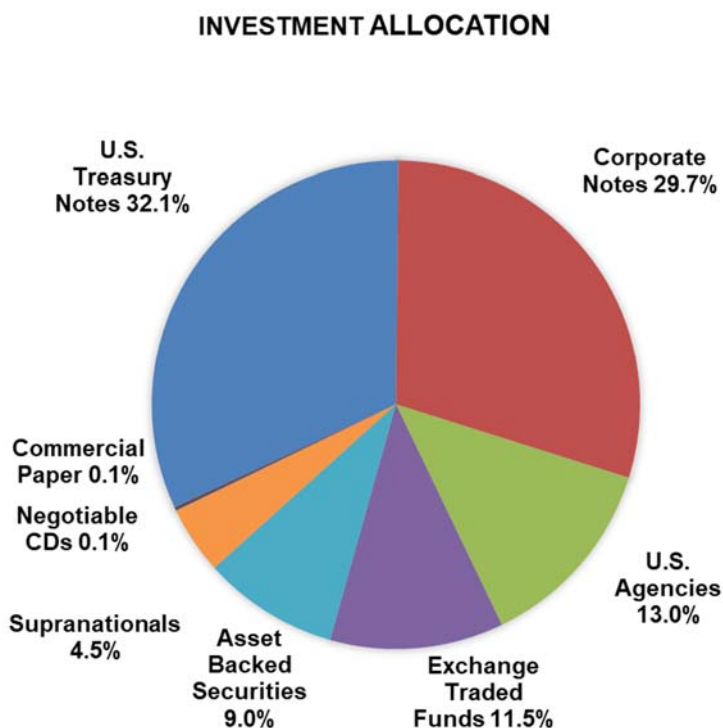


Management's Discussion & Analysis

Our large pooled risk programs, workers' compensation and liability programs, account for 55% of net position as of June 30, 2022 as show below:



Treasury assets consist of funds held for the payment of claims. Of these funds, 4% is in cash and 96% is invested. The following chart shows the asset allocation for the invested funds at June 30, 2022:



During the 2021/22 fiscal year, prevailing interest rates were rising. This resulted in the fair market value of PRISM's current investments falling below the amortized cost, leading to unrealized losses on those investments. During fiscal year 2021/22, there was a net decrease in fair value of \$75.8M, compared to a net increase of \$20.1M in fair value in fiscal year 2020/21. The

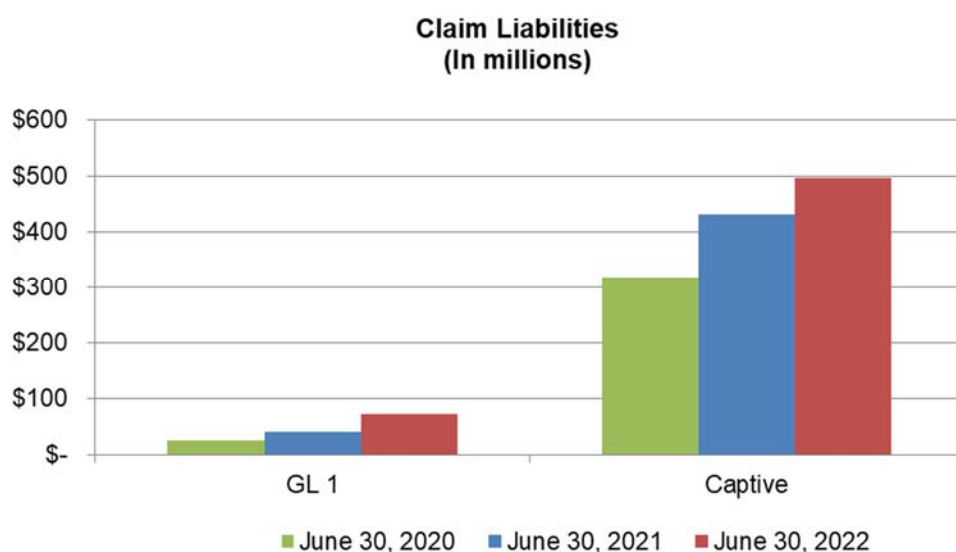
Management's Discussion & Analysis

increases and decreases in fair value are primarily being driven by fluctuations in the market interest rate and mark-to-market valuation 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 \$775M as of June 30, 2021 to \$885M at June 30, 2022.

Increase in liabilities in the Captive totaled \$65.3M from \$432.1M at June 30, 2021 to \$497.4M at June 30, 2022, driven by increases in estimated losses for prior years topping \$68.1M in fiscal year 2021/22. The Captive's claim liabilities include the GL1 LPT corridor and some other multi-year corridors including future years treated as prior years for the purpose of financials. Similarly, increases were seen in the General Liability 1 Program of \$31M of which \$29.1M is attributable to prior years. The chart below illustrates change over the last three years for the General Liability 1 Program and the Captive.



Fiscal year 2021/22 recognizes retained risk in the Property Program of \$14.9M for the first quarter of the March 31, 2022 to March 31, 2023 coverage period. Prior to this coverage period, the Property Program was fully reinsured and claim liabilities were limited to an estimate for unallocated loss adjustment expense only. Smaller changes in claim liabilities were seen in the Primary Workers' Compensation Program (\$4.8M increase), the Excess Workers' Compensation Program (\$4.3M decrease), General Liability 2 Program (\$1M increase), Medical Malpractice Program (\$3.1M decrease) and Dental Program (\$1M increase) from June 30, 2021 to June 30, 2022.

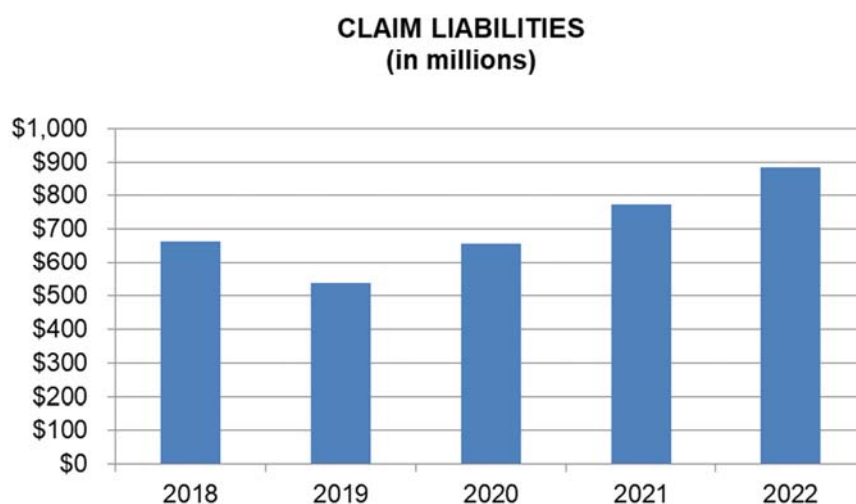
Claim liabilities increased from \$656M as of June 30, 2020 to \$775M at June 30, 2021. An increase of \$15M in claim liabilities for the GL1 Program, \$10M in the Medical Malpractice Program, and \$113M in the Captive, respectively, contributed to the overall increase in claim liabilities in 2020/21. A decrease of \$20M in the workers' compensation program claim liabilities provided an offset to this increase. The GL1 Program's prior years' claim liabilities increased as a result of loss development in the amount of \$12.3M in prior years during the 2020/21 fiscal year. The Captive's claim liabilities for prior years increased by \$79.7M in fiscal year 2020/21. The Captive's claim liabilities include the GL1 LPT corridor and some other multi-year corridors including future years treated as prior years for the purpose of financials.

Management's Discussion & Analysis

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 Primary and Excess Workers' Compensation 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, 2022 is approximately \$3.6M, discounted, and this amount is included in claim liabilities.

PRISM's PGL Program had operated successfully since 1998 providing low deductible coverage for members that did not want the risks associated with self-insured programs. However, the PGL Program faced unique challenges that impacted its ability to self-insure the pooled risk, and spread PRISM administrative charges to its members. As a result, effective July 1, 2018, the GL1 Program assumed the current claim liabilities and all future risks of the PGL Program. The claim liabilities as of June 30, 2022 are included in PRISM's total 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% in fiscal year 2021/22. We are still evaluating other programs for a similar bump. The claim liability trend over the past 5 years is as follows:



Net Pension Asset/Liability

The net pension asset was \$788k at the end of the 2021/22 fiscal year. Previously there was a net pension liability on the books for \$2.6M and \$1.9M at the end of fiscal years 2020/21, and 2019/20, respectively.

Management's Discussion & Analysis

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 2021/22, 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 \$77k for 2021/22, \$288k for 2020/21, and \$728k for 2019/20.

Lease Receivable/Deferred Inflows – Leases

PRISM implemented Government Accounting Standards Board Statement No. 87, Leases. GASB Statement No. 87 enhances 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. These changes were incorporated into the financial statements but had no effect on the beginning net position since the deferred inflows equal the amount of the lease receivable.

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, 2022:

Program	Target Equity Range (in millions)		Program Net Position (in millions)
	Low	High	As of June 30, 2022
Primary Workers' Compensation	\$5.1	\$35.4	\$42.1
Excess Workers' Compensation	39.8	87.8	48.1
General Liability 1	79.9	89.5	(40.0)
Medical Malpractice	9.4	17.2	13.4

The PWC Program's net position is above the target equity range, and the EWC and Medical Malpractice Program's net position is within the target equity range for 2021/22.

Recent adverse loss development is an industrywide phenomenon being felt by most entities in the general liability insurance market. The GL1 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. The LPT transaction enabled the Program to gradually increase rates. As new premiums are collected

Management's Discussion & Analysis

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, 2022	June 30, 2021	June 30, 2020
Operating Revenues:			
Premiums for Transferred Risk	\$ 1,116,841,854	\$ 950,074,535	\$ 844,596,238
Broker Fees	19,516,773	17,126,598	14,784,924
Contributions for Retained Risk	271,092,405	256,223,164	237,793,515
All Other Sources	30,938,830	34,133,560	28,257,971
Total Operating Revenues	1,438,389,862	1,257,557,857	1,125,432,648
Operating Expenses:			
Insurance Expense & Broker Fee	1,105,630,027	924,497,490	825,522,595
GL1 LPT Premium Expense & Broker Fee	11,032,941	23,925,717	59,383,098
Provisions for Claims & ULAE	267,810,194	288,265,721	260,022,179
Program Services & Loss Prevention Expenses	17,322,739	16,146,348	15,563,121
General Administrative Services	13,118,528	16,885,674	16,376,376
Member Dividends & Stabilization Funds Distributed	2,543,052	9,195,666	7,311,760
Total Operating Expenses	1,417,457,481	1,278,916,616	1,184,179,129
Operating Income (Loss)	20,932,381	(21,358,759)	(58,746,481)
Nonoperating Revenues (Expenses):			
Investment Income, Financing Fees, net of Investment Exp.	(63,486,471)	33,271,574	32,943,625
Lease Income, net of Building Maintenance and Depreciation	237,928	178,837	33,985
Total Nonoperating Revenues (Expenses)	(63,248,543)	33,450,411	32,977,610
Changes in Net Position	(42,316,162)	12,091,652	(25,768,871)
Net Position			
Beginning Balance, July 1	186,354,634	174,262,982	200,031,853
Ending Balance, June 30	\$ 144,038,472	\$ 186,354,634	\$ 174,262,982

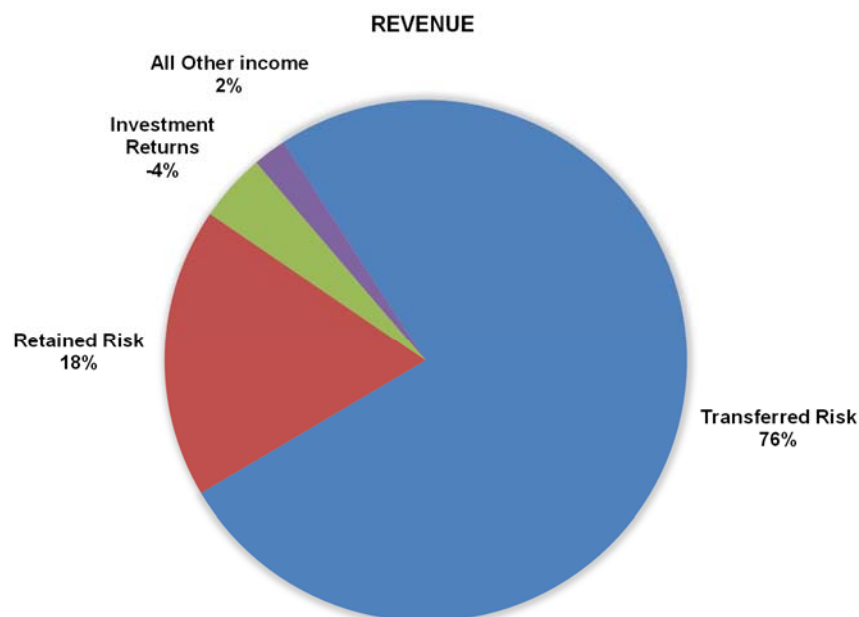
Management's Discussion & Analysis

Revenues

In fiscal year 2021/22, total revenues were \$1.38B, which was an increase of \$84M from \$1.29B in 2021. Operating revenues increased by \$181M to \$1.44B for fiscal year 2021/22 as compared to \$1.26B in the prior year. All programs have reported higher operating revenue compared to 2020/21. 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. For the 2021/22 renewal, the GL2, Property, and PRISMHealth had rate increases whereas the Dental, EWC, and PWC Programs experienced rate decreases in some layers. Rates for GL1 for members other than those participating in Schools Excess Liability Fund (SELF) increased anywhere from 25% to 59% by member. Members of SELF accepted a change to make Sexual Abuse & Molestation coverage trigger on a claims-made basis and saw a resulting rate decrease of 14%. Nonoperating revenues consist of investment earnings and lease income, each net of related expenses. As discussed in the Net Position section of this report, 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 during the fiscal year. As a result, net nonoperating revenue was negative by \$63.2M in fiscal year 2021/22.

Total revenues were \$1.29B during 2021, which is an increase from \$1.16B in 2020. All programs reported higher total revenue compared to 2020 except the PWC, EWC, and MR OCIP Programs. The reduction in the PWC and EWC Programs was due to a reduction in both premium and pool revenue due to falling payrolls, which is the exposure base for these programs. The reduction in the MR OCIP was due to a decrease in utilization. For the 2020/21 renewal, the GL1, GL2, Property, EWC excess layer, and PRISMHealth had rate increases whereas the Dental, EWC pool, and PWC Programs had rate decreases.

The total revenue allocation as of June 30, 2022 is shown in the following chart:



Membership: PRISM represents around 2,050 public agencies statewide. Our membership includes 95% of the counties in California and nearly 70% 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,

Management's Discussion & Analysis

counties, and special districts we insure directly, we cover an additional 1,700 members who are part of other Joint Powers Authorities that participate in our programs.

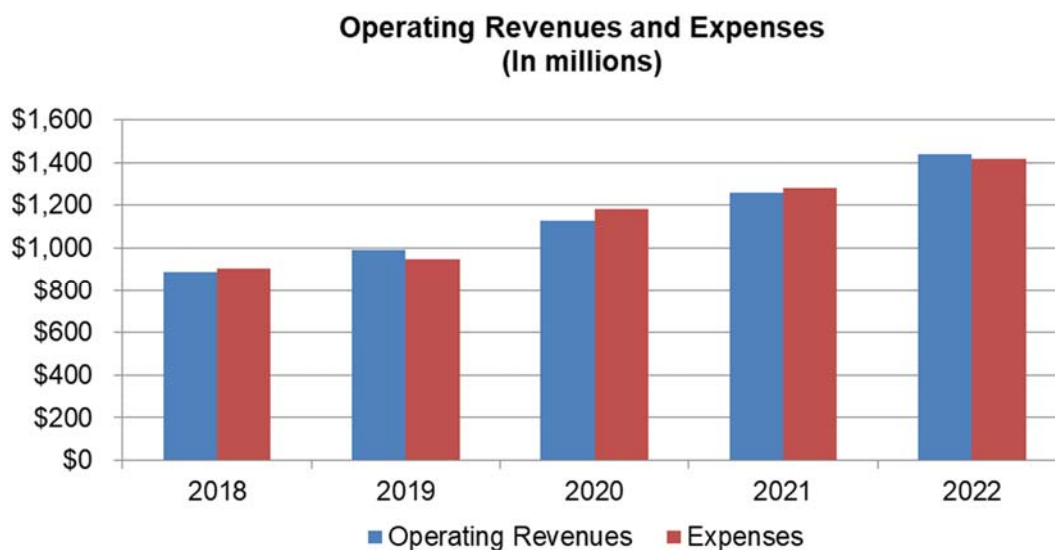
Premiums for Transferred Risk: Premiums for transferred risk increased from \$844.6M in 2020, and \$950.1M in 2021, to \$1.1B in 2022, which was up 18% from 2021. Much of this increase is in our Excess Workers' Compensation, Liability, Property, and PRISMHealth Programs and is driven by excess and reinsurance carrier rate increases.

Contributions for Retained Risk: PRISM's contributions for retained risk revenues were \$271.1M in 2022, compared to \$256.2M last year, and \$237.8M in 2020. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims.

Expenses

Total operating expenses increased by 11% or \$138.5M in fiscal year 2021/22, compared to a 8% or \$94.7M increase in 2020/21, when compared to fiscal year 2019/20. The increase in both the 2021/22 and 2020/21 was primarily due to an increase in insurance expenses, especially in the Excess Workers' Compensation, Liability, Property, and PRISMHealth Programs, with a corresponding increase in revenue.

Operating expenses compared to revenue is shown in the following chart:



Significant expense items in the 2021/22 fiscal year included:

- Member dividends included \$543k to members of the PRISMHealth and Miscellaneous Programs. Members of the Dental Program received a \$2M dividend in 2021/22.
- Insurance expenses increased by \$179.3M, mirroring the revenue increase in premiums for transferred risk for all programs.
- The provision for claims is a management estimate of the cost of pooled, or shared, claims. This estimate is based on a variety of actuarial and statistical techniques considering claims history, claim payment history and frequency, changes in the law, inflation, and other socio-economic factors. Because our claims are discounted to the present value, the effect of changes in the discount rate is included in the provision for claims. The provision for claims expense, excluding the change in Unallocated Loss Adjustment expense (ULAE), decreased by \$30.7M, from \$286.9M in 2021 to \$256.2M in 2022. Of

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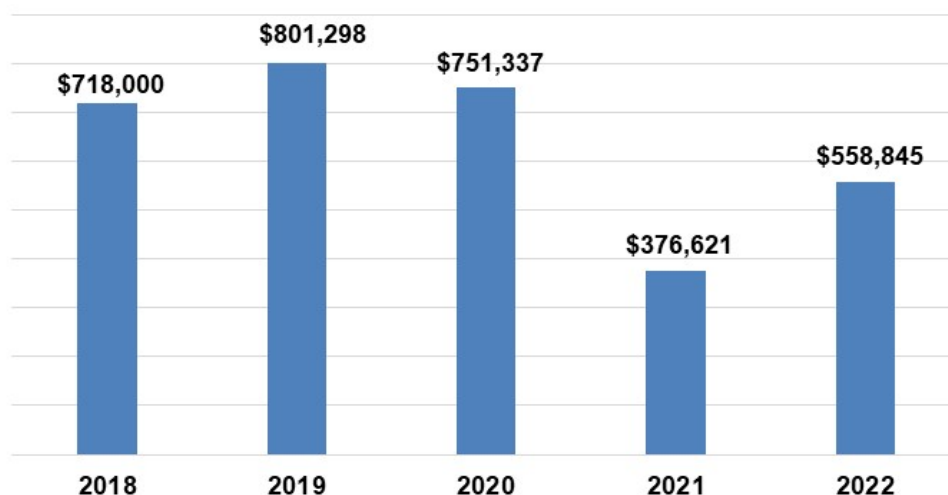
this total, \$29.1M or 30%, reflected adjustments to increase prior years' claim liabilities in the GL1 Program, and \$68.1M or 70% reflected adjustments to ARC. Smaller increases in the Excess Workers' Compensation and Medical Malpractice Programs were largely offset by a drop in prior years' claim liabilities in the Primary Workers' Compensation Program.

- ULAE increased by \$10.2M from 2021's \$1.4M expense to \$11.6M in 2022 as the ULAE liability increased from \$50.3M at June 30, 2021 to \$61.9M at June 30, 2022. The increases were largely driven by a change in the actuarial estimates for ULAE on the Primary Workers' Compensation Program.
- General Administrative expense was 22% lower in 2022 at \$13.1M compared to 2021. General Administrative services include salaries and benefits of PRISM staff, meetings and conferences, office expenses, and other expenses necessary for the operation of PRISM. The drop in expenses is almost entirely attributable the \$3M decrease in estimated Net Pension Liability in 2022, which resulted in reporting of a Net Pension Asset at year end. The pension estimates from CalPERS are partially dependent on investment returns in the CalPERS portfolio. The CalPERS report used in the current financial statements uses a measurement date of June 30, 2021, which predates the prevailing interest rate increases and investment market volatility seen in fiscal year 2021/22. Accordingly, it is expected that the Net Pension Asset will erode or revert to a Net Pension Liability in fiscal year 2022/23.
- Other program services and loss prevention expenses increased by 7% to \$17.3M in the 2021/22 fiscal year, as compared to \$16.1M in the 2020/21 fiscal year.

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.

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

Risk Management Subsidies



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PRISM offers a variety of risk control, claims, and risk management services for our members. The services offered include:

- Distance Learning POST Certified Courses viewed by over 2,600 law enforcement officers, including one course on De-Escalation;
- Open Forums for risk control, and a podcast called Perspectives, held monthly on general risk management topics;
- Member training, which increased in 2021/22 by more than 15% over the prior year;
- Webcasts on PRISMtv covering 44 unique topics, and counting;
- Vector Solutions offerings, which added 67 new courses and updated 120 others during the year;
- Various COVID-19, cyber security, and dangerous conditions risk assessments;
- A risk management mentor program; and
- Curated content for PRISM's COVID-19 Resources and Wildfire Resources webpages, and a Law Enforcement landing page.

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 23% 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 78 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. More specifically, as the property market hardened; after years in long-term relationship with Lexington/AIG, the PRISM Property Committee decided to retain the first \$10M in pooled risk and thus was able to maintain broad coverage and continue to provide higher limits for our earthquake and flood risk exposures. There are fewer markets for our workers' compensation program; however, we are still able to reinsure the risk at a competitive cost. The least stable environment is the liability market where the trend towards higher settlements and larger adverse verdicts continues to have an impact. 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.

Management's Discussion & Analysis

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 supplemental 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 93 of this report. The combining and individual program statements for all PRISM programs are presented immediately following the supplementary information beginning on page 101 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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	2,729,981	2,908,760
Cash in the PRISM Treasury	<u>26,841,707</u>	<u>38,122,127</u>
TOTAL CASH AND CASH EQUIVALENTS	29,571,988	41,031,187
Investments	34,767,105	73,280,972
Accounts Receivable		
Due From Members	49,830,609	50,795,535
Investment Income Receivable	2,992,372	2,643,890
Lease Receivable	248,396	214,142
Reinsurance Claims, Deposit with Carrier and Other	72,393,186	39,407,986
GL1 LPT Rate Credit Receivable	6,029,331	5,992,234
GL1 LPT Prepaid Expense	-	12,652,620
Prepaid Insurance and Expenses	<u>77,797,988</u>	<u>92,218,332</u>
TOTAL CURRENT ASSETS	<u>273,630,975</u>	<u>318,236,898</u>
Noncurrent Assets:		
Investments	740,219,975	655,535,971
Due From Members	-	1,000,000
Investments - Restricted	8,160,236	7,871,623
Lease Receivable	3,271,513	3,540,898
GL1 LPT Rate Credit Receivable	15,065,000	12,877,045
Net Pension Asset	788,038	-
Land and Buildings, Net	6,079,638	6,228,933
Furniture and Equipment, Net	<u>6,545,360</u>	<u>4,596,517</u>
TOTAL NONCURRENT ASSETS	<u>780,129,760</u>	<u>691,650,987</u>
TOTAL ASSETS	<u>1,053,760,735</u>	<u>1,009,887,885</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on Pensions	1,832,009	1,976,583
Deferred Outflows of Resources on OPEB	<u>168,227</u>	<u>190,731</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,000,236</u>	<u>\$ 2,167,314</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 6,850,446	\$ 5,837,390
GL1 LPT Payable	-	12,000,000
Deposits From Insurance Companies	2,388,542	1,637,214
Due to Members	4,007,778	5,673,857
Unearned Income	1,003,808	9,502,344
Claim Liabilities		
Claims Reported	228,455,142	144,321,563
Claims Incurred But Not Reported	12,669,438	-
Compensated Absences	145,332	144,842
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	255,520,486	179,117,210
	<hr/>	<hr/>
Noncurrent Liabilities:		
Due to Members, Long Term	8,060,236	7,771,623
Claims Reported	111,870,573	232,899,136
Claims Incurred But Not Reported	470,011,050	347,449,597
Unallocated Loss Adjustment Expense Payable	61,888,000	50,306,000
Compensated Absences, Long Term	581,329	579,367
Net OPEB Liability	76,986	288,072
Net Pension Liability	-	2,558,450
	<hr/>	<hr/>
TOTAL NONCURRENT LIABILITIES	652,488,174	641,852,245
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TOTAL LIABILITIES	908,008,660	820,969,455
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DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	3,519,909	3,755,040
Deferred Inflows of Resources on Pensions	(502,006)	329,222
Deferred Inflows of Resources on OPEB	695,936	646,848
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	3,713,839	4,731,110
	<hr/>	<hr/>
NET POSITION:		
Net Investment in Capital Assets	12,624,998	10,825,450
Unrestricted	131,413,474	175,529,184
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 144,038,472	\$ 186,354,634
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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 1,116,841,854	\$ 950,074,535
Broker Fees	19,516,773	17,126,598
Contributions for Retained Risk	271,092,405	256,223,164
Member Services & Dividend Income	848,713	931,951
Administration Fees	27,678,580	28,290,961
School Loss Control Fees	146,390	118,885
Other Income	2,265,147	4,791,763
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	1,438,389,862	1,257,557,857
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	1,087,282,733	907,965,091
GL1 LPT Premium Expense	10,427,568	23,341,118
Broker Fees	18,347,294	16,532,399
GL1 LPT Broker Fees	605,373	584,599
Provision for Claims		
Current Year Claims	158,973,274	181,887,379
Prior Year Claims	97,254,920	105,016,342
Unallocated Loss Adjustment Expenses	11,582,000	1,362,000
Program Services	14,722,010	13,436,501
Loss Prevention Expenses	2,600,729	2,709,847
General Administrative Services	13,118,528	16,885,674
Member Dividends & Stabilization Funds Distributed	2,543,052	9,195,666
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TOTAL OPERATING EXPENSES	1,417,457,481	1,278,916,616
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	20,932,381	(21,358,759)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense	(63,486,471)	33,271,574
Lease Income, net of Building Expense	237,928	178,837
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	(63,248,543)	33,450,411
	<hr/>	<hr/>
CHANGE IN NET POSITION	(42,316,162)	12,091,652
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	186,354,634	174,262,982
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NET POSITION, END OF YEAR	\$ 144,038,472	\$ 186,354,634
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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,429,546,053	\$ 1,240,487,838
Payments (to)/from Others	(31,226,245)	4,426,367
Dividends Paid	(4,548,421)	(8,850,204)
Claims Paid	(157,892,287)	(169,258,031)
Insurance Purchased	(1,101,662,054)	(935,773,393)
Payments to Suppliers	(19,975,273)	(39,693,439)
Payments to Employees	(13,198,339)	(12,817,978)
Subsidy Payments from (to) Members	<u>288,613</u>	<u>135,521</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>101,332,047</u>	<u>78,656,681</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Purchase of Building and Other Capital Assets	(72,701)	(3,160)
Purchase of Software, Furniture and Equipment	<u>(2,739,696)</u>	<u>(1,922,663)</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(2,812,397)</u>	<u>(1,925,823)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(443,093,961)	(437,478,103)
Sales of Securities	320,787,446	329,246,849
Cash from Investment Earnings	12,739,126	13,679,216
Investment Expenses	(852,724)	(686,613)
Finance Fees from Members	126,410	190,217
Lease Receipts	367,202	354,074
Operating Lease Disbursements	<u>(52,348)</u>	<u>(104,096)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(109,978,849)</u>	<u>(94,798,456)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,459,199)	(18,067,598)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>41,031,187</u>	<u>59,098,785</u>
END OF YEAR	<u><u>\$ 29,571,988</u></u>	<u><u>\$ 41,031,187</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET

CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 20,932,381	\$ (21,358,759)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,341,405	1,204,316
Changes in		
Accounts Receivable, Net	(32,440,107)	(16,005,176)
GL1 LPT Receivable	10,427,568	17,348,884
Prepaid Expenses	14,420,344	(27,020,755)
Deferred Outflows of Resources	167,078	(171,585)
Unearned Premium from Members	(8,501,818)	3,651,774
Accounts and Other Payables	1,115,938	1,306,289
Subsidy Funds Payable	288,613	135,521
Compensated Absences	2,452	100,544
GL1 LPT Payable	(12,000,000)	-
Claim Liabilities	98,335,907	117,645,690
Unallocated Loss Adjustment Expense Payable	11,582,000	1,362,000
Net Pension Liability/Asset	(3,346,488)	628,032
Net OPEB Liability	(211,086)	(440,190)
Deferred Inflows of Resources	(782,140)	270,096

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ 101,332,047	\$ 78,656,681
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NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Unrealized gain/(loss) on investments	\$ (75,847,765)	\$ 20,104,785
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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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 55 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.

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1. Organization and Significant Accounting Policies (continued)

B. Membership (continued)

The following number of members participated in PRISM's programs, as of June 30, 2022 and 2021:

	2022	2021
Primary Workers' Compensation	37	38
Excess Workers' Compensation	182	180
General Liability 1	134	127
General Liability 2	25	21
Property	118	110
Medical Malpractice	51	51
Master Rolling Owner Controlled Insurance	6	18
PRISMHealth	45	43
Dental	174	167
	<u>772</u>	<u>755</u>

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 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

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1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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 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, 2022 and June 30, 2021 balances in the other receivable accounts are considered 100% collectible.

Due from Members

Due from members balance includes revenue receivable for the Property Program, renewed annually as of March 31st of each year, 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.

Unearned Income

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

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1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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 and Medical Malpractice Program to pay claim benefits and manage the claim until it is closed. Costs also include the cost of PRISM staff to pay claims and seek recovery from reinsurance carriers. Since the workers' compensation programs have claims that may stay open for benefits until the death of the claimant, the associated ULAE is a significant liability. The discounted outstanding ULAE is as follows:

	June 30, 2022	June 30, 2021
Primary Workers' Compensation	\$ 48,434,000	\$ 39,968,000
Excess Workers' Compensation	7,813,000	6,124,000
General Liability 1	2,536,000	2,392,000
General Liability 2	2,153,000	1,546,000
Property	14,000	22,000
Medical Malpractice	938,000	254,000
	<u>\$ 61,888,000</u>	<u>\$ 50,306,000</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 \$726.7k for vacation pay has been computed and recorded, based on the unused days multiplied by the current daily rates of pay.

At June 30, 2022, the current portion of the liability is \$145.3k, and the balance of \$581.3k is considered long-term. At June 30, 2021, the current portion of the liability is \$144.8k, and the balance of \$579.4k is considered long-term.

	Fiscal Year Ended	
	June 30, 2022	June 30, 2021
Beginning Balance	\$ 724,209	\$ 623,665
Increases	548,462	489,316
Decreases	(546,010)	(388,772)
Ending Balance	<u>\$ 726,661</u>	<u>\$ 724,209</u>
Current Portion	<u>\$ 145,332</u>	<u>\$ 144,842</u>
Long Term Portion	<u>\$ 581,329</u>	<u>\$ 579,367</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
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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
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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
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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 \$12.6M, net of accumulated depreciation, and unrestricted net position of \$131.4M, as of June 30, 2022, for a total of \$144M. The unrestricted net position balances are available for future operations or distribution. The net position, as of June 30, 2021, was \$186.4M, including \$10.8M net investment in capital assets, net of accumulated depreciation, and unrestricted net position of \$175.5M.

D. Reclassification of Prior Year Presentation

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

E. Change in Accounting Principles and Restatement

PRISM implemented Government Accounting Standards Board Statement No. 87, Leases. GASB Statement No. 87 enhances 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 lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated into the financial statements but had no effect on the beginning net position since the deferred inflows equal the amount of the lease receivable and the amortization of the Deferred Inflows on Leases was not deemed to be materially different from amounts recognized as Lease Income in prior years.

The implementation of GASB 87 had the following effect on position as reported June 30, 2020:

Net Position, June 30, 2020	\$ 174,262,982
Adjustments:	
Lease Receivable	3,962,305
Deferred Inflows of Resources on Leases	(3,962,305)
Net Position, June 30, 2020	<u>\$ 174,262,982</u>

The implementation of GASB 87 had the following effect on position as reported June 30, 2021:

Net Position, June 30, 2021	\$ 186,354,634
Adjustments:	
Lease Receivable	(207,265)
Deferred Inflows of Resources on Leases	207,265
Net Position, June 30, 2021	<u>\$ 186,354,634</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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2. Cash

A. Cash and Cash Equivalents

Cash and cash equivalents, as of June 30, 2022 and 2021, are reported at fair value and consist of the following:

	June 30, 2022	June 30, 2021
Petty Cash	\$ 300	\$ 300
Cash in Banks		
Primary Workers' Compensation	232,188	792,715
GL1 Deductible Buy Down	1,409,973	1,110,054
ARC Checking Account	393,550	339,398
Iron Point Building	694,270	666,593
Total Cash in Banks	<u>2,729,981</u>	<u>2,908,760</u>
Cash in PRISM Treasury		
Cash in Bank, General Checking	6,305,089	24,967,407
Treasury Money Market	6,241,703	3,819,198
State of California,		
Local Agency Investment Fund	<u>14,294,915</u>	<u>9,335,522</u>
Total Cash in PRISM Treasury	<u>26,841,707</u>	<u>38,122,127</u>
Total Cash and Cash Equivalents	<u>\$ 29,571,988</u>	<u>\$ 41,031,187</u>

B. Custodial Credit Risk

The carrying amount of PRISM's total cash in banks was \$9.0M at June 30, 2022, and \$27.9M at June 30, 2021. The bank balance was \$14.3M at June 30, 2022 and \$32.8M at June 30, 2021, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2022, \$13.5M 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.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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2. Cash (continued)

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

	June 30, 2022	June 30, 2021
Cash In Banks in PRISM Treasury	\$ 12,546,792	\$ 28,786,605
Cash in State of California		
Local Agency Investment Fund	14,294,915	9,335,522
Investments	783,147,316	736,688,566
Investment Income Receivable	2,992,372	2,643,890
Total Treasury Assets	<u>\$ 812,981,395</u>	<u>\$ 777,454,583</u>
	June 30, 2022	June 30, 2021
Primary Workers' Compensation	\$ 96,805,539	\$ 100,483,982
Excess Workers' Compensation	188,872,836	209,519,911
General Liability 1	20,438,128	(14,052,170)
General Liability 2	(23,232,904)	(11,510,342)
Property	(62,580,757)	(81,420,657)
Medical Malpractice	50,922,039	51,015,895
Master Rolling OCIP	858,363	409,673
PRISMHealth	6,525,364	6,768,060
Dental	9,712,060	7,145,342
Miscellaneous Programs	2,380,100	1,845,321
General Administration and Building	11,031,372	11,492,897
ARC	511,249,255	495,756,671
Total Treasury Balances	<u>\$ 812,981,395</u>	<u>\$ 777,454,583</u>

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. The following table details the breakdown of PRISM's investments:

	June 30, 2022	June 30, 2021
Investments - Current Portion	\$ 34,767,105	\$ 73,280,972
Investments- Noncurrent Portion	740,219,975	655,535,971
Investments- Restricted	8,160,236	7,871,623
Total	<u>\$ 783,147,316</u>	<u>\$ 736,688,566</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.

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

PRISM's Investment Policy places limits on the purchase of various categories of investments, as follows:

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
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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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.

A. Investment Credit Risk

PRISM's investments at June 30, 2022 and 2021 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, 2022		June 30, 2021	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+	\$ 251,131,989	32.1%	\$ 213,629,989	28.9%
U.S. Agencies	AA+ to A-1+	101,657,972	13.0%	140,097,747	18.9%
Asset Backed Securities	AAA	70,129,521	9.0%	27,735,973	3.8%
Asset Backed Securities	NR*	-	0.0%	5,282,181	0.7%
Corporate Notes	AAA to A+	55,055,090	7.0%	46,536,000	6.3%
Corporate Notes	A to BBB	174,451,343	22.3%	145,317,738	19.7%
Supranationals	AAA to A-1+	35,085,023	4.5%	41,210,557	5.6%
Supranationals	NR*	-	0.0%	6,567,960	0.9%
Commercial Paper	A-1+ to A-1	990,580	0.1%	1,248,986	0.2%
Negotiable CDs	A-1+ to A-1	992,882	0.1%	499,965	0.1%
Mortgage Pass Thru	Aaa	3,314,068	0.4%	2,274,295	0.3%
International Equity	NR	8,479,790	1.1%	9,960,774	1.4%
International Real Estate	NR	1,410,825	0.2%	1,842,120	0.3%
Large Cap US Equity	NR	32,241,399	4.1%	36,558,677	5.0%
Mid Cap US Equity	NR	14,189,824	1.8%	16,855,552	2.3%
Real Estate	NR	8,894,158	1.1%	9,282,230	1.3%
Emerging Market Equity	NR	4,381,497	0.6%	5,255,470	0.7%
Small Cap US Equity	NR	20,741,355	2.6%	26,532,352	3.6%
Total Investments		\$ 783,147,316	100%	\$ 736,688,566	100%

NR - Not Rated

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2022 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	Time to Maturity
U.S. Treasury Notes	\$ 251,131,989	\$ 9,943,920	\$ 241,188,069	3.58
U.S. Agencies	101,657,972	3,000,537	98,657,435	2.74
Asset Backed Securities	70,129,521	-	70,129,521	3.12
Corporate Notes	229,506,433	16,841,190	212,665,243	4.38
Supranationals	35,085,023	2,997,996	32,087,027	3.00
Commercial Paper	990,580	990,580	-	0.36
Negotiable CDs	992,882	992,882	-	0.33
Mortgage Pass Thru	3,314,068	-	3,314,068	11.55
Subtotals*	\$ 692,808,468	\$ 34,767,105	\$ 658,041,363	3.25
ETF	90,338,848	-	-	n/a
Totals	\$ 783,147,316	\$ 34,767,105	\$ 658,041,363	3.25

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

Maturities of investments held at June 30, 2021 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	Time to Maturity
U.S. Treasury Notes	\$ 213,629,989	\$ 20,271,841	\$ 193,358,148	3.34
U.S. Agencies	140,097,747	12,838,254	127,259,493	3.20
Asset Backed Securities	33,018,154	14,291,099	18,727,055	2.87
Corporate Notes	191,853,738	8,593,133	183,260,605	4.22
Supranationals	47,778,517	15,537,694	32,240,823	2.74
Commercial Paper	1,248,986	1,248,986	-	0.38
Negotiable CDs	499,965	499,965	-	0.98
Mortgage Pass Thru	2,274,295	-	2,274,295	26.46
Subtotals*	\$ 630,401,391	\$ 73,280,972	\$ 557,120,419	3.07
ETF	106,287,175	-	-	n/a
Totals	\$ 736,688,566	\$ 73,280,972	\$ 557,120,419	3.07

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

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 \$75.8M of unrealized loss and \$277k of realized gain for the year ended June 30, 2022. In the year ended June 30, 2021, \$20.1M of unrealized gain and \$1.4M of realized gain was recognized.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Investments (continued)

B. Investment Interest Rate Risk (continued)

	2021/22	2020/21
Beginning Fair Value	\$ 736,688,566	\$ 608,352,527
Less: Proceeds of Investments Disposed	(320,787,446)	(329,246,849)
Add: Cost of Investments Purchased	443,093,961	437,478,103
Add: Unrealized Gain/(Loss) in the year	(75,847,765)	20,104,785
Ending Fair Value	<u>\$ 783,147,316</u>	<u>\$ 736,688,566</u>

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

	Beginning Fair Value At July 1, 2021	Dispositions	Purchases	Subtotal	Ending Fair Value At June 30, 2022	Unrealized Gain/(Loss) in the year
U.S. Treasury Notes	\$ 213,629,989	\$ (186,522,157)	\$ 242,676,913	\$ 269,784,745	\$ 251,131,989	\$ (18,652,756)
U.S. Agencies	140,097,747	(30,374,622)	-	109,723,125	101,657,972	(8,065,153)
Asset Backed Securities	33,018,154	(15,763,564)	55,220,099	72,474,689	70,129,521	(2,345,168)
Corporate Notes	191,853,738	(43,782,229)	107,546,906	255,618,415	229,506,433	(26,111,982)
Supranationals	47,778,517	(17,394,430)	7,400,378	37,784,465	35,085,023	(2,699,442)
Commercial Paper	1,248,986	(1,248,986)	990,580	990,580	990,580	-
Negotiable CDs	499,965	(26,864,964)	27,359,752	994,753	992,882	(1,871)
Mortgage Pass Thru	2,274,295	1,163,506	-	3,437,801	3,314,068	(123,733)
International Equity	9,960,774	-	769,369	10,730,143	8,479,790	(2,250,353)
International Real Estate	1,842,120	-	-	1,842,120	1,410,825	(431,295)
Large Cap US Equity	36,558,677	-	-	36,558,677	32,241,399	(4,317,278)
Mid Cap US Equity	16,855,552	-	-	16,855,552	14,189,824	(2,665,728)
Real Estate	9,282,230	-	688,780	9,971,010	8,894,158	(1,076,852)
Emerging Market Equity	5,255,470	-	441,184	5,696,654	4,381,497	(1,315,157)
Small Cap US Equity	26,532,352	-	-	26,532,352	20,741,355	(5,790,997)
Totals	<u>\$ 736,688,566</u>	<u>\$ (320,787,446)</u>	<u>\$ 443,093,961</u>	<u>\$ 858,995,081</u>	<u>\$ 783,147,316</u>	<u>\$ (75,847,765)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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 are 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, 2022, conform to these guidelines.

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

C. Concentration of Credit Risk (continued)

Investments with one institution that represent 5% or more of the total investment portfolio are listed in the following. Investments issued or explicitly guaranteed by the U.S. government and investments with the State of California's Local Agency Investment Fund (LAIF) have been excluded.

At June 30, 2022	Number of		Percentage of
Issuer	Securities	Fair Value	Total Portfolio
Federal National Mortgage Assn	18	\$ 47,815,561	6.1%

At June 30, 2021	Number of		Percentage of
Issuer	Securities	Fair Value	Total Portfolio
Federal National Mortgage Assn	23	\$ 70,264,349	9.5%

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, Corporate Mid-Term Notes, Negotiable CD's, Commercial Paper, Asset Backed Securities, Mortgage Pass Thru, and Supranationals are valued using Level 2 inputs. International Real Estate, Real Estate, International Equity, Emerging Market Equity, Large Cap US Equity, Mid Cap US Equity, and Small Cap US Equity are valued using Level 1 inputs.

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

D. Fair Value Measurements (continued)

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

The following table sets forth by level, within the fair value hierarchy, PRISM's assets at fair value as of June 30, 2022:

Investment type	Assets at Fair Value as of June 30, 2022		
	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ -	\$ 251,131,989	\$ -
U.S. Agencies	-	101,657,972	-
Asset Backed Securities	-	70,129,521	-
Corporate Notes	-	229,506,433	-
Supranationals	-	35,085,023	-
Commercial Paper	-	990,580	-
Negotiable CDs	-	992,882	-
Mortgage Pass Thru	-	3,314,068	-
International Equity	8,479,790	-	-
International Real Estate	1,410,825	-	-
Large Cap US Equity	32,241,399	-	-
Mid Cap US Equity	14,189,824	-	-
Real Estate	8,894,158	-	-
Emerging Market Equity	4,381,497	-	-
Small Cap US Equity	20,741,355	-	-
Total	\$ 90,338,848	\$ 692,808,468	\$ -

The following table sets forth by level, within the fair value hierarchy, PRISM's assets at fair value as of June 30, 2021:

Investment type	Assets at Fair Value as of June 30, 2021		
	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ -	\$ 213,629,989	\$ -
U.S. Agencies	-	140,097,747	-
Asset Backed Securities	-	33,018,154	-
Corporate Notes	-	191,853,738	-
Supranationals	-	47,778,517	-
Commercial Paper	-	1,248,986	-
Negotiable CDs	-	499,965	-
Mortgage Pass Thru	-	2,274,295	-
International Equity	9,960,774	-	-
International Real Estate	1,842,120	-	-
Large Cap US Equity	36,558,677	-	-
Mid Cap US Equity	16,855,552	-	-
Real Estate	9,282,230	-	-
Emerging Market Equity	5,255,470	-	-
Small Cap US Equity	26,532,352	-	-
Total	\$ 106,287,175	\$ 630,401,391	\$ -

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2022, was \$234.6B. The fair value is estimated at \$231.6B or 0.987125414 of cost. The average maturity of LAIF investments is 311 days at June 30, 2022.

PRISM's balance in LAIF, at June 30, 2022, was \$14.3M and was recognized at LAIF's cost. State of California LAIF's cost approximates the fair value of PRISM's shares. PRISM's balance in LAIF, at June 30, 2021, was \$9.3M, and was also valued at LAIF's cost. State of California LAIF is not rated by the investment rating firms.

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, 2022 in the amount of \$1.08B, have been presented at the net present value of \$885M. At June 30, 2021, claim liabilities in the amount of \$948.1M are presented at their present value of \$775M, 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.

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

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	3.00%	2.00%	1.00%
Claim Liabilities	\$185,486,977	\$207,545,487	\$234,869,893
Net Position Balance	\$48,126,764	\$26,068,254	(\$1,256,152)

In the PWC Program, PRISM only retains the first \$10k of liability for the years 2009/10 to 2021/22. Since this is paid relatively quickly, the claims for these years are not discounted. Starting in the 2016/17 program year, corridors in the \$10k-\$125k layer adding up to \$76.6M for the 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 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 \$6.4M, which is retained by PRISM and discounted at 1.5% to \$5.4M. The claims for the period 2004/05 to 2008/09 are fully insured.

The discount rate for each program is as follows:

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

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

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

	June 30, 2022	June 30, 2021
Primary Workers' Compensation	\$ 72,035,231	\$ 67,213,092
Excess Workers' Compensation	185,486,977	189,794,632
General Liability 1	73,317,674	42,355,465
General Liability 2	2,153,000	1,546,000
Property	14,940,455	22,000
Medical Malpractice	36,751,585	39,795,009
Dental	2,769,238	2,109,277
Affiliate Risk Captive	497,440,043	432,140,821
Total Claim Liabilities	<u>\$ 884,894,203</u>	<u>\$ 774,976,296</u>

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

	June 30, 2022	June 30, 2021
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 774,976,296</u>	<u>\$ 655,968,606</u>
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	170,555,274	183,249,379
Increase in Provision for Retained Risk, prior fiscal years	97,254,920	105,016,342
Total incurred claims & claim adjustment expenses	<u>267,810,194</u>	<u>288,265,721</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	61,784,145	57,137,797
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	96,108,142	112,120,234
Total Payments	<u>157,892,287</u>	<u>169,258,031</u>
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$ 884,894,203</u>	<u>\$ 774,976,296</u>
Reported Claims	\$ 340,325,715	\$ 377,220,699
Incurred But Not Reported Claims	482,680,488	347,449,597
Unallocated Loss Adjustment Expenses	61,888,000	50,306,000
Total Claim Liabilities	<u>\$ 884,894,203</u>	<u>\$ 774,976,296</u>
Current Claim Liabilities	\$ 241,124,580	\$ 144,321,563
Noncurrent Claim Liabilities	643,769,623	630,654,733
Total Claim Liabilities	<u>\$ 884,894,203</u>	<u>\$ 774,976,296</u>

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

Although CIGA has paid on some claims, it has issued denials if other insurance is available to cover the exposure. The total exposure to the PWC Program that is considered unrecoverable as of June 30, 2022, is approximately \$1M, discounted, and this amount is included in the claim liabilities in the PWC Program. In 2019/20, the PWC Committee approved a LPT for Santa Barbara County of approximately 200 claims occurring from November 1979 through July 2010. The premium was set at \$15M, which was calculated at the 90% confidence level, discounted at 2.5%. PRISM will continue to administer the claims and is responsible for the ULAE on a go-forward basis for those claim years.

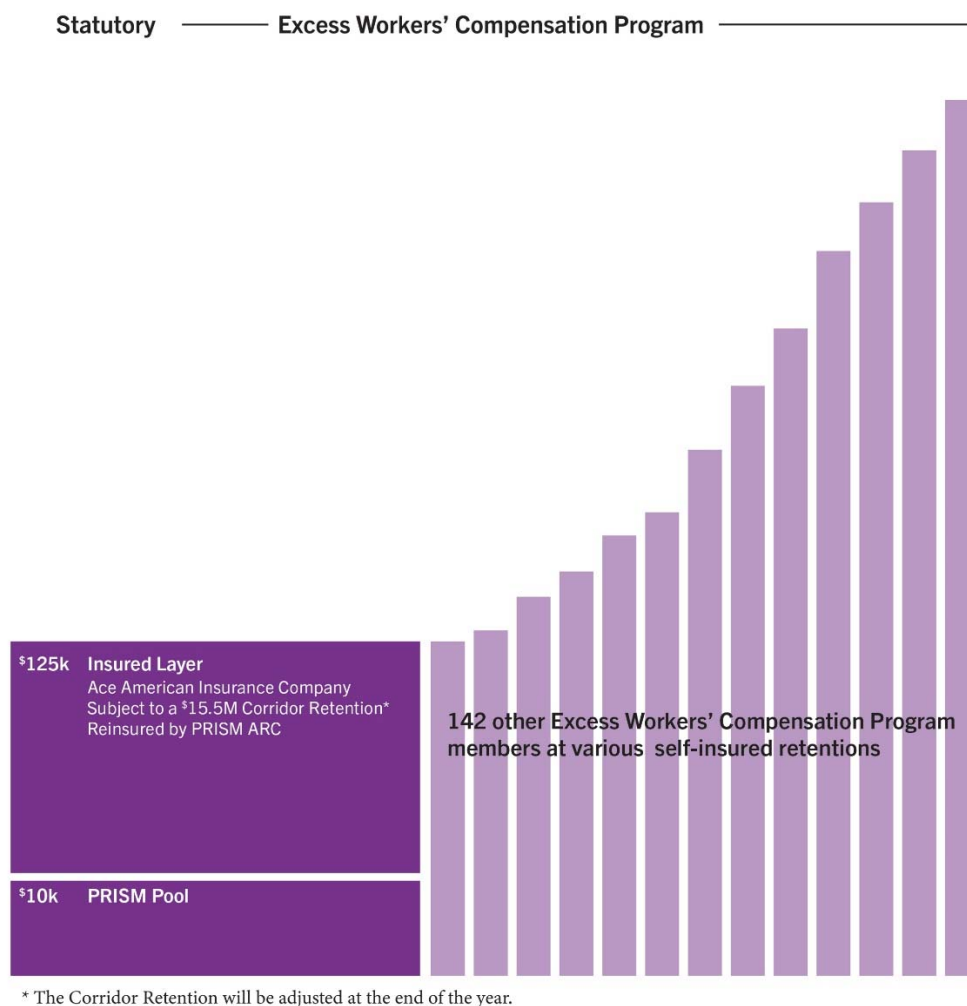
Starting in the 2016/17 policy year, the coverage for the \$115k excess of \$10k layer was purchased subject to a corridor retention. The insurance policies included a corridor retention of \$4.3M for 10 months from July 2016 to April 2017 from AmTrust Group, and another corridor retention of \$12.6M 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 and 2020/21 were \$10.9M, \$14.3M, \$15M and \$14.8M, respectively. A corridor of \$15.6M was transferred to the Captive for the 2021/22 year. The corridor will be finalized after the final payroll reporting for 2021/22. The Program has a liability for total claims and ULAE of \$72M out of which \$48M are ULAE liabilities.

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

A. Primary Workers' Compensation (continued)

The chart below shows the current structure of the Program.



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. 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, 2022, is approximately \$2.5M, discounted, and this amount is included in the claim liabilities and is considered unrecoverable.

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

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NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

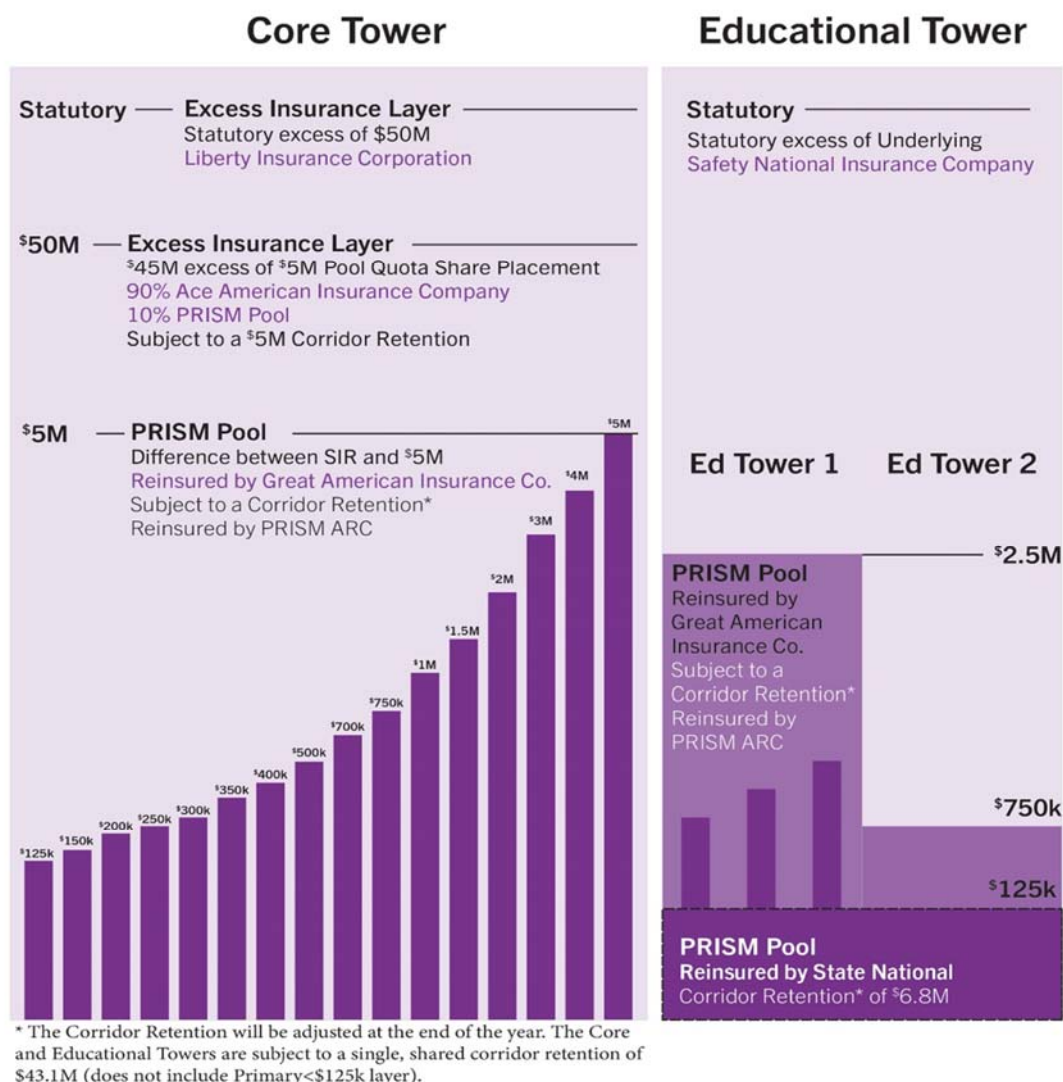
Coverage Period	Pool Layer
November 1, 1979 to October 5, 1993	SIR to \$500k
October 6, 1993 to June 30, 1996	SIR to \$750k
July 1, 1996 to June 30, 2002	SIR to \$300k
July 1, 2002 to June 30, 2008	SIR to \$5M
July 1, 2008 to June 30, 2010	SIR to \$5M: Reinsured SIR to \$1M 30%-PRISM; 70% - American 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 - \$24.9M aggregate deductible in the SIR to \$5M layer. Educational Tower \$6.6M aggregate corridor deductible. \$0-\$125k CSU primary layer
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 \$49.3M 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 \$56.6M aggregate corridor deductible transferred to PRISM ARC. Educational Tower CSU primary layer - corridor for the primary layer of \$6.7M 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.



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 \$1M in a corridor risk transferred to the Captive in 2021/22.

For the rest of the GL1 Program, each member maintains a SIR between \$25k and \$1M. 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.

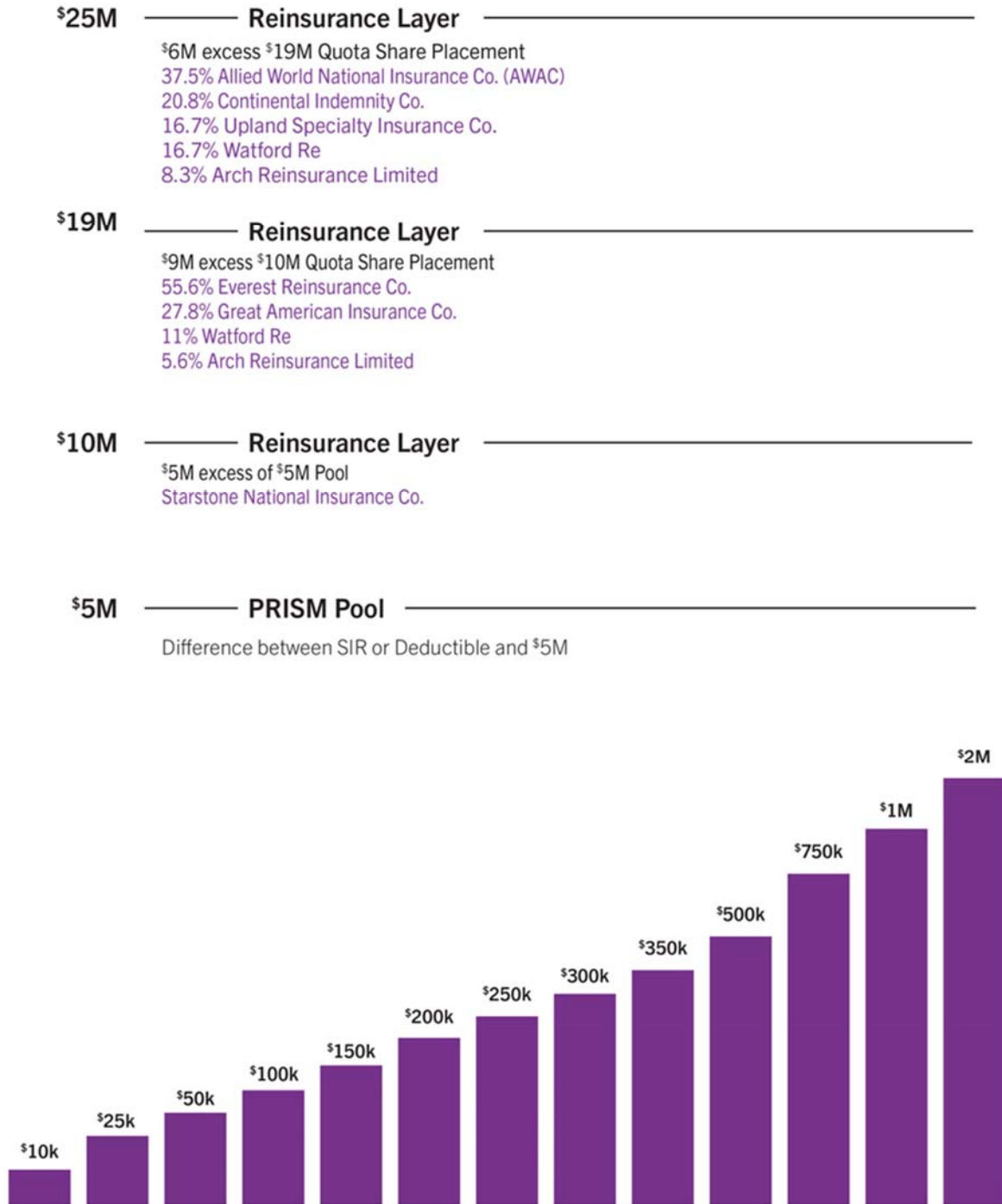
Claim liabilities are recognized based on the actuarial estimate of the expected ultimate claim cost, discounted at 1.75%. Additional coverage can be added by purchasing optional excess liability insurance, which is available as part of the Miscellaneous Programs. Effective April 1, 2019, PRISM entered into a 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. (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.

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

C. General Liability 1 (continued)

The chart below shows the current structure of the Program.



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

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

D. General Liability 2

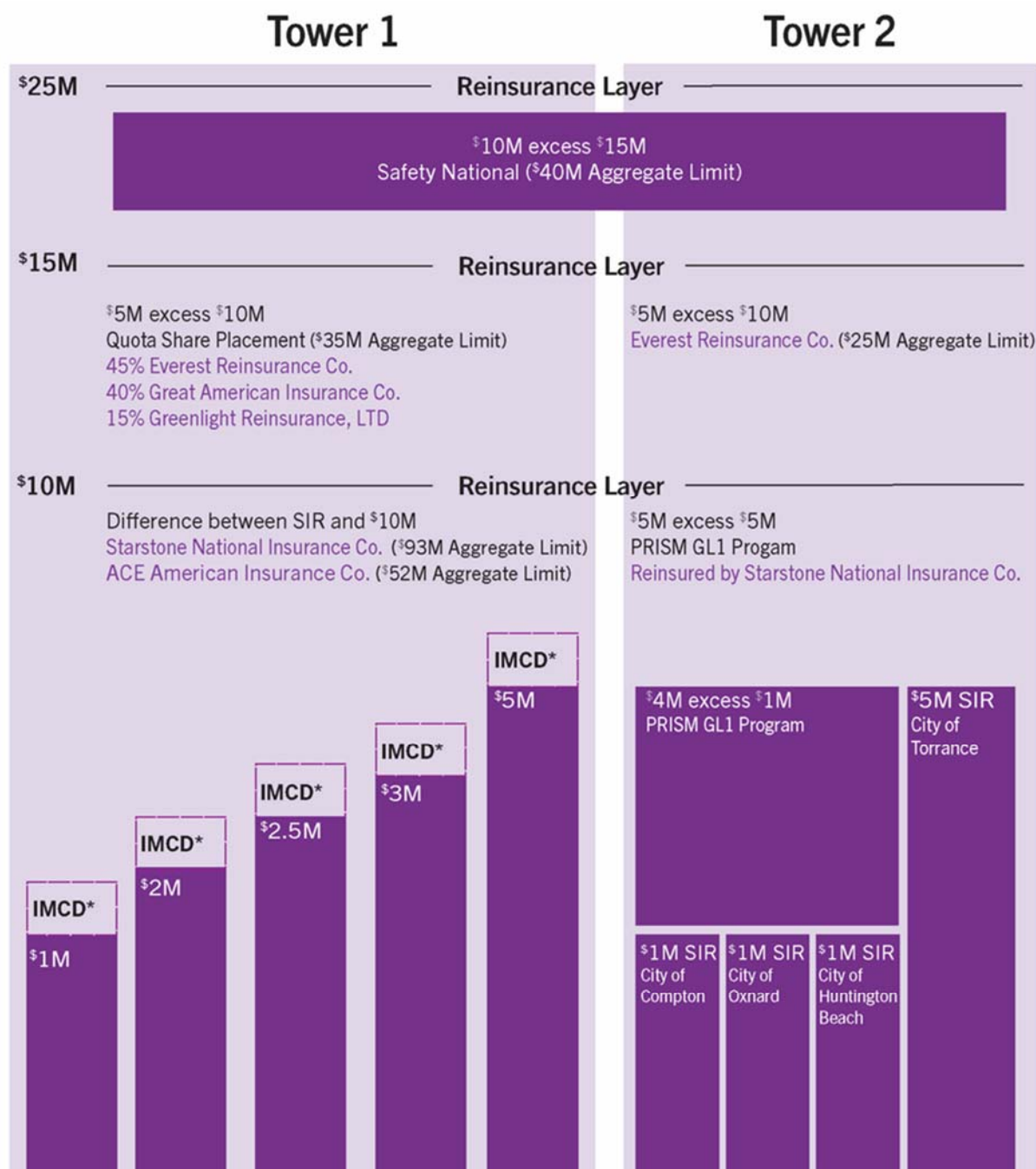
The GL2 Program was designed to meet the liability insurance needs of the larger members and was implemented on February 15, 1991. In this Program, members are responsible for their SIRs ranging from \$1M to \$5M, and their Individual Member Corridor Deductibles (IMCD) ranging from \$250k to \$2.5M. Since 2014/15, the Program has utilized a pool funded corridor retention within the SIR to \$10M layer. For policy years 2019/20 and 2020/21, the Program retained 2 corridor retentions in the \$5M to \$10M and the \$10M to \$15M layers for a total of \$34.8M and \$43.9M, respectively. These corridors have been transferred to the Captive. There was no corridor risk transferred to the Captive for 2021/22 fiscal year. The GL2 Program structure also experienced a one-time adjustment with the introduction of a second tower. Tower 2 was created purely to facilitate the addition of four new members to PRISM: City of Torrance, City of Oxnard, City of Compton and City of Huntington Beach. These members are responsible for their SIRs of either \$1M or \$5M and receive their first \$10M in coverage limits from the PRISM GL1 Program and another \$15M from the GL2 Program. This arrangement between the two PRISM Liability Programs only occurred for the 2021/22 fiscal year.

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

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4. Claim Liabilities (continued)

D. General Liability 2 (continued)



* Individual Member Corridor Deductible (IMCD) where applicable.

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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 8 Towers, as shown in the following chart. These Towers serve to diversify geographic risk within the Program. Members are responsible for all risk deductibles ranging from \$5k to \$100k. Deductibles may vary for specified exposures.

As of March 31, 2022, the program is now self-insured 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 has 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.

Under the prior structure, PRISM's risk would be capped at the applicable all risk and flood deductibles. Under the current structure, PRISM is responsible for \$10M per tower, each and every occurrence. To limit risk, the program has 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. If claims exceed \$50M, Berkshire will pay an additional \$50M. In the event of significant losses eroding not only PRISM's \$100M aggregate, but also Berkshire's coverage, 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.

The chart below shows the current structure of the Program.



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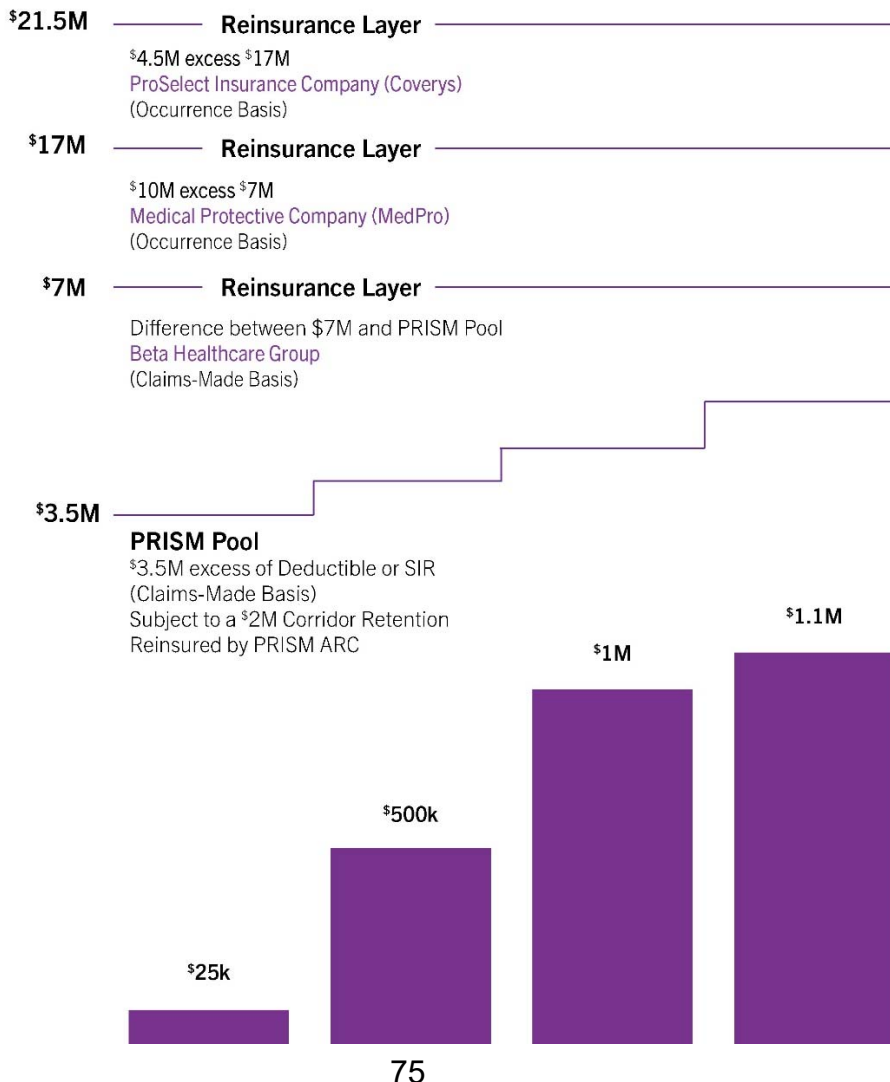
4. Claim Liabilities (continued)

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. 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 will have coverage period of July 1 to June 30 to sync with other PRISM programs. In 2019/20 and 2020/21 fiscal 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 larger members with SIRs, and Program 2 for smaller 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.

The Program structure is illustrated in the following chart:



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4. Claim Liabilities (continued)

G. Dental

In the pooled Dental plan, claim liabilities are very predictable based on capped benefits. The claim liabilities at June 30, 2022 and June 30, 2021 of \$2.8M and \$2.1M, respectively, are undiscounted and are considered short-term.

H. Captive

Total claim liabilities of the Captive, as of June 30, 2022, in the amount of \$571M have been presented at the net present value of \$497.4M using a 4.2% discount rate. On June 30, 2021, the total claim liabilities of \$480.6M have been presented at the net present value of \$432.1M using a 2.85% discount rate.

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 a 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 stabilizing the Program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024).

A. Structure of the LPT

The Program splits the estimated claim payments for the entire coverage period of July 1, 2007 to June 30, 2024 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 \$645.8M for the entire period, about 33% of the payment total will be made on claims incurred in future program years (2022/23 and 2023/24). Approximately \$431M of the payments are associated with claims incurred in the 2007/08 to 2021/22. In addition, the discounted value of claims of \$5.6M in PRISM's experience account and \$57.5M in PRISM's Corridor 2 are included in PRISM claim liabilities, as of June 30, 2022. The claim liabilities of \$212M in PRISM's Corridor 1 have been transferred to the Captive and are also part of the combined financial statements. The corresponding premium expense for those claim payments is \$376.1M, out of which \$191.5M was paid to MS Re and \$184.6M was paid to the Captive for the corridor that was transferred as explained below. Additionally, a rate credit of \$21.1M is recorded as an offset to the total premium expense.

A breakdown of the layers is as follows:

Layer	Original Layer Limit	Expected Future Payments as of June 30, 2021	Updated Layer Limit	Expected Future Payments as of June 30, 2022
MsRe Reinsurance 1	\$ 170,631,620	\$ 61,108,485	\$ 170,631,620	\$ 170,631,620
PRISM Corridor 1 *	307,570,718	314,679,563	317,150,563	317,150,563
PRISM Experience Account	15,000,000	15,000,000	15,000,000	15,000,000
MsRe Reinsurance 2	17,500,000	17,500,000	17,500,000	17,500,000
PRISM Corridor 2	Unlimited	84,531,945	Unlimited	125,558,000
Total		\$ 492,819,993		\$ 645,840,183

* PRISM Corridor 1 has been transferred to ARC.

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

A. Structure of the LPT (continued)

Per the updated actuarial estimates, as of June 30, 2022, MS Re will cover the first \$170.6M in the claim payments, after which PRISM's Corridor 1 will cover the next \$317.2M. This corridor is transferred to the Captive for a premium of \$184.6M for all claims from July 1, 2007 to June 30, 2022. 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 \$5.6M in PRISM's experience account are included in PRISM claim liabilities, as of June 30, 2022. Once PRISM's experience account is exhausted, MS Re will cover the next \$17.5M in claim payments after which PRISM's Corridor 2 kicks in with unlimited liability. The actuarially calculated liability in PRISM's Corridor 2 has increased from \$0 at the inception of the deal to \$212M at June 30, 2022. Although it is expected that ultimately the total payments will be \$645.8M, these numbers will be recalculated annually based on actual payments and recent claims developments.

The total cash premium of \$191.5M in exchange of the liabilities transferred was recorded as payable to MS Re, as of June 30, 2019. The entire amount has been paid to MS Re as of June 30, 2022. Additionally, \$184.6M is recorded as premium expense to the Captive (and eliminated upon consolidation with PRISM) for a discounted value of \$212M for the PRISM Corridor 1 liabilities at June 30, 2022.

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 .0165158% 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 \$21.1M that is the present value of this rate credit, as of June 30, 2022. Correspondingly, the same amount is recorded as a reduction to premium in 2018/19, 2019/20, 2020/21 and 2021/22 program years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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6. Capital Assets

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

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2022</u>
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
<u>Depreciable Assets:</u>							
Buildings and Tenant Improvements	8,236,428	3,160	-	8,239,588	72,701	-	8,312,289
Furniture and Equipment	1,330,240	50,606	-	1,380,846	27,497	-	1,408,343
Software	6,223,932	1,872,057	-	8,095,989	3,117,681	-	11,213,670
Total Depreciable Assets	15,790,600	1,925,823	-	17,716,423	3,217,879	-	20,934,302
<u>Less Accumulated Depreciation:</u>							
Buildings and Tenant Improvements	(2,794,885)	(215,770)	-	(3,010,655)	(221,996)	-	(3,232,651)
Furniture and Equipment	(857,175)	(146,344)	-	(1,003,519)	(135,914)	-	(1,139,433)
Software	(2,963,456)	(913,343)	-	(3,876,799)	(1,060,421)	-	(4,937,220)
Total Accumulated Depreciation	(6,615,516)	(1,275,457)	-	(7,890,973)	(1,418,331)	-	(9,309,304)
<u>Net Depreciable Assets:</u>							
Buildings and Tenant Improvements	5,441,543	(212,610)	-	5,228,933	(149,295)	-	5,079,638
Furniture and Equipment	473,065	(95,738)	-	377,327	(108,417)	-	268,910
Software	3,260,476	958,714	-	4,219,190	2,057,260	-	6,276,450
Net Depreciable Assets	9,175,084	650,366	-	9,825,450	1,799,548	-	11,624,998
Net Land, Buildings and Equipment	\$ 10,175,084	\$ 650,366	\$ -	\$ 10,825,450	\$ 1,799,548	\$ -	\$ 12,624,998
<u>Depreciation Expense:</u>							
Operating		\$ 1,204,316			\$ 1,341,405		
Nonoperating		71,141			76,926		
Total Depreciation Expense		<u>\$ 1,275,457</u>			<u>\$ 1,418,331</u>		

7. Leases

PRISM has occupied 59% of its building at 75 Iron Point Circle, Folsom, California 95630, leased out 23% and has 18% vacant space at June 30, 2022. 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 \$903k. The cost of the building and improvements under lease is \$2.3M with accumulated depreciation of \$1.2M. Lease-related inflows of resources for the last two fiscal years were:

	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Lease Revenue	\$ 304,563	\$ 310,231
Lease Interest Revenue	49,511	56,971
Lease Income	<u>\$ 354,074</u>	<u>\$ 367,202</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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7. Leases (continued)

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

Fiscal Year Ending June 30,	Base Lease	Optional Extensions	Total	Lease Receivable (Present Value)
2023	\$ 296,092	\$ -	\$ 296,092	\$ 248,396
2024	306,185	-	306,185	262,053
2025	296,690	20,345	317,035	276,666
2026	203,714	122,679	326,393	289,983
2027	192,332	144,369	336,701	304,444
2028 to 2032	-	1,800,074	1,800,074	1,708,302
2033 to 2037	-	439,014	439,014	430,065
Total minimum lease payments	<u>\$ 1,295,013</u>	<u>\$ 2,526,481</u>	<u>\$ 3,821,494</u>	<u>\$ 3,519,909</u>

8. Employee Retirement System

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

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

A. General Information about the Pension Plan

Benefits Provided

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

Employees covered by the benefit terms

At June 30, 2022, the following number of employees were covered by the benefit terms:

Active members	94
Inactive members receiving benefits	13
Total	<u>107</u>

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

A. General Information about the Pension Plan (continued)

Contribution Description

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1st following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. PRISM is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. PRISM's required contribution rate on covered payroll for the measurement period ended June 30, 2021 (the measurement date) was 11.66% and 7.7% of annual pay for the Classic and PEPRA plans respectively.

For the year ended June 30, 2022, the legally required contributions were \$1,016,636. The legally required contribution for June 30, 2021 was \$1,091,058. The required contribution for the 2021/22 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, 2021.

Actuarial Assumptions

For the measurement period ended June 30, 2021 (the measurement date), the Total Pension Liability (TPL) was determined by rolling forward the June 30, 2020 TPL. The June 30, 2021 and June 30, 2020 TPL were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry - Age Normal
<u>Actuarial Assumptions</u>	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Gross of Administrative Expenses
Mortality Rate Table (1)	Derived using CalPERS' Membership for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1)The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

Changes in Assumptions

There were no changes in assumptions, including discount rate, for the measurement period ended June 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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.

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

A. General Information about the Pension Plan (continued)

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 short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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 Class¹	Current Target Allocation	Real Return Years 1 - 10²	Real Return Years 11^{3, 4}
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

¹In the System's Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

²An expected inflation of 2.00% used for this period

³An expected inflation of 2.92% used for this period

⁴Figures are based on previous ALM of 2017

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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 (Asset) to the Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plan as of the June 30, 2021 measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability (asset) 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:

6/30/2021 Measurement Date	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Plan Net Pension Liability/(Asset)	\$ 2,883,040	\$ (788,038)	\$ (3,822,866)

For the measurement date of June 30, 2020, the following presents the net pension liability (asset) of the plan calculated using the discount rate 7.15%, as well as what the net pension liability (asset) would be if it were calculated using discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate.

6/30/2020 Measurement Date	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Plan Net Pension Liability/(Asset)	\$ 5,966,358	\$ 2,558,450	\$ (257,397)

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:

	2021 - 2022 Fiscal Year	2020 - 2021 Fiscal Year
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2020 to June 30, 2021	June 30, 2019 to June 30, 2020

At June 30, 2022 and 2021, PRISM reported a Net Pension Liability/(Asset) (NPL) of (\$788,038) and \$2,558,450, 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, 2021. The TPL used to calculate the NPL was determined by an actuarial valuation, as of June 30, 2020, and rolled forward to June 30, 2021 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, 2020, was -0.041502% for the Classic Plan and PEPRA Plan combined. PRISM's proportionate share of the NPL for PERF C and PEPRA combined, as of June 30, 2019, was 0.060654%.

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, 2022, PRISM recognized a pension expense of (\$3,030,991). At June 30, 2022, PRISM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	(Deferred Inflows) of Resources
Differences Between Expected and Actual Experience	\$ (88,370)	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan investments	-	687,916
Change in Proportions	903,743	-
Change in Proportionate Share of Contributions	-	(185,910)
Contributions Subsequent to Measurement Date	1,016,636	-
Total	<u>\$ 1,832,009</u>	<u>\$ 502,006</u>

It should be noted that differences between expected and actual experience and the net difference between projected and actual earnings on pension plan investments show as negative deferred outflows of resources due to PRISM sharing a negative proportion of the pool liability while having a net pension asset.

The \$1,016,636 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, 2023.

At June 30, 2022, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2022	\$ 424,547
2023	397,896
2024	304,832
2025	190,104
Total	<u>\$ 1,317,379</u>

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, 2021, PRISM recognized a pension expense of \$1,434,623. At June 30, 2021, PRISM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	(Deferred Inflows) of Resources
Differences Between Expected and Actual Experience	\$ 131,845	\$ -
Changes in Assumptions	-	(18,248)
Net Difference Between Projected and Actual Earnings on Pension Plan investments	76,003	-
Change in Proportions	677,677	-
Change in Proportionate Share of Contributions	-	(310,974)
Contributions Subsequent to Measurement Date	1,091,058	-
Total	\$ 1,976,583	\$ (329,222)

The \$1,091,058 reported as deferred outflows of resources related to contributions subsequent to the measurement date, was recognized as a reduction of the NPL in the year ended June 30, 2022.

At June 30, 2021, other amounts reported as deferred outflows/inflows of resources related to pensions was recognized as a pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 268,106
2022	150,988
2023	100,756
2024	36,453
Total	\$ 556,303

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
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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	\$155.00 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, 2022, the following number of employees were covered by the benefit terms:

Active employees	88
Inactive employees or beneficiaries receiving benefits	10
Inactive employees entitled to but not receiving benefits	5
Total participants	103

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 6.10% expected long-term rate of return. Each employer choosing CERBT Strategy 1 owns a percentage of this portfolio. PRISM does not have direct ownership of the securities in the portfolio. The target allocation and best estimates of real rates of return for each major class are summarized on the following page.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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%	1.40%
Global Real Estate (REIT)	20%	5.40%
Treasury Inflation Protected Securities (TIPS)	5%	0.60%
Commodities	3%	3.20%

B. Net OPEB Liability

PRISM's net OPEB liability was \$76,986 as of June 30, 2022, and \$288,072 as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuations, as of June 30, 2021 and June 30, 2020.

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:

Valuation Date	June 30, 2019 for net OPEB liability calculated at June 30, 2021 June 30, 2021 for net OPEB liability calculated at June 30, 2022
Measurement Date	June 30, 2020 for net OPEB liability calculated at June 30, 2021 June 30, 2021 for net OPEB liability calculated at 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	6.20% as of June 30, 2021 and 7.15% as of June 30, 2020 net of plan investment expenses
Discount Rates	6.10% for all plan liabilities as of June 30, 2021 7.15% for all plan liabilities as of June 30, 2020
Municipal Bond Rate	1.92% as of June 30, 2021 and 2.45% as of June 30, 2020
Inflation	2.5% 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

Discount rates were decreased for all plan liabilities to 6.1% at the June 30, 2021 measurement date from 7.15% at the June 30, 2020 measurement date. The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022, reflecting updates in available information. The base healthcare trend scale was updated from Getzen Model 2019_b to Getzen Model 2022_b, as published by the Society of Actuaries. The assumed level of employees covering a spouse in retirement was decreased from 75% to 65% following an analysis of PRISM experience.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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 6.2% and 7.15% for all plan liabilities reported as of June 30, 2022 and 2021, 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 2017 experience study of CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 15 years of Scale MP 2016 to central year 2015. Mortality improvement assumption is based on MacLeod Watt Scale 2022 applied generationally from 2015.

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

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

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2022	Actual	2044-2049	4.70%
2023	5.80%	2050-2059	4.60%
2024	5.60%	2060-2066	4.50%
2025	5.40%	2067-2068	4.40%
2026-2027	5.20%	2069-2070	4.30%
2028-2029	5.10%	2071	4.20%
2030-2038	5.00%	2072-2073	4.10%
2039	4.90%	2074-2075	4.00%
2040-2043	4.80%	2076 & Later	3.90%

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability

Net OPEB Liability as of June 30, 2022 is \$76,986, a decrease of \$211,086 compared to June 30, 2021.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at fiscal year ending June 30, 2021	\$ 1,481,966	\$ 1,193,894	\$ 288,072
Measurement date June 30, 2020			
Changes during the period			
Service Cost	125,454	-	125,454
Interest Cost	113,294	-	113,294
Changes in Assumptions	156,691	-	156,691
Benefit Payments	(45,768)	(45,768)	-
Employer Contributions	-	164,744	(164,744)
Net Investment Income	-	89,601	(89,601)
Administrative Expenses	-	(452)	452
Plan experience	(114,123)	238,509	(352,632)
Net Change in Fiscal Year	235,548	446,634	(211,086)
Balance at fiscal year ending June 30, 2022	<u>\$ 1,717,514</u>	<u>\$ 1,640,528</u>	<u>\$ 76,986</u>
Measurement date June 30, 2021			

Net OPEB Liability as of June 30, 2021 is \$288,072, a decrease of \$440,190 compared to June 30, 2020.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at fiscal year ending June 30, 2020	\$ 1,614,810	\$ 886,548	\$ 728,262
Measurement date June 30, 2019			
Changes during the period			
Service Cost	172,953	-	172,953
Interest Cost	84,002	-	84,002
Changes in Assumptions	(352,436)	-	(352,436)
Benefit Payments	(37,363)	(37,363)	-
Employer Contributions	-	307,363	(307,363)
Net Investment Income	-	37,901	(37,901)
Administrative Expenses	-	(555)	555
Net Change in Fiscal Year	(132,844)	307,346	(440,190)
Balance at fiscal year ending June 30, 2021	<u>\$ 1,481,966</u>	<u>\$ 1,193,894</u>	<u>\$ 288,072</u>
Measurement date June 30, 2020			

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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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, 2022:

	1% Decrease		Discount Rate		1% Increase
	5.10%		6.10%		7.10%
Net OPEB Liability	\$ 335,963	\$	76,986	\$	(136,407)

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, 2021:

	1% Decrease		Discount Rate		1% Increase
	6.15%		7.15%		8.15%
Net OPEB Liability	\$ 493,215	\$	288,072	\$	117,365

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 5.8%, effective January 2023, and then fluctuate to an ultimate increase rate of 3.9% for the years ended 2076 and later.

	Medical Trend		Current Medical Trend		Medical Trend
	4.80%		5.80%		6.80%
Net OPEB Liability	\$ (179,855)	\$	76,986	\$	402,624

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates as of June 30, 2021 is shown below:

	Medical Trend		Current Medical Trend		Medical Trend
	4.40%		5.40%		6.40%
Net OPEB Liability	\$ 71,547	\$	288,072	\$	560,390

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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, 2022, PRISM recognized an OPEB expense of \$28,732. At June 30, 2022, 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	\$ 142,485	\$ 96,798	\$ (643,981)	\$ (21,320)	\$ -	\$ (426,018)
Net difference between expected and actual investment experience	21,072	-	(187,214)	-	-	(166,142)
Difference between expected and and actual plan experience	-	-	(103,776)	-	-	(103,776)
Contributions made subsequent to the measurement date	137,990	30,237	-	-	168,227	-
	<u>\$ 301,547</u>	<u>\$ 127,035</u>	<u>\$ (934,971)</u>	<u>\$ (21,320)</u>	<u>\$ 168,227</u>	<u>\$ (695,936)</u>

The \$168,227 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, 2023.

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	
2023	\$ (122,399)	\$ 8,981	\$ (113,418)
2024	(122,298)	8,981	(113,317)
2025	(124,145)	8,981	(115,164)
2026	(131,168)	8,981	(122,187)
2027	(83,467)	8,981	(74,486)
Thereafter	(187,937)	30,573	(157,364)

For the year ended June 30, 2021, PRISM recognized an OPEB expense of \$107,530. At June 30, 2021, 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	\$ -	\$ 109,848	\$ (731,307)	\$ (25,389)	\$ -	\$ (646,848)
Net difference between expected and actual investment experience	28,096	-	(2,109)	-	25,987	-
Difference between expected and and actual plan experience	-	-	-	-	-	-
Contributions made subsequent to the measurement date	143,150	21,594	-	-	164,744	-
	<u>\$ 171,246</u>	<u>\$ 131,442</u>	<u>\$ (733,416)</u>	<u>\$ (25,389)</u>	<u>\$ 190,731</u>	<u>\$ (646,848)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
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9. Other Postemployment Benefits (OPEB) (continued)

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

The \$164,744 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022.

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	
2022	\$ (86,004)	\$ 8,981	\$ (77,023)
2023	(78,556)	8,981	(69,575)
2024	(78,455)	8,981	(69,474)
2025	(80,302)	8,981	(71,321)
2026	(87,326)	8,981	(78,345)
Thereafter	(294,677)	39,554	(255,123)

The Expected Average Remaining Service life was 11.03 years in the June 30, 2021 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 Payment Delays

Payment delays were experienced in fiscal years 2021/22 and 2020/21 from AmTrust Group (AmTrust). PRISM has an ongoing dialogue with the carrier regarding status of claims processing and collections, and arbitrations are in process on several claims with a total value in excess of \$8M. AmTrust is involved with 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, 2022 AND 2021

10. AmTrust Group Payment Delays (continued)

AmTrust owes PRISM \$43.7M and \$24.6 as of June 30, 2022 and 2021, respectively. Management considers the full amount due to be collectible and, therefore, no allowance has been recorded.

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 \$1M, discounted, 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 \$2.5M, discounted, and this amount is included in claim liabilities in the EWC Program.

12. Risk and Uncertainties

On March 11, 2020, the World Health Organization characterized coronavirus (COVID-19) as a pandemic, and on March 13, 2020, the President of the United States declared a national emergency relating to the disease. In addition to the President’s declaration, state and local authorities have recommended social distancing and have imposed quarantine and isolation measures on large portions of the population throughout the past two years and a half, including mandatory business closures in the first two years. These measures, although designed to protect the overall public health, and had material adverse impacts on domestic and foreign economies. Vaccines have since been manufactured and made available for people worldwide. Although the vaccine usage varies from area to area, much of United States population has been vaccinated, and the domestic and global economy has begun to recover, although risks remain. Variants of the COVID-19 virus continue to pose a threat to human health as well as the economy.

As a result of COVID-19 and its variants, there has been heightened market risk and volatility associated with the pandemic, and this could materially affect investment balances and the amounts reported in the statement of net position, as mentioned above. Market volatility across asset classes has been exceptionally elevated in 2022 as central bank policymakers tighten financial conditions to combat uncomfortably high inflation readings. The high inflation readings are being exacerbated by lingering geopolitical issues, including the Ukraine/Russia conflict, which will lead to shortfalls in energy availability in coming months, most pronounced in Europe. The demand for labor in the United States remains strong, and wage inflation has ticked higher since the pandemic, however the number of job openings is beginning to lessen which will help to moderate inflation readings in the coming year. Because of the uncertainty of the markets during this time, PRISM is unable to estimate the total impact the pandemic will have.

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, 2022
10 YEAR SCHEDULE*

	Measurement Date							
	2021	2020	2019	2018	2017	2016	2015	2014
PRISM's proportion of the net pension liability (asset)	-0.041502%	0.060654%	0.048206%	0.037935%	0.040671%	0.031435%	0.073809%	0.032050%
Proportionate share of the net pension liability (asset)	(\$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	\$9,387,235	\$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-employee payroll	-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	88.29%	75.10%	75.26%	75.26%	73.31%	78.40%	78.40%	83.03%

* Fiscal year 2015 was the first year of implementation, therefore only 8 years are shown

Notes to Schedule

1. There were no changes to benefit terms during the measurement period ended June 30, 2021.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, 2022
10 YEAR SCHEDULE*

	Fiscal Year							
	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Contractually Required Contribution (Actuarially Determined Contribution)	\$ 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	1,016,636	1,091,058	792,370	656,865	612,233	551,010	533,877	587,253
Contributions Deficiency (Excess)	-	-	-	-	-	-	-	-
Covered Payroll	\$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	10.33%	11.62%	10.67%	8.39%	8.59%	8.55%	9.80%	11.92%

* Fiscal year 2015 was the first year of implementation, therefore only 8 years are shown

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2022
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 125,454	\$ 172,953	\$ 162,744	\$ 188,704	\$ 208,154
Interest Cost	113,294	84,002	81,742	77,753	64,420
Changes in Assumptions	156,691	(352,436)	(32,915)	(286,746)	(159,144)
Benefit Payments	(45,768)	(37,363)	(33,583)	(25,165)	(20,480)
Differences Between Expected and Actual Experience	(114,123)	-	544	-	-
Net Change in Total OPEB Liability	235,548	(132,844)	178,532	(45,454)	92,950
Total OPEB Liability - Beginning	1,481,966	1,614,810	1,436,278	1,481,732	1,388,782
Total OPEB Liability - Ending (a)	\$ 1,717,514	\$ 1,481,966	\$ 1,614,810	\$ 1,436,278	\$ 1,481,732
Plan Fiduciary Net Position					
Employer Contributions	\$ 164,744	\$ 307,363	\$ 33,583	\$ 150,165	\$ 56,127
Net Investment Income	328,110	37,901	51,551	52,952	60,789
Benefit Payments	(45,768)	(37,363)	(33,583)	(25,165)	(20,480)
Administrative Expenses	(452)	(555)	(179)	(365)	(307)
Other Expenses	-	-	-	(871)	-
Net Change in Plan Fiduciary Net Position	446,634	307,346	51,372	176,716	96,129
Plan Fiduciary Net Position - Beginning	1,193,894	886,548	835,176	658,460	562,331
Plan Fiduciary Net Position - Ending (b)	\$ 1,640,528	\$ 1,193,894	\$ 886,548	\$ 835,176	\$ 658,460
Net OPEB Liability (a)-(b)	\$ 76,986	\$ 288,072	\$ 728,262	\$ 601,102	\$ 823,272
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	96%	81%	55%	58%	44%
Covered Payroll	\$ 9,837,764	\$ 9,387,235	\$ 7,426,247	\$ 7,828,396	\$ 7,123,473
Net OPEB Liability as a Percentage of Covered Employee Payroll	1%	3%	10%	8%	12%

* Fiscal year 2018 was the 1st year of implementation, therefore only 5 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.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PRISM OPEB CONTRIBUTIONS
AS OF JUNE 30, 2022
LAST 10 FISCAL YEARS*

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution (ADC)					
Explicit ADC	\$ 50,427	\$ 37,994	\$ 40,441	\$ 36,039	\$ 44,616
Implicit ADC	117,800	126,750	134,915	127,677	114,616
Total ADC	\$ 168,227	\$ 164,744	\$ 175,356	\$ 163,716	\$ 159,232
Explicit Contributions	\$ 137,990	\$ 143,150	\$ 292,488	\$ 20,366	\$ 144,990
Implicit Contributions	30,237	21,594	14,875	13,217	5,175
Total Contributions	\$ 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	\$ 9,837,764	\$ 9,387,235	\$ 7,426,247	\$ 7,828,396	\$ 7,123,473
Contributions as % of Covered Payroll	1.71%	1.75%	4.14%	0.43%	2.11%
Contributions deficiency (excess) relative to the Explicit ADC only	\$ (87,563)	\$ (105,156)	\$ (252,047)	\$ 15,673	\$ (100,374)
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2017

* Fiscal year 2018 was the first year of implementation, therefore only 5 years are shown.

Methods and assumptions used:

Discount Rate	6.20%
Actuarial Cost method	Entry Age Normal
Amortization method	Level percent of pay closed 20 years
Amortization period	16 years
Asset Valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	5.8% in 2023 fluctuating down to 3.9% in 2076
Salary increases	3.00% per year
Retirement age	50 to 75
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2015

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Dental	PRISM Affiliate Risk Captive	Total June 30, 2022	Total June 30, 2021
Unpaid Claims and Claim Adjustment Expenses at the										
A. Beginning of the Fiscal Year	\$ 67,213,092	\$ 189,794,632	\$ 42,355,465	\$ 1,546,000	\$ 22,000	\$ 39,795,009	\$ 2,109,277	\$ 432,140,821	\$ 774,976,296	\$ 655,968,606
Incurred Claims and Claim Adjustment Expenses:										
Provision for Claims										
Current Fiscal Year	17,874,000	3,531,897	1,910,924	607,000	14,918,455	7,489,312	36,292,833	87,930,853	170,555,274	183,249,379
Prior Fiscal Years	(5,187,478)	4,395,369	29,051,285	-	-	918,770	-	68,076,974	97,254,920	105,016,342
B. Total Incurred	12,686,522	7,927,266	30,962,209	607,000	14,918,455	8,408,082	36,292,833	156,007,827	267,810,194	288,265,721
Payments:										
Attributable to insured events of the										
Current Fiscal Year	4,499,923	-	-	-	-	-	33,523,595	23,760,627	61,784,145	57,137,797
Prior Fiscal Years	3,364,460	12,234,921	-	-	-	11,451,506	2,109,277	66,947,978	96,108,142	112,120,234
C. Total Payments	7,864,383	12,234,921	-	-	-	11,451,506	35,632,872	90,708,605	157,892,287	169,258,031
Total Unpaid Claims and Claim Adjustment Expenses at										
D. End of the Fiscal Year (A+B-C)	\$ 72,035,231	\$ 185,486,977	\$ 73,317,674	\$ 2,153,000	\$ 14,940,455	\$ 36,751,585	\$ 2,769,238	\$ 497,440,043	\$ 884,894,203	\$ 774,976,296
Claims Reported	\$ 16,599,967	\$ 117,177,125	\$ 2,011,616	\$ -	\$ 10,806,748	\$ 20,853,591	\$ 2,769,238	\$ 170,107,430	\$ 340,325,715	\$ 377,220,699
Claims Incurred But Not Reported	7,001,264	60,496,852	68,770,058	-	4,119,707	14,959,994	-	327,332,613	482,680,488	347,449,597
Unallocated Loss Adjustment Expenses	48,434,000	7,813,000	2,536,000	2,153,000	14,000	938,000	-	-	61,888,000	50,306,000
Total Claim Liabilities	\$ 72,035,231	\$ 185,486,977	\$ 73,317,674	\$ 2,153,000	\$ 14,940,455	\$ 36,751,585	\$ 2,769,238	\$ 497,440,043	\$ 884,894,203	\$ 774,976,296
Current Claim Liabilities	\$ 8,377,584	\$ 22,688,271	\$ 632,087	\$ -	\$ 14,926,455	\$ 13,073,784	\$ 2,769,238	\$ 178,657,161	\$ 241,124,580	\$ 144,321,563
Noncurrent Claim Liabilities	63,657,647	162,798,706	72,685,587	2,153,000	14,000	23,677,801	-	318,782,882	643,769,623	630,654,733
Total Claim Liabilities	\$ 72,035,231	\$ 185,486,977	\$ 73,317,674	\$ 2,153,000	\$ 14,940,455	\$ 36,751,585	\$ 2,769,238	\$ 497,440,043	\$ 884,894,203	\$ 774,976,296

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO EARNED PREMIUM AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2022

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, 2022
(ALL PROGRAMS)

POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 257,966,103	\$ 285,324,897	\$ 319,317,027	\$ 350,559,894	\$ 469,691,911	\$ 505,760,442	\$ 714,856,577	\$ 607,788,729	\$ 701,489,009	\$ 774,682,155
Less Ceded	(133,678,087)	(164,918,367)	(179,542,634)	(195,577,777)	(280,217,877)	(295,276,073)	(310,413,725)	(347,824,023)	(425,306,988)	(505,698,416)
Loss Portfolio Transfer	(25,663,071)	(44,186,195)	(36,150,976)	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)	(95,378,213)	(62,172,884)	(82,869,495)
Dividends Declared	-	-	-	-	-	-	(2,000,000)	(7,125,448)	(9,000,000)	(2,000,000)
Investment Earnings	4,917,404	3,364,395	4,135,208	4,291,233	8,169,637	12,040,064	7,010,587	4,146,928	(2,507,395)	(8,361,291)
1. Total Revenues Available For Payment of Claims	103,542,349	79,584,730	107,758,625	114,456,194	162,391,909	193,270,643	383,615,322	161,607,973	202,501,742	175,752,953
2. Unallocated Loss Adjustment Expense	1,852,687	2,304,037	2,550,440	3,311,058	3,009,038	7,881,718	8,249,478	9,394,428	8,261,490	4,704,973
3. Estimated Incurred Claims	224,347,031	255,248,896	289,100,975	326,801,063	443,588,666	467,745,044	498,954,780	511,345,287	605,739,520	664,671,690
Less Ceded Claims	(133,678,087)	(164,918,367)	(179,454,200)	(195,577,777)	(280,217,877)	(295,276,073)	(310,413,725)	(347,824,023)	(425,306,988)	(505,698,416)
Net Incurred Claims and Expenses, End of Policy Year	90,668,944	90,330,529	109,646,775	131,223,286	163,370,789	172,468,971	188,541,055	163,521,264	180,432,532	158,973,274
4. Cumulative Paid Claims as of:										
End of the Policy Year	37,166,285	35,078,443	41,819,464	46,845,645	52,254,041	50,859,036	53,505,254	49,033,613	58,984,922	61,784,145
One Year Later	47,650,221	48,129,843	55,107,212	62,990,323	70,987,228	77,406,457	74,007,811	69,644,549	76,164,786	
Two Years Later	56,141,733	55,838,278	64,984,162	88,685,970	106,880,592	94,177,491	101,624,160	90,453,287		
Three Years Later	66,795,768	69,238,862	91,256,950	121,100,075	123,574,410	113,149,753	128,301,899			
Four Years Later	76,730,519	78,729,022	111,768,089	136,824,900	135,685,813	124,830,834				
Five Years Later	83,902,984	100,731,441	107,787,847	135,254,359	139,980,283					
Six Years Later	87,848,920	105,302,558	115,575,435	139,022,734						
Seven Years Later	90,739,777	105,368,317	115,692,112							
Eight Years Later	91,863,442	105,496,901								
Nine Years Later	94,553,828									
5. Reestimated Ceded Claims and Expenses	111,379,504	136,208,125	247,789,174	177,114,640	299,141,806	392,251,734	314,140,833	370,548,728	193,357,387	79,698,173
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	90,668,944	90,330,529	109,646,775	131,223,286	163,370,789	172,468,971	188,541,055	163,521,264	180,432,532	158,973,274
One Year Later	92,306,009	92,687,394	115,831,832	133,962,994	171,585,114	146,440,138	255,246,311	170,695,606	180,897,089	
Two Years Later	93,008,024	97,238,564	113,158,272	152,739,976	151,894,547	156,054,777	335,009,333	172,471,440		
Three Years Later	98,342,503	100,362,092	126,906,754	142,475,106	150,047,659	156,206,901	404,644,362			
Four Years Later	105,222,229	110,051,193	116,585,582	152,017,636	151,373,010	154,922,872				
Five Years Later	109,914,153	108,190,734	107,185,396	144,165,483	149,540,968					
Six Years Later	98,922,791	108,276,425	116,700,294	144,494,397						
Seven Years Later	98,754,638	108,225,409	118,640,307							
Eight Years Later	98,823,629	108,261,967								
Nine Years Later	98,831,364									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 8,162,420	\$ 17,931,438	\$ 8,993,532	\$ 13,271,111	\$ (13,829,821)	\$ (17,546,099)	\$ 216,103,307	\$ 8,950,176	\$ 464,557	\$ -

SUPPLEMENTARY INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2022

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2022
ASSETS:														
Current Assets:														
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Cash in Banks	232,188	-	1,409,973	-	-	-	-	-	-	-	694,270	393,550	-	2,729,981
Cash in the PRISM Treasury	4,750,951	11,338,983	1,151,114	-	-	2,868,024	48,345	367,521	547,000	134,053	896,617	4,739,099	-	26,841,707
Total Cash & Cash Equivalents	4,983,139	11,338,983	2,561,087	-	-	2,868,024	48,345	367,521	547,000	134,053	1,591,187	5,132,649	-	29,571,988
Investments	5,866,208	14,000,743	1,421,330	-	-	3,541,275	59,693	453,794	675,407	165,519	1,107,091	7,476,045	-	34,767,105
Accounts Receivable														
Due From Members	292,594	1,367,368	160,452	-	44,541,526	26,953	-	16,422	2,889,855	59,679	118,223	357,537	-	49,830,609
Investment Income Receivable	216,841	517,529	52,539	-	-	130,901	2,207	16,774	24,966	6,118	40,923	1,983,574	-	2,992,372
Lease Receivable	-	-	-	-	-	-	-	-	-	-	248,396	-	-	248,396
Reinsurance Claims, Deposit with Carrier and Other	16,469,406	41,674,235	14,011,786	28,284,987	12,892,998	1,570,732	-	-	245,000	11,096	77,878	27,774,826	(70,619,758)	72,393,186
GL1 LPT Rate Credit Receivable	-	-	6,029,331	-	-	-	-	-	-	-	-	-	-	6,029,331
Due From Other Funds	31,005,840	44,282,163	4,495,445	-	-	11,200,499	188,800	1,435,279	2,136,205	523,512	3,501,557	-	(98,769,300)	-
Prepaid Insurance and Expenses	-	-	-	-	75,509,758	-	1,105,663	-	-	-	197,749	984,818	-	77,797,988
Total Current Assets	58,834,028	113,181,021	28,731,970	28,284,987	132,944,282	19,338,384	1,404,708	2,289,790	6,518,433	899,977	6,883,004	43,709,449	(169,389,058)	273,630,975
Noncurrent Assets:														
Investments	54,023,266	128,936,072	13,089,357	-	-	32,612,418	549,728	4,179,092	6,219,975	1,524,307	2,035,223	497,050,537	-	740,219,975
Due From Other Funds	942,433	2,249,287	228,343	-	-	568,922	9,590	72,904	108,507	26,591	177,859	-	(4,384,436)	-
Investments - Restricted	-	-	-	-	-	-	-	-	-	-	8,160,236	-	-	8,160,236
Investment in Captive	875,447	4,830,789	1,760,872	111,000	113,413	430,928	1,113	131,702	219,394	25,342	-	-	(8,500,000)	-
Lease Receivable	-	-	-	-	-	-	-	-	-	-	3,271,513	-	-	3,271,513
GL1 LPT Rate Credit Receivable	-	-	15,065,000	-	-	-	-	-	-	-	-	-	-	15,065,000
Net Pension Asset	-	-	-	-	-	-	-	-	-	-	788,038	-	-	788,038
Land and Buildings, Net	-	-	-	-	-	-	-	-	-	-	6,079,638	-	-	6,079,638
Furniture and Equipment, Net	-	-	-	-	-	-	-	-	-	-	6,545,360	-	-	6,545,360
Total Noncurrent Assets	55,841,146	136,016,148	30,143,572	111,000	113,413	33,612,268	560,431	4,383,698	6,547,876	1,576,240	27,057,867	497,050,537	(12,884,436)	780,129,760
Total Assets	114,675,174	249,197,169	58,875,542	28,395,987	133,057,695	52,950,652	1,965,139	6,673,488	13,066,309	2,476,217	33,940,871	540,759,986	(182,273,494)	1,053,760,735
DEFERRED OUTFLOWS OF RESOURCES:														
Deferred Outflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	1,832,009	-	-	1,832,009
Deferred Outflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	168,227	-	-	168,227
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,236	\$ -	\$ -	\$ 2,000,236

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2022

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2022
LIABILITIES:														
Current Liabilities:														
Accounts Payable	\$ 395,767	\$ 3,131,487	\$ 22,842,124	\$ 52,751	\$ 210,824	\$ 2,768,065	\$ 36,487	\$ 1,097,880	\$ 868,293	\$ 10,435	\$ 542,313	\$ 43,013,778	\$ (68,119,758)	\$ 6,850,446
Deposits From														
Insurance Companies	17,535	-	2,371,007	-	2,500,000	-	-	-	-	-	-	-	(2,500,000)	2,388,542
Due to Other Funds	-	12,451,941	-	23,232,904	62,580,757	-	-	-	-	-	503,699	-	(98,769,301)	-
Due to Members	93,974	-	330,460	-	391,570	-	-	2,287,841	619,262	184,671	100,000	-	-	4,007,778
Unearned Income	-	-	-	-	-	-	942,095	8,164	-	-	53,549	-	-	1,003,808
Claim Liabilities														
Claims Reported	8,377,584	22,688,271	632,087	-	10,806,748	13,073,784	-	-	2,769,238	-	-	170,107,430	-	228,455,142
Claims Incurred But Not Reported	-	-	-	-	4,119,707	-	-	-	-	-	-	8,549,731	-	12,669,438
Compensated Absences	-	-	-	-	-	-	-	-	-	-	145,332	-	-	145,332
Total Current Liabilities	8,884,860	38,271,699	26,175,678	23,285,655	80,609,606	15,841,849	978,582	3,393,885	4,256,793	195,106	1,344,893	221,670,939	(169,389,059)	255,520,486
Noncurrent Liabilities:														
Due to Members, Long Term	-	-	-	-	-	-	-	-	-	-	8,060,236	-	-	8,060,236
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	4,384,435	-	(4,384,435)	-
Claims Reported	8,222,383	94,488,854	1,379,529	-	-	7,779,807	-	-	-	-	-	-	-	111,870,573
Claims Incurred But Not Reported	7,001,264	60,496,852	68,770,058	-	-	14,959,994	-	-	-	-	-	318,782,882	-	470,011,050
Unallocated Loss Adjustment														
Expense Payable	48,434,000	7,813,000	2,536,000	2,153,000	14,000	938,000	-	-	-	-	-	-	-	61,888,000
Compensated Absences,														
Long Term	-	-	-	-	-	-	-	-	-	-	581,329	-	-	581,329
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	76,986	-	-	76,986
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	63,657,647	162,798,706	72,685,587	2,153,000	14,000	23,677,801	-	-	-	-	13,102,986	318,782,882	(4,384,435)	652,488,174
Total Liabilities	72,542,507	201,070,405	98,861,265	25,438,655	80,623,606	39,519,650	978,582	3,393,885	4,256,793	195,106	14,447,879	540,453,821	(173,773,494)	908,008,660
DEFERRED INFLOWS OF RESOURCES:														
Deferred Inflows of Resources														
on Leases	-	-	-	-	-	-	-	-	-	-	3,519,909	-	-	3,519,909
Deferred Inflows of Resources														
on Pensions	-	-	-	-	-	-	-	-	-	-	(502,006)	-	-	(502,006)
Deferred Inflows of Resources														
on OPEB	-	-	-	-	-	-	-	-	-	-	695,936	-	-	695,936
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	3,713,839	-	-	3,713,839
NET POSITION:														
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-	12,624,998	-	-	12,624,998
Capital Stock	-	-	-	-	-	-	-	-	-	-	-	8,500,000	(8,500,000)	-
Unrestricted	42,132,667	48,126,764	(39,985,723)	2,957,332	52,434,089	13,431,002	986,557	3,279,603	8,809,516	2,281,111	5,154,391	(8,193,835)	-	131,413,474
Total Net Position	\$ 42,132,667	\$ 48,126,764	\$ (39,985,723)	\$ 2,957,332	\$ 52,434,089	\$ 13,431,002	\$ 986,557	\$ 3,279,603	\$ 8,809,516	\$ 2,281,111	\$ 17,779,389	\$ 306,165	\$ (8,500,000)	\$ 144,038,472

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2022
OPERATING REVENUES:														
Premiums for Transferred Risk	\$ 34,885,416	\$ 171,473,746	\$ 146,850,863	\$ 118,761,721	\$ 132,196,008	\$ 11,202,315	\$ 9,582,710	\$ 589,617,105	\$ -	\$ 73,652,811	\$ -	\$ 2,101,293	\$ (173,482,134)	\$ 1,116,841,854
Broker Fees	1,380,200	4,829,222	3,536,755	3,088,842	-	10,841	-	4,247,344	2,377,092	-	-	46,477	-	19,516,773
Contributions for Retained Risk Member Services & Dividend Income	17,699,918	2,505,644	2,647,907	-	19,649,482	15,258,101	-	-	39,849,219	-	-	173,482,134	-	271,092,405
Administration Fees	-	-	-	-	-	-	-	-	-	540,855	307,858	-	-	848,713
School Loss Control Fees	6,257,219	8,309,164	5,735,063	3,409,384	1,651,646	1,273,490	59,889	956,127	-	-	-	26,598	-	27,678,580
Other Income	37,965	43,515	25,579	-	39,331	-	-	-	-	-	-	-	-	146,390
	20,303	762,849	106,913	-	-	233,376	-	222,656	26,513	-	892,537	-	-	2,265,147
Total Operating Revenues	60,281,021	187,924,140	158,903,080	125,259,947	153,536,467	27,978,123	9,642,599	595,043,232	42,252,824	74,193,666	1,200,395	175,656,502	(173,482,134)	1,438,389,862
OPERATING EXPENSES:														
Insurance and Provision for Losses														
Transferred Risk & Insurance Expense	34,885,090	170,620,071	51,321,985	118,719,734	126,870,690	11,200,135	9,582,710	589,617,106	-	73,489,127	-	2,101,292	(101,125,207)	1,087,282,733
GL1 LPT Premium Expense	-	-	82,784,495	-	-	-	-	-	-	-	-	-	(72,356,927)	10,427,568
Broker Fees	1,380,200	4,829,218	2,380,745	3,088,845	-	10,841	-	4,233,876	2,377,092	-	-	46,477	-	18,347,294
GL1 LPT Broker Fees	-	-	605,373	-	-	-	-	-	-	-	-	-	-	605,373
Current Year Claims	9,408,000	1,842,897	1,766,924	-	14,926,455	6,805,312	-	-	36,292,833	-	-	87,930,853	-	158,973,274
Prior Year Claims	(5,187,478)	4,395,369	29,051,285	-	-	918,770	-	-	-	-	-	68,076,974	-	97,254,920
Unallocated Loss														
Adjustment Expenses	8,466,000	1,689,000	144,000	607,000	(8,000)	684,000	-	-	-	-	-	-	-	11,582,000
Program Services	7,947,579	1,512,723	403,038	510,793	560,439	542,756	-	48,000	3,108,176	24,000	-	64,506	-	14,722,010
Loss Prevention Expenses	-	-	-	-	-	-	-	-	-	-	2,600,729	-	-	2,600,729
General Administrative Services	-	1,112	62,129	24,979	-	-	-	-	-	-	13,030,308	-	-	13,118,528
Member Dividends & Stabilization Funds Distributed	-	-	-	-	-	-	-	2,197	2,000,000	540,855	-	-	-	2,543,052
Total Operating Expenses	\$ 56,899,391	\$ 184,890,390	\$ 168,519,974	\$ 122,951,351	\$ 142,349,584	\$ 20,161,814	\$ 9,582,710	\$ 593,901,179	\$ 43,778,101	\$ 74,053,982	\$ 15,631,037	\$ 158,220,102	\$ (173,482,134)	\$ 1,417,457,481
TRANSFERS IN (OUT):														
Transfer In	-	-	-	-	-	-	-	-	-	-	19,970,942	-	(19,970,942)	-
Transfer Out	(4,886,448)	(6,029,777)	(4,086,569)	(2,342,499)	(625,694)	(955,466)	(47,164)	(488,953)	(343,567)	(14,805)	-	(150,000)	19,970,942	-
Total Transfers	(4,886,448)	(6,029,777)	(4,086,569)	(2,342,499)	(625,694)	(955,466)	(47,164)	(488,953)	(343,567)	(14,805)	19,970,942	(150,000)	-	-
Operating Income (Loss)	(1,504,818)	(2,996,027)	(13,703,463)	(33,903)	10,561,189	6,860,843	12,725	653,100	(1,868,844)	124,879	5,540,300	17,286,400	-	20,932,381
NONOPERATING REVENUES (EXPENSES):														
Investment Income (Loss) & Financing Fees, net of														
Investment	(2,653,385)	(6,410,406)	(691,658)	19,657	(888,704)	(1,641,779)	(27,133)	(255,760)	(261,444)	(68,167)	(847,823)	(49,331,869)	(428,000)	(63,486,471)
Lease Income, net of	-	-	-	-	-	-	-	-	-	-	237,928	-	-	237,928
Program Financing Expenses	-	-	-	(285,510)	(71,847)	-	-	-	-	-	(70,643)	-	428,000	-
Total Nonoperating Revenues (Expenses)	(2,653,385)	(6,410,406)	(691,658)	(265,853)	(960,551)	(1,641,779)	(27,133)	(255,760)	(261,444)	(68,167)	(680,538)	(49,331,869)	-	(63,248,543)
Change in Net Position	(4,158,203)	(9,406,433)	(14,395,121)	(299,756)	9,600,638	5,219,064	(14,408)	397,340	(2,130,288)	56,712	4,859,762	(32,045,469)	-	(42,316,162)
NET POSITION:														
Beginning of Year	46,290,870	57,533,197	(25,590,602)	3,257,088	42,833,451	8,211,938	1,000,965	2,882,263	10,939,804	2,224,399	12,919,627	23,851,634	-	186,354,634
Additional Paid in Capital	-	-	-	-	-	-	-	-	-	-	-	8,500,000	(8,500,000)	-
Beginning of Year	46,290,870	57,533,197	(25,590,602)	3,257,088	42,833,451	8,211,938	1,000,965	2,882,263	10,939,804	2,224,399	12,919,627	32,351,634	(8,500,000)	186,354,634
Net Position, End of Year	\$ 42,132,667	\$ 48,126,764	\$ (39,985,723)	\$ 2,957,332	\$ 52,434,089	\$ 13,431,002	\$ 986,557	\$ 3,279,603	\$ 8,809,516	\$ 2,281,111	\$ 17,779,389	\$ 306,165	\$ (8,500,000)	\$ 144,038,472

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2022
CASH FLOWS FROM														
OPERATING ACTIVITIES:														
Receipts from Members	\$ 61,300,863	\$ 186,342,461	\$ 158,899,027	\$ 125,259,947	\$ 150,344,278	\$ 22,187,611	\$ 8,033,047	\$ 595,158,438	\$ 45,511,915	\$ 74,144,620	\$ 593,492	\$ 158,847,608	\$ (157,077,254)	\$ 1,429,546,053
Payments (to)/from Others	(3,186,453)	(5,168,420)	(2,764,360)	(12,035,339)	(8,081,856)	(426,878)	-	-	-	529,759	854,076	-	(946,774)	(31,226,245)
Dividends Paid	(2,000,000)	-	-	-	-	-	-	-	(2,000,000)	(548,421)	-	-	-	(4,548,421)
Claims Paid	(7,864,383)	(12,234,921)	-	-	-	(11,451,506)	-	-	(35,632,872)	-	-	(92,025,072)	1,316,467	(157,892,287)
Insurance Purchased	(34,885,090)	(170,620,071)	(134,945,119)	(118,719,734)	(121,240,838)	(9,520,841)	(7,510,060)	(586,069,594)	-	(73,484,207)	-	(1,743,754)	157,077,254	(1,101,662,054)
Payments to Suppliers	(10,064,074)	(6,525,941)	18,378,896	(3,619,084)	(595,439)	1,715,003	-	(8,586,827)	(4,707,314)	(24,000)	(5,526,623)	(50,177)	(369,693)	(19,975,273)
Payments to Employees	-	-	-	-	-	-	-	-	-	-	(13,198,339)	-	-	(13,198,339)
Subsidy Payments from (to) Members	-	-	-	-	-	-	-	-	-	-	288,613	-	-	288,613
Internal Activities	2,228,501	9,586,940	(22,862,527)	9,380,063	(19,465,594)	1,881,841	(128,258)	(59,324)	(542,445)	(36,561)	20,167,364	(150,000)	-	-
NET CASH PROVIDED	5,529,364	1,380,048	16,705,917	265,853	960,551	4,385,230	394,729	442,693	2,629,284	581,190	3,178,583	64,878,605	-	101,332,047
BY OPERATING ACTIVITIES														
CASH FLOWS FROM														
CAPITAL & RELATED														
FINANCING ACTIVITIES:														
Purchase of Building and Other Capital Assets	-	-	-	-	-	-	-	-	-	-	(72,701)	-	-	(72,701)
Purchase of Software, Furniture and Equipment	-	-	-	-	-	-	-	-	-	-	(2,739,696)	-	-	(2,739,696)
NET CASH (USED) BY CAPITAL & BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	(2,812,397)	-	-	(2,812,397)
CASH FLOWS FROM														
INVESTING ACTIVITIES:														
Purchase of Securities	(44,599,292)	(94,490,996)	(24,302,297)	-	(12,925,080)	(27,605,528)	(738,141)	(4,035,839)	(6,143,741)	(1,530,823)	(10,116,613)	(216,605,611)	-	(443,093,961)
Sales of Securities	34,564,645	82,130,154	8,832,540	-	11,659,092	20,954,415	346,303	3,264,335	3,336,875	893,438	8,775,688	146,029,961	-	320,787,446
Cash from Investment Earnings	1,053,539	2,551,987	214,501	-	352,498	636,219	9,336	99,643	94,631	25,726	270,282	7,858,764	(428,000)	12,739,126
Investment Expenses	-	-	-	-	-	-	-	-	-	-	(160,762)	(691,962)	-	(852,724)
Program Financing Expenses	-	-	-	(285,510)	(71,847)	-	-	-	-	-	(70,643)	-	428,000	-
Finance Fees from Members	54,755	24,492	372	19,657	24,786	-	-	-	-	1,834	514	-	-	126,410
Lease Receipts	-	-	-	-	-	-	-	-	-	-	367,202	-	-	367,202
Operating Lease Disbursements	-	-	-	-	-	-	-	-	-	-	(52,348)	-	-	(52,348)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(8,926,353)	(9,784,363)	(15,254,884)	(265,853)	(960,551)	(6,014,894)	(382,502)	(671,861)	(2,712,235)	(609,825)	(986,680)	(63,408,848)	-	(109,978,849)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,396,989)	(8,404,315)	1,451,033	-	-	(1,629,664)	12,227	(229,168)	(82,951)	(28,635)	(620,494)	1,469,757	-	(11,459,199)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,380,128	19,743,298	1,110,054	-	-	4,497,688	36,118	596,689	629,951	162,688	2,211,681	3,662,892	-	41,031,187
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,983,139	\$ 11,338,983	\$ 2,561,087	\$ -	\$ -	\$ 2,868,024	\$ 48,345	\$ 367,521	\$ 547,000	\$ 134,053	\$ 1,591,187	\$ 5,132,649	\$ -	\$ 29,571,988

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2022
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:														
Operating Income/(Loss)	\$ (1,504,818)	\$ (2,996,027)	\$ (13,703,463)	\$ (33,903)	\$ 10,561,189	\$ 6,860,843	\$ 12,725	\$ 653,100	\$ (1,868,844)	\$ 124,879	\$ 5,540,300	\$ 17,286,400	\$ -	\$ 20,932,381
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities														
Depreciation	-	-	-	-	-	-	-	-	-	-	1,341,405	-	-	1,341,405
Changes in														
Accounts Receivable, Net	(2,141,647)	(6,750,099)	(2,830,052)	(12,035,339)	(11,528,692)	(669,101)	1,322,421	(16,422)	3,361,159	445,278	247,039	(22,132,363)	20,287,711	(32,440,107)
GL1 LPT Receivable	-	-	10,427,568	-	-	-	-	-	-	-	-	-	-	10,427,568
Due From or To Other Funds	7,114,949	15,616,717	(18,775,958)	11,722,562	(18,839,900)	2,837,307	(81,094)	429,629	(198,878)	(21,756)	196,422	-	-	-
Prepaid Expenses	9,500	-	-	-	10,835,673	1,679,294	2,929,671	-	-	59,804	(114,030)	(979,568)	-	14,420,344
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	167,078	-	-	167,078
Unearned Premium from Members	-	-	-	-	-	(5,548,289)	(2,931,973)	-	(21,556)	-	-	-	-	(8,501,818)
Accounts and Other Payables	(2,770,759)	(182,888)	22,625,613	5,533	(4,986,174)	2,268,600	(857,021)	(623,614)	697,442	(27,015)	(150,982)	5,404,914	(20,287,711)	1,115,938
Subsidy Funds Payable	-	-	-	-	-	-	-	-	-	-	288,613	-	-	288,613
Compensated Absences	-	-	-	-	-	-	-	-	-	-	2,452	-	-	2,452
GL1 LPT Payable	-	-	(12,000,000)	-	-	-	-	-	-	-	-	-	-	(12,000,000)
Claim Liabilities	(3,643,861)	(5,996,655)	30,818,209	-	14,926,455	(3,727,424)	-	-	659,961	-	-	65,299,222	-	98,335,907
Unallocated Loss Adjustment Expense Payable	8,466,000	1,689,000	144,000	607,000	(8,000)	684,000	-	-	-	-	-	-	-	11,582,000
Net Pension Liability/Asset	-	-	-	-	-	-	-	-	-	-	(3,346,488)	-	-	(3,346,488)
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	(211,086)	-	-	(211,086)
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	(782,140)	-	-	(782,140)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 5,529,364	\$ 1,380,048	\$ 16,705,917	\$ 265,853	\$ 960,551	\$ 4,385,230	\$ 394,729	\$ 442,693	\$ 2,629,284	\$ 581,190	\$ 3,178,583	\$ 64,878,605	\$ -	\$ 101,332,047
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES														
Unrealized gain/(loss) on investments	\$ (3,753,159)	\$ (8,917,999)	\$ (959,070)	\$ -	\$ (1,265,988)	\$ (2,275,309)	\$ (37,603)	\$ (354,454)	\$ (362,330)	\$ (97,013)	\$ (952,897)	\$ (56,871,943)	\$ -	\$ (75,847,765)



Primary Workers' Compensation Program

County Members: 13
Public Entity Members: 24

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 232,188	\$ 792,715
Cash in the PRISM Treasury	4,750,951	7,587,413
TOTAL CASH AND CASH EQUIVALENTS	4,983,139	8,380,128
Investments	5,866,208	7,953,102
Accounts Receivable		
Due From Members	292,594	395,668
Investment Income Receivable	216,841	225,361
Reinsurance Claims, Deposit with Carrier and Other	16,469,406	13,224,685
Due From Other Funds	31,005,840	19,031,904
Prepaid Insurance and Expenses	-	9,500
TOTAL CURRENT ASSETS	58,834,028	49,220,348
Noncurrent Assets:		
Investments	54,023,266	45,654,884
Due From Members	-	1,000,000
Due From Other Funds	942,433	20,031,318
Investment in Captive	875,447	514,969
TOTAL NONCURRENT ASSETS	55,841,146	67,201,171
TOTAL ASSETS	114,675,174	116,421,519
LIABILITIES:		
Current Liabilities:		
Accounts Payable	395,767	798,619
Deposits From Insurance Companies	17,535	-
Due to Members		
Dividends Payable	-	2,000,000
Member Deposits	93,974	118,938
Claim Liabilities		
Claims Reported	8,377,584	7,573,407
TOTAL CURRENT LIABILITIES	8,884,860	10,490,964
Noncurrent Liabilities:		
Claims Reported	8,222,383	10,858,094
Claims Incurred But Not Reported	7,001,264	8,813,591
Unallocated Loss Adjustment Expense Payable	48,434,000	39,968,000
TOTAL NONCURRENT LIABILITIES	63,657,647	59,639,685
TOTAL LIABILITIES	72,542,507	70,130,649
NET POSITION:		
Unrestricted	42,132,667	46,290,870
TOTAL NET POSITION	\$ 42,132,667	\$ 46,290,870

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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 34,885,416	\$ 31,209,423
Broker Fees	1,380,200	1,301,306
Contributions for Retained Risk	17,699,918	17,773,981
Administration Fees	6,257,219	6,129,357
School Loss Control Fees	37,965	46,912
Other Income	20,303	72,757
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	60,281,021	56,533,736
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	34,885,090	31,209,423
Broker Fees	1,380,200	1,301,307
Provision for Claims		
Current Year Claims	9,408,000	6,968,000
Prior Year Claims	(5,187,478)	(1,828,717)
Unallocated Loss Adjustment Expenses	8,466,000	(214,000)
Program Services	7,947,579	7,430,098
Member Dividends & Stabilization Funds Distributed	-	2,000,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	56,899,391	46,866,111
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TRANSFERS IN OR (OUT):		
Transfer Out	(4,886,448)	(5,413,779)
	<hr/>	<hr/>
TOTAL TRANSFERS	(4,886,448)	(5,413,779)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(1,504,818)	4,253,846
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(2,708,140)	348,684
Financing Fees	54,755	93,496
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	(2,653,385)	442,180
	<hr/>	<hr/>
CHANGE IN NET POSITION	(4,158,203)	4,696,026
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	46,290,870	41,594,844
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 42,132,667	\$ 46,290,870
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 61,300,863	\$ 56,834,124
Payments (to)/from Others	(3,186,453)	(8,130,022)
Dividends Paid	(2,000,000)	(1,710,044)
Claims Paid	(7,864,383)	(7,768,066)
Insurance Purchased	(34,885,090)	(31,209,423)
Payments to Suppliers	(10,064,074)	(9,148,330)
Internal Activities	<u>2,228,501</u>	<u>(2,393,195)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>5,529,364</u>	<u>(3,524,956)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(44,599,292)	(39,353,157)
Sales of Securities	34,564,645	40,487,069
Cash from Investment Earnings	1,053,539	1,555,271
Finance Fees from Members	<u>54,755</u>	<u>93,495</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(8,926,353)</u>	<u>2,782,678</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,396,989)	(742,278)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>8,380,128</u>	<u>9,122,406</u>
END OF YEAR	<u><u>\$ 4,983,139</u></u>	<u><u>\$ 8,380,128</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(1,504,818)	4,253,846
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(2,141,647)	(7,652,305)
Due From or To Other Funds	7,114,949	3,020,584
Prepaid Expenses	9,500	(9,500)
Accounts and Other Payables	(2,770,759)	(294,798)
Claim Liabilities	(3,643,861)	(2,628,783)
Unallocated Loss Adjustment Expense Payable	<u>8,466,000</u>	<u>(214,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 5,529,364</u></u>	<u><u>\$ (3,524,956)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (3,753,159)</u></u>	<u><u>\$ (1,148,244)</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 67,213,092</u>	<u>\$ 70,055,875</u>
Incurring claims and claim adjustment expenses:		
Provision for claims		
current fiscal year	17,874,000	6,754,000
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(5,187,478)</u>	<u>(1,828,717)</u>
B. Total incurred claims and claim adjustment expenses	<u>12,686,522</u>	<u>4,925,283</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	4,499,923	2,755,296
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>3,364,460</u>	<u>5,012,770</u>
C. Total Payments	<u>7,864,383</u>	<u>7,768,066</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 72,035,231</u>	<u>\$ 67,213,092</u>
Current Claim Liabilities	8,377,584	7,573,407
Noncurrent Claim Liabilities	<u>63,657,647</u>	<u>59,639,685</u>
Total Claim Liabilities	<u>\$ 72,035,231</u>	<u>\$ 67,213,092</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, 2022

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.

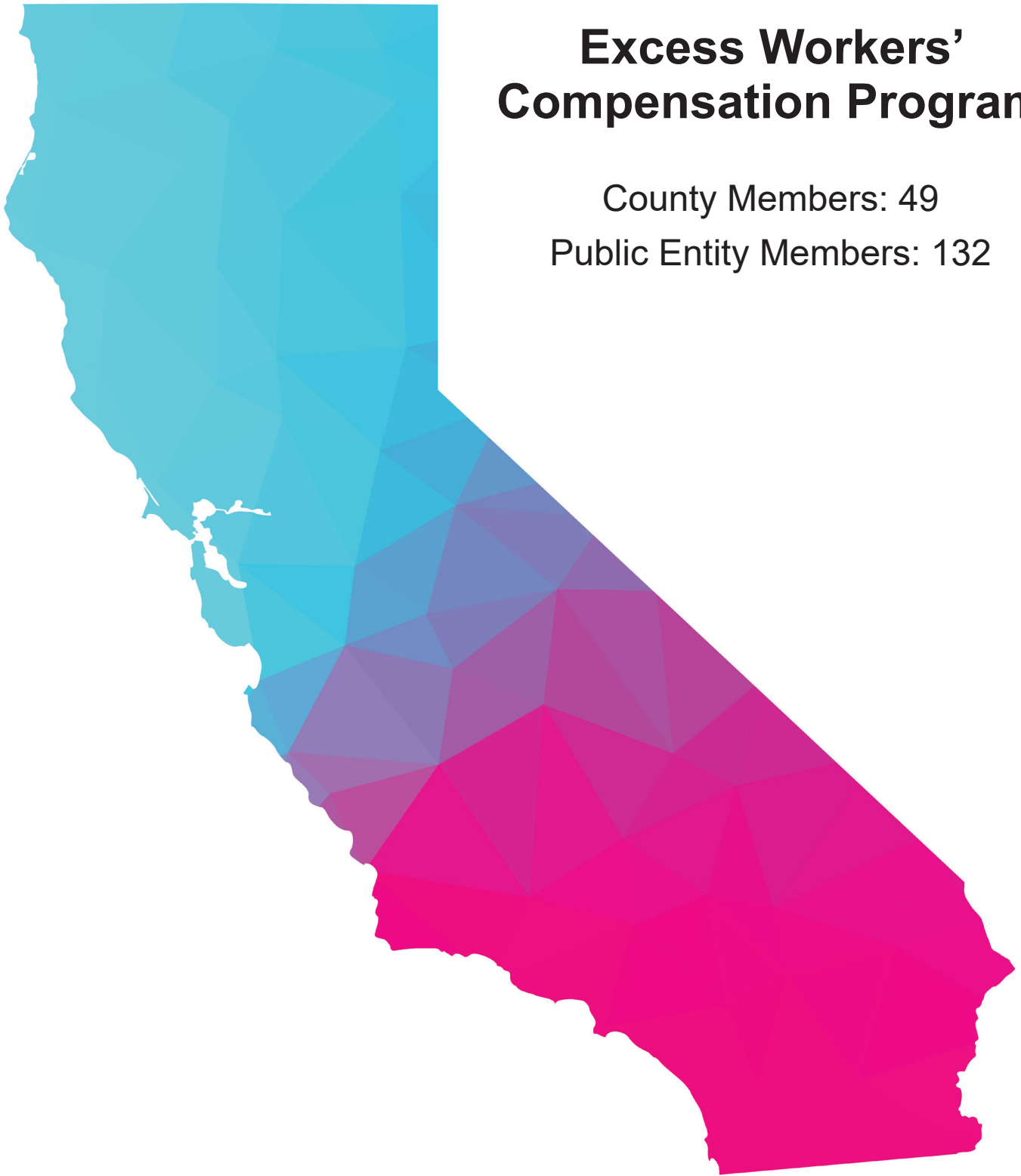
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2022

POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 46,505,777	\$ 52,184,743	\$ 52,591,920	\$ 54,292,222	\$ 66,898,451	\$ 55,273,807	\$ 48,089,020	\$ 46,048,068	\$ 42,444,995	\$ 44,213,691
Less Ceded	(32,660,803)	(37,380,293)	(40,948,454)	(42,158,960)	(54,689,379)	(42,939,979)	(35,044,943)	(33,071,603)	(32,239,834)	(33,854,679)
Dividends Declared	-	-	-	-	-	-	(2,000,000)	(2,000,000)	(2,000,000)	-
Investment Earnings	151,332	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	13,996,306	14,804,450	11,643,466	12,133,262	12,209,072	12,333,828	11,044,077	10,976,465	8,205,161	10,359,012
2. Less Unallocated Loss Adjustment Expense	1,404,769	2,169,944	2,273,745	2,986,916	2,760,549	7,022,477	7,383,521	8,186,046	7,540,821	3,987,946
3. Estimated Incurred Claims	45,065,803	50,435,293	54,185,020	51,254,960	63,656,379	52,515,979	43,962,943	40,848,603	39,207,834	43,262,679
Less Ceded Claims	(32,660,803)	(37,380,293)	(40,860,020)	(42,158,960)	(54,689,379)	(42,939,979)	(35,044,943)	(33,071,603)	(32,239,834)	(33,854,679)
Net Incurred Claims and Expenses, End of Policy Year	12,405,000	13,055,000	13,325,000	9,096,000	8,967,000	9,576,000	8,918,000	7,777,000	6,968,000	9,408,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,631,790	5,999,562	3,951,291	4,228,855	4,245,304	5,298,047	4,394,251	3,629,684	2,755,296	4,499,923
One Year Later	9,572,554	9,632,916	6,607,142	6,868,677	5,660,241	8,082,907	7,133,410	5,989,270	4,881,910	
Two Years Later	10,324,845	10,595,000	7,164,498	7,437,056	6,046,567	8,695,460	7,704,324	6,553,611		
Three Years Later	10,647,115	10,903,553	7,424,915	7,672,566	6,163,557	8,920,118	7,944,152			
Four Years Later	10,782,525	11,043,935	7,571,974	7,742,115	6,236,041	8,933,337				
Five Years Later	10,838,835	11,160,798	7,603,551	7,784,343	6,276,285					
Six Years Later	10,870,050	11,217,320	7,638,043	7,799,809						
Seven Years Later	10,887,944	11,260,317	7,675,517							
Eight Years Later	10,898,619	11,259,332								
Nine Years Later	10,895,919									
5. Reestimated Ceded Claims and Expenses	32,419,880	32,913,512	32,964,432	33,345,768	24,618,855	40,378,471	29,995,658	24,993,826	18,111,538	11,869,856
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	12,405,000	13,055,000	13,325,000	9,096,000	8,967,000	9,576,000	8,918,000	7,777,000	6,968,000	9,408,000
One Year Later	12,595,000	12,382,000	8,222,000	8,226,000	8,563,000	7,782,000	8,813,000	7,976,000	5,866,000	
Two Years Later	11,445,000	11,735,000	7,792,000	8,526,000	8,328,000	9,814,000	8,855,000	7,325,000		
Three Years Later	11,384,000	11,718,000	8,206,000	8,585,000	6,720,000	9,836,000	8,619,000			
Four Years Later	11,233,000	12,094,000	8,253,000	8,292,000	6,713,000	9,626,000				
Five Years Later	11,903,000	11,816,000	8,089,000	8,298,000	6,657,000					
Six Years Later	11,643,000	11,823,000	8,083,000	8,218,001						
Seven Years Later	11,400,000	11,817,000	8,033,999							
Eight Years Later	11,379,000	11,761,000								
Nine Years Later	11,315,000									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (1,090,000)	\$ (1,294,000)	\$ (5,291,001)	\$ (877,999)	\$ (2,310,000)	\$ 50,000	\$ (299,000)	\$ (452,000)	\$ (1,102,000)	\$ -

Excess Workers' Compensation Program

County Members: 49

Public Entity Members: 132



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 11,338,983	\$ 19,743,298
TOTAL CASH & CASH EQUIVALENTS	11,338,983	19,743,298
Investments	14,000,743	20,694,861
Accounts Receivable		
Due From Members	1,367,368	592,053
Investment Income Receivable	517,529	586,415
Reinsurance Claims, Deposit with Carrier and Other	41,674,235	35,699,451
Due From Other Funds	44,282,163	11,994,773
TOTAL CURRENT ASSETS	113,181,021	89,310,851
Noncurrent Assets:		
Investments	128,936,072	118,799,111
Due From Other Funds	2,249,287	52,123,728
Investment in Captive	4,830,789	2,841,641
TOTAL NONCURRENT ASSETS	136,016,148	173,764,480
TOTAL ASSETS	249,197,169	263,075,331
LIABILITIES:		
Current Liabilities:		
Accounts Payable	3,131,487	1,325,227
Due to Other Funds	12,451,941	14,422,275
Claim Liabilities		
Claims Reported	22,688,271	25,324,232
TOTAL CURRENT LIABILITIES	38,271,699	41,071,734
Noncurrent Liabilities:		
Claims Reported	94,488,854	122,313,581
Claims Incurred But Not Reported	60,496,852	36,032,819
Unallocated Loss Adjustment Expense Payable	7,813,000	6,124,000
TOTAL NONCURRENT LIABILITIES	162,798,706	164,470,400
TOTAL LIABILITIES	201,070,405	205,542,134
NET POSITION:		
Unrestricted	48,126,764	57,533,197
TOTAL NET POSITION	\$ 48,126,764	\$ 57,533,197

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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 171,473,746	\$ 126,150,591
Broker Fees	4,829,222	4,264,063
Contributions for Retained Risk	2,505,644	2,898,687
Administration Fees	8,309,164	8,913,914
School Loss Control Fees	43,515	50,863
Other Income	762,849	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	187,924,140	142,278,118
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	170,620,071	126,168,592
Broker Fees	4,829,218	4,264,067
Provision for Claims		
Current Year Claims	1,842,897	2,760,517
Prior Year Claims	4,395,369	7,303,995
Unallocated Loss Adjustment Expenses	1,689,000	860,000
Program Services	1,512,723	1,281,312
General Administrative Services	1,112	-
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	184,890,390	142,638,483
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(6,029,777)	(6,227,479)
	<hr/>	<hr/>
TOTAL TRANSFERS	(6,029,777)	(6,227,479)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(2,996,027)	(6,587,844)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(6,434,898)	923,165
Financing Fees	24,492	35,157
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(6,410,406)	958,322
	<hr/>	<hr/>
CHANGE IN NET POSITION	(9,406,433)	(5,629,522)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	57,533,197	63,162,719
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 48,126,764	\$ 57,533,197
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 186,342,461	\$ 142,112,218
Payments (to)/from Others	(5,168,420)	(14,623,038)
Claims Paid	(12,234,921)	(27,848,073)
Insurance Purchased	(170,620,071)	(126,168,592)
Payments to Suppliers	(6,525,941)	(5,164,320)
Internal Activities	9,586,940	5,666,176
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,380,048</u>	<u>(26,025,629)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(94,490,996)	(96,077,411)
Sales of Securities	82,130,154	107,193,469
Cash from Investment Earnings	2,551,987	4,156,778
Finance Fees from Members	24,492	35,157
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(9,784,363)</u>	<u>15,307,993</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(8,404,315)</u>	<u>(10,717,636)</u>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>19,743,298</u>	<u>30,460,934</u>
END OF YEAR	<u><u>\$ 11,338,983</u></u>	<u><u>\$ 19,743,298</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(2,996,027)	(6,587,844)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(6,750,099)	(14,788,938)
Due From or To Other Funds	15,616,717	11,893,655
Accounts and Other Payables	(182,888)	381,059
Claim Liabilities	(5,996,655)	(17,783,561)
Unallocated Loss Adjustment Expense Payable	1,689,000	860,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 1,380,048</u></u>	<u><u>\$ (26,025,629)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (8,917,999)</u></u>	<u><u>\$ (3,040,088)</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 189,794,632</u>	<u>\$ 206,718,193</u>
Incurring claims and claim adjustment expenses:		
Provision for claims		
Current fiscal year	3,531,897	3,620,517
Increase (Decrease) in the provision for Prior fiscal years	<u>4,395,369</u>	<u>7,303,995</u>
B. Total incurred claims and claim adjustment expenses	<u>7,927,266</u>	<u>10,924,512</u>
Payments attributable to insured events of the Prior fiscal years:		
	<u>12,234,921</u>	<u>27,848,073</u>
C. Total Payments	<u>12,234,921</u>	<u>27,848,073</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 185,486,977</u></u>	<u><u>\$ 189,794,632</u></u>
Current Claim Liabilities	22,688,271	25,324,232
Noncurrent Claim Liabilities	<u>162,798,706</u>	<u>164,470,400</u>
Total Claim Liabilities	<u><u>\$ 185,486,977</u></u>	<u><u>\$ 189,794,632</u></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, 2022

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.

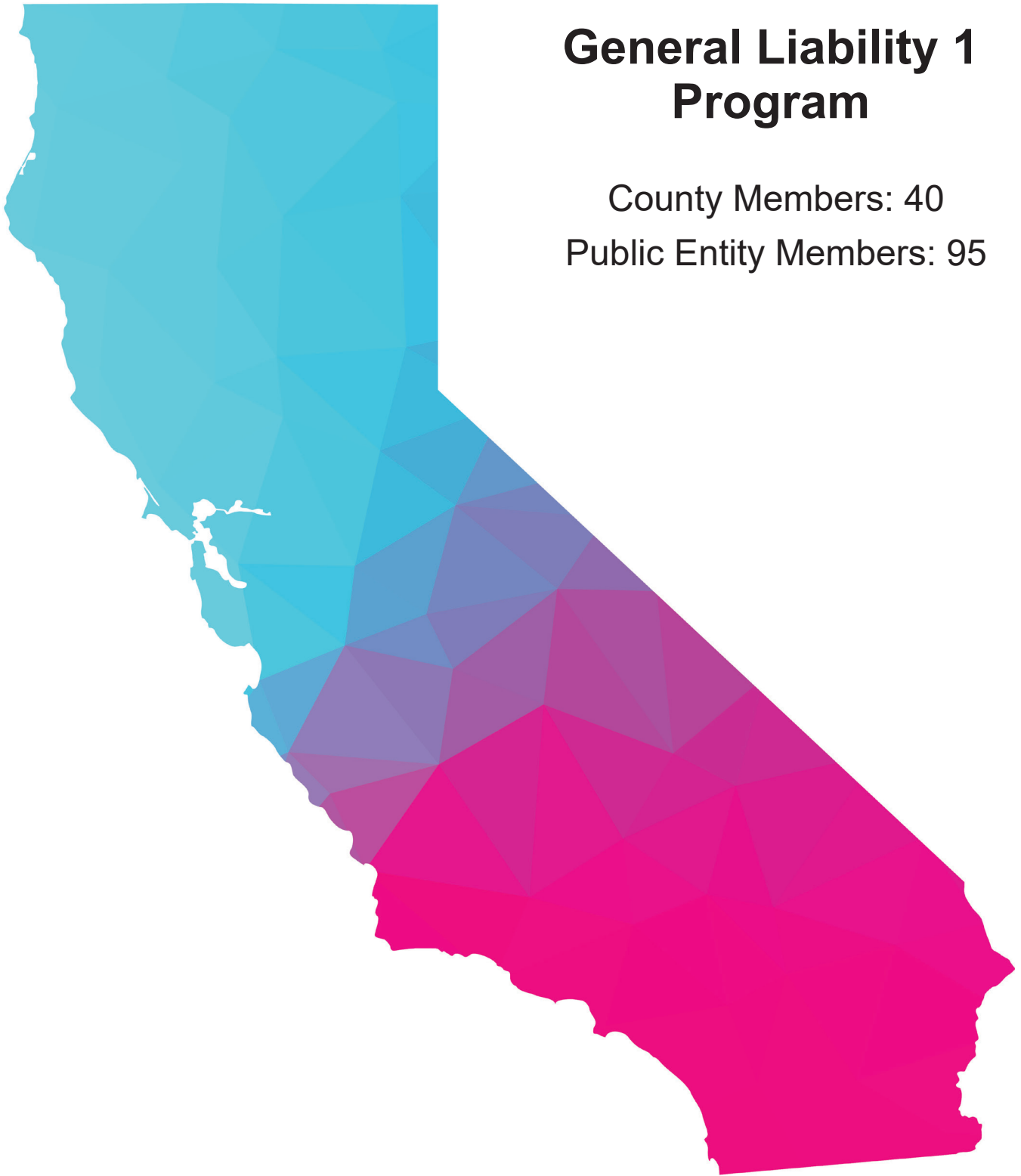
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2022

POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 64,059,430	\$ 77,872,261	\$ 97,699,836	\$ 119,149,647	\$ 127,468,314	\$ 136,582,965	\$ 135,901,950	\$ 139,873,209	\$ 143,111,045	\$ 162,800,816
Less Ceded	(26,470,050)	(47,448,283)	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(158,364,900)
Investment Earnings	3,258,794	2,386,716	2,723,070	2,938,564	1,022,619	639,438	428,593	53,367	(95,578)	(102,966)
1. Total Revenues Available For Payment of Claims	40,848,174	32,810,694	43,224,847	53,829,365	25,617,701	11,539,205	9,135,837	6,880,839	4,609,704	4,332,950
2. Unallocated Loss Adjustment Expense	156,874	-	100,560	213,451	61,520	-	86,825	173,838	77,376	75,732
3. Estimated Incurred Claims	43,142,223	60,295,762	80,522,151	106,542,005	117,788,870	125,683,198	128,007,526	134,815,587	141,420,763	160,207,797
Less Ceded Claims	(26,470,050)	(47,448,283)	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(158,364,900)
Net Incurred Claims and Expenses, End of Policy Year	16,672,173	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820	1,769,850	3,015,000	1,842,897
4. Cumulative Paid Claims as of:										
End of the Policy Year	38,785	-	950,641	3,293,817	3,623,460	-	-	-	-	-
One Year Later	281,003	2,361,141	5,161,301	9,034,334	8,426,745	-	-	-	-	-
Two Years Later	2,103,809	6,162,084	10,430,178	17,164,800	11,266,723	-	-	-	-	-
Three Years Later	4,326,042	10,372,243	21,652,538	25,264,694	12,782,592	-	-	-	-	-
Four Years Later	9,927,320	12,944,505	29,973,034	38,263,345	13,403,080	-	-	-	-	-
Five Years Later	13,746,251	15,745,328	25,919,301	36,641,861	13,900,729	-	-	-	-	-
Six Years Later	16,948,677	20,259,923	33,562,033	38,893,131	-	-	-	-	-	-
Seven Years Later	19,821,641	20,282,685	33,641,236	-	-	-	-	-	-	-
Eight Years Later	20,934,630	20,412,254	-	-	-	-	-	-	-	-
Nine Years Later	23,627,716	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	26,629,128	42,251,493	80,505,350	64,135,485	77,376,432	79,399,197	82,481,089	199,961,094	45,171,203	14,843,679
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	16,672,173	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820	1,769,850	3,015,000	1,842,897
One Year Later	18,675,566	14,275,787	30,278,418	39,483,699	16,869,019	-	1,813,455	2,791,237	1,882,902	-
Two Years Later	19,544,588	19,231,418	31,534,751	42,063,111	16,249,725	-	1,906,906	4,230,230	-	-
Three Years Later	25,311,173	19,670,868	33,388,255	41,451,544	15,627,821	-	2,112,827	-	-	-
Four Years Later	25,835,519	20,038,856	33,285,931	52,256,161	15,316,902	-	-	-	-	-
Five Years Later	26,777,117	20,092,065	24,218,000	43,070,093	15,397,768	-	-	-	-	-
Six Years Later	26,987,941	20,252,228	33,768,027	44,087,329	-	-	-	-	-	-
Seven Years Later	27,164,671	20,253,000	36,088,288	-	-	-	-	-	-	-
Eight Years Later	27,303,819	20,412,254	-	-	-	-	-	-	-	-
Nine Years Later	27,445,134	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 10,772,961	\$ 7,564,775	\$ 12,764,196	\$ 5,804,170	\$ 482,130	\$ -	\$ 1,300,007	\$ 2,460,380	\$ (1,132,098)	\$ -

General Liability 1 Program

County Members: 40

Public Entity Members: 95



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 1,409,973	\$ 1,110,054
Cash in the PRISM Treasury	1,151,114	-
TOTAL CASH & CASH EQUIVALENTS	<u>2,561,087</u>	<u>1,110,054</u>
Investments	1,421,330	-
Accounts Receivable		
Due From Members	160,452	201,673
Investment Income Receivable	52,539	-
Reinsurance Claims, Deposit with Carrier and Other	14,011,786	11,140,513
GL1 LPT Rate Credit Receivable	6,029,331	5,992,234
GL1 LPT Prepaid Expense	-	12,652,620
Due From Other Funds	4,495,445	-
TOTAL CURRENT ASSETS	<u>28,731,970</u>	<u>31,097,094</u>
Noncurrent Assets:		
Investments	13,089,357	-
Due From Other Funds	228,343	-
Investment in Captive	1,760,872	1,035,807
GL1 LPT Rate Credit Receivable	15,065,000	12,877,045
TOTAL NONCURRENT ASSETS	<u>30,143,572</u>	<u>13,912,852</u>
TOTAL ASSETS	<u>58,875,542</u>	<u>45,009,946</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	22,842,124	286,878
GL1 LPT Payable	-	12,000,000
Deposits From Insurance Companies	2,371,007	1,637,214
Due to Other Funds	-	14,052,170
Due to Members	330,460	268,821
Claim Liabilities		
Claims Reported	632,087	540,961
TOTAL CURRENT LIABILITIES	<u>26,175,678</u>	<u>28,786,044</u>
Noncurrent Liabilities:		
Claims Reported	1,379,529	3,134,733
Claims Incurred But Not Reported	68,770,058	36,287,771
Unallocated Loss Adjustment Expense Payable	2,536,000	2,392,000
TOTAL NONCURRENT LIABILITIES	<u>72,685,587</u>	<u>41,814,504</u>
TOTAL LIABILITIES	<u>98,861,265</u>	<u>70,600,548</u>
NET POSITION:		
Unrestricted	(39,985,723)	(25,590,602)
TOTAL NET POSITION	<u>\$ (39,985,723)</u>	<u>\$ (25,590,602)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 146,850,863	\$ 110,685,563
Broker Fees	3,536,755	2,622,433
Contributions for Retained Risk	2,647,907	-
Administration Fees	5,735,063	5,417,202
School Loss Control Fees	25,579	21,110
Other Income	106,913	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	158,903,080	118,746,308
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	51,321,985	26,240,337
GL1 LPT Premium Expense	82,784,495	68,165,118
Broker Fees	2,380,745	2,037,835
GL1 LPT Broker Fees	605,373	584,599
Provision for Claims		
Current Year Claims	1,766,924	3,858,581
Prior Year Claims	29,051,285	12,250,499
Unallocated Loss Adjustment Expenses	144,000	825,000
Program Services	403,038	327,462
General Administrative Services	62,129	-
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	168,519,974	114,289,431
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(4,086,569)	(4,030,058)
	<hr/>	<hr/>
TOTAL TRANSFERS	(4,086,569)	(4,030,058)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(13,703,463)	426,819
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(692,030)	-
Financing Fees	372	1,485
Program Financing Expenses	-	(266,424)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(691,658)	(264,939)
	<hr/>	<hr/>
CHANGE IN NET POSITION	(14,395,121)	161,880
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	(25,590,602)	(25,752,482)
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ (39,985,723)	\$ (25,590,602)
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 158,899,027	\$ 118,735,087
Payments (to)/from Others	(2,764,360)	(1,673,616)
Claims Paid	-	(1,829,187)
Insurance Purchased	(134,945,119)	(83,437,489)
Payments to Suppliers	18,378,896	(2,713,750)
Internal Activities	(22,862,527)	(29,018,906)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>16,705,917</u>	<u>62,139</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(24,302,297)	-
Sales of Securities	8,832,540	-
Cash from Investment Earnings	214,501	-
Program Financing Expenses	-	(266,424)
Finance Fees from Members	372	1,485
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(15,254,884)</u>	<u>(264,939)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,451,033	(202,800)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>1,110,054</u>	<u>1,312,854</u>
END OF YEAR	<u><u>\$ 2,561,087</u></u>	<u><u>\$ 1,110,054</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(13,703,463)	426,819
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(2,830,052)	(1,696,230)
GL1 LPT Receivable	10,427,568	17,348,884
Due From or To Other Funds	(18,775,958)	(24,988,848)
Accounts and Other Payables	22,625,613	1,607,621
GL1 LPT Payable	(12,000,000)	(7,741,000)
Claim Liabilities	30,818,209	14,279,893
Unallocated Loss Adjustment Expense Payable	144,000	825,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 16,705,917</u></u>	<u><u>\$ 62,139</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (959,070)</u></u>	<u><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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 42,355,465</u>	<u>\$ 27,250,572</u>
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	1,910,924	4,683,581
Increase (Decrease) in the provision for claims of prior fiscal years	<u>29,051,285</u>	<u>12,250,499</u>
B. Total incurred claims and claim adjustment expenses	<u>30,962,209</u>	<u>16,934,080</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>-</u>	<u>1,829,187</u>
C. Total Payments	<u>-</u>	<u>1,829,187</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 73,317,674</u></u>	<u><u>\$ 42,355,465</u></u>
Current Claim Liabilities	632,087	540,961
Noncurrent Claim Liabilities	<u>72,685,587</u>	<u>41,814,504</u>
Total Claim Liabilities	<u><u>\$ 73,317,674</u></u>	<u><u>\$ 42,355,465</u></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, 2022

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, 2022

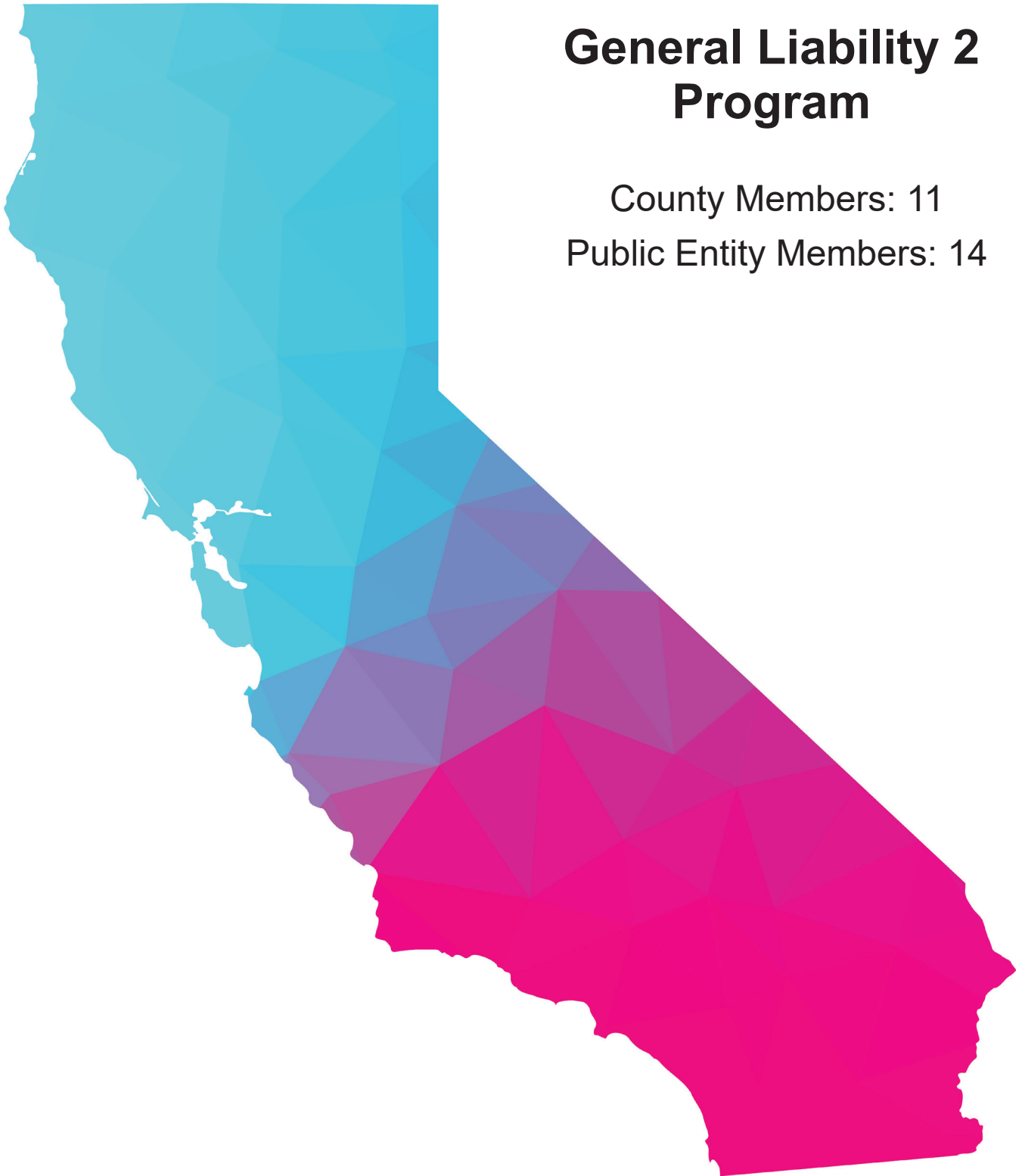
POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019 *	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 30,744,704	\$ 31,414,089	\$ 37,003,868	\$ 41,767,814	\$ 43,610,999	\$ 55,950,440	\$ 58,394,177	\$ 82,029,182	\$ 95,808,291	\$ 137,973,949
Less Ceded	(5,571,217)	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)	(12,381,702)	(32,232,571)	(51,236,985)
Loss Portfolio Transfer	(25,663,071)	(44,186,195)	(36,150,976)	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)	(95,378,213)	(62,172,884)	(82,869,495)
Investment Earnings	992,178	201,394	1,156,040	922,026	(1,437,519)	1,676,030	1,725,850	(49,004)	-	-
1. Total Revenues Available*										
For Payment of Claims	502,594	(18,582,270)	(6,015,025)	(9,284,550)	(4,927,231)	18,343,504	22,035,215	(25,779,737)	1,402,836	3,867,469
2. Unallocated Loss										
Adjustment Expense	16,331	24,746	60,189	47,530	95,460	315,779	272,134	325,631	378,096	469,117
3. Estimated Incurred Claims										
Less Ceded Claims	(5,571,217)	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)	(12,381,702)	(32,232,571)	(51,236,985)
Net Incurred Claims and Expenses, End of Policy Year	20,686,170	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	1,668,017	2,443,124	110,653	760,444	732,315	2,113,472	-	-	-	-
Two Years Later	3,879,513	4,412,160	1,489,584	14,004,016	6,113,260	2,113,472	-	-	-	-
Three Years Later	11,698,043	12,165,139	14,487,153	33,792,442	6,113,260	2,113,472	-	-	-	-
Four Years Later	15,857,724	18,903,963	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-
Five Years Later	18,738,930	37,988,696	24,021,768	33,792,442	6,113,260	-	-	-	-	-
Six Years Later	19,448,787	37,988,696	24,021,768	33,792,442	-	-	-	-	-	-
Seven Years Later	19,448,787	37,988,696	24,021,768	-	-	-	-	-	-	-
Eight Years Later	19,448,787	37,988,696	-	-	-	-	-	-	-	-
Nine Years Later*	19,448,787	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses										
	8,598,306	11,852,454	28,023,459	46,967,046	86,795,485	130,689,126	63,025,968	47,101,956	19,413,404	6,540,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	20,686,170	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924
One Year Later	20,279,342	24,596,512	24,657,164	30,362,640	28,180,080	2,113,472	23,662,000	-	3,471,664	-
Two Years Later	19,432,855	23,564,995	19,501,022	42,210,919	6,113,260	2,113,472	23,662,000	-	-	-
Three Years Later	18,999,743	27,721,257	33,763,193	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-
Four Years Later	25,606,114	39,512,839	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-
Five Years Later	28,990,997	37,988,696	24,021,768	33,792,442	6,113,260	-	-	-	-	-
Six Years Later	19,448,787	37,988,696	24,021,768	33,792,442	-	-	-	-	-	-
Seven Years Later	19,448,787	37,988,696	24,021,768	-	-	-	-	-	-	-
Eight Years Later	19,448,787	37,988,696	-	-	-	-	-	-	-	-
Nine Years Later*	19,448,787	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year										
	\$ (1,237,383)	\$ 15,293,676	\$ 537,378	\$ 4,207,402	\$ (22,408,450)	\$ (29,929,248)	\$ 20,242,000	\$ -	\$ (386,917)	\$ -

*Claims transferred to reinsurer via an Loss Portfolio Transfer

General Liability 2 Program

County Members: 11

Public Entity Members: 14



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	-	-
Accounts Receivable		
Reinsurance Claims, Deposit with Carrier and Other	28,284,987	16,249,648
TOTAL CURRENT ASSETS	28,284,987	16,249,648
Noncurrent Assets:		
Investment in Captive	111,000	65,294
TOTAL NONCURRENT ASSETS	111,000	65,294
TOTAL ASSETS	28,395,987	16,314,942
LIABILITIES:		
Current Liabilities:		
Accounts Payable	52,751	1,512
Due to Other Funds	23,232,904	11,510,342
TOTAL CURRENT LIABILITIES	23,285,655	11,511,854
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	2,153,000	1,546,000
TOTAL NONCURRENT LIABILITIES	2,153,000	1,546,000
TOTAL LIABILITIES	25,438,655	13,057,854
NET POSITION:		
Unrestricted	2,957,332	3,257,088
TOTAL NET POSITION	\$ 2,957,332	\$ 3,257,088

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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 118,761,721	\$ 100,070,874
Broker Fees	3,088,842	2,447,691
Administration Fees	<u>3,409,384</u>	<u>3,871,675</u>
TOTAL OPERATING REVENUES	<u>125,259,947</u>	<u>106,390,240</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	118,719,734	99,313,728
Broker Fees	3,088,845	2,447,691
Unallocated Loss Adjustment Expenses	607,000	405,000
Program Services	510,793	260,728
General Administrative Services	<u>24,979</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>122,951,351</u>	<u>102,427,147</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(2,342,499)</u>	<u>(2,353,874)</u>
TOTAL TRANSFERS	<u>(2,342,499)</u>	<u>(2,353,874)</u>
OPERATING INCOME (LOSS)	<u>(33,903)</u>	<u>1,609,219</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Financing Fees	19,657	26,379
Program Financing Expenses	<u>(285,510)</u>	<u>(121,411)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(265,853)</u>	<u>(95,032)</u>
CHANGE IN NET POSITION	<u>(299,756)</u>	<u>1,514,187</u>
NET POSITION:		
Beginning of Year	<u>3,257,088</u>	<u>1,742,901</u>
NET POSITION, END OF YEAR	<u><u>\$ 2,957,332</u></u>	<u><u>\$ 3,257,088</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 125,259,947	\$ 106,390,240
Payments (to)/from Others	(12,035,339)	(7,471,433)
Insurance Purchased	(118,719,734)	(99,313,728)
Payments to Suppliers	(3,619,084)	(2,745,040)
Internal Activities	9,380,063	3,234,993
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>265,853</u>	<u>95,032</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Program Financing Expenses	(285,510)	(121,411)
Finance Fees from Members	19,657	26,379
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(265,853)</u>	<u>(95,032)</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)	(33,903)	1,609,219
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(12,035,339)	(7,471,433)
Due From or To Other Funds	11,722,562	5,588,867
Accounts and Other Payables	5,533	(36,621)
Unallocated Loss Adjustment Expense Payable	607,000	405,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 265,853</u>	<u>\$ 95,032</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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 1,546,000</u>	<u>\$ 1,141,000</u>
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>607,000</u>	<u>405,000</u>
B. Total incurred claims and claim adjustment expenses	<u>607,000</u>	<u>405,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>-</u>	<u>-</u>
C. Total Payments	<u>-</u>	<u>-</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 2,153,000</u>	<u>\$ 1,546,000</u>
Current Claim Liabilities	-	-
Noncurrent Claim Liabilities	<u>2,153,000</u>	<u>1,546,000</u>
Total Claim Liabilities	<u>\$ 2,153,000</u>	<u>\$ 1,546,000</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, 2022

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.

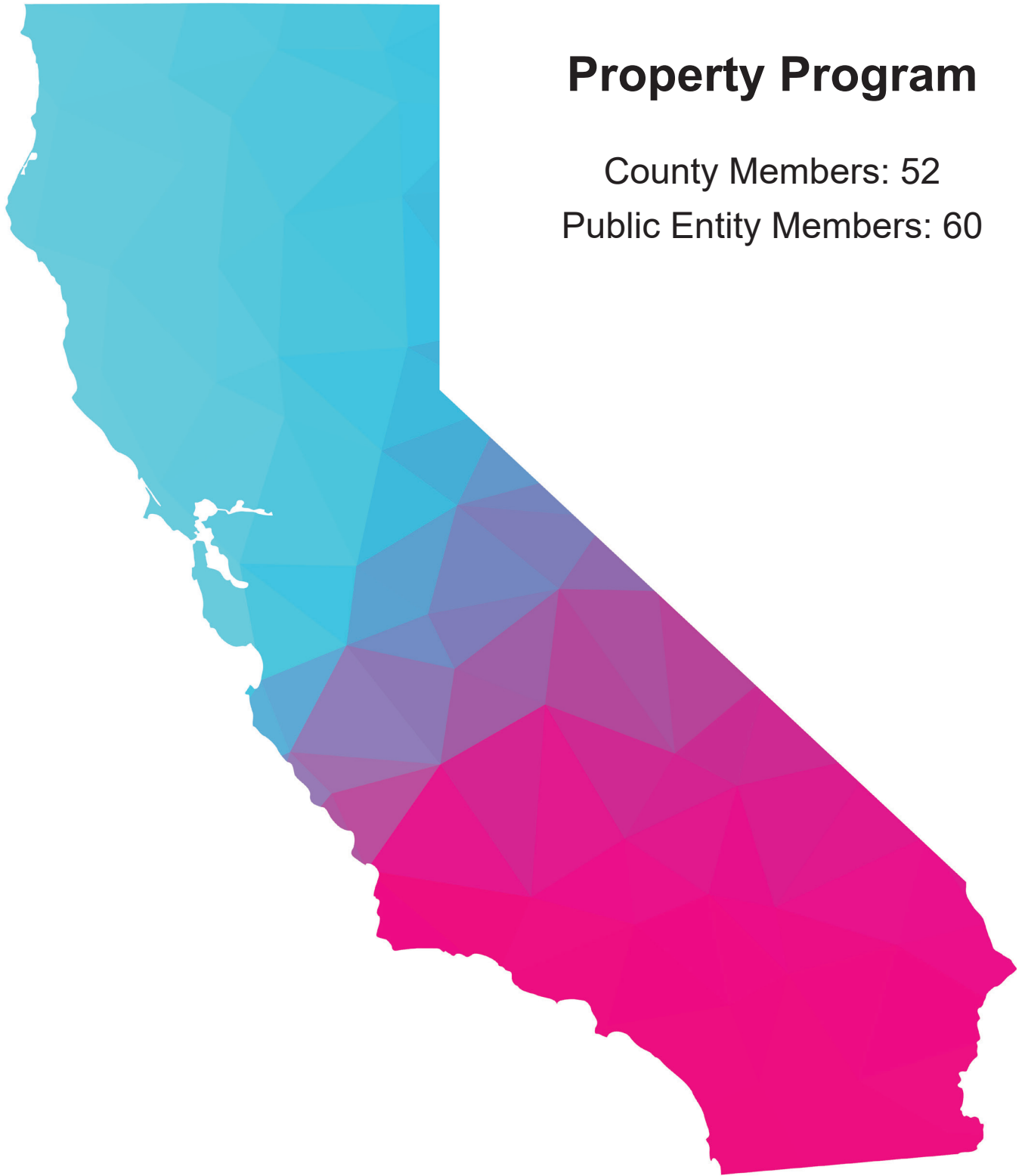
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2022

POLICY YEAR	June 30, 2013*	June 30, 2014*	June 30, 2015**	June 30, 2016***	June 30, 2017*	June 30, 2018*	June 30, 2019*	June 30, 2020*	June 30, 2021*	June 30, 2022*
Earned Premiums	\$ 19,467,217	\$ 22,700,000	\$ 26,484,451	\$ 32,140,342	\$ 46,724,983	\$ 48,889,112	\$ 62,346,508	\$ 78,462,797	\$ 100,070,874	\$ 118,761,721
Less Ceded	(19,467,217)	(22,700,000)	(19,484,451)	(22,887,339)	(46,724,983)	(48,889,112)	(62,346,508)	(78,462,797)	(99,313,728)	(118,719,734)
Investment Earnings	-	-	-	171,997	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	7,000,000	9,425,000	-	-	-	-	757,146	41,987
2. Unallocated Loss Adjustment Expense	211,923	80,474	88,609	77,749	71,199	559,699	326,606	434,401	92,117	1,939
3. Estimated Incurred Claims Less Ceded Claims	19,467,217 (19,467,217)	22,700,000 (22,700,000)	26,484,451 (19,484,451)	32,312,339 (22,887,339)	46,724,983 (46,724,983)	48,889,112 (48,889,112)	62,346,508 (62,346,508)	78,462,797 (78,462,797)	99,313,728 (99,313,728)	118,719,734 (118,719,734)
Net Incurred Claims and Expenses, End of Policy Year	-	-	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	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	36,468,508	36,763,208	52,326,748	19,671,651	59,855,172	73,232,557	61,946,563	39,739,068	15,469,896	-
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	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Fully Insured.

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

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



Property Program

County Members: 52

Public Entity Members: 60

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Due From Members	44,541,526	41,094,690
Reinsurance Claims, Deposit with Carrier and Other	12,892,998	4,811,142
Due From Other Funds	-	4,924,774
Prepaid Insurance and Expenses	75,509,758	86,345,431
TOTAL CURRENT ASSETS	<u>132,944,282</u>	<u>137,176,037</u>
Noncurrent Assets:		
Investment in Captive	113,413	66,714
TOTAL NONCURRENT ASSETS	<u>113,413</u>	<u>66,714</u>
TOTAL ASSETS	<u>133,057,695</u>	<u>137,242,751</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	210,824	5,404,946
Deposits From Insurance Companies	2,500,000	2,500,000
Due to Other Funds	62,580,757	-
Due to Members	391,570	136,923
Claim Liabilities		
Claims Reported	10,806,748	-
Claims Incurred But Not Reported	4,119,707	-
TOTAL CURRENT LIABILITIES	<u>80,609,606</u>	<u>8,041,869</u>
Noncurrent Liabilities:		
Due to Other Funds	-	86,345,431
Unallocated Loss Adjustment Expense Payable	14,000	22,000
TOTAL NONCURRENT LIABILITIES	<u>14,000</u>	<u>86,367,431</u>
TOTAL LIABILITIES	<u>80,623,606</u>	<u>94,409,300</u>
NET POSITION:		
Unrestricted	52,434,089	42,833,451
TOTAL NET POSITION	<u>\$ 52,434,089</u>	<u>\$ 42,833,451</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, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 132,196,008	\$ 112,325,527
Broker Fees	-	23,227
Contributions for Retained Risk	19,649,482	6,000,000
Administration Fees	1,651,646	1,339,161
School Loss Control Fees	39,331	-
Other Income	-	3,867,335
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	153,536,467	123,555,250
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	126,870,690	110,742,255
Provision for Claims		
Current Year Claims	14,926,455	1,181,329
Unallocated Loss Adjustment Expenses	(8,000)	14,000
Program Services	560,439	157,890
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	142,349,584	112,095,474
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(625,694)	(677,615)
	<hr/>	<hr/>
TOTAL TRANSFERS	(625,694)	(677,615)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	10,561,189	10,782,161
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(913,490)	(54)
Financing Fees	24,786	31,359
Program Financing Expenses	(71,847)	(278,554)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(960,551)	(247,249)
	<hr/>	<hr/>
CHANGE IN NET POSITION	9,600,638	10,534,912
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	42,833,451	32,298,539
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 52,434,089	\$ 42,833,451
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 150,344,278	\$ 110,299,343
Payments (to)/from Others	(8,081,856)	2,821,812
Claims Paid	-	(1,181,329)
Insurance Purchased	(121,240,838)	(115,356,336)
Payments to Suppliers	(595,439)	(533,528)
Internal Activities	(19,465,594)	4,197,287
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>960,551</u>	<u>247,249</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(12,925,080)	-
Sales of Securities	11,659,092	-
Cash from Investment Earnings	352,498	-
Program Financing Expenses	(71,847)	(278,554)
Finance Fees from Members	24,786	31,305
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(960,551)</u>	<u>(247,249)</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)	10,561,189	10,782,161
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(11,528,692)	(10,571,018)
Due From or To Other Funds	(18,839,900)	4,874,902
Prepaid Expenses	10,835,673	(9,984,027)
Accounts and Other Payables	(4,986,174)	5,131,231
Claim Liabilities	14,926,455	-
Unallocated Loss Adjustment Expense Payable	(8,000)	14,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 960,551</u>	<u>\$ 247,249</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ (1,265,988)</u>	<u>\$ -</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 22,000	\$ 8,000
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	14,918,455	1,195,329
B. Total incurred claims and claim adjustment expenses	14,918,455	1,195,329
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	-	1,181,329
C. Total Payments	-	1,181,329
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	\$ 14,940,455	\$ 22,000
Current Claim Liabilities	14,926,455	-
Noncurrent Claim Liabilities	14,000	22,000
Total Claim Liabilities	\$ 14,940,455	\$ 22,000

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, 2022

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.

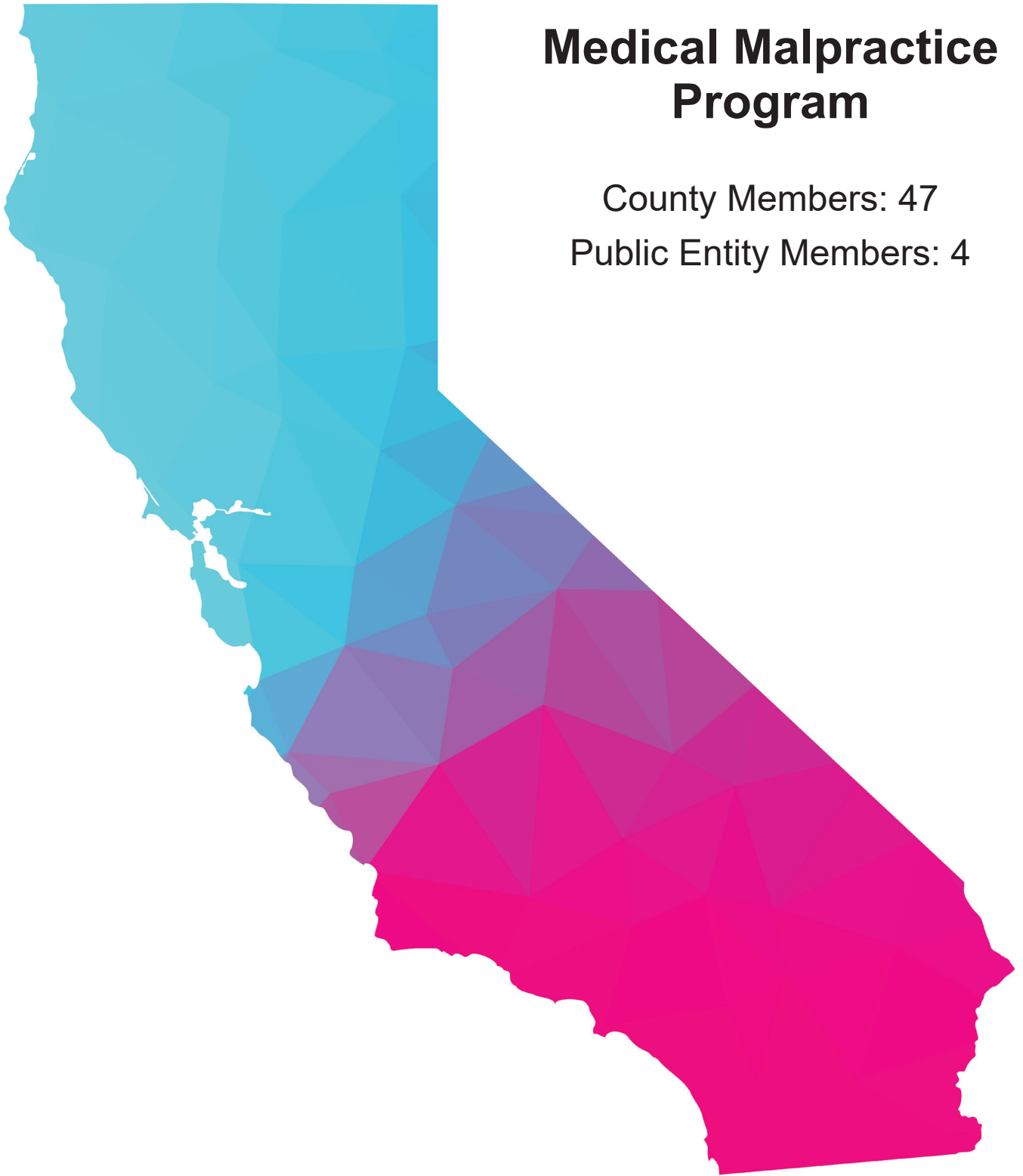
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2022

POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 53,788,778	\$ 57,810,264	\$ 61,349,158	\$ 59,095,613	\$ 60,499,245	\$ 64,312,676	\$ 74,800,771	\$ 89,802,978	\$ 118,325,527	\$ 149,869,424
Less Ceded	(43,216,154)	(46,060,305)	(48,609,374)	(49,528,175)	(57,993,491)	(61,588,986)	(67,204,099)	(82,364,274)	(110,742,255)	(130,220,690)
Dividends Declared	-	-	-	-	-	-	-	(125,448)	-	-
1. Total Revenues Available For Payment of Claims	10,572,624	11,749,959	12,739,784	9,567,438	2,505,754	2,723,690	7,596,672	7,313,256	7,583,272	19,648,734
2. Unallocated Loss Adjustment Expense	61,715	27,474	23,601	(10,902)	4,003	(110,341)	(4,000)	(2,000)	(14,000)	(8,000)
3. Estimated Incurred Claims	53,216,154	56,060,305	58,677,313	59,095,613	58,118,491	61,588,986	67,329,099	82,364,274	110,742,255	145,147,145
Less Ceded Claims	(43,216,154)	(46,060,305)	(48,609,374)	(49,528,175)	(57,993,491)	(61,588,986)	(67,204,099)	(82,364,274)	(110,742,255)	(130,220,690)
Net Incurred Claims and Expenses, End of Policy Year	10,000,000	10,000,000	10,067,939	9,567,438	125,000	-	125,000	-	-	14,926,455
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,800,207	4,795,812	10,000,000	9,567,438	-	-	-	-	-	-
One Year Later	10,000,000	9,409,593	10,206,664	10,152,576	-	-	125,000	-	-	-
Two Years Later	10,000,000	10,000,000	10,209,664	10,152,576	125,000	-	1,306,329	-	-	-
Three Years Later	10,000,000	10,000,000	10,209,664	10,152,576	125,000	-	1,306,329	-	-	-
Four Years Later	10,000,000	10,000,000	10,209,664	10,152,576	125,000	-	-	-	-	-
Five Years Later	10,000,000	10,000,000	10,209,664	10,152,576	125,000	-	-	-	-	-
Six Years Later	10,000,000	10,000,000	10,209,664	10,152,576	-	-	-	-	-	-
Seven Years Later	10,000,000	10,000,000	10,209,664	-	-	-	-	-	-	-
Eight Years Later	10,000,000	10,000,000	-	-	-	-	-	-	-	-
Nine Years Later	10,000,000	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	7,263,682	12,014,009	53,775,630	9,415,410	40,744,390	61,188,509	61,262,828	37,024,654	93,191,346	46,419,638
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	10,000,000	10,000,000	10,067,939	9,567,438	125,000	-	125,000	-	-	14,926,455
One Year Later	10,000,000	10,000,000	10,206,664	10,152,576	30,840	-	125,000	-	-	-
Two Years Later	10,000,000	10,000,000	10,209,664	10,152,576	284,369	-	1,306,329	-	-	-
Three Years Later	10,000,000	10,000,000	10,209,664	10,152,576	284,369	-	1,306,329	-	-	-
Four Years Later	10,000,000	10,000,000	10,209,664	10,152,576	284,369	-	-	-	-	-
Five Years Later	10,000,000	10,000,000	10,209,664	10,152,576	284,369	-	-	-	-	-
Six Years Later	10,000,000	10,000,000	10,209,664	10,152,576	-	-	-	-	-	-
Seven Years Later	10,000,000	10,000,000	10,209,664	-	-	-	-	-	-	-
Eight Years Later	10,000,000	10,000,000	-	-	-	-	-	-	-	-
Nine Years Later	10,000,000	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ 141,725	\$ 585,138	\$ 159,369	\$ -	\$ 1,181,329	\$ -	\$ -	\$ -

Medical Malpractice Program

County Members: 47

Public Entity Members: 4



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 2,868,024	\$ 4,497,688
TOTAL CASH & CASH EQUIVALENTS	2,868,024	4,497,688
Investments	3,541,275	4,714,462
Accounts Receivable		
Due From Members	26,953	18,106
Investment Income Receivable	130,901	133,590
Reinsurance Claims, Deposit with Carrier and Other	1,570,732	910,478
Due From Other Funds	11,200,499	2,732,509
Prepaid Insurance and Expenses	-	1,679,294
TOTAL CURRENT ASSETS	19,338,384	14,686,127
Noncurrent Assets:		
Investments	32,612,418	27,063,427
Due From Other Funds	568,922	11,874,219
Investment in Captive	430,928	253,487
TOTAL NONCURRENT ASSETS	33,612,268	39,191,133
TOTAL ASSETS	52,950,652	53,877,260
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,768,065	322,024
Unearned Income	-	5,548,289
Claim Liabilities		
Claims Reported	13,073,784	6,859,000
TOTAL CURRENT LIABILITIES	15,841,849	12,729,313
Noncurrent Liabilities:		
Claims Reported	7,779,807	18,938,630
Claims Incurred But Not Reported	14,959,994	13,743,379
Unallocated Loss Adjustment Expense Payable	938,000	254,000
TOTAL NONCURRENT LIABILITIES	23,677,801	32,936,009
TOTAL LIABILITIES	39,519,650	45,665,322
NET POSITION:		
Unrestricted	13,431,002	8,211,938
TOTAL NET POSITION	\$ 13,431,002	\$ 8,211,938

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, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 11,202,315	\$ 10,773,579
Broker Fees	10,841	11,984
Contributions for Retained Risk	15,258,101	10,264,485
Administration Fees	1,273,490	1,599,249
Other Income	233,376	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	27,978,123	22,649,297
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	11,200,135	10,773,580
Broker Fees	10,841	11,984
Provision for Claims		
Current Year Claims	6,805,312	5,664,000
Prior Year Claims	918,770	7,575,824
Unallocated Loss Adjustment Expenses	684,000	(528,000)
Program Services	542,756	477,423
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	20,161,814	23,974,811
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(955,466)	(987,434)
	<hr/>	<hr/>
TOTAL TRANSFERS	(955,466)	(987,434)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	6,860,843	(2,312,948)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(1,641,779)	166,438
Financing Fees	-	1,532
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,641,779)	167,970
	<hr/>	<hr/>
CHANGE IN NET POSITION	5,219,064	(2,144,978)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	8,211,938	10,356,916
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 13,431,002	\$ 8,211,938
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 22,187,611	\$ 23,620,903
Payments (to)/from Others	(426,878)	4,023,753
Claims Paid	(11,451,506)	(2,721,249)
Insurance Purchased	(9,520,841)	(10,158,875)
Payments to Suppliers	1,715,003	(167,383)
Internal Activities	1,881,841	(4,744,190)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,385,230</u>	<u>9,852,959</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(27,605,528)	(29,722,447)
Sales of Securities	20,954,415	19,325,901
Cash from Investment Earnings	636,219	692,260
Finance Fees from Members	-	1,532
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(6,014,894)</u>	<u>(9,702,754)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,629,664)	150,205
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>4,497,688</u>	<u>4,347,483</u>
END OF YEAR	<u><u>\$ 2,868,024</u></u>	<u><u>\$ 4,497,688</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	6,860,843	(2,312,948)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(669,101)	4,035,911
Due From or To Other Funds	2,837,307	(3,756,756)
Prepaid Expenses	1,679,294	614,705
Unearned Premium from Members	(5,548,289)	1,155,093
Accounts and Other Payables	2,268,600	126,379
Claim Liabilities	(3,727,424)	10,518,575
Unallocated Loss Adjustment Expense Payable	684,000	(528,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 4,385,230</u></u>	<u><u>\$ 9,852,959</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (2,275,309)</u></u>	<u><u>\$ (548,097)</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 39,795,009</u>	<u>\$ 29,804,434</u>
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	7,489,312	5,136,000
Increase (Decrease) in the provision for claims of prior fiscal years	<u>918,770</u>	<u>7,575,824</u>
B. Total incurred claims and claim adjustment expenses	<u>8,408,082</u>	<u>12,711,824</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>11,451,506</u>	<u>2,721,249</u>
C. Total Payments	<u>11,451,506</u>	<u>2,721,249</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 36,751,585</u>	<u>\$ 39,795,009</u>
Current Claim Liabilities	13,073,784	6,859,000
Noncurrent Claim Liabilities	<u>23,677,801</u>	<u>32,936,009</u>
Total Claim Liabilities	<u>\$ 36,751,585</u>	<u>\$ 39,795,009</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, 2022

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, 2022

POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 12,974,062	\$ 12,133,259	\$ 12,159,000	\$ 12,377,511	\$ 13,376,499	\$ 14,099,920	\$ 14,985,163	\$ 16,894,700	\$ 21,666,468	\$ 23,730,636
Less Ceded	(6,292,646)	(5,317,928)	(5,278,339)	(5,587,223)	(6,087,843)	(6,145,622)	(6,376,774)	(8,497,910)	(10,773,580)	(11,200,135)
Investment Earnings and Other Income	515,100	776,285	256,098	258,646	128,588	639,346	727,604	317,658	(199,645)	(629,458)
1. Total Revenues Available For Payment of Claims	7,196,516	7,591,616	7,136,759	7,048,934	7,417,244	8,593,644	9,335,993	8,714,448	10,693,243	11,901,043
2. Unallocated Loss Adjustment Expense	1,075	1,399	3,736	(3,686)	16,307	94,104	184,392	276,512	187,080	178,239
3. Estimated Incurred Claims Less Ceded Claims	11,506,272	10,557,889	10,806,161	11,115,839	11,939,908	12,281,464	12,333,491	17,408,296	15,909,580	18,005,447
Net Incurred Claims and Expenses, End of Policy Year	(6,292,646)	(5,317,928)	(5,278,339)	(5,587,223)	(6,087,843)	(6,145,622)	(6,376,774)	(8,497,910)	(10,773,580)	(11,200,135)
	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717	8,910,386	5,136,000	6,805,312
4. Cumulative Paid Claims as of:										
End of the Policy Year	3,528	-	-	17,502	37,635	15,523	245,810	-	-	-
One Year Later	436,672	-	503,920	243,443	1,894,067	1,752,099	2,176,225	19,547	35,000	
Two Years Later	4,141,591	385,965	1,772,706	1,261,135	5,071,771	3,849,559	3,087,506	1,550,511		
Three Years Later	4,432,593	1,514,858	3,565,148	5,406,575	7,301,811	5,106,054	7,086,043			
Four Years Later	4,470,975	1,553,550	6,074,117	7,711,389	7,715,476	8,321,433				
Five Years Later	4,886,993	1,553,550	6,116,030	7,720,104	8,885,464					
Six Years Later	4,889,431	1,553,550	6,226,395	9,221,743						
Seven Years Later	4,889,431	1,553,550	6,226,395							
Eight Years Later	4,889,431	1,553,550								
Nine Years Later	4,889,431									
5. Reestimated Ceded Claims and Expenses	-	413,449	193,555	3,579,280	9,751,472	7,363,874	15,428,727	21,728,130	2,000,000	25,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717	8,910,386	5,136,000	6,805,312
One Year Later	5,064,126	4,950,026	8,550,054	6,575,046	9,989,538	8,779,726	7,480,935	8,738,250	7,177,850	
Two Years Later	6,893,606	6,224,082	10,203,303	10,624,337	10,379,536	13,770,438	14,297,448	12,107,966		
Three Years Later	6,955,612	4,768,898	7,422,110	9,330,511	10,347,322	12,956,481	14,126,261			
Four Years Later	6,855,621	1,922,429	6,897,687	8,361,424	10,975,751	11,914,386				
Five Years Later	6,551,064	1,810,904	6,729,432	9,689,339	9,508,078					
Six Years Later	5,151,088	1,729,432	6,700,303	9,081,016						
Seven Years Later	5,049,205	1,673,644	6,369,056							
Eight Years Later	5,000,048	1,606,948								
Nine Years Later	4,930,468									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (283,158)	\$ (3,633,013)	\$ 841,234	\$ 3,552,400	\$ 3,656,013	\$ 5,778,544	\$ 8,169,544	\$ 3,197,580	\$ 2,041,850	\$ -



Master Rolling Owner Controlled Insurance Program

County Members: 3
Public Entity Members: 3

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

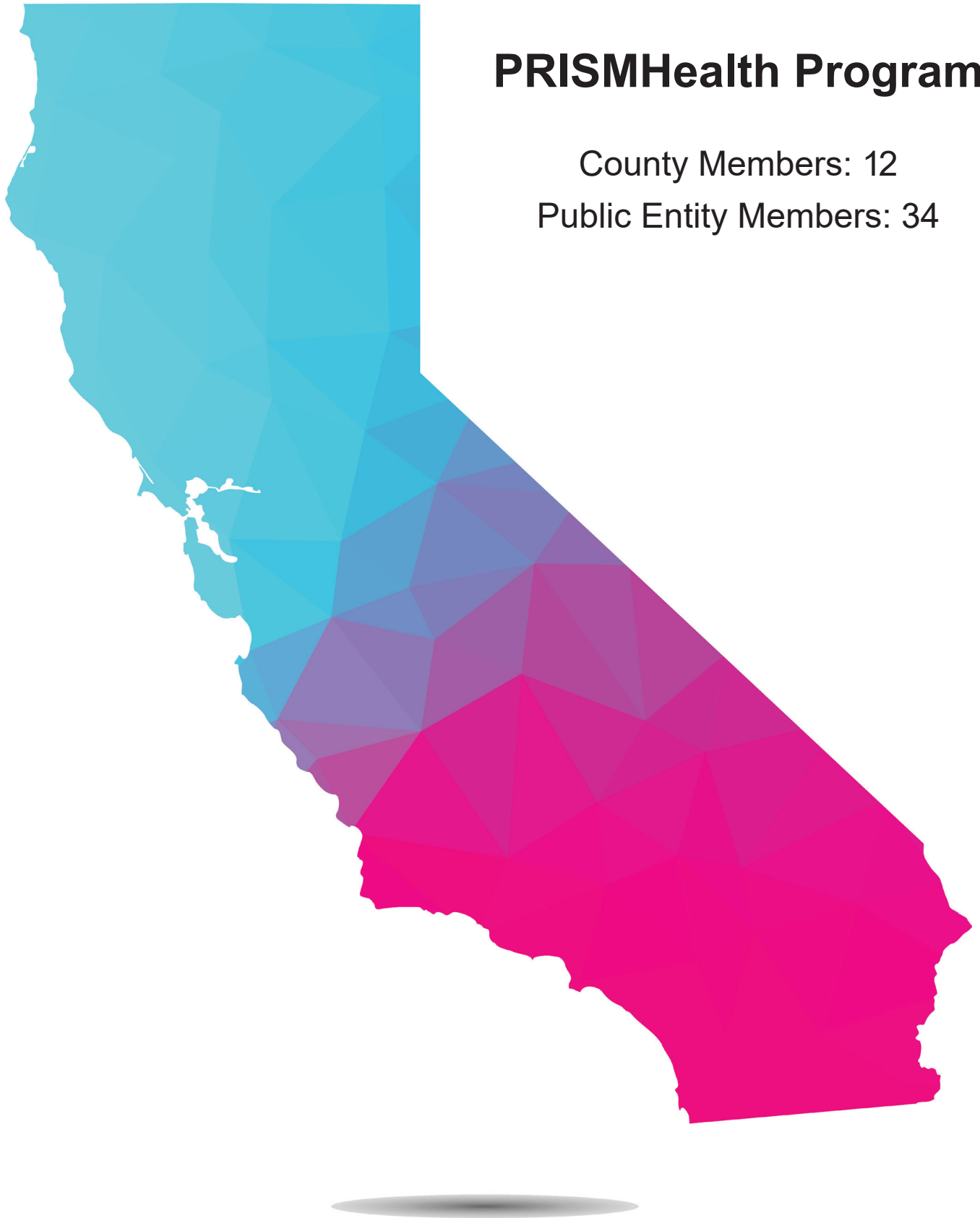
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 48,345	\$ 36,118
TOTAL CASH & CASH EQUIVALENTS	<u>48,345</u>	<u>36,118</u>
Investments	59,693	37,859
Accounts Receivable		
Due From Members	-	1,322,421
Investment Income Receivable	2,207	1,073
Due From Other Funds	188,800	21,943
Prepaid Insurance and Expenses	1,105,663	4,035,334
TOTAL CURRENT ASSETS	<u>1,404,708</u>	<u>5,454,748</u>
Noncurrent Assets:		
Investments	549,728	217,327
Due From Other Funds	9,590	95,353
Investment in Captive	1,113	654
TOTAL NONCURRENT ASSETS	<u>560,431</u>	<u>313,334</u>
TOTAL ASSETS	<u>1,965,139</u>	<u>5,768,082</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	36,487	893,049
Unearned Income	942,095	3,874,068
TOTAL CURRENT LIABILITIES	<u>978,582</u>	<u>4,767,117</u>
TOTAL LIABILITIES	<u>978,582</u>	<u>4,767,117</u>
NET POSITION:		
Unrestricted	986,557	1,000,965
TOTAL NET POSITION	<u>\$ 986,557</u>	<u>\$ 1,000,965</u>

**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, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 9,582,710	\$ 7,757,658
Administration Fees	59,889	100,611
Other Income	<u>-</u>	<u>501,579</u>
TOTAL OPERATING REVENUES	<u>9,642,599</u>	<u>8,359,848</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	<u>9,582,710</u>	<u>7,757,658</u>
TOTAL OPERATING EXPENSES	<u>9,582,710</u>	<u>7,757,658</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(47,164)</u>	<u>(52,574)</u>
TOTAL TRANSFERS	<u>(47,164)</u>	<u>(52,574)</u>
OPERATING INCOME (LOSS)	<u>12,725</u>	<u>549,616</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	<u>(27,133)</u>	<u>1,475</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(27,133)</u>	<u>1,475</u>
CHANGE IN NET POSITION	<u>(14,408)</u>	<u>551,091</u>
NET POSITION:		
Beginning of Year	<u>1,000,965</u>	<u>449,874</u>
NET POSITION, END OF YEAR	<u><u>\$ 986,557</u></u>	<u><u>\$ 1,000,965</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 8,033,047	\$ 9,534,108
Insurance Purchased	(7,510,060)	(9,527,160)
Internal Activities	<u>(128,258)</u>	<u>(37,641)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>394,729</u>	<u>(30,693)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(738,141)	(164,000)
Sales of Securities	346,303	171,214
Cash from Investment Earnings	<u>9,336</u>	<u>6,614</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(382,502)</u>	<u>13,828</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,227	(16,865)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>36,118</u>	<u>52,983</u>
END OF YEAR	<u><u>\$ 48,345</u></u>	<u><u>\$ 36,118</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	12,725	549,616
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	1,322,421	(1,322,421)
Due From or To Other Funds	(81,094)	14,933
Prepaid Expenses	2,929,671	(2,662,551)
Unearned Premium from Members	(2,931,973)	2,496,681
Accounts and Other Payables	<u>(857,021)</u>	<u>893,049</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 394,729</u></u>	<u><u>\$ (30,693)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (37,603)</u></u>	<u><u>\$ (4,856)</u></u>



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 367,521	\$ 596,689
TOTAL CASH & CASH EQUIVALENTS	367,521	596,689
Investments	453,794	625,447
Accounts Receivable		
Due From Members	16,422	-
Investment Income Receivable	16,774	17,723
Due From Other Funds	1,435,279	362,510
TOTAL CURRENT ASSETS	2,289,790	1,602,369
Noncurrent Assets:		
Investments	4,179,092	3,590,389
Due From Other Funds	72,904	1,575,302
Investment in Captive	131,702	77,472
TOTAL NONCURRENT ASSETS	4,383,698	5,243,163
TOTAL ASSETS	6,673,488	6,845,532
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,097,880	1,801,089
Due to Members		
Dividends Payable	2,145,401	2,143,204
Due to Members	142,440	13,960
Unearned Income	8,164	5,016
TOTAL CURRENT LIABILITIES	3,393,885	3,963,269
TOTAL LIABILITIES	3,393,885	3,963,269
NET POSITION:		
Unrestricted	3,279,603	2,882,263
TOTAL NET POSITION	\$ 3,279,603	\$ 2,882,263

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 589,617,105	\$ 561,215,117
Broker Fees	4,247,344	4,104,193
Administration Fees	956,127	919,792
Other Income	<u>222,656</u>	<u>119,964</u>
TOTAL OPERATING REVENUES	<u>595,043,232</u>	<u>566,359,066</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	589,617,106	561,215,116
Broker Fees	4,233,876	4,117,814
Program Services	48,000	137,566
Member Dividends & Stabilization Funds Distributed	<u>2,197</u>	<u>3,210</u>
TOTAL OPERATING EXPENSES	<u>593,901,179</u>	<u>565,473,706</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(488,953)</u>	<u>(560,419)</u>
TOTAL TRANSFERS	<u>(488,953)</u>	<u>(560,419)</u>
OPERATING INCOME (LOSS)	<u>653,100</u>	<u>324,941</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	<u>(255,760)</u>	<u>32,589</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(255,760)</u>	<u>32,589</u>
CHANGE IN NET POSITION	397,340	357,530
NET POSITION:		
Beginning of Year	<u>2,882,263</u>	<u>2,524,733</u>
NET POSITION, END OF YEAR	<u><u>\$ 3,279,603</u></u>	<u><u>\$ 2,882,263</u></u>

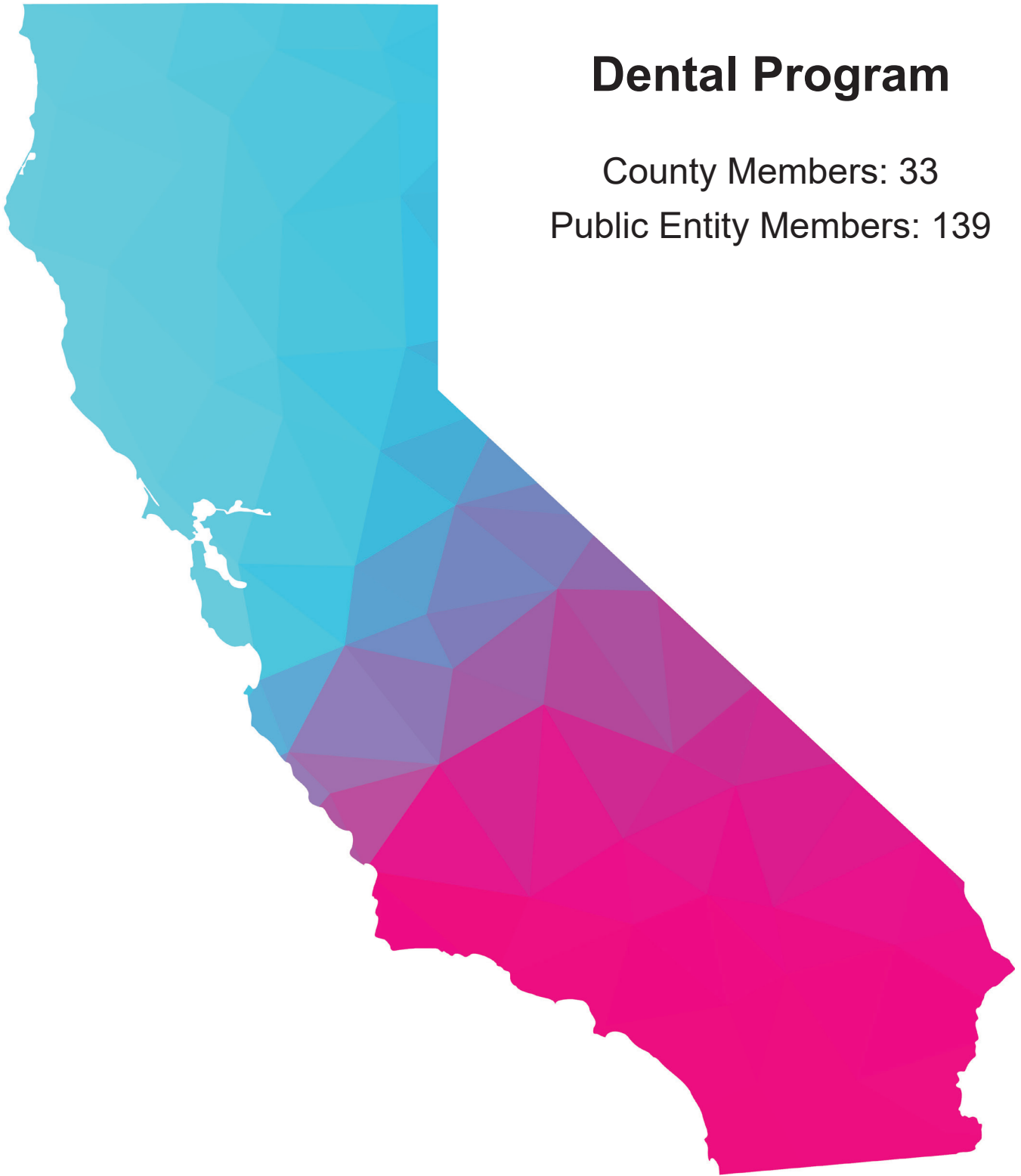
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 595,158,438	\$ 566,333,513
Insurance Purchased	(586,069,594)	(557,905,553)
Payments to Suppliers	(8,586,827)	(7,290,161)
Internal Activities	(59,324)	(703,968)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>442,693</u>	<u>433,831</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(4,035,839)	(4,480,820)
Sales of Securities	3,264,335	3,784,139
Cash from Investment Earnings	99,643	140,595
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(671,861)</u>	<u>(556,086)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(229,168)	(122,255)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>596,689</u>	<u>718,944</u>
END OF YEAR	<u><u>\$ 367,521</u></u>	<u><u>\$ 596,689</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	653,100	324,941
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(16,422)	-
Due From or To Other Funds	429,629	(143,549)
Accounts and Other Payables	(623,614)	252,439
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 442,693</u></u>	<u><u>\$ 433,831</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (354,454)</u></u>	<u><u>\$ (107,321)</u></u>

Dental Program

County Members: 33

Public Entity Members: 139



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 547,000	\$ 629,951
TOTAL CASH & CASH EQUIVALENTS	547,000	629,951
Investments	675,407	660,313
Accounts Receivable		
Due From Members	2,889,855	6,251,014
Investment Income Receivable	24,966	18,711
Reinsurance Claims, Deposit with Carrier and Other	245,000	245,000
Due From Other Funds	2,136,205	382,718
TOTAL CURRENT ASSETS	6,518,433	8,187,707
Noncurrent Assets:		
Investments	6,219,975	3,790,533
Due From Other Funds	108,507	1,663,116
Investment in Captive	219,394	129,055
TOTAL NONCURRENT ASSETS	6,547,876	5,582,704
TOTAL ASSETS	13,066,309	13,770,411
LIABILITIES:		
Current Liabilities:		
Accounts Payable	868,293	-
Due to Members		
Member Deposits	619,262	699,774
Unearned Income	-	21,556
Claim Liabilities		
Claims Reported	2,769,238	2,109,277
TOTAL CURRENT LIABILITIES	4,256,793	2,830,607
TOTAL LIABILITIES	4,256,793	2,830,607
NET POSITION:		
Unrestricted	8,809,516	10,939,804
TOTAL NET POSITION	\$ 8,809,516	\$ 10,939,804

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Broker Fees	\$ 2,377,092	\$ 2,337,757
Contributions for Retained Risk	39,849,219	38,929,473
Other Income	<u>26,513</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>42,252,824</u>	<u>41,267,230</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Broker Fees	2,377,092	2,337,757
Provision for Claims		
Current Year Claims	36,292,833	36,112,649
Program Services	3,108,176	3,239,779
Member Dividends & Stabilization Funds Distributed	<u>2,000,000</u>	<u>7,000,000</u>
TOTAL OPERATING EXPENSES	<u>43,778,101</u>	<u>48,690,185</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(343,567)</u>	<u>(326,237)</u>
TOTAL TRANSFERS	<u>(343,567)</u>	<u>(326,237)</u>
OPERATING INCOME (LOSS)	<u>(1,868,844)</u>	<u>(7,749,192)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	<u>(261,444)</u>	<u>46,829</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(261,444)</u>	<u>46,829</u>
CHANGE IN NET POSITION	<u>(2,130,288)</u>	<u>(7,702,363)</u>
NET POSITION:		
Beginning of Year	<u>10,939,804</u>	<u>18,642,167</u>
NET POSITION, END OF YEAR	<u><u>\$ 8,809,516</u></u>	<u><u>\$ 10,939,804</u></u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 45,511,915	\$ 36,496,231
Dividends Paid	(2,000,000)	(7,000,000)
Claims Paid	(35,632,872)	(35,850,497)
Payments to Suppliers	(4,707,314)	(6,321,828)
Internal Activities	(542,445)	3,484,645
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,629,284</u>	<u>(9,191,449)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(6,143,741)	-
Sales of Securities	3,336,875	7,232,249
Cash from Investment Earnings	94,631	242,420
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,712,235)</u>	<u>7,474,669</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(82,951)	(1,716,780)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>629,951</u>	<u>2,346,731</u>
END OF YEAR	<u><u>\$ 547,000</u></u>	<u><u>\$ 629,951</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(1,868,844)	(7,749,192)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	3,361,159	(4,704,189)
Due From or To Other Funds	(198,878)	3,810,882
Unearned Premium from Members	(21,556)	-
Accounts and Other Payables	697,442	(811,102)
Claim Liabilities	659,961	262,152
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 2,629,284</u></u>	<u><u>\$ (9,191,449)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (362,330)</u></u>	<u><u>\$ (154,215)</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 2,109,277</u>	<u>\$ 1,847,125</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>36,292,833</u>	<u>36,112,649</u>
B. Total incurred claims and claim adjustment expenses	<u>36,292,833</u>	<u>36,112,649</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	33,523,595	34,003,372
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,109,277</u>	<u>1,847,125</u>
C. Total Payments	<u>35,632,872</u>	<u>35,850,497</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 2,769,238</u>	<u>\$ 2,109,277</u>
Current Claim Liabilities	<u>2,769,238</u>	<u>2,109,277</u>
Total Claim Liabilities	<u>\$ 2,769,238</u>	<u>\$ 2,109,277</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, 2022

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.

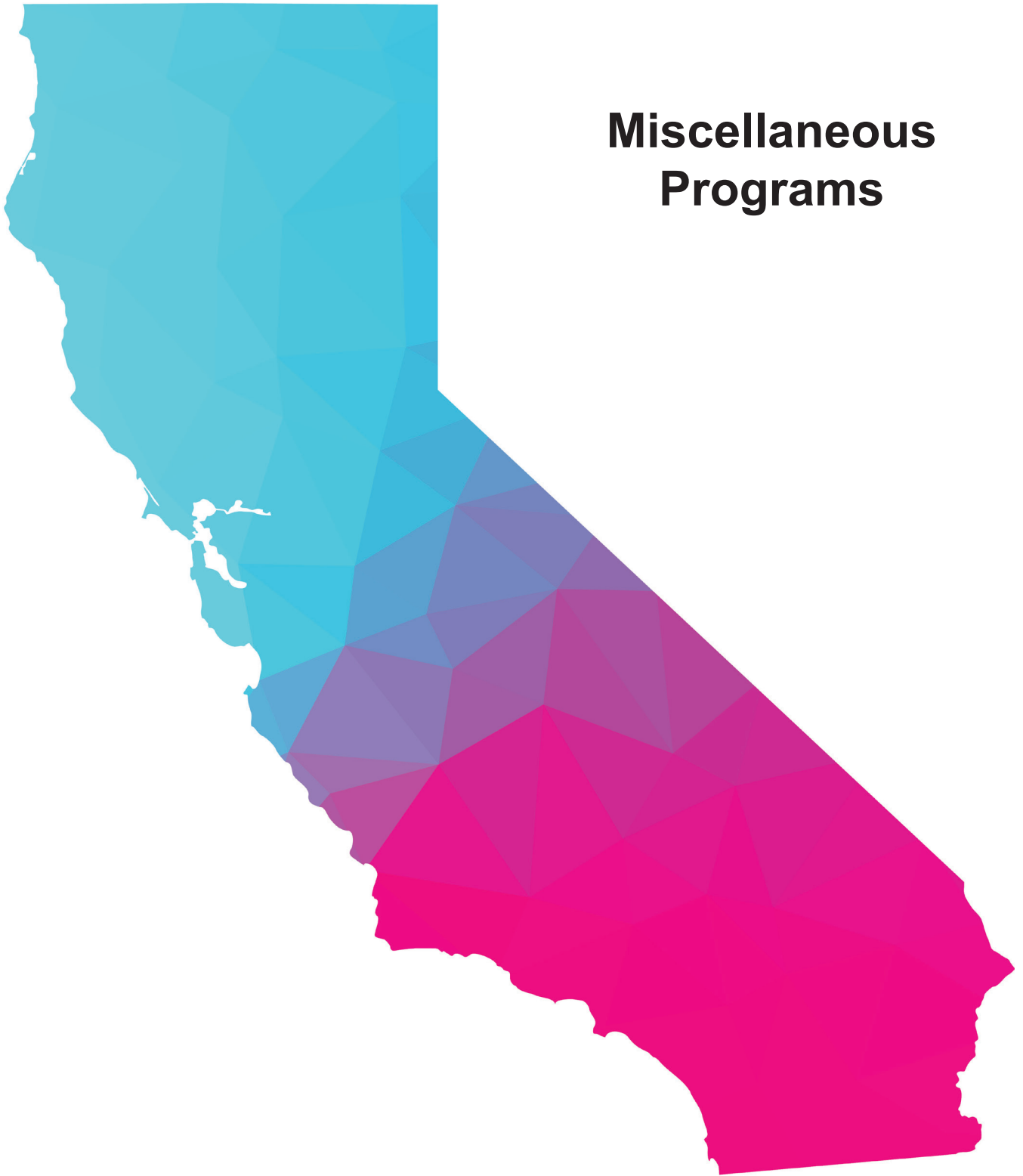
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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, 2022

POLICY YEAR	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 30,426,135	\$ 31,210,281	\$ 32,028,794	\$ 31,736,745	\$ 32,978,281	\$ 33,604,042	\$ 35,255,976	\$ 37,758,487	\$ 37,770,792	\$ 39,200,009
Dividends Declared	-	-	-	-	-	-	-	(5,000,000)	(7,000,000)	(2,000,000)
1. Total Revenues Available For Payment of Claims	30,426,135	31,210,281	32,028,794	31,736,745	32,978,281	33,604,042	35,255,976	32,758,487	30,770,792	37,200,009
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Net Incurred Claims and Expenses, End of Policy Year	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833
4. Cumulative Paid Claims as of:										
End of the Policy Year	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	35,850,497	33,523,595
One Year Later	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	
Two Years Later	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710		
Three Years Later	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327			
Four Years Later	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949				
Five Years Later	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280					
Six Years Later	25,691,975	24,283,069	26,917,532	29,738,033						
Seven Years Later	25,691,975	24,283,069	26,917,532							
Eight Years Later	25,691,975	24,283,069								
Nine Years Later	25,691,975									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833
One Year Later	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	
Two Years Later	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710		
Three Years Later	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327			
Four Years Later	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949				
Five Years Later	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280					
Six Years Later	25,691,975	26,483,069	26,917,532	29,738,033						
Seven Years Later	25,691,975	26,483,069	26,917,532							
Eight Years Later	25,691,975	26,483,069								
Nine Years Later	25,691,975									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Miscellaneous Programs



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 134,053	\$ 162,688
TOTAL CASH & CASH EQUIVALENTS	134,053	162,688
Investments	165,519	170,529
Accounts Receivable		
Due From Members	59,679	516,053
Investment Income Receivable	6,118	4,832
Reinsurance Claims, Deposit with Carrier and Other	11,096	-
Due From Other Funds	523,512	98,839
Prepaid Insurance and Expenses	-	59,804
TOTAL CURRENT ASSETS	<u>899,977</u>	<u>1,012,745</u>
Noncurrent Assets:		
Investments	1,524,307	978,925
Due From Other Funds	26,591	429,508
Investment in Captive	25,342	14,907
TOTAL NONCURRENT ASSETS	<u>1,576,240</u>	<u>1,423,340</u>
TOTAL ASSETS	<u>2,476,217</u>	<u>2,436,085</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	10,435	19,449
Due to Members		
Dividends Payable	184,671	192,237
TOTAL CURRENT LIABILITIES	<u>195,106</u>	<u>211,686</u>
TOTAL LIABILITIES	<u>195,106</u>	<u>211,686</u>
NET POSITION:		
Unrestricted	2,281,111	2,224,399
TOTAL NET POSITION	<u>\$ 2,281,111</u>	<u>\$ 2,224,399</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 73,652,811	\$ 68,643,484
Member Services & Dividend Income	<u>540,855</u>	<u>192,456</u>
TOTAL OPERATING REVENUES	<u>74,193,666</u>	<u>68,835,940</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	73,489,127	68,477,683
Program Services	24,000	-
Member Dividends & Stabilization Funds Distributed	<u>540,855</u>	<u>192,456</u>
TOTAL OPERATING EXPENSES	<u>74,053,982</u>	<u>68,670,139</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(14,805)</u>	<u>(14,791)</u>
TOTAL TRANSFERS	<u>(14,805)</u>	<u>(14,791)</u>
OPERATING INCOME (LOSS)	<u>124,879</u>	<u>151,010</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(70,001)	2,833
Financing Fees	<u>1,834</u>	<u>864</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(68,167)</u>	<u>3,697</u>
CHANGE IN NET POSITION	56,712	154,707
NET POSITION:		
Beginning of Year	<u>2,224,399</u>	<u>2,069,692</u>
NET POSITION, END OF YEAR	<u><u>\$ 2,281,111</u></u>	<u><u>\$ 2,224,399</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 74,144,620	\$ 68,166,115
Payments (to)/from Others	529,759	192,456
Dividends Paid	(548,421)	(140,160)
Insurance Purchased	(73,484,207)	(68,833,730)
Payments to Suppliers	(24,000)	-
Internal Activities	(36,561)	177,043
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>581,190</u>	<u>(438,276)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(1,530,823)	(32,360)
Sales of Securities	893,438	329,164
Cash from Investment Earnings	25,726	14,726
Finance Fees from Members	1,834	864
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(609,825)</u>	<u>312,394</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(28,635)</u>	<u>(125,882)</u>
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	<u>162,688</u>	<u>288,570</u>
END OF YEAR	<u><u>\$ 134,053</u></u>	<u><u>\$ 162,688</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	124,879	151,010
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	445,278	(512,803)
Due From or To Other Funds	(21,756)	191,833
Prepaid Expenses	59,804	(59,804)
Accounts and Other Payables	(27,015)	(208,512)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 581,190</u></u>	<u><u>\$ (438,276)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (97,013)</u></u>	<u><u>\$ (9,335)</u></u>

General Administration and Building



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	694,270	666,593
Cash in the PRISM Treasury	896,617	1,544,788
	<hr/>	<hr/>
TOTAL CASH & CASH EQUIVALENTS	1,591,187	2,211,681
Investments	1,107,091	1,619,242
Accounts Receivable		
Due From Members	118,223	403,857
Investment Income Receivable	40,923	45,883
Lease Receivable	248,396	214,142
Reinsurance Claims, Deposit with Carrier and Other	77,878	39,283
Due From Other Funds	3,501,557	938,515
Prepaid Insurance and Expenses	197,749	83,719
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	6,883,004	5,556,322
Noncurrent Assets:		
Investments	2,035,223	1,423,657
Due From Other Funds	177,859	4,078,355
Investments - Restricted	8,160,236	7,871,623
Lease Receivable	3,271,513	3,540,898
Net Pension Asset	788,038	-
Land and Buildings, Net		
Land	1,000,000	1,000,000
Building	5,745,390	5,745,390
Less Accumulated Depreciation, Building	(1,405,101)	(1,292,954)
Tenant Improvements	2,566,899	2,494,198
Less Accumulated Depreciation, Tenant Improvements	(1,827,550)	(1,717,701)
Furniture and Equipment, Net		
Office Furniture and Equipment	1,408,343	1,380,846
Computer Software	11,213,670	8,095,989
Less Accumulated Depreciation	(6,076,653)	(4,880,318)
	<hr/>	<hr/>
TOTAL NONCURRENT ASSETS	27,057,867	27,739,983
	<hr/>	<hr/>
TOTAL ASSETS	33,940,871	33,296,305
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on Pensions	1,832,009	1,976,583
Deferred Outflows of Resources on OPEB	168,227	190,731
	<hr/>	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 2,000,236	\$ 2,167,314

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 542,313	\$ 287,947
Due to Other Funds	503,699	503,699
Due to Members	100,000	100,000
Unearned Income	53,549	53,415
Compensated Absences	145,332	144,842
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	1,344,893	1,089,903
Noncurrent Liabilities:		
Due to Members, Long Term	8,060,236	7,771,623
Due to Other Funds	4,384,435	5,525,467
Compensated Absences, Long Term	581,329	579,367
Net OPEB Liability	76,986	288,072
Net Pension Liability	-	2,558,450
	<hr/>	<hr/>
TOTAL NONCURRENT LIABILITIES	13,102,986	16,722,979
	<hr/>	<hr/>
TOTAL LIABILITIES	14,447,879	17,812,882
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	3,519,909	3,755,040
Deferred Inflows of Resources on Pensions	(502,006)	329,222
Deferred Inflows of Resources on OPEB	695,936	646,848
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	3,713,839	4,731,110
	<hr/>	<hr/>
NET POSITION:		
Net Investment in Capital Assets	12,624,998	10,825,450
Unrestricted	5,154,391	2,094,177
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 17,779,389	\$ 12,919,627
	<hr/>	<hr/>

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, 2022 AND 2021

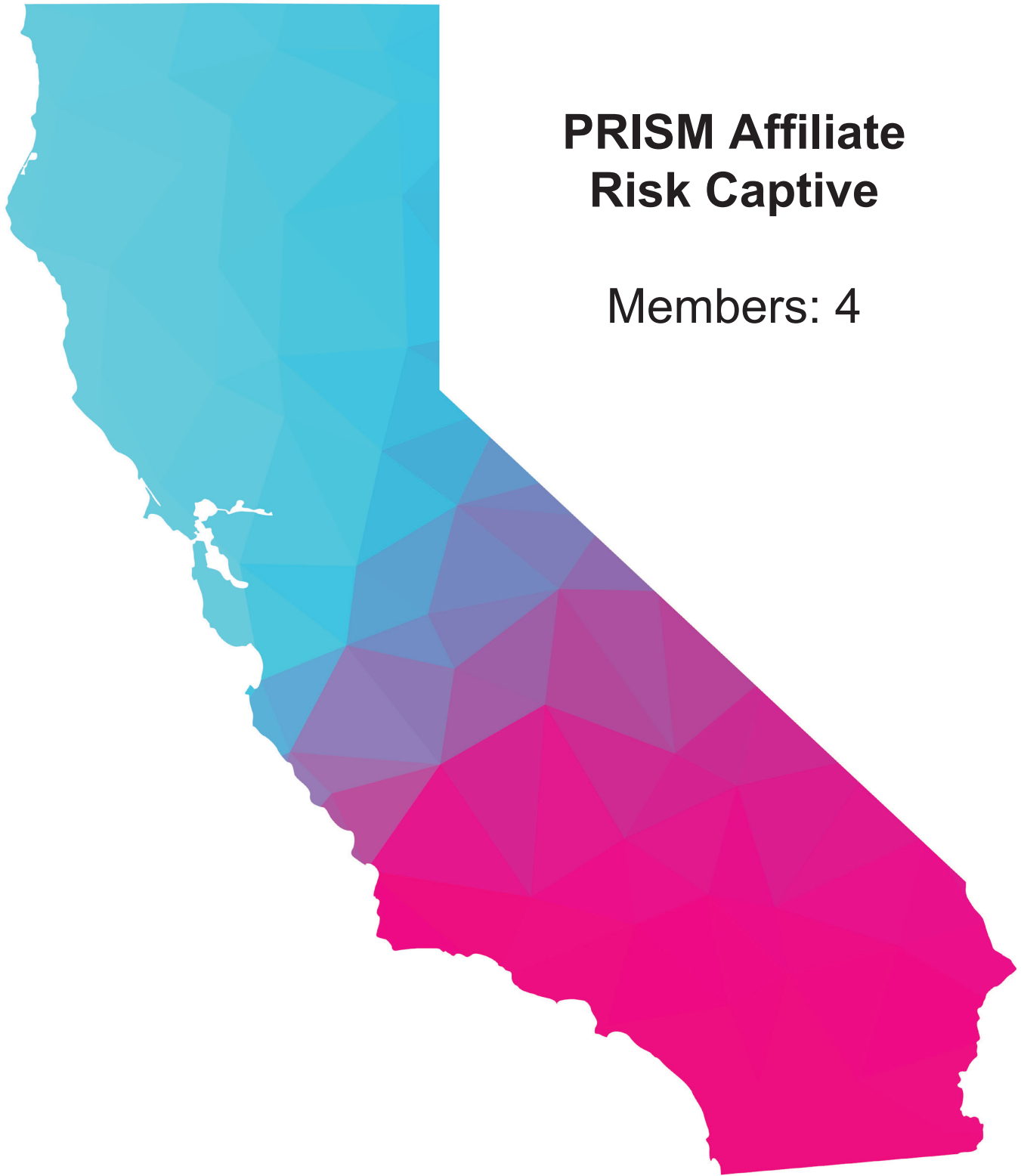
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Member Services & Dividend Income		
Member Services		
Claims Information System	\$ 103,705	\$ 514,857
Loss Prevention and Enterprise Risk Consultant	204,153	194,941
Insurance Certificate Tracking Service	-	29,697
Other Income	892,537	230,128
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	1,200,395	969,623
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Loss Prevention Expenses	2,600,729	2,709,847
General Administrative Services		
Salaries and Benefits	9,028,155	13,204,875
Staff Support	295,876	225,636
Services and Supplies	2,364,872	2,250,847
Depreciation	1,341,405	1,204,316
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	15,631,037	19,595,521
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer In	19,970,942	20,794,260
	<hr/>	<hr/>
TOTAL TRANSFERS	19,970,942	20,794,260
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	5,540,300	2,168,362
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(687,575)	90,762
Financing Fees	514	-
Investment Expense	(160,762)	(165,234)
Lease Income, net of Building Expense		
Lease Income	367,202	354,074
Building Maintenance and Operating Expense	(52,348)	(104,096)
Depreciation and Amortization	(76,926)	(71,141)
Program Financing Expenses	(70,643)	(130,287)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(680,538)	(25,922)
	<hr/>	<hr/>
CHANGE IN NET POSITION	4,859,762	2,142,440
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	12,919,627	10,777,187
	<hr/>	<hr/>
NET POSITION, END OF YEAR	<u>\$ 17,779,389</u>	<u>\$ 12,919,627</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 593,492	\$ 366,699
Payments (to)/from Others	854,076	223,551
Payments to Suppliers	(5,526,623)	(5,500,174)
Payments to Employees	(13,198,339)	(12,817,978)
Subsidy Payments from (to) Members	288,613	135,521
Internal Activities	<u>20,167,364</u>	<u>20,287,756</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,178,583</u>	<u>2,695,375</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Building and Other Capital Assets	(72,701)	(3,160)
Purchase of Software, Furniture and Equipment	<u>(2,739,696)</u>	<u>(1,922,663)</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(2,812,397)</u>	<u>(1,925,823)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(10,116,613)	(12,011,243)
Sales of Securities	8,775,688	10,538,574
Cash from Investment Earnings	270,282	393,207
Investment Expenses	(160,762)	(165,234)
Program Financing Expenses	(70,643)	(130,287)
Finance Fees from Members	514	-
Lease Receipts	367,202	354,074
Operating Lease Disbursements	<u>(52,348)</u>	<u>(104,096)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(986,680)</u>	<u>(1,125,005)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(620,494)	(355,453)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>2,211,681</u>	<u>2,567,134</u>
END OF YEAR	<u><u>\$ 1,591,187</u></u>	<u><u>\$ 2,211,681</u></u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
JUNE 30, 2022 AND 2021**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 5,540,300	\$ 2,168,362
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,341,405	1,204,316
Changes in		
Accounts Receivable, Net	247,039	(373,414)
Due From or To Other Funds	196,422	(506,503)
Prepaid Expenses	(114,030)	76,672
Deferred Outflows of Resources	167,078	(171,585)
Accounts and Other Payables	(150,982)	(396,476)
Subsidy Funds Payable	288,613	135,521
Compensated Absences	2,452	100,544
Net Pension Liability/Asset	(3,346,488)	628,032
Net OPEB Liability	(211,086)	(440,190)
Deferred Inflows of Resources	(782,140)	270,096
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,178,583</u>	<u>\$ 2,695,375</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ (952,897)</u>	<u>\$ (298,882)</u>



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 393,550	\$ 339,398
Cash in the PRISM Treasury	4,739,099	3,323,494
TOTAL CASH & CASH EQUIVALENTS	<u>5,132,649</u>	<u>3,662,892</u>
Investments	7,476,045	36,805,157
Accounts Receivable		
Due From Members	357,537	-
Investment Income Receivable	1,983,574	1,610,302
Reinsurance Claims, Deposit with Carrier and Other	27,774,826	2,500,000
Prepaid Insurance and Expenses	984,818	5,250
TOTAL CURRENT ASSETS	<u>43,709,449</u>	<u>44,583,601</u>
Noncurrent Assets:		
Investments	497,050,537	454,017,718
TOTAL NONCURRENT ASSETS	<u>497,050,537</u>	<u>454,017,718</u>
TOTAL ASSETS	<u>540,759,986</u>	<u>498,601,319</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	43,013,778	37,608,864
Claim Liabilities		
Claims Reported	170,107,430	101,914,686
Claims Incurred But Not Reported	8,549,731	-
TOTAL CURRENT LIABILITIES	<u>221,670,939</u>	<u>139,523,550</u>
Noncurrent Liabilities:		
Claims Reported	-	77,654,098
Claims Incurred But Not Reported	318,782,882	252,572,037
TOTAL NONCURRENT LIABILITIES	<u>318,782,882</u>	<u>330,226,135</u>
TOTAL LIABILITIES	<u>540,453,821</u>	<u>469,749,685</u>
NET POSITION:		
Capital Stock	8,500,000	5,000,000
Unrestricted	(8,193,835)	23,851,634
TOTAL NET POSITION	<u>\$ 306,165</u>	<u>\$ 28,851,634</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 2,101,293	\$ 1,599,257
Broker Fees	46,477	13,944
Contributions for Retained Risk	173,482,134	180,356,538
Administration Fees	26,598	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	175,656,502	181,969,739
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	2,101,292	1,599,257
Broker Fees	46,477	13,944
Provision for Claims		
Current Year Claims	87,930,853	125,342,303
Prior Year Claims	68,076,974	79,714,741
Program Services	64,506	124,243
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	158,220,102	206,794,488
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(150,000)	(150,000)
	<hr/>	<hr/>
TOTAL TRANSFERS	(150,000)	(150,000)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	17,286,400	(24,974,749)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	(48,639,907)	32,951,870
Investment Expense	(691,962)	(521,379)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(49,331,869)	32,430,491
	<hr/>	<hr/>
CHANGE IN NET POSITION	(32,045,469)	7,455,742
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	23,851,634	16,395,892
Additional Paid in Capital	8,500,000	5,000,000
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 306,165	\$ 28,851,634
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 158,847,608	\$ 169,336,007
Claims Paid	(92,025,072)	(62,996,726)
Insurance Purchased	(1,743,754)	(1,599,257)
Payments to Suppliers	(50,177)	(108,925)
Internal Activities	(150,000)	(150,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>64,878,605</u>	<u>104,481,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(216,605,611)	(255,636,665)
Sales of Securities	146,029,961	140,185,070
Cash from Investment Earnings	7,858,764	7,274,021
Investment Expenses	(691,962)	(521,379)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(63,408,848)</u>	<u>(108,698,953)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,469,757	(4,217,854)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>3,662,892</u>	<u>7,880,746</u>
END OF YEAR	<u><u>\$ 5,132,649</u></u>	<u><u>\$ 3,662,892</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	17,286,400	(24,974,749)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(22,132,363)	7,741,158
Prepaid Expenses	(979,568)	(5,250)
Unearned Premium from Members	-	(14,991,000)
Accounts and Other Payables	5,404,914	23,713,526
Claim Liabilities	65,299,222	112,997,414
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 64,878,605</u></u>	<u><u>\$ 104,481,099</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ (56,871,943)</u></u>	<u><u>\$ 25,415,823</u></u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 432,140,821</u>	<u>\$ 319,143,407</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	87,930,853	125,342,303
Increase (Decrease) in the provision for claims of prior fiscal years	<u>68,076,974</u>	<u>79,714,741</u>
B. Total incurred claims and claim adjustment expenses	<u>156,007,827</u>	<u>205,057,044</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	23,760,627	20,379,129
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>66,947,978</u>	<u>71,680,501</u>
C. Total Payments	<u>90,708,605</u>	<u>92,059,630</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 497,440,043</u></u>	<u><u>\$ 432,140,821</u></u>
Current Claim Liabilities	178,657,161	101,914,686
Noncurrent Claim Liabilities	<u>318,782,882</u>	<u>330,226,135</u>
Total Claim Liabilities	<u><u>\$ 497,440,043</u></u>	<u><u>\$ 432,140,821</u></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, 2022

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 PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2022

POLICY YEAR	June 30, 2017*	June 30, 2018	June 30, 2019**	June 30, 2020	June 30, 2021	June 30, 2022
Earned Premiums	\$ 78,135,139	\$ 97,047,480	\$ 285,083,012	\$ 116,919,308	\$ 142,291,017	\$ 98,131,909
Less Ceded	-	-	-	-	(1,599,257)	(2,101,293)
Investment Earnings	8,455,949	9,085,250	4,128,540	3,824,907	(2,212,172)	(7,628,867)
1. Total Revenues Available For Payment of Claims	86,591,088	106,132,730	289,211,552	120,744,215	138,479,588	88,401,749
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-
3. Estimated Incurred Claims	75,803,096	93,571,460	136,235,191	115,460,318	126,941,559	90,032,146
Less Ceded Claims	-	-	-	-	(1,599,257)	(2,101,293)
Net Incurred Claims and Expenses, End of Policy Year	75,803,096	93,571,460	136,235,191	115,460,318	125,342,302	87,930,853
4. Cumulative Paid Claims as of:						
End of the Policy Year	15,161,362	14,402,517	15,791,866	15,800,219	20,379,129	23,760,627
One Year Later	25,087,580	34,315,031	31,499,850	34,032,022	35,135,227	
Two Years Later	49,070,991	48,376,052	56,452,674	52,745,455		
Three Years Later	61,901,911	65,867,160	78,892,048			
Four Years Later	72,906,676	74,319,643				
Five Years Later	75,493,265					
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
One Year Later	78,766,357	96,621,991	180,278,594	121,586,409	126,386,024	
Two Years Later	81,353,377	99,213,918	251,908,323	119,204,534		
Three Years Later	81,768,607	100,157,999	321,744,618			
Four Years Later	82,783,448	100,126,065				
Five Years Later	82,394,213					
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 6,591,117	\$ 6,554,605	\$ 185,509,427	\$ 3,744,216	\$ 1,043,722	\$ -

*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 the government'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.....	183
Schedule of Revenues, Expenses and Changes in Net Position	184
History of Dividends Returned to Members.....	185

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	187
Property Values.....	188

Operating Information

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

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Economic Indicators and Information	189

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, 2022

	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020*	June 30, 2021*	June 30, 2022
Assets										
Current Assets	\$ 326,533,622	\$ 309,440,001	\$ 207,777,344	\$ 227,525,217	\$ 237,651,931	\$ 176,669,754	\$ 290,175,714	\$ 286,240,447	\$ 318,236,898	\$ 273,630,975
Noncurrent Assets	261,618,903	283,144,273	434,584,578	511,133,020	553,711,422	657,644,997	675,593,331	587,286,053	691,650,987	780,129,760
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
Total Assets and Deferred Outflows	588,152,525	592,584,274	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
Liabilities										
Current Liabilities	117,831,208	124,485,595	148,795,667	144,506,871	144,362,878	183,323,834	321,909,836	130,180,773	179,117,210	255,520,486
Noncurrent Liabilities	351,705,921	354,769,678	380,901,782	458,363,786	506,550,093	528,994,951	444,459,373	566,410,195	641,852,245	652,488,174
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
Total Liabilities and Deferred Inflows	469,537,129	479,255,273	530,542,530	604,314,732	652,379,324	713,463,077	766,964,554	701,259,247	825,700,565	911,722,499
Net Position										
Invested in Capital Assets	8,677,508	8,414,447	9,043,933	9,578,879	9,838,240	10,205,042	10,072,121	10,175,084	10,825,450	12,624,998
Unrestricted	109,937,888	104,914,554	103,362,712	128,093,738	130,683,022	112,365,552	189,959,732	164,087,898	175,529,184	131,413,474
Total Net Position	\$ 118,615,396	\$ 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

*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, 2022

	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
REVENUES:										
Premiums for Transferred Risk	\$ 384,507,793	\$ 423,229,776	\$ 443,008,816	\$ 493,749,250	\$ 535,583,984	\$ 639,585,449	\$ 826,382,527	\$ 844,596,238	\$ 950,074,535	\$ 1,116,841,854
Broker Fees	7,382,605	8,342,982	8,775,741	9,385,697	9,996,927	10,678,116	11,435,218	14,784,924	17,126,598	19,516,773
Contributions for Retained Risk	129,253,959	124,089,007	143,354,781	163,031,197	196,118,073	212,774,426	125,476,876	237,793,515	256,223,164	271,092,405
Dividend Income	213,606	215,008	241,593	232,389	192,828	93,904	173,634	174,054	192,456	540,855
Member Services	640,078	865,314	1,111,493	747,513	935,244	637,546	678,036	579,779	739,495	307,858
Administrative Fees	12,617,685	14,400,637	16,107,839	18,830,010	21,294,667	22,797,612	22,542,735	25,423,157	28,290,961	27,678,580
Public Entity/Schools Loss Control Fees	480,351	552,493	604,556	655,463	738,862	138,545	106,979	139,952	118,885	146,390
Program Development Fees	-	-	-	-	2,400	-	-	-	-	-
Other Income	1,991,075	2,284,488	1,878,251	86,854,558	2,172,511	2,105,826	2,502,795	1,975,014	4,970,600	2,503,075
Investment Income	1,782,998	6,227,796	6,159,321	13,786,527	4,602,220	6,283,097	38,142,841	32,943,625	33,271,574	(63,486,471)
Total Revenues	538,870,150	580,207,501	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
EXPENSES:										
Insurance Expense	383,759,144	422,937,089	444,479,808	496,527,761	537,135,168	638,628,836	808,697,072	870,164,217	931,306,209	1,097,710,301
Broker Fees	7,384,093	8,079,636	8,559,724	9,125,742	10,056,293	10,636,299	12,897,673	14,741,476	17,116,998	18,952,667
Provision for Insured Claims	99,860,765	122,157,339	135,224,386	213,524,014	185,159,424	231,224,547	96,385,288	260,612,179	286,903,721	256,228,194
Unallocated Loss Expenses	18,714	2,332,280	2,119,213	9,400,117	4,035,629	(5,702,516)	(574,000)	(590,000)	1,362,000	11,582,000
Program Services	13,831,864	12,134,125	12,005,843	13,744,756	13,006,216	13,382,182	13,393,090	13,102,555	13,436,501	14,722,010
Member Services and Subsidies	2,192,839	2,358,826	2,852,087	2,963,429	2,753,144	2,634,689	2,405,518	2,460,566	2,709,847	2,600,729
General Administration	7,702,622	8,412,166	8,870,057	9,574,758	12,500,483	12,910,631	13,067,124	14,525,157	15,157,622	11,700,198
Dividends	10,281,301	6,179,489	4,703,871	5,554,624	2,970,796	1,082,497	2,187,466	7,311,760	9,195,666	2,543,052
Stabilization Funds	-	-	-	477,716	64,106	47,210	-	-	-	-
Building Depreciation & Maintenance	775,232	902,946	888,371	1,113,715	1,107,812	2,005,446	1,521,151	1,851,219	1,728,052	1,418,330
Total Expenses	525,806,574	585,493,896	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
Changes in Net Position	13,063,576	(5,286,395)	1,539,031	25,265,972	2,848,645	(11,755,300)	77,461,259	(25,768,871)	12,091,652	(42,316,162)
NET POSITION:										
Beginning Net Position	105,551,820	118,615,396	113,329,001	112,406,645	137,672,617	140,521,262	122,570,594	200,031,853	174,262,982	186,354,634
Adjustment to Beginning Net Position	-	-	(2,461,387)	-	-	(6,195,368)	-	-	-	-
Ending Net Position	\$ 118,615,396	\$ 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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2022

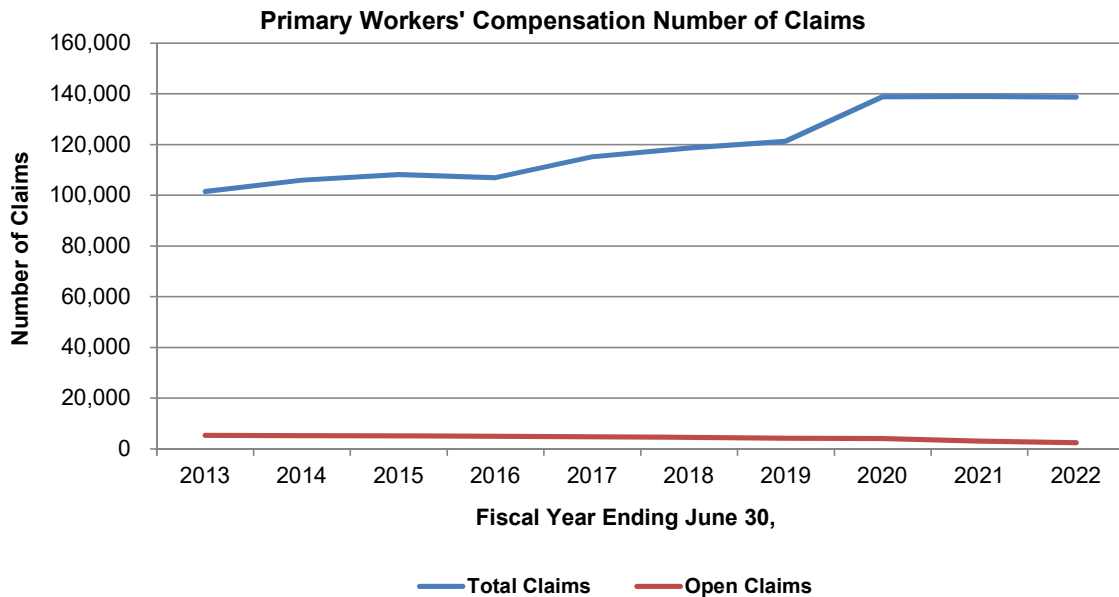
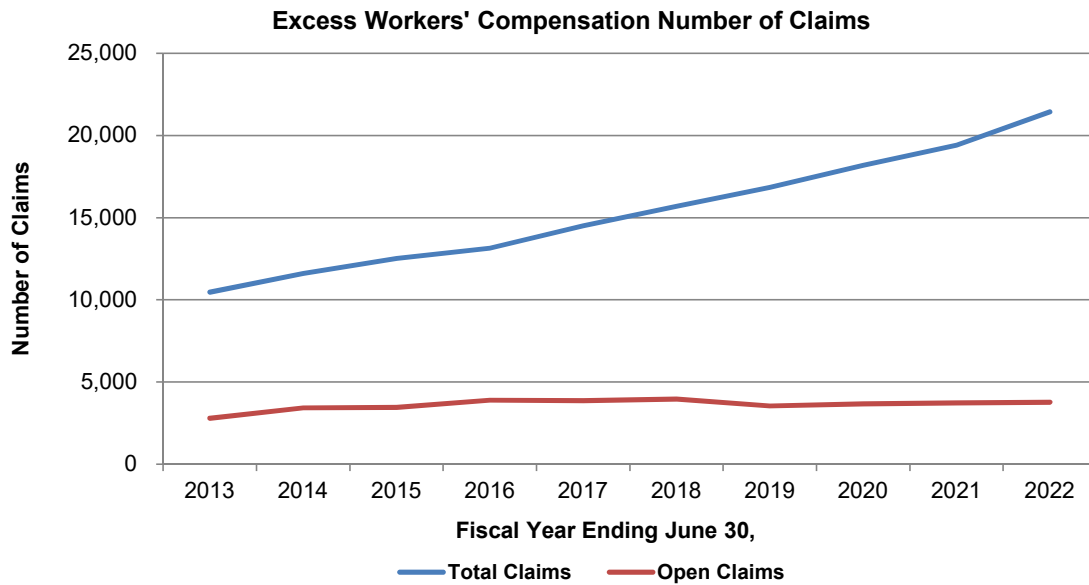
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Excess Workers' Compensation Pool Dividends Reinsurance	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
Primary Workers' Compensation	6,500,000	5,500,000	3,998,408	2,300,000	2,500,000	-	2,000,000	2,000,000	2,000,000	-
Employee Benefits PRISMHealth Program Dental	17,695 -	14,481 -	13,870 -	22,235 -	15,857 -	8,174 -	13,833 -	12,259 5,000,000	3,210 7,000,000	2,197 2,000,000
General Liability 1 Program Pool Dividend	3,000,000	-	-	3,000,000	-	-	-	-	-	-
Primary General Liability	550,000	450,000	450,000	-	266,000	980,419	-	-	-	-
General Liability 2 Program Mega Fund Reinsurance	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Miscellaneous Programs	100,827	99,743	114,475	116,728	91,516	20,239	173,634	174,053	192,456	540,855
Property	112,779	115,265	127,118	115,661	97,423	73,665	-	125,448	-	-
Medical Malpractice Mega Fund Reinsurance Pool 2	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -
Building Fund	-	-	-	-	-	-	-	-	-	-
Total	\$ 10,281,301	\$ 6,179,489	\$ 4,703,871	\$ 5,554,624	\$ 2,970,796	\$ 1,082,497	\$ 2,187,466	\$ 7,311,760	\$ 9,195,666	\$ 2,543,052

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC STATISTICS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2022

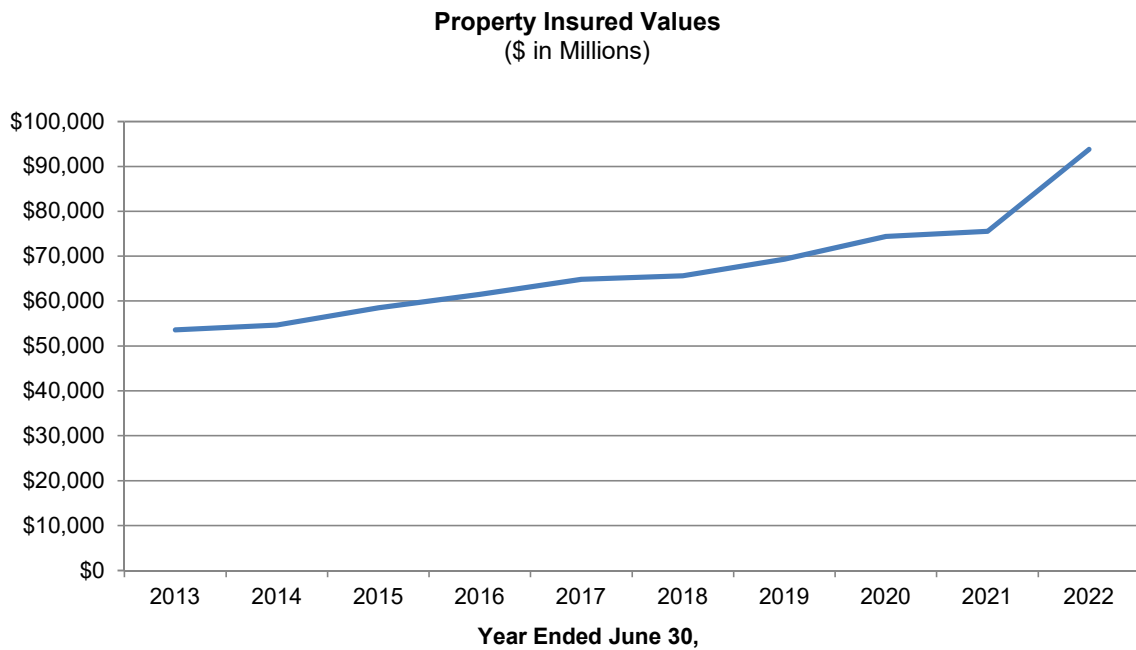
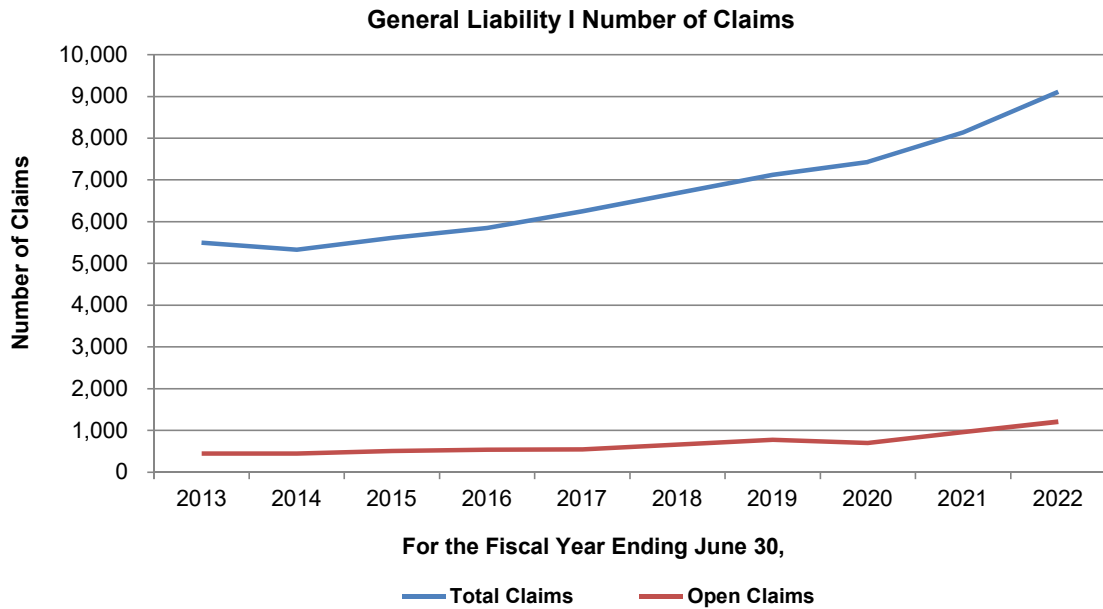
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Excess Workers' Compensation										
Total Number of Claims	10,472	11,602	12,525	13,145	14,496	15,686	16,840	18,189	19,402	21,437
Open Claims	2,800	3,424	3,465	3,904	3,884	3,964	3,543	3,682	3,734	3,783
Covered Payroll	\$ 20,360,673,861	\$ 21,071,214,181	\$ 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
Primary Workers' Compensation										
Total Number of Claims	102,474	106,031	108,204	107,009	115,224	118,732	121,315	138,891	139,029	138,836
Open Claims	5,304	5,235	5,198	5,078	4,787	4,630	4,211	4,113	3,085	2,478
Covered Payroll	\$ 2,713,847,270	\$ 2,738,537,582	\$ 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
General Liability 1										
Total Number of Claims	5,058	5,330	5,612	5,944	6,255	6,688	7,123	7,430	8,135	9,114
Open Claims	446	447	511	556	547	661	775	700	964	1,209
Covered Payroll	\$ 6,773,455,082	\$ 4,247,637,803	\$ 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
Property										
Total Number of PRISM Claims	2,154	2,375	2,593	2,799	3,083	3,459	3,946	4,422	5,067	5,772
Open PRISM Claims	28	118	164	28	13	105	178	129	119	66
Total Number of Excess Claims	1,208	1,146	1,283	1,364	1,473	1,655	1,833	2,076	2,345	2,861
Open Excess Claims	100	58	128	141	165	191	211	294	317	280
Total Property Values	\$ 53,581,274,859	\$ 54,664,987,390	\$ 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

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2022**

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, 2022**



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Full-time Equivalent Employees as of June 30	54	54	59	62	68	74	79	79	86	91
Number of Retirees	4	4	6	6	6	9	10	11	11	13
Square footage of Office Space	25,000	25,000	25,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Member Units*										
Primary Workers' Compensation	38	39	38	38	39	39	41	39	38	37
Excess Workers' Compensation	161	166	166	167	171	175	174	180	180	182
Primary General Liability	23	23	23	23	22	-	-	-	-	-
General Liability 1	100	104	104	117	114	125	128	130	127	134
General Liability 2	11	11	11	12	15	18	18	18	21	25
Property	82	84	85	96	98	105	104	109	110	118
Medical Malpractice	50	49	49	49	51	52	52	52	51	51
Master Owner Controlled Ins	-	2	4	8	15	16	17	18	18	6
PRISMHealth	25	25	25	28	32	37	43	42	43	45
Dental	126	133	142	145	153	154	163	166	167	174
Total Member Units	616	636	647	683	710	721	740	754	755	772
Member Counties	54	55	55	55	55	55	55	55	55	55
Member Public Entities	245	255	262	260	273	288	295	295	301	305
Total Members	299	310	317	315	328	343	350	350	356	360

* 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.

BUDGET HIGHLIGHTS

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
BUDGET HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual Results	Variance
Revenues:			
Premiums for Transferred Risk	\$ 1,000,013,664	\$ 1,116,841,854	\$ 116,828,190
Broker Fees	14,648,837	19,516,773	4,867,936
Contributions for Retained Risk	353,965,082	271,092,405	(82,872,677)
Public Entity Fees	-	146,390	146,390
Investment Income	12,620,000	(63,486,471)	(76,106,471)
Financing Fees	160,000	-	(160,000)
Administration Fees	26,938,019	27,678,580	740,561
Member Services	26,178,779	848,713	(25,330,066)
Tenant Income	422,642	237,928	(184,714)
Other Income	125,000	2,265,147	2,140,147
Total Revenues	1,435,072,023	1,375,141,319	(59,930,704)
Expenses:			
Member Dividends and return of Stabilization Funds	4,014,000	2,543,052	1,470,948
Insurance Expense	999,168,332	1,097,710,301	(98,541,969)
Broker Fees	14,648,837	18,952,667	(4,303,830)
Provision for Claims	301,212,391	256,228,194	44,984,197
Unallocated Loss Adjustment Expenses	2,271,000	11,582,000	(9,311,000)
Program Services	40,022,959	14,722,010	25,300,949
Member Services and Subsidies	2,738,403	2,600,729	137,674
General Administrative/Building/Depr Expense	22,110,071	13,118,528	8,991,543
Total Expenses	1,386,185,993	1,417,457,481	(31,271,488)
Total Income (Loss)	\$ 48,886,030	\$ (42,316,162)	\$ (91,202,192)
Change in Net Position	48,886,030	(42,316,162)	
Beginning Net Position Balance July 1, 2021	193,404,994	186,354,634	
Ending Net Position Balance, June 30, 2022	\$ 242,291,023	\$ 144,038,472	

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.