



PRISM

Annual Comprehensive Financial Report

Public Risk Innovation, Solutions, and Management

Fiscal Years Ended June 30, 2023 and 2022

- California -

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022

EXECUTIVE COMMITTEE

Name	Office	Entity
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Barbara Lubben	Vice President	Yolo County
Scott Schimke	Public Entity Representative (Past President)	GSRMA
Mark Howard	Public Entity Representative	ACCEL
Karen Caoile	At-Large	Contra Costa County
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Janell Crane	At-Large	Sonoma County
Tanya Moreno	At-Large (BOS)	San Joaquin County
Vacant	Finance	
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**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Cover Page and Table of Contents	2
Letter of Transmittal.....	7
Board of Directors.....	15
Organizational Chart.....	22
Certificate of Achievement for Excellence in Financial Reporting	23
Certificate of Accreditation with Excellence, CAJPA.....	24
 <u>FINANCIAL SECTION</u>	
Independent Auditor’s Report by Gilbert CPAs	26
Management’s Discussion and Analysis	29
Basic Financial Statements	
Statement of Net Position	43
Statement of Revenues, Expenses, and Changes in Net Position.....	45
Statement of Cash Flows.....	46
Notes to the Financial Statements	48
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	97
Schedule of Pension Plan Contributions.....	98
Schedule of Changes in the Net OPEB Liability and Related Ratios	99
Schedule of PRISM OPEB Contributions	100
Reconciliation of Unpaid Claim Liabilities	101
Notes to Earned Premiums and Claims Development Information	102
Schedule of Earned Premium and Claims Development.....	103
Supplementary Information	
Combining Schedule of Programs	
Combining Schedule of Net Position	105
Combining Schedule of Revenues, Expenses, and Changes in Net Position	107
Combining Schedule of Cash Flows.....	109

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u> (continued)	<u>Page</u>
Individual Program Schedules	
Primary Workers' Compensation Program	
Program Membership Data	111
Statement of Net Position.....	112
Statement of Revenues, Expenses, and Changes in Net Position	113
Statement of Cash Flows	114
Reconciliation of Unpaid Claim Liabilities	115
Notes to Earned Premiums and Claims Development Information	116
Schedule of Earned Premiums and Claims Development.....	117
Excess Workers' Compensation Program	
Program Membership Data	118
Statement of Net Position.....	119
Statement of Revenues, Expenses, and Changes in Net Position	120
Statement of Cash Flows	121
Reconciliation of Unpaid Claim Liabilities	122
Notes to Earned Premiums and Claims Development Information	123
Schedule of Earned Premiums and Claims Development.....	124
General Liability 1 Program	
Program Membership Data	125
Statement of Net Position.....	126
Statement of Revenues, Expenses, and Changes in Net Position	127
Statement of Cash Flows	128
Reconciliation of Unpaid Claim Liabilities	129
Notes to Earned Premiums and Claims Development Information	130
Schedule of Earned Premiums and Claims Development.....	131
General Liability 2 Program	
Program Membership Data	132
Statement of Net Position.....	133
Statement of Revenues, Expenses, and Changes in Net Position	134
Statement of Cash Flows	135
Reconciliation of Unpaid Claim Liabilities	136
Notes to Earned Premiums and Claims Development Information	137
Schedule of Earned Premiums and Claims Development.....	138

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u> (continued)	<u>Page</u>
Property Program	
Program Membership Data	139
Statement of Net Position.....	140
Statement of Revenues, Expenses, and Changes in Net Position	141
Statement of Cash Flows	142
Reconciliation of Unpaid Claim Liabilities	143
Notes to Earned Premiums and Claims Development Information	144
Schedule of Earned Premiums and Claims Development.....	145
Medical Malpractice Program	
Program Membership Data	146
Statement of Net Position.....	147
Statement of Revenues, Expenses, and Changes in Net Position	148
Statement of Cash Flows	149
Reconciliation of Unpaid Claim Liabilities	150
Notes to Earned Premiums and Claims Development Information	151
Schedule of Earned Premiums and Claims Development.....	152
Master Rolling Owner Controlled Insurance Program	
Program Membership Data	153
Statement of Net Position.....	154
Statement of Revenues, Expenses, and Changes in Net Position	155
Statement of Cash Flows	156
PRISMHealth Program	
Program Membership Data	157
Statement of Net Position.....	158
Statement of Revenues, Expenses, and Changes in Net Position	159
Schedule of Cash Flows	160
Dental Program	
Program Membership Data	161
Statement of Net Position.....	162
Statement of Revenues, Expenses, and Changes in Net Position	163
Statement of Cash Flows	164
Reconciliation of Unpaid Claim Liabilities	165
Notes to Earned Premiums and Claims Development Information	166
Schedule of Earned Premiums and Claims Development Information	167

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u> (continued)	<u>Page</u>
Miscellaneous Programs	
Statement of Net Position.....	169
Statement of Revenues, Expenses, and Changes in Net Position	170
Statement of Cash Flows	171
General Administration and Building	
Statement of Net Position.....	173
Statement of Revenues, Expenses, and Changes in Net Position	175
Statement of Cash Flows	176
PRISM Affiliate Risk Captive	
Program Membership Data.....	178
Statement of Net Position.....	179
Statement of Revenues, Expenses, and Changes in Net Position	180
Statement of Cash Flows	181
Reconciliation of Unpaid Claim Liabilities.....	182
Notes to Earned Premiums and Claims Development Information.....	183
Schedule of Earned Premiums and Claims Development Information	184
<u>STATISTICAL SECTION</u>	
(Not covered by Independent Auditor’s Report)	
Statistical Section.....	186
Schedule of Net Position	187
10-Year History of Revenues, Expenses and Changes in Net Position	188
10-Year History of Dividends Returned to Members.....	189
Economic Statistics.....	190
10-Year History Number of Claims.....	191
10-Year History Property Values.....	192
Economic Indicators and Information.....	193
<u>BUDGET HIGHLIGHTS</u>	195



December 13, 2023

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

Ladies and Gentlemen:

As we reflect on fiscal year 2022/23, we are very pleased with all that was accomplished. PRISM was able to expand member services, increase member engagement and continue to provide robust coverage for its membership in a hard insurance market.

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

PRISM continues to be a leader in our industry. We are recognized as one of the largest and most successful pools in the nation. For 2022/23, our annual revenue was \$1.61B, and for 2023/24 we estimate the revenue at \$1.9B.

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 2,140 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. In 2022/23 values in the ARC equity portfolio recovered somewhat from the drops in market value experienced in 2021/22. The equity portfolio returned 12.36% and (14.76%) after mark-to-market adjustments for the 2022/23 and 2021/22 fiscal years, respectively. Since inception, the equity portfolio has yielded 8.40%. The consolidated ARC portfolio as a whole is less subject to market volatility and had a total rate of return of 7.28% and 2.99% in the 2022/23 and 2021/22 years, respectively, with a return since inception of 2.87%. ARC has assumed risk from PRISM within fixed corridors in the Workers' Compensation, Liability, Property, and Medical Malpractice Programs. These risks were fully funded except for anticipated investment earnings. ARC assumed \$114M of fixed corridor risk for the program year 2022/23 as compared to \$109M in program year 2021/22. PRISM has also transferred corridor risk estimated at \$296.6M resulting from its Loss Portfolio Transfer agreement with Multi Strat Re to the Captive. The corridor for this risk is not fixed. PRISM has paid \$293.1M in discounted premiums to ARC to fund this risk. In total, over \$1B in premiums has been collected by ARC in its first 7 years of operations from 6 PRISM programs.



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In 2022/23, PRISM continued development of its own claims management system: *Spectra*. The system is being designed to accommodate the complexities of excess claims and the unique structures of our programs. Work on *Spectra* began a little more than 3 years ago. The plan was for a year of design and two for development. We are very pleased to report that the system went “live” for Liability claims in early October 2023, and we anticipate that Workers’ Compensation claims will follow shortly.

We continued to market the PRISM programs utilizing ARC as a vehicle to expand outside of California. National expansion enables PRISM to spread and diversify risk, leverage reinsurance markets, and to identify and implement industry-wide best practices, all of which will provide financial benefit for PRISM’s California members. Actual implementation continues to be on a program-by-program basis. As of October 2023, ARC has 5 entities as participants from outside of California: Pima County, Arizona; Cook County, Illinois; City of Portland, Oregon; Arizona Schools Risk Retention Trust; and Housing Authorities Risk Retention Program, based out of Washington state.

Ensuring PRISM has adequate staff resources to meet the members’ needs is extremely important. For FY 2023/24, 4 new staff positions were approved. These new positions will work in Human Resources, Event Management, Information Technology and Workers’ Compensation Claims. PRISM had increased staffing levels with 2 new positions designed to meet the growing needs and complexities of our membership during 2022/23. As of July 1, 2023, PRISM has 101 approved staff positions.

All of 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, 2023 and 2022, are fairly presented in conformity with Generally Accepted Accounting Principles. The Independent Auditor’s Report is presented as the first component of the financial section of this report.

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

WHO WE ARE

Public Risk Innovation, Solutions, and Management (PRISM) is a Joint Powers Authority (previously known as CSAC Excess Insurance Authority) that was established under Article 1, Chapter 5, Division 7, Title I of the California Government Code (§ 6500 et seq.) in October 1979. PRISM provides 2 classes of membership – county members and public entity members (any other public entity in California). The 62-member Board of Directors is comprised of representatives from each of the 55 county members appointed by their respective Boards of Supervisors, and 7 public entity representatives (plus 3 alternates) elected by the public entity membership.

As of July 1, 2023, PRISM has 366 members, consisting of 55 California counties and 311 other 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 32 joint powers authorities consisting of pools of cities, schools, or special districts. The members collectively represent approximately 2,140 public agencies. Over 140 public agency representatives from 98 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 2022/23 and 2023/24, with premium increases. Property Program rates have increased as property insurance capacity has decreased globally in response to natural disasters. In response to the hard market for property coverage, PRISM began self-insuring the primary \$10M in coverage per tower with its March 2022 renewal.

The GL1 Program faced its own challenges due to a sudden increase in loss development that was first seen in 2018/19, similar to the change in the claims and legal environment felt by all public agencies in California. This resulted in a drop in net position of nearly \$21M in that year. In 2018/19, in response to the adverse loss development and the deterioration of the Program's surplus, PRISM's Board approved a Loss Portfolio Transfer (LPT) deal that transferred the Program's pool liabilities (SIR to \$5M), to a reinsurer, MultiStrat Re (MS Re), for claims going back to July 1, 2007 and forward through June 30, 2024. During 2022/23, an extension of this agreement through June 30, 2026 was negotiated and approved by the Board of Directors. As the LPT agreement is subject to certain aggregate limits and liabilities in the GL1 Program have continued to develop, the program's net position remained in a deficit at June 30, 2023. Management projections indicate that the net position for GL1 will again be in a surplus as early as June 30, 2024.

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

Our PRISMHealth Program continues to produce stable and equitable renewals, issuing below-traditional market renewals. The PRISMHealth Program renewed with a 8.86% pool renewal in 2023 and (1.69%) in 2022. The employee benefits suite of coverages, which includes Dental, Vision, Life/Disability, and Employee Assistance Program renewals, often include multi-year rate guarantees. The Dental Program utilized \$210k in unrestricted equity to buy down the 2023 renewal to 0% from 0.5% As of July 1, 2023 PRISM added Ameritas as a second dental carrier allowing for members to access a wider network of providers, especially in rural areas.

PRIMARY WORKERS' COMPENSATION

The Primary Workers' Compensation (PWC) Program provides first dollar coverage to its members up to the \$125k limit, at which point coverage then feeds into the Excess Workers' Compensation (EWC) Program. The Program provides members with claims administration services and several cost containment programs including a Medical Provider Network (MPN), a 24/7 Nurse Triage Service, and a Return-to-Work Program. The Program pays for claims with a blending of pooling (both un-aggregated pooling and corridor pooling) and excess insurance. In 2022/23, 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 \$16.3M. As in prior years, the corridor risk was transferred to ARC.

The PWC Program maintained a strong net position in 2022/23 ending the year with surplus of \$52.5M. This very healthy funding position has enabled the PWC Committee to declare dividends in 14 of the last 15 years, including \$6.5M approved during 2022/23.

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 \$58.2M corridor retention. The Educational Tower maintained a \$6.9M corridor in its primary layer. Both corridors were transferred to ARC. The EWC Program ended the 2022/23 year with surplus of \$73.9M.

GENERAL LIABILITY 1

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

The net position in this Program had been stable for many years and was within the Board's target funding range of \$30M to \$40M, but that changed in the 2017/18 fiscal year. At June 30, 2018, the net position had deteriorated to \$8.8M due to adverse development in claims. As explained earlier, PRISM entered into a LPT deal with MS Re to transfer their claims from July 1, 2007 to June 30, 2026 for their pool layer of SIR to \$5M. As of June 30, 2022, the net position for this Program was in deficit of \$40M. This deficit decreased \$17.9M over the 2022/23 year to end at a deficit of \$22.1M at June 30, 2023. 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 2022/23 renewal, the 1st reinsurance layer renewed with Starstone and ACE American (a.k.a. Chubb). They are providing reinsurance with aggregate limits of \$108.9M and \$52M, respectively. In this structure, Starstone will pay claims first, then Chubb. If both of these aggregates are exhausted, PRISM will pick up all future losses for the 2022/23 coverage year.

The 2nd reinsurance layer added two new carriers to the layer, Arcadian Re and Arch Re, both of which are taking 10% slices of the quota-share layer. This 2nd reinsurance layer is also subject to a \$15M corridor deductible, which pays out before any quota-share reinsurer, and the layer also has a \$55M aggregate limit. The 3rd and final layer of the GL2 Program was renewed with Safety National who has also retained their \$40M aggregate limit on the layer. The GL2 Program ended the year with a surplus of \$3.6M at June 30, 2023.

PROPERTY

The Property Program provides coverage for physical damage to members' real and personal property, with limits up to \$600M for All Risk, \$465M for Earthquake buyers, and \$200M in Flood. The structure of the Program is unique in that there are Towers, which spread risk both geographically and by occupancy type. This spread of risk allows the Program to access higher limits at reduced costs.

As of March 31, 2022, the Property Program is self-insured for all risk perils in each tower providing \$10M of coverage per occurrence (per tower) and a \$10M aggregate limit specific to the peril of flood (per tower). Aggregate stop loss coverage of \$50M was purchased from Berkshire Hathaway to limit the Program's exposure. For aggregate losses that exceed a \$100M attachment point, Berkshire will pay claims up to their limit of \$50M, then any remaining exposure will return to PRISM. PRISM's Property Program experienced an influx of winter storm claims in the 2022 calendar year and into 2023. These winter storm claims drove estimates of total losses up to the \$100M aggregate stop loss and contributed to the \$18.3M loss in the Property Program for 2022/23.

The Property renewal as of March 31, 2023 is structured similar to the prior year except for PRISM's aggregate stop loss attachment point was set at \$110M before Berkshire Hathaway attaches for the next \$50M in aggregate limits.

At June 30, 2022, this program had a surplus of \$52.4M. That surplus dropped to \$34.2M at June 30, 2023 due to losses in the Pool Layer beyond expectations primarily from the winter storm claims.

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.

For the 2022/23 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 claims-made 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 \$18.5M at June 30, 2023.

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 2 members and additional construction values during the 2022/23 year. Program losses over time have been in excess of preestablished loss fund limits. A payment of just over \$600k was issued to make the loss fund whole in 2022/23. Due to this development, the program experienced a drop in its surplus from \$1M at June 30, 2022 to \$437k at June 30, 2023.

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 2.3% growth in membership in 2023, adding 1 new large member representing an additional 970 employee/retiree lives. The Program now consists of 46 members, providing coverage for 42,000 employees/retirees. The Program ended the year with a surplus of \$4.1M.

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. Effective July 1, 2023, members will also have access to a second dental carrier: Ameritas. The Program ended the year with a strong net position of \$12.5M. 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, 2022. This was the 29th consecutive year that we have received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

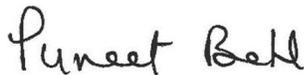
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

PRISM is a member of the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation's first risk management accreditation program. This program establishes a model of professional standards, which serves as a guideline for all risk management pools regardless of size, scope of operation or membership structure. The accreditation process entails a detailed examination of legal and operational documents, risk management, loss control and claims programs, and statutory compliance. CAJPA recently renewed PRISM's Accreditation with Excellence for a 3-year period ending in March 2025.

PRISM is also a member of the Association of Governmental Risk Pools (AGRiP). AGRiP, a national organization comprised of over 200 pools, has established Advisory Standards, which are an industry specific method for pools to conduct a comprehensive review and evaluation of internal operational procedures. The Advisory Standards prescribe best practices for pools in categories such as governance, staffing, claims management, finance, business continuity, and data security. Pools that meet the Advisory Standards are granted recognition for 3 years. In 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 With Programs

As of 6/30/2023

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Alameda County		✓		✓	✓	✓				Lucretia Akil, Director, Risk Management	Timothy Leibowitz, Senior Risk & Insurance Analyst
Alpine County		✓	✓		✓	✓		✓	✓	Nichole Williamson, CAO/Health and Human Services Director	Klaus Leitenbauer, Director of Finance
Amador County	✓	✓	✓		✓	✓		✓	✓	Richard Forster, Supervisor	Sarah Duarte, 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	Adam Nguyen, County Finance Director
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		✓	✓		✓	✓				Jenny Thompson, Risk Manager	Hollis Magill, Director of Human Resources



Board of Directors and Alternates With Programs

As of 6/30/2023

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Glenn County		✓	✓		✓	✓			✓	Scott H. De Moss, County Administrative Officer	Scott Schimke, GSRMA Executive Director
Humboldt County	✓	✓	✓		✓	✓			✓	Amanda Phillips, Risk Manager	Zach O'Hanen, Human Resources Director
Imperial County		✓	✓		✓	✓		✓		Rodolfo Aguayo, Director of HR & RM	Brenda Olivas-Neujahr, Human Resources Manager
Inyo County	✓	✓	✓		✓	✓			✓	Aaron Holmberg, Risk Manager	Nate Greenberg, County Administrator
Kern County						✓	✓			Lisa Dearmore, Risk Manager	Brad Aragon, Loss Prevention Specialist
Kings County		✓	✓		✓	✓				Sarah Poots, Risk Manager	Kyria Martinez, County Administrative Officer
Lake County	✓	✓	✓			✓		✓	✓	Lloyd Guintivano, County Counsel – County of Lake	Diana Rico, Deputy Human Resources Director
Lassen County		✓	✓		✓	✓			✓	Richard Egan, County Administrative Officer	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 With Programs

As of 6/30/2023

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Mariposa County		✓	✓		✓	✓			✓	Steve Dahlem, County Counsel	Kevin Briggs, Assistant County Counsel
Mendocino County	✓	✓	✓		✓	✓		✓	✓	Heather Rose, Risk Manager, ARM	Emma Saucedo, Principal Analyst Over Health Insurance
Merced County		✓	✓		✓	✓		✓	✓	Sommer Moniz, Deputy County Executive Officer	Marci Barrera, Assistant County Executive Officer
Modoc County		✓	✓		✓	✓		✓		Chester Robertson, County Administrative Officer	Pamela Randall, HR Director/Risk Management
Mono County		✓	✓		✓	✓			✓	Vacant	Jay Sloane, Risk Manager
Monterey County		✓		✓		✓				Vacant	Leslie Girard, County Counsel, County Counsel's Office
Napa County		✓	✓		✓	✓			✓	Rebecca Craig, Assistant Executive Officer	Alfredo Larranaga, Safety Officer & ADA Coordinator
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, Assistant Risk Manager	Brenda McGuire, Risk Management Administrator



Board of Directors and Alternates With Programs

As of 6/30/2023

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Plumas County		✓	✓		✓	✓			✓	Travis Goings, Director of Risk Management	Nancy Selvage, Director of Human Resources
Riverside County		✓		✓	✓	✓				Ronak Patel, Assistant Human Resources Director	Mike Bowers, Human Resources Director
Sacramento County	✓	✓	✓	✓		✓				Vacant	Denise Currie, Workers' Compensation Division Manager
San Benito County		✓	✓		✓	✓			✓	Henie Ring, Human Resources Manager	Gracie Rodriguez, Associate Administrative Analyst
San Bernardino County		✓	✓	✓		✓				Victor Tordesillas, Director, Dept. of Risk Mgmt.	Paul Kiehl, Risk Management Deputy Director
San Diego County		✓				✓	✓			Janice Mazone, Deputy Director, Human Resources	Vacant
San Joaquin County		✓		✓	✓	✓			✓	Tanya Moreno, County Safety and Risk Manager	Jennifer Goodman, Director of Human Resources
San Luis Obispo County		✓	✓		✓	✓		✓	✓	Pamela Mitchell, Liability Manager	Ashleigh Szkubiel, Principal Human Resources Analyst
Santa Barbara County	✓	✓	✓		✓	✓	✓	✓	✓	Greg Milligan, Risk Manager	Jeff Frapwell, Assistant County Executive Officer
Santa Clara County				✓	✓	✓				Lance Sposito, Director of Risk Management	Vacant



Board of Directors and Alternates With Programs

As of 6/30/2023

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Santa Cruz County		✓		✓	✓	✓			✓	Enrique Sahagun, Risk Manager	Vacant
Shasta County		✓	✓		✓	✓			✓	Vacant	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		✓	✓		✓	✓			✓	Qwendolyn Stewart, Risk Manager	Vacant
Sonoma County		✓	✓		✓	✓				Janel Crane, Risk Manager	Jamie Bloom, Insurance Manager
Stanislaus County		✓	✓		✓	✓			✓	Karyn Watson, Claims and Liability Manager	Cari Griffin, Benefits Manager
Sutter County		✓	✓		✓	✓		✓	✓	Jason Claunch, Risk Management Administrator	Deborah Micheli, County Counsel
Tehama County		✓	✓		✓	✓		✓	✓	Gabriel Hydrick, Chief Administrative Officer	Coral Ferrin, Personnel Analyst I
Trinity County		✓	✓		✓	✓			✓	Trent Tuthill, County Administrative Officer	Suzie Hawkins, Senior Financial Analyst



Board of Directors and Alternates With Programs

As of 6/30/2023

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Tulare County		✓	✓	✓	✓	✓				Susan Cox, Risk Manager	Rob Anderson, Risk Manager
Tuolumne County		✓	✓		✓	✓		✓	✓	Karen McGettigan, HR Director/Risk Manager	Nathan Birtwhistle, Risk Analyst
Ventura County				✓		✓				Tabin Cosio, Chief Deputy Executive Officer	Danielle Mancuso, Deputy Executive Officer, County Executive Office / Risk Management
Yolo County		✓			✓	✓			✓	Barbara Lubben, Yolo/YCPARMIA Executive Director	Vacant
Yuba County	✓	✓	✓		✓	✓			✓	Jill Abel, Director, Human Resources & Risk Management	Tiffany Manuel, Interim Human Resources Director/Risk Manager

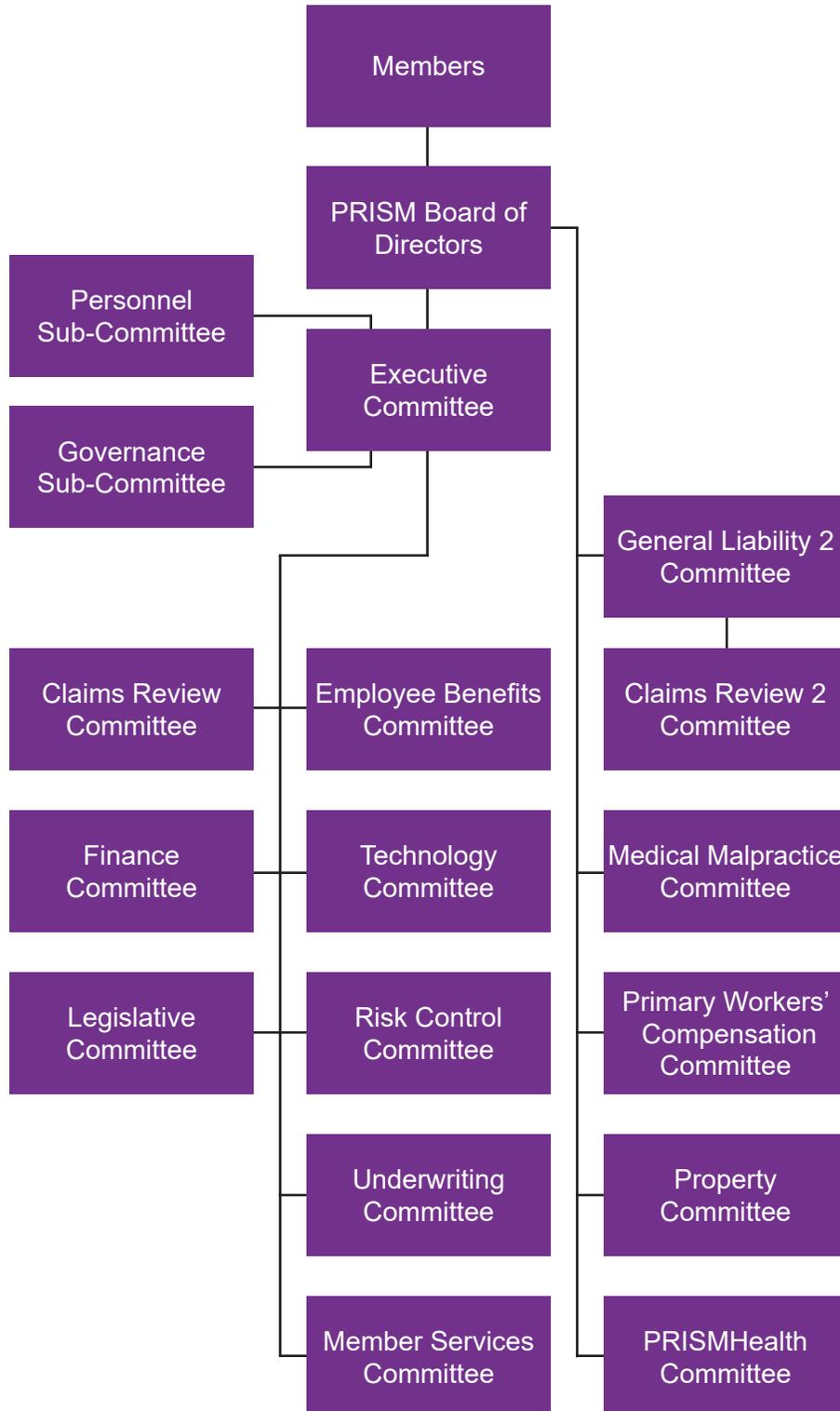


Board Member	Public Entity	Designated Board Position/Representative
Mark Howard, Risk Manager	ACCEL	At-Large
Janice Galleher, Senior Risk Mgt Specialist	City of Chula Vista	At-Large
Mike James, Deputy Director II - Operations	City of El Cajon	City
Scott Schimke, Executive Director	Golden State Risk Management Authority (GSRMA)	Special District
Barbara Esquivel, WC Claims Manager	Municipal Pooling Authority (MPA)	At-Large
Andrew Lathrop, Risk Manager	City of Oakland	At-Large
Craig Schweikhard, Executive Director	San Mateo County Schools Insurance Group (SMCSIG)	Schools
Steven Chandler, Workers Compensation & Liability Manager	Kern County Hospital Authority	Alternate
Rhonda Haynes, Risk Manager	Orange County Fire Authority	Alternate
Barbara Lubben, Executive Director	Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)	Alternate



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, 2022

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, 2023 and 2022, 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, 2023 and 2022, 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 29-42, 97-101, and 103 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 December 8, 2023 on our consideration of PRISM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PRISM's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PRISM's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 8, 2023

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, 2023, and 2022. All references to years are to the fiscal year ending at June 30th.

Overview of the Financial Statements

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Captive

On June 30, 2023, PRISM's captive insurance company, PRISM Affiliate Risk Captive (ARC), a blended component unit of PRISM, completed its seventh year of operations. ARC is domiciled in, and subject to, the Utah Department of Insurance regulations to insure only PRISM's risks, though other entities may participate in ARC to access coverage from PRISM or reinsurers in a pass-through capacity. ARC allows PRISM to better link their long-term claim liabilities with an appropriate type and term of investment. See Footnote 3 for the Investment Policy of ARC and Footnote 4 for a schedule of the liabilities insured through ARC. The governing board is made up of three current PRISM Board members, two staff members, PRISM's former CEO, and ARC's designated Utah Legal Counsel. ARC's separately-issued financial statements are available at <https://www.prismarc.org/>.

Management's Discussion & Analysis

Fund Financial Statements

PRISM operates one enterprise, proprietary fund to account for its 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 at June 30, 2023:

	Net Position
Primary Workers' Compensation	\$ 52,497,085
Excess Workers' Compensation	73,872,282
General Liability 1	(22,110,214)
General Liability 2	3,639,589
Property	34,163,884
Medical Malpractice	18,479,333
Master Rolling Owner Controlled Ins. Program	436,776
PRISMHealth	4,098,756
Dental Program	12,512,669
Miscellaneous Programs	2,617,593
Administration and Building	16,135,503
ARC net of Elimination	67,484,163
Total Net Position	\$ 263,827,419

Financial Highlights

Combined Financial Analysis

PRISM's assets and deferred outflows exceeded liabilities and deferred inflows by \$264M, as of June 30, 2023, by \$144M at June 30, 2022, and by \$186M at June 30, 2021. Following is a condensed Statement of Net Position:

Combined Statement of Net Position

	June 30, 2023	June 30, 2022	June 30, 2021
Other Assets	\$ 1,171,449,047	\$ 1,041,135,737	\$ 999,062,435
Capital Assets	13,402,523	12,624,998	10,825,450
Total Assets	1,184,851,570	1,053,760,735	1,009,887,885
Deferred Outflows	4,727,766	2,000,236	2,167,314
Current Liabilities	257,945,110	255,520,486	179,117,210
Noncurrent Liabilities	663,577,279	652,488,174	641,852,245
Total Liabilities	921,522,389	908,008,660	820,969,455
Deferred Inflows	4,229,528	3,713,839	4,731,110
Invested in Capital Assets	13,402,523	12,624,998	10,825,450
Unrestricted Net Position	250,424,896	131,413,474	175,529,184
Total Net Position	\$ 263,827,419	\$ 144,038,472	\$ 186,354,634

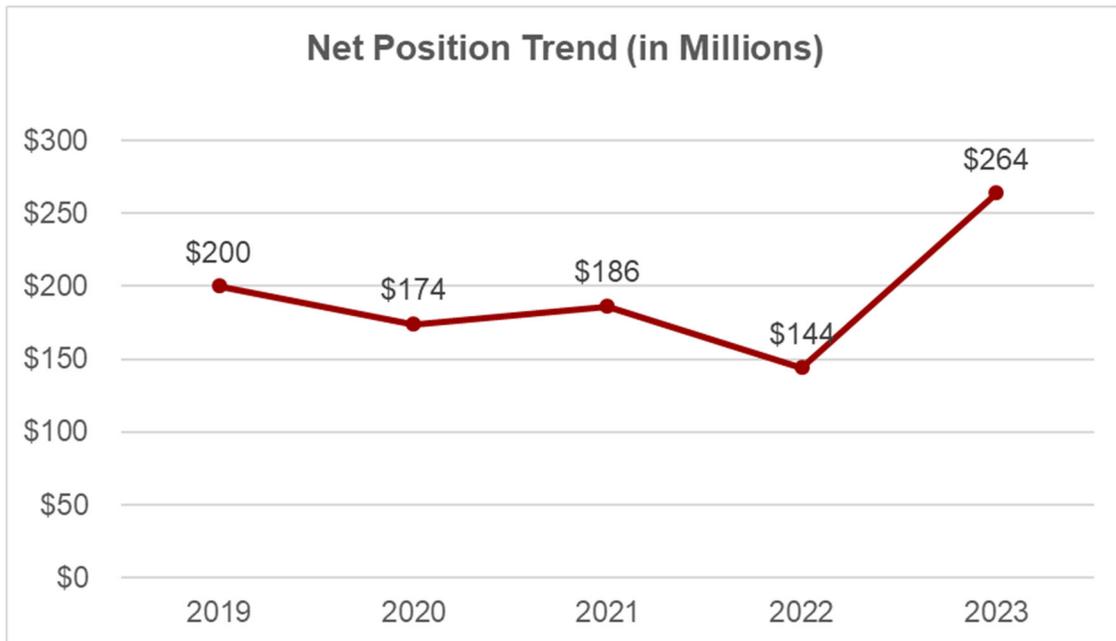
Management's Discussion & Analysis

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

PRISM started fiscal year 2021/22 with a net position of \$186M. Our ending balance in net position at June 30, 2022 was \$144M, which decreased by \$42M from fiscal year 2020/21. While there was a net operating income of \$21M, this was more than offset by negative investment returns totaling \$63M, especially in the ARC portfolio (\$49M in 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.

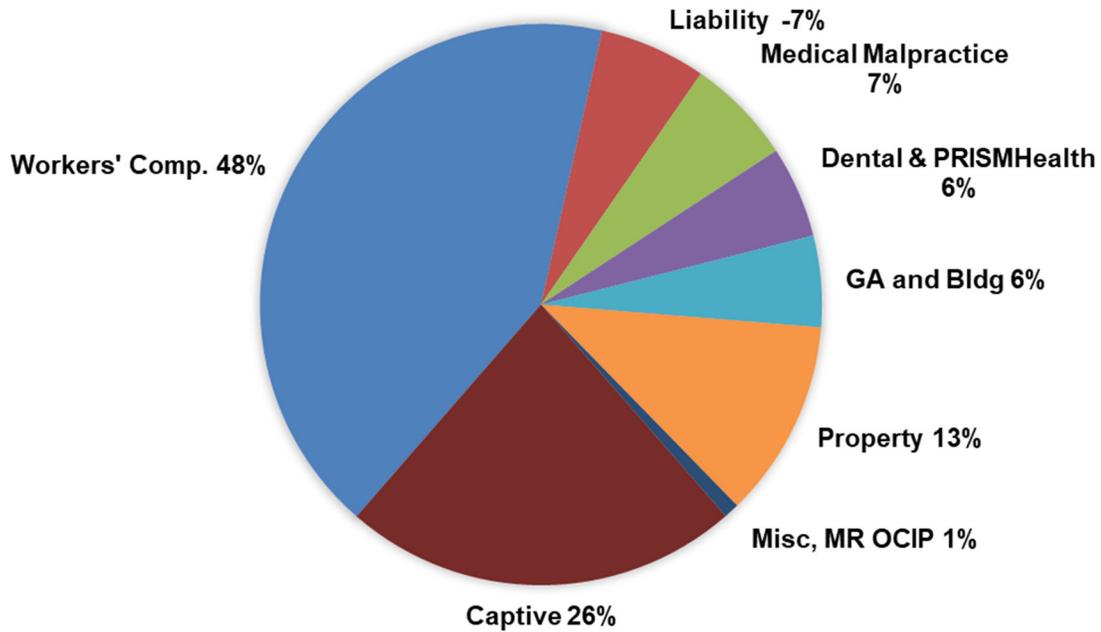
Our net position balances over the past 5 years are illustrated as follows:



Management's Discussion & Analysis

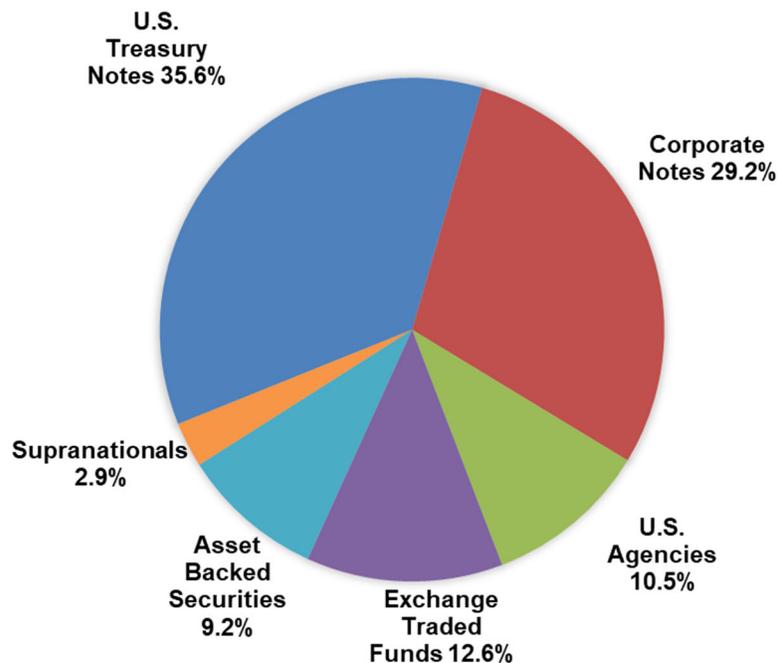
Our large pooled risk programs, workers' compensation and liability programs, account for 41% of net position as of June 30, 2023 as show below:

NET POSITION BY PROGRAM



Treasury assets consist of funds held for the payment of claims. Of these funds, 6% is in cash and 94% is invested. The following chart shows the asset allocation for the invested funds at June 30, 2023:

INVESTMENT ALLOCATION



Management's Discussion & Analysis

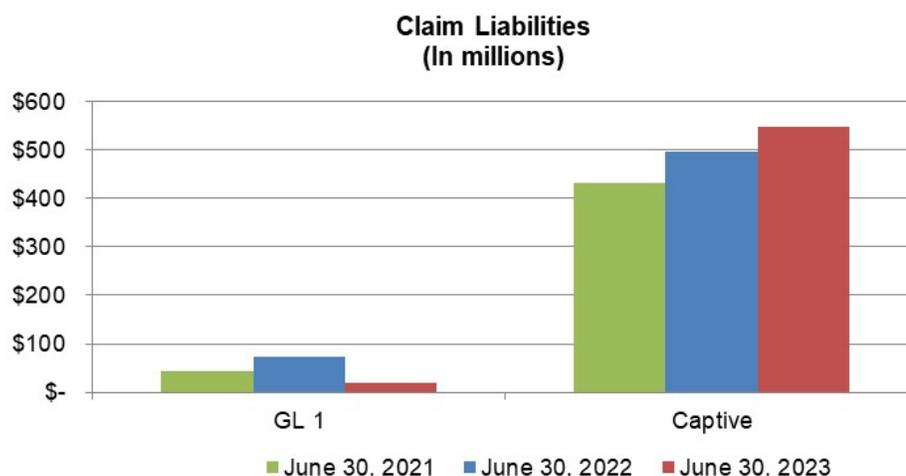
During fiscal year 2022/23, there was a modest \$907k net increase in the fair value of PRISM's investments, compared to a net decrease of \$76M in fair value in fiscal year 2021/22. During the 2021/2022 fiscal year, prevailing interest rates rose sharply. This resulted in the fair market value of PRISM's fixed income holdings falling below the amortized cost, leading to unrealized losses. Also in 2021/22, volatility in the equities markets drove mark-to-market valuation decreases of ARC's equity holdings. The potential direction of interest rates, up or down, and the interest earned are both considered at the time the investment is made.

Claim Liabilities

As another year is added on to our programs (some with a long payout pattern), claim liabilities will naturally increase. Claim payments will cause a decrease in outstanding claim liabilities. Claim liabilities increased from \$885M as of June 30, 2022 to \$890M at June 30, 2023.

The Property Program began to retain risk for claims starting March 31, 2022. Prior to this the Property Program was fully reinsured and claim liabilities were limited to an estimate for unallocated loss adjustment expense only. For the March 31, 2022 to March 31, 2023 coverage period, the Property Program is self-insured for the primary \$10M in coverage per tower (occurrence). Aggregate stop loss coverage of \$100M was purchased from Berkshire Hathaway to limit the Program's exposure. For aggregate losses in excess of \$100M, Berkshire is obligated to pay claims up to their limit of \$50M, then any remaining exposure will return to PRISM. PRISM's Property Program experienced an influx of claims resulting from a series of winter storms across the state of California late in the 2022 calendar year and into 2023. These winter storm claims drove estimates of total losses over the \$100M aggregate stop loss. Total claim liabilities for the Property Program at June 30, 2022 totaling \$15M were limited to claim liabilities for the March 31, 2022 to June 30, 2022 coverage period. Claim liabilities increased to \$68M at June 30, 2023.

During 2022/23, PRISM negotiated an extension of its GL1 Program Loss Portfolio Transfer (LPT) agreement with reinsurer MultiStrat Re (MS Re). The LPT now transfers risk in the SIR to \$5M layer for claims between July 1, 2007 through June 30, 2026, subject to certain limits. The LPT extension was the primary driver of the \$55M drop in GL1 Program claim liabilities from \$74M at June 30, 2022 to \$19M at June 30, 2023. Meanwhile corridor risk related to the LPT was transferred from PRISM to the Captive. The Captive's claim liabilities including the GL1 LPT corridor - and some other multi-year corridors including future years - are treated as prior years for the purpose of financials. As of June 30, 2023, PRISM has contributed a total of \$293M to the Captive to assume cumulative corridor risk from the LPT of \$297M. Claim Liabilities for the Captive increased \$50M from \$497M at June 30, 2022 to \$547M at June 30, 2023, largely due to the LPT. The chart below illustrates change over the last three years for the General Liability 1 (GL1) Program and the Captive.



Management's Discussion & Analysis

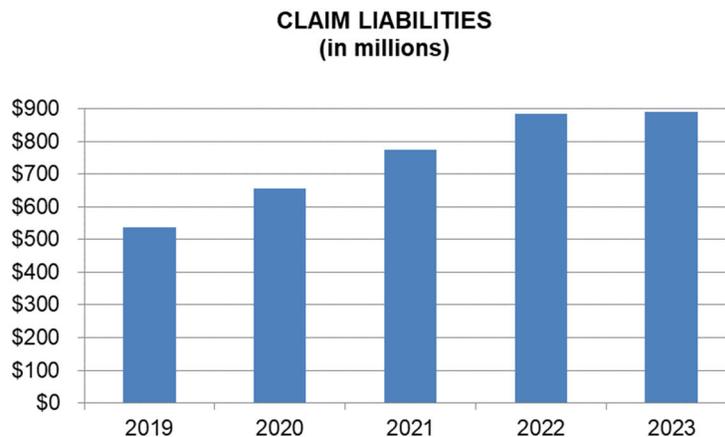
Smaller changes in claim liabilities were seen in the Primary Workers' Compensation (PWC) Program (\$12M decrease), the Excess Workers' Compensation (EWC) Program (\$30M decrease), General Liability 2 (GL2) Program (\$14k increase), Medical Malpractice Program (\$1M decrease) and Dental Program (\$163k increase) from June 30, 2022 to June 30, 2023.

Claim liabilities increased from \$775M as of June 30, 2021 to \$885M at June 30, 2022. The Property Program began retaining risk at March 31, 2022 causing its claim liabilities to increase from \$22k (ULAE only) at June 30, 2021 to \$15M at June 30, 2022. Adverse development in prior years drove increases in claim liabilities of the Captive and GL1 Programs of \$65M and \$31M respectively during 2021/22. Other changes in claim liabilities were seen in the PWC Program (\$5M increase), the EWC Program (\$4M decrease), GL2 Program (\$607k increase), Medical Malpractice Program (\$3M decrease) and the Dental Program (\$660k increase).

In August 2016, the California Insurance Commissioner placed CastlePoint Insurance Companies (CastlePoint) in conservatorship. CastlePoint has been in liquidation since March 1, 2017. California Insurance Guarantee Association (CIGA) is administering the liquidation and paying claims. Our PWC and EWC Programs had coverage through CastlePoint. Although CIGA has paid on some claims, it has issued denials if other insurance is available to cover the exposure. The total exposure to PRISM that is considered unrecoverable at June 30, 2023 is approximately \$3.9M, 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, 2023 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% starting with fiscal year 2021/22. During 2022/23, discount factors applied to claim liabilities were increased in other programs: EWC from 3% to 3.5%, GL1 from 1.75% to 2.5%, GL2 from 1.75% to 2.25%, and Medical Malpractice from 1.75% to 2.5%. The Property Program used a discount fact of 1.75% in both 2021/22 and 2022/23. The claim liability trend over the past 5 years is as follows:



Management's Discussion & Analysis

Net Pension Asset/Liability

Calculation of future pension obligations under Government Accounting Standards Board Statement No. 68 is performed using data with a measurement date one year in arrears. The net pension asset of \$800k reported at June 30, 2022 was calculated using data with a measurement date of June 30, 2021. Just as PRISM experienced investment losses in 2021/22, so did CalPERS. Those investment losses were included in the measurement date June 30, 2022 data used to calculate PRISM's net pension liability of \$4M at June 30, 2023. Previously there was a net pension liability of \$2.6M at June 30, 2021.

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 2022/23, 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 \$362k for 2022/23, \$77k for 2021/22, and \$288k for 2020/21.

Lease Receivable/Deferred Inflows – Leases

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

Target Equity

Each of the pooled programs have established Target Funding Guidelines, which determine the range of net position to retain in the program in order to provide for the uncertainty of actuarial estimates, inconsistent or inaccurate reserving, and the possibility of catastrophic claims. The purpose of the guidelines is to assist Board and Committee members in making funding decisions. A range is determined by looking at various ratios; for instance Gross Premium to Equity, Equity to Pool retention, Outstanding Case Reserves to Equity, and Outstanding Ultimate Reserves to Equity. The following table shows the Target Equity Range for the pooled programs and program net position at June 30, 2023:

Program	Target Equity Range (in millions)		Program Net Position (in millions)
	Low	High	As of June 30, 2023
Primary Workers' Compensation	\$6.3	\$36.3	\$52.5
Excess Workers' Compensation	40.0	86.8	73.9
General Liability 1	85.1	89.5	(22.1)
Medical Malpractice	10.3	19.4	18.5

Management's Discussion & Analysis

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 2022/23.

The GL1 Program net position continues to fall below the target equity range. Adverse loss development is an industrywide phenomenon being felt by most entities in the general liability insurance market. The Program's net position fell into a deficit as a result of adverse development in claims. In response, PRISM Board approved a Loss Portfolio Transfer (LPT) in fiscal year 2019/20. This deal transferred the Program's liabilities to a reinsurer, MultiStrat Re, going back to July 1, 2007, and providing coverage for liabilities through June 30, 2024. This deal was extended during 2022/23 to cover claims through June 30, 2026. The LPT transaction enabled the Program to gradually increase rates. As new premiums are collected at higher confidence levels, it is expected that the GL1 Program will return to a net surplus position. However, equity in this program is not expected to be in its target equity range in the next three years.

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

Statement of Revenues, Expenses, and Changes in Net Position

	June 30, 2023	June 30, 2022	June 30, 2021
Operating Revenues:			
Premiums for Transferred Risk	\$ 1,142,729,744	\$ 1,112,076,538	\$ 950,074,535
Broker Fees	26,884,483	24,282,089	17,126,598
Contributions for Retained Risk	385,724,427	271,092,405	256,223,164
All Other Sources	32,828,733	30,938,830	34,133,560
Total Operating Revenues	<u>1,588,167,387</u>	<u>1,438,389,862</u>	<u>1,257,557,857</u>
Operating Expenses:			
Insurance Expense & Broker Fee	1,160,841,312	1,105,630,027	924,497,490
GL1 LPT Premium Expense & Broker Fee	40,371,450	11,032,941	23,925,717
Provisions for Claims & ULAE	235,003,147	267,810,194	288,265,721
Program Services & Loss Prevention Expenses	24,622,700	17,322,739	16,146,348
General Administrative Services	23,162,873	13,118,528	16,885,674
Member Dividends & Stabilization Funds Distributed	7,009,958	2,543,052	9,195,666
Total Operating Expenses	<u>1,491,011,440</u>	<u>1,417,457,481</u>	<u>1,278,916,616</u>
Operating Income (Loss)	<u>97,155,947</u>	<u>20,932,381</u>	<u>(21,358,759)</u>
Nonoperating Revenues (Expenses):			
Investment Income, Financing Fees, net of Investment Exp.	22,395,857	(63,486,471)	33,271,574
Lease Income, net of Building Maintenance and Depreciation	237,143	237,928	178,837
Total Nonoperating Revenues (Expenses)	<u>22,633,000</u>	<u>(63,248,543)</u>	<u>33,450,411</u>
Changes in Net Position	<u>119,788,947</u>	<u>(42,316,162)</u>	<u>12,091,652</u>
Net Position			
Beginning Balance, July 1	144,038,472	186,354,634	174,262,982
Ending Balance, June 30	<u>\$ 263,827,419</u>	<u>\$ 144,038,472</u>	<u>\$ 186,354,634</u>

Management's Discussion & Analysis

Revenues

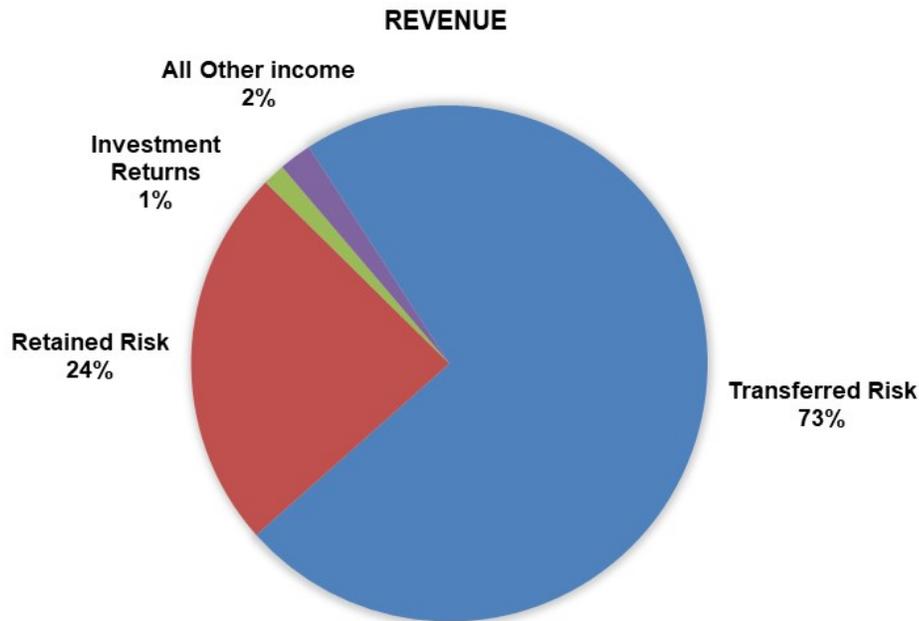
In fiscal year 2022/23, total revenues were \$1.61B, which was an increase of \$236M from \$1.38B in 2021/22. Operating revenues increased by \$150M to \$1.59B for fiscal year 2022/23 as compared to \$1.44B in the prior year. All major programs have reported higher operating revenue compared to 2021/22.

Estimated payroll as used as the exposure base in the both the PWC and EWC Programs increased slightly. The EWC Program increased its funding confidence level from 80% in 2021/22 to 85% for the 2022/23 renewal, driving increases in retained risk contributions from \$2.5M in 2021/22 to \$5.8M in 2022/23. In the GL1 Program, SELF modified their Sexual Abuse and Molestation (SAM) coverage from an occurrence to a claims-made basis last year, which necessitated a similar change for our school members that participate in SELF after PRISM's Pool. Unlike full occurrence rates, claims-made rates increase over time, holding all things equal, as more and more claims are able to be reported and covered. This often means a steep rate discount for the first year of claims-made coverage (which we experienced last year), but large increases in the second and the next several, subsequent years. As a result, GL1 pooled rates increases differed by member type: 5.4% for non-schools, 10.5% for schools, and 56.4% for school SAM claims. In response to the pooled rate increases, some members opted for a higher SIR in 2022/23 as compared to the prior year. Hence, while pooled rates increased and the exposure base was stable, contributions for retained risk declined 11% from \$2.6M in 2021/22 to \$2.4M in 2022/23 in GL1. The cost of excess coverage increased in both the GL1 and GL2 Programs and those increases were passed through to the members through higher transferred risk premiums. The Medical Malpractice Program had increases in its 2022/23 contribution rates for retained risk of 12.5% for its Program 1 members and 26.9% for its Program 2 members, respectively. Collections for excess coverage in the Medical Malpractice Program dropped slightly year-over-year. The Property Program began retained pooled risk at March 31, 2022, driving the increase in contributions for retained risk from \$20M in 2021/22 to \$81M in 2022/23. The drop in transferred risk premiums for the Property Program was not as pronounced, reflecting increases in market rates of excess coverage. PRISMHealth, Dental, and Miscellaneous Programs all saw increased rates in 2022/23 over the prior period. Nonoperating revenues consist of investment earnings and lease income, each net of related expenses. Net nonoperating revenue was by \$23M in fiscal year 2022/23, nearly all of which was investment earnings.

In fiscal year 2021/22, total revenues were \$1.38B, which was an increase of \$84M from \$1.29B in 2020/21. All programs reported higher total 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 GL1, GL2, Medical Malpractice, Property, and PRISMHealth had rate increases whereas the Dental, EWC, and PWC Programs experienced rate decreases in some layers. 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.

Management's Discussion & Analysis

The total revenue allocation as of June 30, 2023 is shown in the following chart:



Membership: PRISM represents around 2,140 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 32 other Joint Powers Authorities. Our employee benefits programs continue to add new members. In addition to cities, counties, and special districts we insure directly, we cover an additional 1,770 members who are part of other Joint Powers Authorities that participate in our programs.

Premiums for Transferred Risk: Premiums for transferred risk for 2022/23 were \$1.14B, an increase of \$31M from the total for 2021/22 of \$1.11B. Much of the increase is in our Liability and PRISMHealth Programs and is driven by excess and reinsurance carrier rate increases. The Property Program started retaining risk at March 31, 2022 and had a decrease of \$24M in transferred risk revenue year over year as a result.

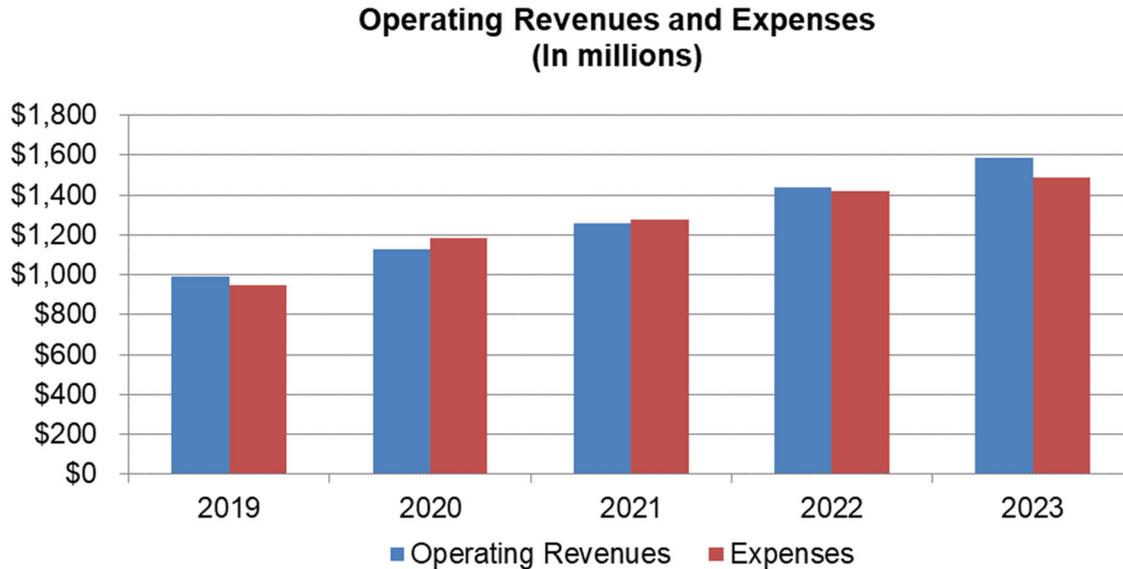
Contributions for Retained Risk: PRISM's contributions for retained risk revenues were \$386M in 2022/23, compared to \$271M last year, and \$256M in 2020/21. The Property Program accounted for \$61M of the increase between 2021/22 and 2022/23 as it entered into its first full fiscal year of retaining risk. The EWC Program increased its contributions for retained risk by \$3.3M year over year due to an increase in funding confidence level from 80% to 85%. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims.

Expenses

Total operating expenses increased by 5% or \$73.6M in fiscal year 2022/23, compared to a 11% or \$138.5M increase in 2021/22, when compared to fiscal year 2020/21. The increase in both the 2022/23 and 2021/22 was primarily due to an increase in insurance expenses especially in the Liability and PRISMHealth Programs, with a corresponding increase in revenue.

Management's Discussion & Analysis

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



Significant expense items in the 2022/23 fiscal year included:

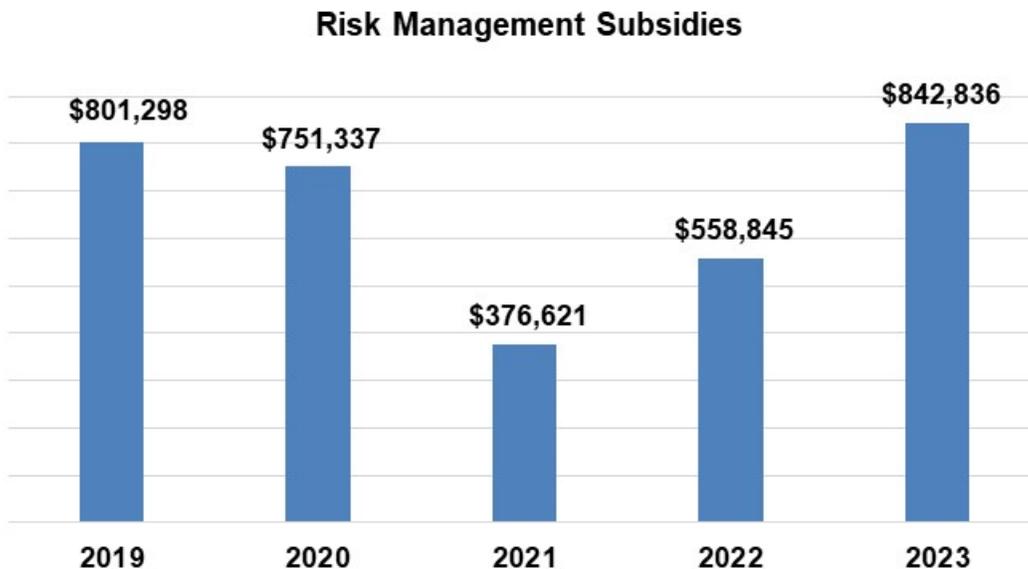
- Member dividends included \$510k to members of the PRISMHealth and Miscellaneous Programs. Members of the PWC Program received a \$6.5M dividend in 2022/23.
- Insurance premiums and broker fees for 2022/23, including those attributed to the GL1 LPT, increased by \$85M over the prior year. This is in part mirrored by the revenue increase in premiums for transferred risk for most programs. The GL1 Program's expenses for insurance premiums and broker fees were \$29.3M over the related revenues due to the mid-year renewal of the LPT.
- 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 \$11M, from \$256M in 2022 to \$245M in 2023. Although there were decreases to prior years claims liability (excluding ULAE) in the EWC Program (\$21M), and GL1 Program (\$56M), these decreases were largely offset by increases to prior years claims liability in the Property Program (\$10M) and the Captive (\$60M). Increases in the Captive are largely driven by the LPT corridor risk transferred from the GL1 Program. Smaller changes in the PWC (\$2M decrease) and Medical Malpractice (\$5M increase) Programs are responsible for the remaining year over year change.
- Changes in ULAE expense are driven by changes in the actuarial estimates for ULAE liability, largely in the PWC Program. The ULAE liability changed from \$50M at June 30, 2021 to \$62M at June 30, 2022, and then to \$52M at June 30, 2023. The ULAE expense reflects these changes with a positive expense of \$12M in 2021/22 booked to reflect the ULAE liability increase and negative expense of \$10M in 2022/23 booked to reflect the ULAE liability decrease.

Management's Discussion & Analysis

- General Administrative Services expense was 77% higher in 2022/23 at \$23M compared to \$13M in 2021/22. 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 increase in expenses is almost entirely driven by changes in pension expense. Similar to ULAE, changes in the pension expense are driven by changes in the related estimated net liability. As discussed earlier, estimates for future pension obligations from CalPERS are released one year in arrears and are partially dependent on investment returns in the CalPERS portfolio. The CalPERS report used in the June 30, 2022 financial statements used a measurement date of June 30, 2021, which predated the interest rate increases and investment market volatility seen in fiscal year 2021/22. The report being used for the June 30, 2023 financials uses a measurement date of June 30, 2022 and now captures the losses CalPERS experienced in its investment portfolio in 2021/22. Estimates for future pension obligations were a Net Pension Liability \$2.6M at June 30, 2021, a Net Pension Asset of \$800k at June 30, 2022 and a Net Pension Liability of \$4M at June 30, 2023. The adjustment during 2021/22 equated to a negative pension expense of \$3.3M. In contrast, the adjustment during 2022/23 equated to a positive pension expense of \$4.8M. A smaller driver of the increase were the increases in staff compensation approved by the Board of Directors for 2022/23 with an estimated total fiscal impact of \$1M, including a one-time inflationary adjustment of wages for all employees.
- Program Services and Loss Prevention Expenses increased by 42% to \$24.6M in the 2022/23 fiscal year, as compared to \$17.3M in the 2021/22 fiscal year. The increase here was largely driven by a write down of \$5M in accounts receivable in 2022/23 caused by an unfavorable outcome of an arbitration proceeding.

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:



Management's Discussion & Analysis

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 and one on stress management;
- Open Forums for risk control, and a podcast called Perspectives, held monthly on general risk management topics;
- Instructor led in-person and web-based training was provided to over 1,000 people;
- Online courses through Vector Solutions which had over 550,000 course completions;
- Expanded offerings for high areas of risk including cyber security and dangerous conditions risk assessments;
- A risk management mentor program;
- An inaugural Cyber Symposium was attended by nearly 100 members in both Northern and Southern California; and
- Over 40 master service agreements are in place for members to work with partners in various fields of risk management.

Capital Assets

In January 2010, the new office facility at 75 Iron Point Circle in Folsom, California was purchased at a cost of \$9.2M. We have invested in tenant improvements, both for the space occupied by PRISM and for the 36% of the building that is leased out. Capital assets include scheduled replacements of office equipment and computers, and investments in new technology, including the ongoing development of a proprietary claims system. More detail on the Capital Assets and depreciation is available under Notes to Financial Statements in Footnote 6 on Page 81 of this report.

Economic Factors

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

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

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 supplementary information on the proportionate share of the net pension liability, on pension plan contributions, a schedule of changes in the net OPEB liability and related ratios, and a schedule of PRISM's OPEB contributions is provided. Required supplementary information can be found beginning on page 96 of this report. The combining and individual program statements for all PRISM programs are presented immediately following the required supplementary information beginning on page 105 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, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	4,147,099	2,729,981
Cash in the PRISM Treasury	51,699,369	26,841,707
TOTAL CASH AND CASH EQUIVALENTS	55,846,768	29,571,988
Investments	37,442,403	34,767,105
Accounts Receivable		
Due From Members	57,819,660	49,830,609
Investment Income Receivable	3,998,594	2,992,372
Lease Receivable	262,053	248,396
Reinsurance Claims, Deposit with Carrier and Other	99,165,967	72,393,186
GL1 LPT Rate Credit Receivable	9,571,987	6,029,331
GL1 LPT Prepaid Expense	20,000,000	-
Prepaid Insurance and Expenses	95,111,178	77,797,988
TOTAL CURRENT ASSETS	379,218,610	273,630,975
Noncurrent Assets:		
Investments	766,797,452	740,219,975
Investments - Restricted	7,999,167	8,160,236
Lease Receivable	3,009,461	3,271,513
GL1 LPT Rate Credit Receivable	14,424,357	15,065,000
Net Pension Asset	-	788,038
Land and Buildings, Net	5,855,655	6,079,638
Furniture and Equipment, Net	7,546,868	6,545,360
TOTAL NONCURRENT ASSETS	805,632,960	780,129,760
TOTAL ASSETS	1,184,851,570	1,053,760,735
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on Pensions	4,398,922	1,832,009
Deferred Outflows of Resources on OPEB	328,844	168,227
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,727,766	\$ 2,000,236

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 7,551,309	\$ 6,850,446
Deposits From Insurance Companies	435,866	2,388,542
Due to Members	10,497,334	4,007,778
Unearned Income	45,888	1,003,808
Claim Liabilities		
Claims Reported	239,181,983	228,455,142
Claims Incurred But Not Reported	74,320	12,669,438
Compensated Absences	158,410	145,332
	TOTAL CURRENT LIABILITIES	255,520,486
Noncurrent Liabilities:		
Due to Members, Long Term	7,899,167	8,060,236
Claims Reported	271,151,609	111,870,573
Claims Incurred But Not Reported	327,368,878	470,011,050
Unallocated Loss Adjustment Expense Payable	52,146,000	61,888,000
Compensated Absences, Long Term	633,639	581,329
Net OPEB Liability	361,766	76,986
Net Pension Liability	4,016,220	-
	TOTAL NONCURRENT LIABILITIES	652,488,174
	TOTAL LIABILITIES	908,008,660
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	3,271,513	3,519,909
Deferred Inflows of Resources on Pensions	479,194	(502,006)
Deferred Inflows of Resources on OPEB	478,821	695,936
	TOTAL DEFERRED INFLOWS OF RESOURCES	3,713,839
NET POSITION:		
Net Investment in Capital Assets	13,402,523	12,624,998
Unrestricted	250,424,896	131,413,474
	TOTAL NET POSITION	144,038,472
	\$ 263,827,419	\$ 144,038,472

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 1,142,729,744	\$ 1,112,076,538
Broker Fees	26,884,483	24,282,089
Contributions for Retained Risk	385,724,427	271,092,405
Member Services & Dividend Income	1,046,334	848,713
Administration Fees	31,098,009	27,678,580
School Loss Control Fees	145,093	146,390
Other Income	539,297	2,265,147
	1,588,167,387	1,438,389,862
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	1,135,500,303	1,082,516,779
GL1 LPT Premium Expense	37,097,987	10,427,568
Broker Fees	25,341,009	23,113,248
GL1 LPT Broker Fees	3,273,463	605,373
Provision for Claims		
Current Year Claims	249,174,990	158,973,274
Prior Year Claims	(4,429,843)	97,254,920
Unallocated Loss Adjustment Expenses	(9,742,000)	11,582,000
Program Services	22,069,927	14,722,010
Loss Prevention Expenses	2,552,773	2,600,729
General Administrative Services	23,162,873	13,118,528
Member Dividends & Stabilization Funds Distributed	7,009,958	2,543,052
	1,491,011,440	1,417,457,481
OPERATING INCOME (LOSS)	97,155,947	20,932,381
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense	22,395,857	(63,486,471)
Lease Income, net of Building Expense	237,143	237,928
	22,633,000	(63,248,543)
TOTAL NONOPERATING REVENUE (EXPENSES)	22,633,000	(63,248,543)
CHANGE IN NET POSITION	119,788,947	(42,316,162)
NET POSITION:		
Beginning of Year	144,038,472	186,354,634
NET POSITION, END OF YEAR	\$ 263,827,419	\$ 144,038,472

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,580,426,620	\$ 1,429,546,053
Payments (to)/from Others	(25,312,287)	(31,226,245)
Dividends Paid	(466,735)	(4,548,421)
Claims Paid	(229,974,560)	(157,892,287)
Insurance Purchased	(1,215,358,946)	(1,075,167,600)
Payments to Suppliers	(58,615,451)	(46,469,727)
Payments to Employees	(14,880,926)	(13,198,339)
Subsidy Payments from (to) Members	(161,069)	288,613
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	35,656,646	101,332,047
	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Purchase of Building and Other Capital Assets	-	(72,701)
Purchase of Software, Furniture and Equipment	(1,974,019)	(2,739,696)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(1,974,019)	(2,812,397)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(767,034,042)	(443,093,961)
Sales of Securities	738,847,044	320,787,446
Cash from Investment Earnings	21,241,767	12,739,126
Investment Expenses	(878,094)	(852,724)
Finance Fees from Members	121,254	126,410
Lease Receipts	416,430	367,202
Operating Lease Disbursements	(122,206)	(52,348)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(7,407,847)	(109,978,849)
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,274,780	(11,459,199)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	29,571,988	41,031,187
	<hr/>	<hr/>
END OF YEAR	\$ 55,846,768	\$ 29,571,988
	<hr/> <hr/>	<hr/> <hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET		
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 97,155,947	\$ 20,932,381
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,393,162	1,341,405
Changes in		
Accounts Receivable, Net	(34,761,832)	(32,440,107)
GL1 LPT Receivable	(22,902,013)	10,427,568
Prepaid Expenses	(17,313,190)	14,420,344
Deferred Outflows of Resources	(2,727,530)	167,078
Unearned Premium from Members	(942,095)	(8,501,818)
Accounts and Other Payables	4,968,168	(10,884,062)
Subsidy Funds Payable	(161,069)	288,613
Compensated Absences	65,388	2,452
Claim Liabilities	14,770,587	98,335,907
Unallocated Loss Adjustment Expense Payable	(9,742,000)	11,582,000
Net Pension Liability/Asset	4,804,258	(3,346,488)
Net OPEB Liability	284,780	(211,086)
Deferred Inflows of Resources	764,085	(782,140)
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 35,656,646	\$ 101,332,047
	<hr/> <hr/>	<hr/> <hr/>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 904,708	\$ (75,847,765)
	<hr/> <hr/>	<hr/> <hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

1. Organization and Significant Accounting Policies (continued)

B. Membership (continued)

The following number of members participated in PRISM's programs, as of June 30, 2023 and 2022:

	2023	2022
Primary Workers' Compensation	36	37
Excess Workers' Compensation	182	182
General Liability 1	131	134
General Liability 2	27	25
Property	114	118
Medical Malpractice	52	51
Master Rolling Owner Controlled Insurance	7	6
PRISMHealth	47	45
Dental	182	174
	778	772

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

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

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

C. Significant Accounting Policies

Basis of Presentation and Accounting

The accounts of PRISM are organized on the basis of governmental fund accounting. PRISM operates a single enterprise fund, which is considered a separate accounting entity. An enterprise fund is used to account for governmental activities where the intent is that the cost of providing goods or services is financed primarily through user charges. PRISM's operations consist of 9 insurance programs, miscellaneous programs, a general administration program, a building program for the office facility it owns, and the Captive. Each program has established its own chart of accounts for its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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

Cash and Cash Equivalents

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

Investments

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Interest on investments is recorded in the year the interest is earned and is considered 100% collectible. The June 30, 2023 and June 30, 2022 balances in the other receivable accounts are considered 100% collectible.

Due from Members

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

Prepaid Expenses

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

Capital Assets

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

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Unearned Income

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

Unallocated Loss Adjustment Expenses (ULAE) Payable

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Primary Workers' Compensation	\$ 38,946,000	\$ 48,434,000
Excess Workers' Compensation	8,062,000	7,813,000
General Liability 1	2,047,000	2,536,000
General Liability 2	2,167,000	2,153,000
Property	19,000	14,000
Medical Malpractice	905,000	938,000
	<u>\$ 52,146,000</u>	<u>\$ 61,888,000</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 \$792k for vacation pay has been computed and recorded, based on the unused days multiplied by the current daily rates of pay.

At June 30, 2023, the current portion of the liability is \$158.4k, and the balance of \$633.6k is considered long-term. At June 30, 2022, the current portion of the liability is \$145.3k, and the balance of \$581.3k is considered long-term.

	Fiscal Year Ended	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Beginning Balance	\$ 726,661	\$ 724,209
Increases	608,721	548,462
Decreases	(543,333)	(546,010)
Ending Balance	<u>\$ 792,049</u>	<u>\$ 726,661</u>
Current Portion	<u>\$ 158,410</u>	<u>\$ 145,332</u>
Long Term Portion	<u>\$ 633,639</u>	<u>\$ 581,329</u>

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Deferred Outflows/Deferred Inflows of Resources

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

Pensions

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

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

Other Post-Employment Benefits (OPEB)

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

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Classification of Revenues

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

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

Premiums for Transferred Risk and Contributions for Retained Risk

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

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

Provision for Claims

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

Excess Insurance and Reinsurance

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

Services

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

Income Taxes

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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 \$13.4M, net of accumulated depreciation, and unrestricted net position of \$250.4M, as of June 30, 2023, for a total of \$263.8M. The unrestricted net position balances are available for future operations or distribution. The net position, as of June 30, 2022, was \$144M, including \$12.6M net investment in capital assets, net of accumulated depreciation, and unrestricted net position of \$131.4M.

D. Reclassification of Prior Year Presentation

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

2. Cash

A. Cash and Cash Equivalents

Cash and cash equivalents, as of June 30, 2023 and 2022, are reported at fair value and consist of the following:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Petty Cash	\$ 300	\$ 300
Cash in Banks		
Primary Workers' Compensation	2,152,771	232,188
GL1 Deductible Buy Down	756,434	1,409,973
ARC Checking Account	417,646	393,550
Iron Point Building	820,248	694,270
Total Cash in Banks	<u>4,147,099</u>	<u>2,729,981</u>
Cash in PRISM Treasury		
Cash in Bank, General Checking	10,505,525	6,305,089
Treasury Money Market	17,496,524	6,241,703
State of California,		
Local Agency Investment Fund	10,154	14,294,915
California Asset Management Program	23,687,166	-
Total Cash in PRISM Treasury	<u>51,699,369</u>	<u>26,841,707</u>
Total Cash and Cash Equivalents	<u>\$ 55,846,768</u>	<u>\$ 29,571,988</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

2. Cash (continued)

B. Custodial Credit Risk

The carrying amount of PRISM's total cash in banks was \$14.7M at June 30, 2023, and \$9.0M at June 30, 2022. The bank balance was \$19.3M at June 30, 2023 and \$14.3M at June 30, 2022, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2023, \$18.5M 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.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash In Banks in PRISM Treasury	\$ 28,002,049	\$ 12,546,792
Cash in State of California		
Local Agency Investment Fund	10,154	14,294,915
Cash in California Asset Management Program	23,687,166	-
Investments	812,239,022	783,147,316
Investment Income Receivable	3,998,594	2,992,372
Total Treasury Assets	<u>\$ 867,936,985</u>	<u>\$ 812,981,395</u>

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Primary Workers' Compensation	\$ 107,697,030	\$ 96,805,539
Excess Workers' Compensation	182,729,972	188,872,836
General Liability 1	(35,446,392)	20,438,128
General Liability 2	(33,008,131)	(23,232,904)
Property	(50,249,198)	(62,580,757)
Medical Malpractice	51,084,138	50,922,039
Master Rolling OCIP	272,095	858,363
PRISMHealth	7,440,908	6,525,364
Dental	14,984,665	9,712,060
Miscellaneous Programs	2,892,710	2,380,100
General Administration and Building	11,442,274	11,031,372
ARC	608,096,914	511,249,255
Total Treasury Balances	<u>\$ 867,936,985</u>	<u>\$ 812,981,395</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

3. Investments

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

	June 30, 2023	June 30, 2022
Investments - Current Portion	\$ 37,442,403	\$ 34,767,105
Investments - Noncurrent Portion	766,797,452	740,219,975
Investments - Restricted	7,999,167	8,160,236
Total	\$ 812,239,022	\$ 783,147,316

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

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

3. Investments (continued)

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

Other Stipulations

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

3. Investments (continued)

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

A. Investment Credit Risk

PRISM's investments at June 30, 2023 and 2022 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, 2023		June 30, 2022	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+	\$ 288,830,917	35.5%	\$ 251,131,989	32.1%
U.S. Agencies	AA+	85,452,937	10.5%	101,657,972	13.0%
Asset Backed Securities	AAA	49,372,887	6.1%	51,841,440	6.7%
Asset Backed Securities	NR*	25,259,254	3.1%	18,288,081	2.3%
Corporate Notes	AAA to A+	47,579,735	5.9%	55,055,090	7.0%
Corporate Notes	A to BBB-	186,930,961	23.0%	174,451,343	22.3%
Supranationals	AAA	23,388,081	2.9%	35,085,023	4.5%
Commercial Paper	A-1+	-	0.0%	990,580	0.1%
Negotiable CDs	A-1	-	0.0%	992,882	0.1%
Mortgage Pass Thru	AAA to AA+	3,040,648	0.4%	3,314,068	0.4%
International Equity	NR	10,324,601	1.3%	8,479,790	1.1%
International Real Estate	NR	1,758,513	0.2%	1,410,825	0.2%
Large Cap US Equity	NR	25,570,828	3.1%	32,241,399	4.1%
Mid Cap US Equity	NR	35,138,467	4.3%	14,189,824	1.8%
Real Estate	NR	9,363,734	1.2%	8,894,158	1.1%
Emerging Market Equity	NR	4,997,457	0.6%	4,381,497	0.6%
Small Cap US Equity	NR	15,230,002	1.9%	20,741,355	2.6%
Total Investments		\$ 812,239,022	100%	\$ 783,147,316	100%

NR - Not Rated

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	More than 5 Years**	Time to Maturity
U.S. Treasury Notes	\$ 288,830,917	\$ 26,279,943	\$ 192,090,786	\$ 70,460,188	3.79
U.S. Agencies	85,452,937	6,892,646	72,009,793	6,550,498	2.54
Asset Backed Securities	74,632,141	1,262,779	73,369,362	-	2.89
Corporate Notes	234,510,696	3,007,035	167,332,274	64,171,387	4.55
Supranationals	23,388,081	-	23,388,081	-	2.47
Mortgage Pass Thru	3,040,648	-	1,941,426	1,099,222	25.74
Subtotals*	<u>\$ 709,855,420</u>	<u>\$ 37,442,403</u>	<u>\$ 530,131,722</u>	<u>\$ 142,281,295</u>	<u>3.30</u>
ETF	102,383,602	-	-	-	n/a
Totals	<u>\$ 812,239,022</u>	<u>\$ 37,442,403</u>	<u>\$ 530,131,722</u>	<u>\$ 142,281,295</u>	<u>3.30</u>

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

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

Maturities of investments held at June 30, 2022 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	More than 5 Years**	Time to Maturity
U.S. Treasury Notes	\$ 251,131,989	\$ 9,943,920	\$ 203,917,108	\$ 37,270,961	3.58
U.S. Agencies	101,657,972	3,000,537	94,515,310	4,142,125	2.74
Asset Backed Securities	70,129,521	-	70,129,521	-	3.12
Corporate Notes	229,506,433	16,841,190	140,844,638	71,820,605	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	-	1,990,626	1,323,442	11.55
Subtotals*	<u>\$ 692,808,468</u>	<u>\$ 34,767,105</u>	<u>\$ 543,484,230</u>	<u>\$ 114,557,133</u>	<u>3.25</u>
ETF	90,338,848	-	-	-	n/a
Totals	<u>\$ 783,147,316</u>	<u>\$ 34,767,105</u>	<u>\$ 543,484,230</u>	<u>\$ 114,557,133</u>	<u>3.25</u>

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

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

PRISM recognizes all investments at fair value in accordance with GASB Statement 31 and GASB Statement 72. Fair value equals estimated market values obtained from the Interactive Data Corporation (IDC) pricing system, a leading provider of financial information to global markets. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period include unrealized amounts from prior periods. Investment income includes \$905k of unrealized gain and \$1.6M of realized loss for the year ended June 30, 2023. In the year ended June 30, 2022, \$75.8M of unrealized loss and \$277k of realized gain was recognized.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

3. Investments (continued)

B. Investment Interest Rate Risk (continued)

	2022/23	2021/22
Beginning Fair Value	\$ 783,147,316	\$ 736,688,566
Less: Proceeds of Investments Disposed	(738,847,044)	(320,787,446)
Add: Cost of Investments Purchased	767,034,042	443,093,961
Add: Unrealized Gain/(Loss) in the year	904,708	(75,847,765)
Ending Fair Value	\$ 812,239,022	\$ 783,147,316

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

	Beginning		Ending		Unrealized	
	Fair Value At		Fair Value At			
	July 1, 2022	Dispositions	Purchases	Subtotal	June 30, 2023	Gain/(Loss) in the year
U.S. Treasury Notes	\$ 251,131,989	\$ (486,989,160)	\$ 527,398,867	\$ 291,541,696	\$ 288,830,917	\$ (2,710,779)
U.S. Agencies	101,657,972	(104,924,736)	88,902,817	85,636,053	85,452,937	(183,116)
Asset Backed Securities	70,129,521	(22,598,879)	26,691,254	74,221,896	74,632,141	410,245
Corporate Notes	229,506,433	(61,989,821)	67,575,666	235,092,278	234,510,696	(581,582)
Supranationals	35,085,023	(11,900,918)	-	23,184,105	23,388,081	203,976
Commercial Paper	990,580	(23,087,739)	22,097,159	-	-	-
Negotiable CDs	992,882	(11,723,587)	10,730,705	-	-	-
Mortgage Pass Thru	3,314,068	(301,798)	-	3,012,270	3,040,648	28,378
International Equity	8,479,790	-	699,495	9,179,285	10,324,601	1,145,316
International Real Estate	1,410,825	(2,289,373)	2,307,654	1,429,106	1,758,513	329,407
Large Cap US Equity	32,241,399	(7,365,898)	-	24,875,501	25,570,828	695,327
Mid Cap US Equity	14,189,824	-	18,689,824	32,879,648	35,138,467	2,258,819
Real Estate	8,894,158	-	1,240,339	10,134,497	9,363,734	(770,763)
Emerging Market Equity	4,381,497	-	700,262	5,081,759	4,997,457	(84,302)
Small Cap US Equity	20,741,355	(5,675,135)	-	15,066,220	15,230,002	163,782
Totals	\$ 783,147,316	\$ (738,847,044)	\$ 767,034,042	\$ 811,334,314	\$ 812,239,022	\$ 904,708

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023, conform to these guidelines.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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) and California Asset Management Program (CAMP) have been excluded.

At June 30, 2023	Number of	Fair Value	Percentage of
Issuer	Securities		Total Portfolio
None			

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

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
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023:

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

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	\$ -

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023, was \$179.2B. The fair value is estimated at \$176.4B or 98.4828499% of cost. The average maturity of LAIF investments is 260 days at June 30, 2023.

PRISM's balance in LAIF, at June 30, 2023, was \$10k 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, 2022, was \$14.3M, and was also valued at LAIF's cost. State of California LAIF is not rated by the investment rating firms.

F. California Asset Management Program (CAMP)

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

The total amortized cost of the California Asset Management Program at June 30, 2023, was \$16B. The fair value is estimated at \$16B or 99.99% of cost. The average maturity of CAMP investments is 26 days at June 30, 2023.

PRISM's balance in CAMP at June 30, 2023 was \$23.7M and was recognized at CAMP's cost. CAMP's cost approximates the fair value of PRISM's shares. PRISM opened its CAMP accounting during the 2022/23 fiscal year. Accordingly, PRISM's balance in CAMP at June 30, 2022 was \$0. CAMP is rated AAAM rated by Standard & Poor's.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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, 2023 in the amount of \$1.09B, have been presented at the net present value of \$890M. At June 30, 2022, claim liabilities in the amount of \$1.08B are presented at their present value of \$885M, discounted, based on the estimated investment income yield.

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

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

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

Discount Effect on Claim Liabilities in the EWC Program			
Discount Rate Selected	3.50%	2.50%	1.50%
Claim Liabilities	\$155,567,689	\$173,073,165	\$194,397,294
Net Position Balance	\$ 73,872,282	\$56,366,806	\$35,042,677

In the PWC Program, PRISM only retains the first \$10k of liability for the years 2009/10 to 2022/23. Since this is paid relatively quickly, the claims for these years are not discounted. Corridors in the \$10k-\$125k layer adding up to \$91.8M for policy years 2016/17 through 2022/23 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 \$5.4M, which is retained by PRISM and discounted at 1.5% to \$4.6M. The claims for the period 2004/05 to 2008/09 are fully insured.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

The discount rate for each program is as follows:

<u>Program</u>	<u>Discount rate</u>
Primary Workers' Compensation	0% 2009/10 forward
Primary Workers' Compensation	1.5% 2003/04 and prior
Primary Workers' Compensation ULAE	1.50%
Excess Workers' Compensation	3.50%
General Liability 1	2.50%
General Liability 2	2.25%
Property	1.75%
Medical Malpractice	2.50%
Dental	no discount
ARC	4.20%

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Primary Workers' Compensation	\$ 60,130,060	\$ 72,035,231
Excess Workers' Compensation	155,567,689	185,486,977
General Liability 1	18,480,582	73,317,674
General Liability 2	2,167,000	2,153,000
Property	67,946,128	14,940,455
Medical Malpractice	35,531,669	36,751,585
Dental	2,932,583	2,769,238
ARC	547,167,079	497,440,043
Total Claim Liabilities	<u>\$ 889,922,790</u>	<u>\$ 884,894,203</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 884,894,203	\$ 774,976,296
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	249,174,990	158,973,274
Increase in Provision for Retained Risk, prior fiscal years	<u>(14,171,843)</u>	<u>108,836,920</u>
Total incurred claims & claim adjustment expenses	<u>235,003,147</u>	<u>267,810,194</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	69,059,410	61,784,145
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	<u>160,915,150</u>	<u>96,108,142</u>
Total Payments	<u>229,974,560</u>	<u>157,892,287</u>
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$ 889,922,790</u>	<u>\$ 884,894,203</u>
Reported Claims	\$ 510,333,592	\$ 340,325,715
Incurred But Not Reported Claims	327,443,198	482,680,488
Unallocated Loss Adjustment Expenses	<u>52,146,000</u>	<u>61,888,000</u>
Total Claim Liabilities	<u>\$ 889,922,790</u>	<u>\$ 884,894,203</u>
Current Claim Liabilities	\$ 239,256,303	\$ 241,124,580
Noncurrent Claim Liabilities	<u>650,666,487</u>	<u>643,769,623</u>
Total Claim Liabilities	<u>\$ 889,922,790</u>	<u>\$ 884,894,203</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023, is approximately \$1.1M, undiscounted, and this amount is included in the claim liabilities in the PWC Program.

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

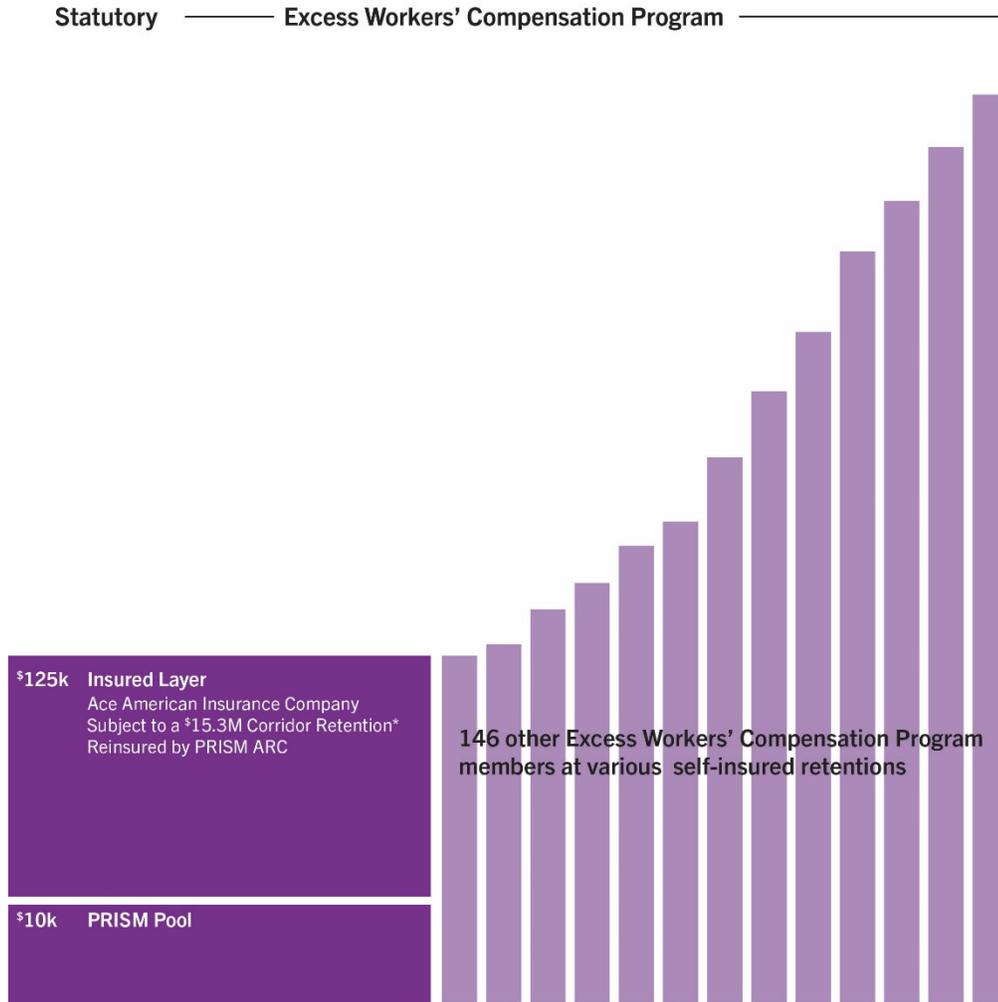
Starting in the 2016/17 policy year, the coverage for the \$115k excess of \$10k layer was purchased subject to a corridor retention. The insurance policies included a corridor retention of \$4.3M for 10 months from July 2016 to April 2017 from AmTrust Group, and another corridor retention of \$12.6M for 14 months from May 2017 to June 2018 from ACE/Chubb. These corridor risks were transferred to the Captive. The pro-rated corridor of \$1.7M for 2 months, May and June 2017, was transferred to the Captive in fiscal year 2016/17. The corridors transferred to the Captive for 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 were \$10.9M, \$14.3M, \$15M, \$14.8M and \$15.6M, respectively. A corridor of \$16.3M was transferred to the Captive for the 2022/23 year. The corridor will be finalized after the final payroll reporting for 2022/23. The Program has a liability for total claims and ULAE of \$60M out of which \$39M are ULAE liabilities.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

A. Primary Workers' Compensation (continued)

The chart below shows the current structure of the Program.



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

B. Excess Workers' Compensation

PRISM established the Excess Workers' Compensation (EWC) Program in 1979. The Program covers losses excess of member Self-Insured Retentions (SIRs) with pooled risk, reinsurance, and excess insurance. The EWC pool retained responsibility for payment of workers' compensation claims in excess of each members' SIR to the pool limit, which may vary by program year. Since 2008, the EWC Program pool has provided coverage from the individual SIR to \$5M, in some years reinsuring all, or parts, of the pooled layer. The Program reinsured 80% of the SIR to \$1M layer with CastlePoint during the program years of 2010/11 and 2011/12. In August 2016, the California Insurance Commissioner placed CastlePoint Insurance Companies (CastlePoint) into conservatorship/liquidation. Any amounts not covered by CastlePoint are to be covered by the California Insurance Guarantee Association (CIGA). However, CIGA has issued denials if other insurance is available to cover the exposure. The additional exposure to the EWC Program that is considered unrecoverable as of June 30, 2023, is approximately \$2.8M, discounted, and this amount is included in the claim liabilities.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

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

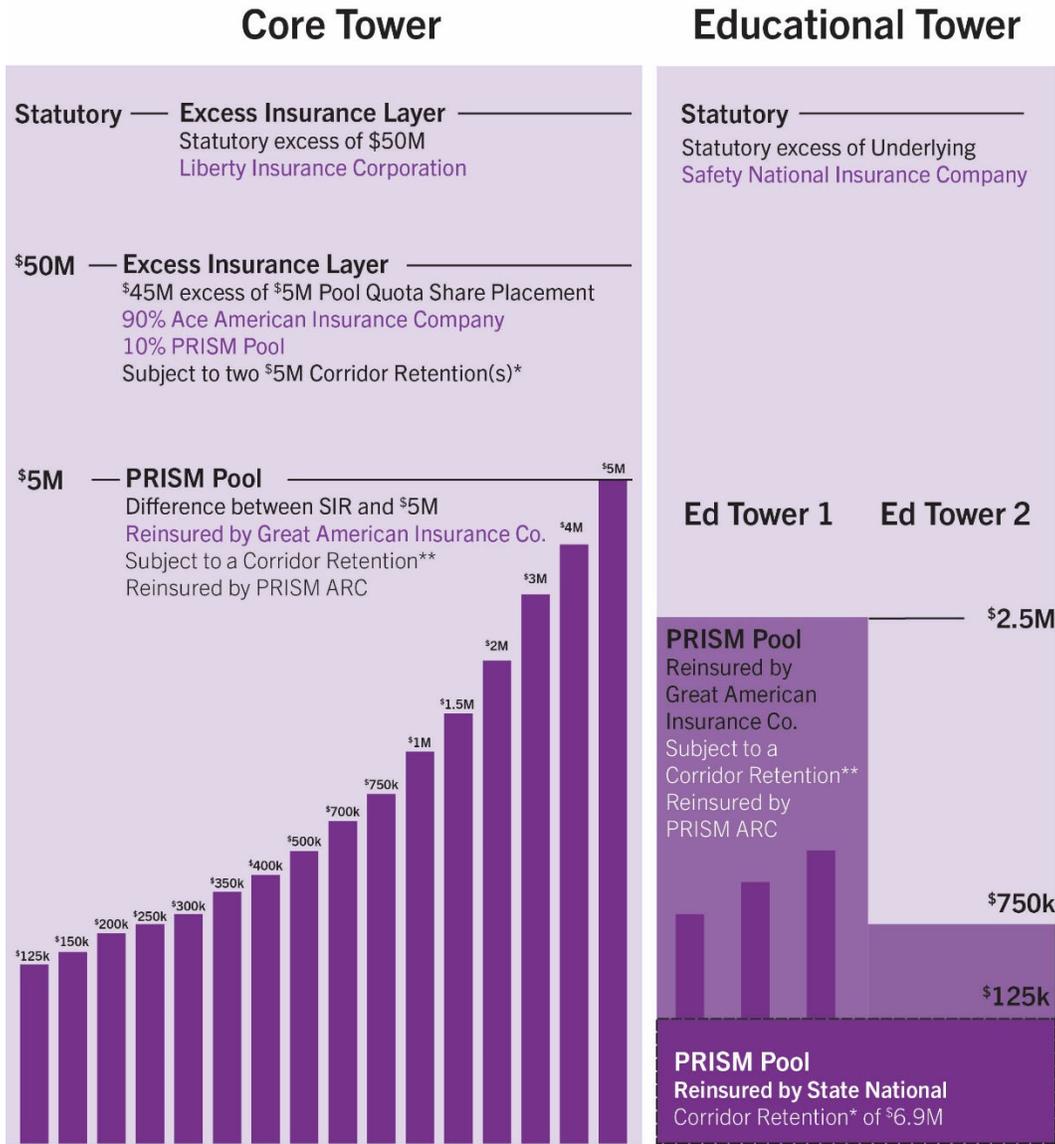
Coverage Period	Pool Layer
November 1, 1979 to October 5, 1993	SIR to \$500k
October 6, 1993 to December 31, 1994	SIR to \$750k
January 1, 1995 to June 30, 2002	SIR to \$300k
July 1, 2002 to June 30, 2008	SIR to \$5M
July 1, 2008 to June 30, 2010	SIR to \$5M: Reinsured SIR to \$1M 30%-PRISM; 70% - American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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

The Program maintains a strong funding position and has benefited from stability in workers' compensation insurance rates over the last several years. The Program's overall funding position is over an 80% confidence level; a result of the Underwriting Committee's recommended strategies, which PRISM's Board adopted to address risk of adverse loss development. First beginning in 2008/09, PRISM purchased reinsurance to cover or reduce the EWC pool exposure in the SIR to \$5M layer. The Program consistently funds future claims at a confidence level higher than the expected confidence level and has charged members at that rate, rather than the (lower) rate of actual insurance costs. The Program retained an aggregate deductible (known as a corridor retention) as part of the reinsurance agreement in fiscal year 2012/13 forward. Since 2016/17, corridor retentions were transferred to the Captive, allowing the Program greater investment returns on premiums to fund the corridor. The discount from additional earnings were passed on to Program members as premium savings. The Program continues to retain some risk in the \$5M to \$50M layer with a 10% quota share of that layer and with two \$5M corridor retentions which were transferred to the Captive.



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

** The Corridor Retention will be adjusted at the end of the year. The Core and Educational Towers are subject to a single, shared corridor retention of \$8.2M. (does not include Primary \$1.25k layer).

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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 2022/23.

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. In 2022/23, the GL1 Program transferred corridor risk of \$5M in the \$9M to \$10M layer to the Captive.

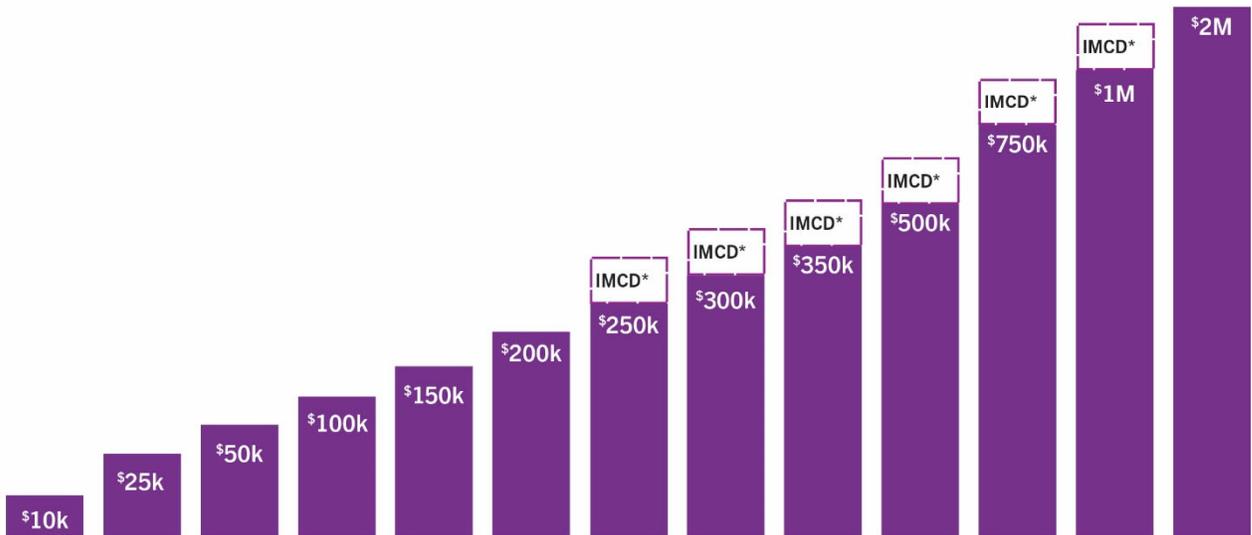
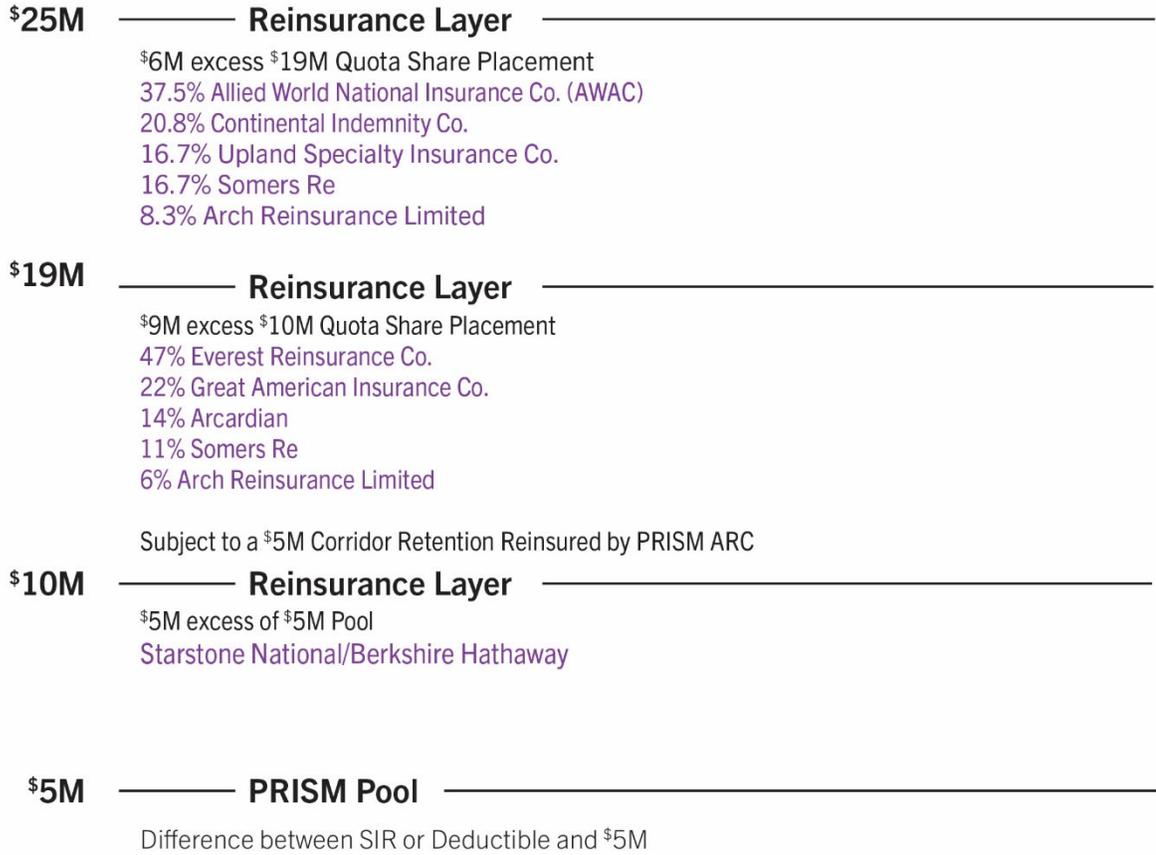
Claim liabilities are recognized based on the actuarial estimate of the expected ultimate claim cost, discounted at 2.5%. Additional coverage can be added by purchasing optional excess liability insurance, which is available as part of the Miscellaneous Programs. Effective April 1, 2019, PRISM entered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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

C. General Liability 1 (continued)

The chart below shows the current structure of the Program.



* Individual Member Corridor Deductible (IMCD) where applicable.

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

4. Claim Liabilities (continued)

D. General Liability 2

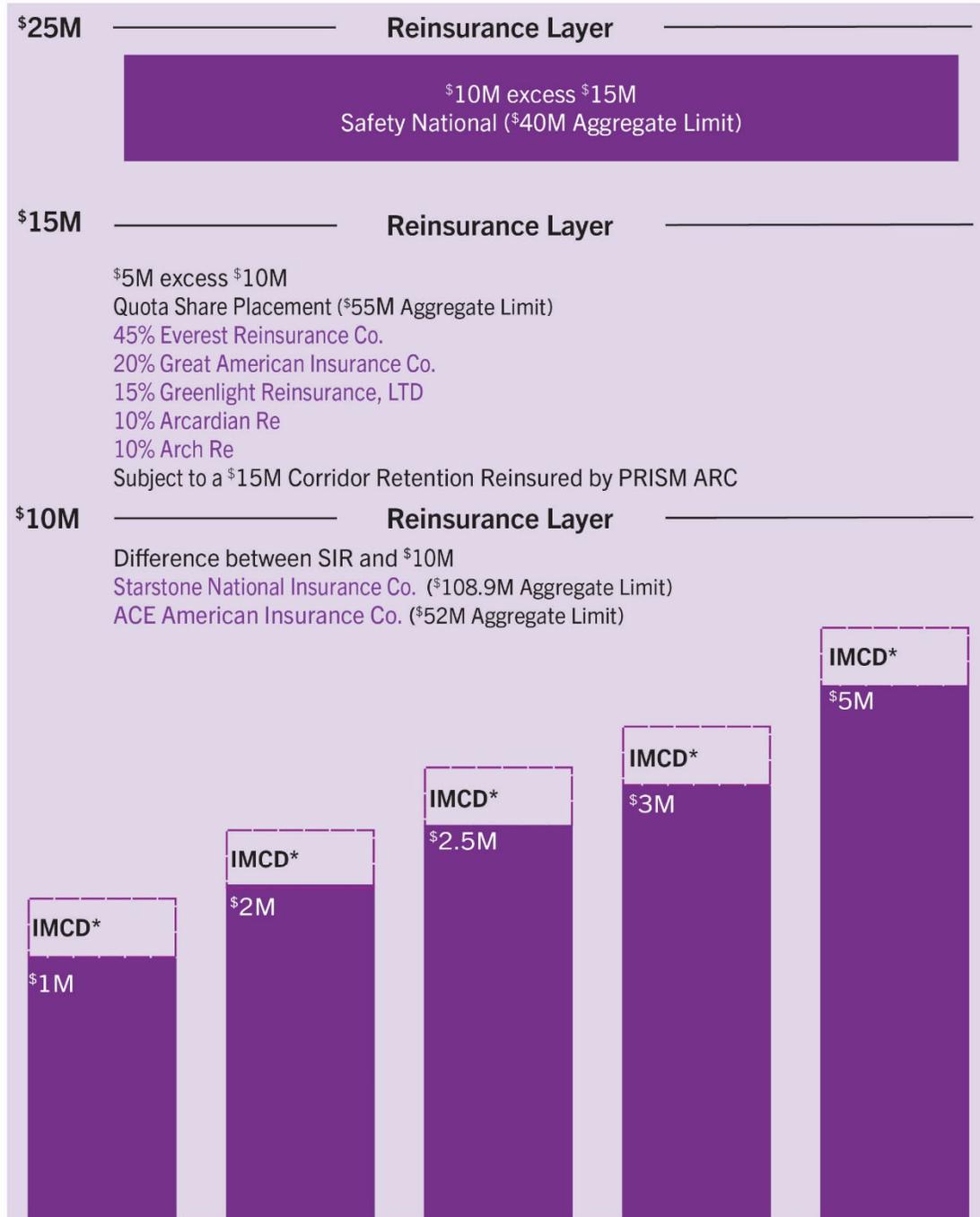
The GL2 Program was designed to meet the liability insurance needs of the larger members and was implemented on February 15, 1991. In this Program, members are responsible for their SIRs ranging from \$1M to \$5M, and their Individual Member Corridor Deductibles (IMCD) ranging from \$250k to \$2.5M. Since 2014/15, the Program has utilized a pool funded corridor retention within the SIR to \$10M layer. For policy years 2019/20, 2020/21, and 2022/23 the Program retained corridor retentions in the \$5M to \$10M and the \$10M to \$15M layers for a total of \$34.8M, \$43.9M, and \$15M respectively. 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 and 2022/23 fiscal years.

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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. These Towers serve to diversify geographic risk within the Program. Members are responsible for all risk deductibles ranging from \$25k to \$100k, with the minimum deductible for members increasing to \$25k at March 31, 2023 from a minimum of \$5k prior. Deductibles may vary for specified exposures. Policy years are from March 31st to the following March 31st annually.

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

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

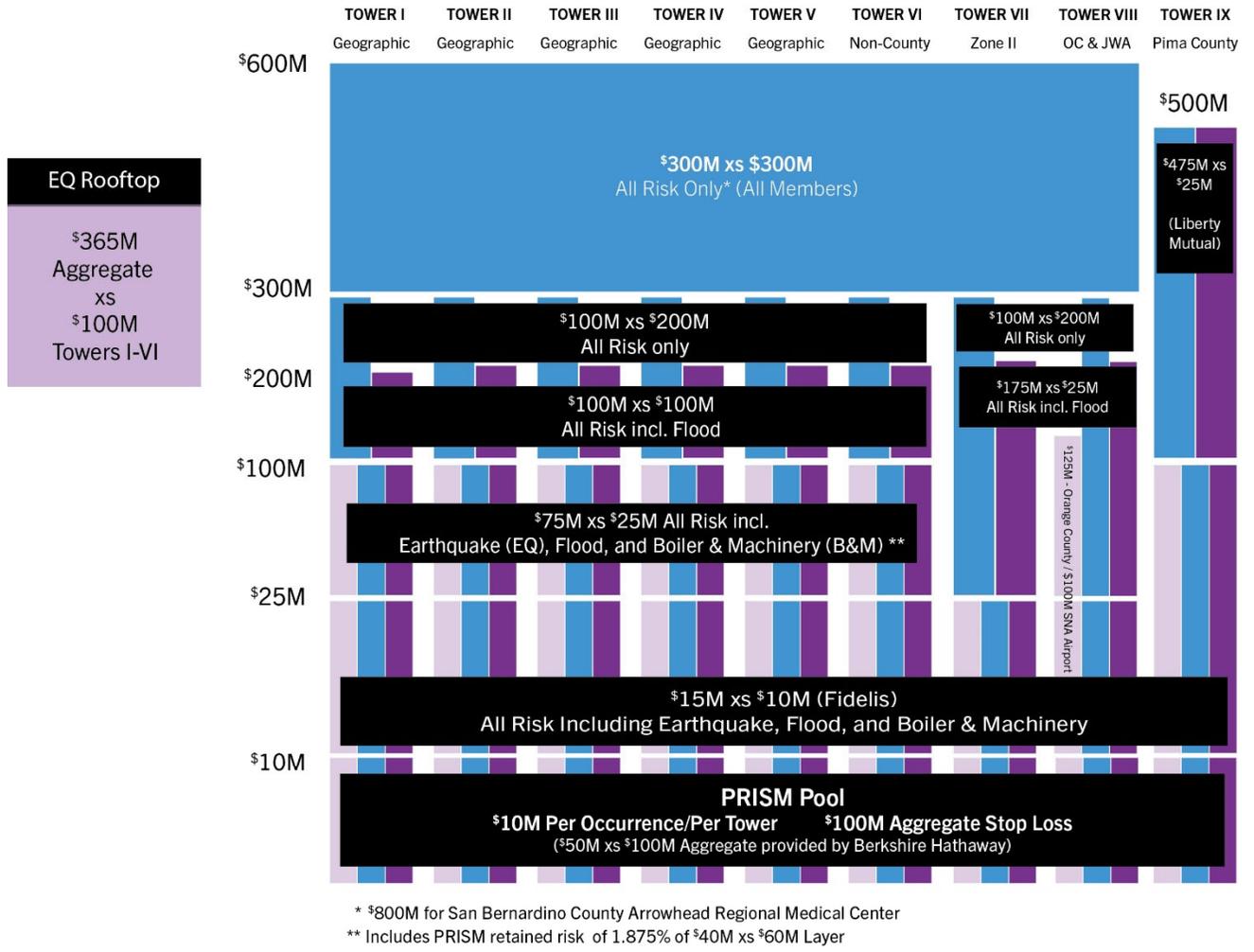
For the policy year ending March 31, 2024, PRISM is responsible for \$10M per tower, each and every occurrence. The Program purchased aggregate stop loss coverage from Berkshire Hathaway. PRISM will pay the first \$110M of claims in the \$10M primary layer from all towers combined and if claims exceed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

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

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

4. Claim Liabilities (continued)

E. Property (continued)



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

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, 2021. The 2021/22 coverage period was for 9 months from October 1, 2021 to June 30, 2022 after which this program has coverage period of July 1 to June 30 in sync with other PRISM programs. In the 2019/20, 2020/21, and 2022/23 fiscal years, the

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

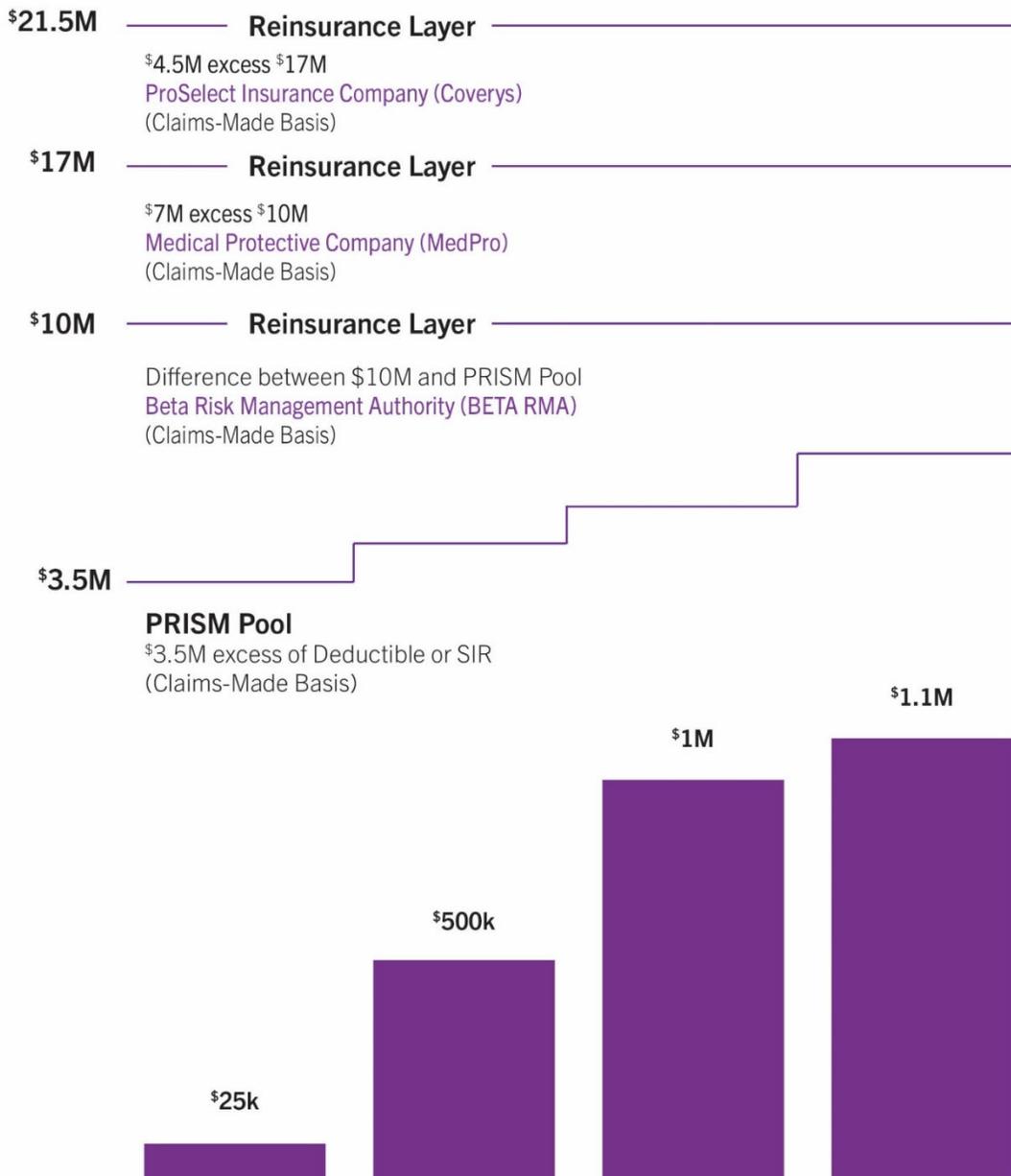
4. Claim Liabilities (continued)

F. Medical Malpractice (continued)

Program added a \$2M corridor deductible to the Program’s pooled layer to provide additional savings to the members. The corridor deductible for 2021/22 fiscal year was prorated to \$1.5M for the nine months in that coverage year. These corridors were all transferred to the Captive.

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

The Program structure is illustrated in the following chart:



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023 and June 30, 2022 of \$2.9M and \$2.8M, respectively, are undiscounted and are considered short-term.

H. Captive

Total claim liabilities of the Captive, as of June 30, 2023, in the amount of \$694M have been presented at the net present value of \$547.2M using a 4.2% discount rate. On June 30, 2022, the total claim liabilities of \$571M have been presented at the net present value of \$497.4M using a 4.2% 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 temporarily stabilizing the Program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024). As liabilities continued to develop adversely, the LPT deal was re-negotiated with MS Re in December 2022 and an updated structure was finalized which would provide coverage to GL1 program's pool layer thru June 30, 2026.

A. Structure of the LPT

The Program splits the estimated claim payments for the entire coverage period of July 1, 2007 to June 30, 2026 into various layers, with MS Re being responsible for some layers while PRISM is responsible for others. Per the actuarial calculations, although it is expected that ultimately the total payments will be \$930.1M for the entire period, about 29% of the payment total will be made on claims incurred in future program years (2023/24 to 2025/26). Approximately \$593M of the payments are associated with claims incurred in the 2007/08 to 2022/23. MS Re now has an annual cap of \$37.8M in claims payments for the first three years and a \$52.2M cap on the final 2025/26 year, after which ARC shall make payments for the remaining period subject to corridor limits. In addition, the discounted value of claims of \$7.6M in PRISM's experience account for the period up to June 30, 2023 is included in PRISM claim liabilities, as of June 30, 2023. The claims paid and discounted outstanding liabilities of \$258.1M in PRISM's Corridor 1 for period up to June 30, 2023 have been transferred to the Captive and are also part of the combined financial statements. The corresponding premium expense for those claim payments is \$500.6M, out of which \$207.5M was paid to MS Re and \$293.1M was paid to the Captive for the corridor that was transferred as explained below. Additionally, a rate credit of \$24M is recorded as an offset to the total premium expense. A breakdown of the layers is as follows:

Layer	Updated Layer Limit	Expected Future Payments as of June 30, 2022	Updated Layer Limit	Expected Future Payments as of June 30, 2023
MsRe Reinsurance 1	\$ 170,631,620	\$ 170,631,620	\$ 336,200,000	\$ 336,200,000
PRISM Corridor 1 *	317,150,563	317,150,563	552,772,229	552,772,229
PRISM Experience Account	15,000,000	15,000,000	20,000,000	20,000,000
MsRe Reinsurance 2	17,500,000	17,500,000	33,500,000	21,134,543
PRISM Corridor 2	Unlimited	125,558,000	Unlimited	-
Total		\$ 645,840,183		\$ 930,106,772

* PRISM Corridor 1 has been transferred to ARC.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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

A. Structure of the LPT (continued)

Per the updated actuarial estimates, as of June 30, 2023, MS Re will cover the first \$336.2M in the claim payments, after which PRISM's Corridor 1 will cover the next \$552.8M. This corridor is transferred to the Captive for a premium of \$293.1M for all claims from July 1, 2007 to June 30, 2023. 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 \$7.6M in PRISM's experience account are included in PRISM claim liabilities as of June 30, 2023. Once PRISM's experience account is exhausted, MS Re will cover the next \$33.5M in claim payments after which PRISM's Corridor 2 kicks in with unlimited liability. The actuarially calculated liability in PRISM's Corridor 2 is \$0 at June 30, 2023. Although it is expected that ultimately the total payments will be \$930.1M, these numbers will be recalculated annually based on actual payments and recent claims developments.

The total premium of \$207.5M in exchange of the liabilities has been paid to MS Re as of June 30, 2023. Additionally, \$293.1M is recorded as premium expense to the Captive (and eliminated upon consolidation with PRISM) for a discounted value of \$258.1M for the PRISM Corridor 1 claims paid and liabilities at June 30, 2023.

For the LPT experience account, MS Re has agreed to fund this layer through 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 \$24M that is the present value of this rate credit, as of June 30, 2023. Correspondingly, the same amount is recorded as a reduction to premium in 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23 program years.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2023</u>
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Depreciable Assets:							
Buildings and Tenant Improvements	8,239,588	72,701	-	8,312,289	-	-	8,312,289
Furniture and Equipment	1,380,846	27,497	-	1,408,343	117,429	-	1,525,772
Software	8,095,989	3,117,681	-	11,213,670	2,123,001	-	13,336,671
Total Depreciable Assets	<u>17,716,423</u>	<u>3,217,879</u>	<u>-</u>	<u>20,934,302</u>	<u>2,240,430</u>	<u>-</u>	<u>23,174,732</u>
Less Accumulated Depreciation:							
Buildings and Tenant Improvements	(3,010,655)	(221,996)	-	(3,232,651)	(223,983)	-	(3,456,634)
Furniture and Equipment	(1,003,519)	(135,914)	-	(1,139,433)	(135,794)	-	(1,275,227)
Software	(3,876,799)	(1,060,421)	-	(4,937,220)	(1,103,128)	-	(6,040,348)
Total Accumulated Depreciation	<u>(7,890,973)</u>	<u>(1,418,331)</u>	<u>-</u>	<u>(9,309,304)</u>	<u>(1,462,905)</u>	<u>-</u>	<u>(10,772,209)</u>
Net Depreciable Assets:							
Buildings and Tenant Improvements	5,228,933	(149,295)	-	5,079,638	(223,983)	-	4,855,655
Furniture and Equipment	377,327	(108,417)	-	268,910	(18,365)	-	250,545
Software	4,219,190	2,057,260	-	6,276,450	1,019,873	-	7,296,323
Net Depreciable Assets	<u>9,825,450</u>	<u>1,799,548</u>	<u>-</u>	<u>11,624,998</u>	<u>777,525</u>	<u>-</u>	<u>12,402,523</u>
Net Land, Buildings and Equipment	<u>\$ 10,825,450</u>	<u>\$ 1,799,548</u>	<u>\$ -</u>	<u>\$ 12,624,998</u>	<u>\$ 777,525</u>	<u>\$ -</u>	<u>\$ 13,402,523</u>
Depreciation Expense:							
Operating		\$ 1,341,405			\$ 1,393,162		
Nonoperating		76,926			69,743		
Total Depreciation Expense		<u>\$ 1,418,331</u>			<u>\$ 1,462,905</u>		

7. Leases

PRISM has occupied 52% of its building at 75 Iron Point Circle, Folsom, California 95630, leased out 36% and has 12% vacant space at June 30, 2023. 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 \$932k. The cost of the building and improvements under lease is \$3.1M with accumulated depreciation of \$1.5M. Lease-related inflows of resources for the last two fiscal years were:

	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Lease Revenue	\$ 310,231	\$ 381,396
Lease Interest Revenue	56,971	47,696
Lease Income	<u>\$ 367,202</u>	<u>\$ 429,092</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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)
2024	\$ 306,185	\$ -	\$ 306,185	\$ 262,053
2025	296,689	20,345	317,034	276,666
2026	203,714	122,679	326,393	289,983
2027	192,332	144,369	336,701	304,444
2028	-	346,803	346,803	318,899
2029 to 2033	-	1,604,152	1,604,152	1,535,190
2034 to 2037	-	288,134	288,134	284,279
Total minimum lease payments	<u>\$ 998,920</u>	<u>\$ 2,526,482</u>	<u>\$ 3,525,402</u>	<u>\$ 3,271,514</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, 2023, the following number of employees were covered by the benefit terms:

Active members	89
Inactive members receiving benefits	12
Total	<u>101</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2022 (the measurement date) was 11.65% and 7.65% of annual pay for the Classic and PEPRA plans respectively.

For the year ended June 30, 2023, the legally required contributions were \$1,164,309. The legally required contribution for June 30, 2022 was \$1,016,636. The required contribution for the 2022/23 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, 2022.

Actuarial Assumptions

For the measurement period ended June 30, 2022 (the measurement date), the Total Pension Liability (TPL) was determined by rolling forward the June 30, 2021 TPL. The June 30, 2022 and June 30, 2021 TPLs were based on the following actuarial methods and assumptions:

Measurement Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
<u>Actuarial Assumptions</u>		
Discount Rate	6.90%	7.15%
Inflation	2.30%	2.50%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	6.90% Gross of Administrative Expenses	7.15% Gross of Administrative Expenses
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

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

Changes in Assumptions

For the measurement period ended June 30, 2022, changes in assumptions included a reduction in the discount rate from 7.15% to 6.90% and reduction in the price inflation assumption from 2.50% to 2.30%.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

8. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

Discount Rate

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

Long Term Expected Rate of Return

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

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

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

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

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

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

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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, 2022 measurement date, calculated using the discount rate of 6.90%, 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 (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

June 30, 2022 Measurement Date	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Plan Net Pension Liability/(Asset)	\$ 8,544,338	\$ 4,016,220	\$ 290,702

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:

June 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)

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

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

	<u>2022 - 2023 Fiscal Year</u>	<u>2021 - 2022 Fiscal Year</u>
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Measurement Period	July 1, 2021 to June 30, 2022	July 1, 2020 to June 30, 2021

At June 30, 2023 and 2022, PRISM reported a Net Pension Liability/(Asset) (NPL) of \$4,016,220 and (\$788,038), 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, 2022. The TPL used to calculate the NPL was determined by an actuarial valuation, as of June 30, 2021, and rolled forward to June 30, 2022 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, 2021, was 0.08583% 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, 2020, was -0.041502%.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

8. Employee Retirement System (continued)

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

For the year ended June 30, 2023, PRISM recognized a pension expense of \$4,372,523. At June 30, 2023, PRISM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows) of Resources</u>
Differences Between Expected and Actual Experience	\$ 80,654	\$ (54,018)
Changes in Assumptions	411,546	-
Net Difference Between Projected and Actual Earnings on Pension Plan investments	735,665	-
Change in Proportions	2,006,748	-
Change in Proportionate Share of Contributions	-	(425,176)
Contributions Subsequent to Measurement Date	1,164,309	-
Total	<u>\$ 4,398,922</u>	<u>\$ (479,194)</u>

The \$1,164,309 reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the NPL in the year ending June 30, 2024.

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

<u>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ 1,004,011
2024	851,056
2025	450,394
2026	449,958
Total	<u>\$ 2,755,419</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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:

	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows) of Resources</u>
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:

<u>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (579,465)
2023	397,896
2024	304,832
2025	190,104
Total	<u>\$ 313,367</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

9. Other Postemployment Benefits (OPEB)

A. Plan Description

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

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

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

Calendar Year 2020	\$139.00 per month
Calendar Year 2021	\$143.00 per month
Calendar Year 2022	\$149.00 per month
Calendar Year 2023	\$151.00 per month
Calendar Year 2024	\$157.00 per month
Thereafter	Adjusted by CalPERS Board to reflect changes in the medical care component of the CPI.

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

Employees covered by benefit terms: At June 30, 2023, 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 6.20% 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, 2023 AND 2022

9. Other Postemployment Benefits (OPEB) (continued)

A. Plan Description (continued)

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

B. Net OPEB Liability

PRISM's net OPEB liability was \$361,766 as of June 30, 2023, and \$76,986 as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuations, as of June 30, 2022 and June 30, 2021.

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, 2021
Measurement Date	June 30, 2021 for net OPEB liability calculated at June 30, 2022 June 30, 2022 for net OPEB liability calculated at June 30, 2023
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.20% net of plan investment expenses
Discount Rates	6.10% for all plan liabilities as of June 30, 2021 6.20% for all plan liabilities as of June 30, 2022
Municipal Bond Rate	1.92% as of June 30, 2021 3.69% as of June 30, 2022
Inflation	2.50% per year
Salary Increases	3.00% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants were considered in the valuation.

Changes in Assumptions

Discount rates were increased for all plan liabilities 6.2% at the June 30, 2022 measurement date from 6.1% at the June 30, 2021 measurement date.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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 6.1% for all plan liabilities reported as of June 30, 2023 and 2022, 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability

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

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

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 Measurement date June 30, 2020	\$ 1,481,966	\$ 1,193,894	\$ 288,072
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 Measurement date June 30, 2021	 \$ 1,717,514	 \$ 1,640,528	 \$ 76,986

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023:

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

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/(Asset)	\$ 335,963	\$ 76,986	\$ (136,407)

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/(Asset)	\$ 78,609	\$ 361,766	\$ 720,768

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates as of June 30, 2022 is shown below:

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

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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

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

The \$196,224 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024.

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

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources		Recognized Net Deferred Outflows (Inflows) of Resources		Total
	Explicit		Implicit		
	2024	\$	(59,684)	\$	
2025		(61,531)		8,981	(52,550)
2026		(68,554)		8,981	(59,573)
2027		(20,855)		8,981	(11,874)
2028		(77,087)		12,075	(65,012)
Thereafter		(124,987)		18,498	(106,489)

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)	\$ -
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>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

9. Other Postemployment Benefits (OPEB) (continued)

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

The \$168,227 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, 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)

The Expected Average Remaining Service life was 11.03 years in the June 30, 2022 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 2022/23 and 2021/22 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 approaching \$25M. 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, 2023 AND 2022

10. AmTrust Group Payment Delays (continued)

AmTrust owes PRISM \$55.4M and \$43.7M as of June 30, 2023 and 2022, 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 \$1.1M, undiscounted, and this amount is included in claim liabilities in the PWC Program.

The EWC Program also had coverage through CastlePoint on a quota-share basis in the 2010/11 and 2011/12 years, and on an 80% quota-share basis for the \$1M excess of SIR layer. Here, because CIGA’s coverage is limited to \$500k per claim, the Program does have exposure due to the liquidation. Additionally, CIGA has issued denials if “other insurance” is available to cover the exposure. PRISM estimates the ultimate cost of the EWC claims for this period, not covered by CIGA, to be \$2.8M, discounted, and this amount is included in claim liabilities in the EWC Program.

12. Risk and Uncertainties

Interest rates have increased materially since the Federal Reserve began to remove monetary policy accommodation in March 2022 due to elevated inflation metrics and the unintended consequences of the high levels of fiscal stimulus during the COVID pandemic. The Fed Funds rate increased from a range of 0.00% to 0.25% at the beginning of 2022 to a range of 5.00% to 5.25% at the end of June 2023. The large change in interest rates has had a negative impact on the valuations of fixed income assets as legacy assets have been marked to market lower, to reflect the current, higher level of interest rates. The large change in interest rates and the subsequent change in market values of underlying fixed income investments could materially impact the amounts reported in the statement of net position. If the change in interest rates and tightening of financial conditions does not bring down inflation to levels consistent with policymakers’ objectives over an intermediate time horizon, a further deterioration in the underlying value of fixed income assets is possible.

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

REQUIRED SUPPLEMENTARY INFORMATION

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2023
10 YEAR SCHEDULE***

	Measurement Date								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
PRISM's proportion of the net pension liability (asset)	0.085831%	-0.041502%	0.060654%	0.048206%	0.037935%	0.040671%	0.031435%	0.073809%	0.032050%
Proportionate share of the net pension liability (asset)	\$4,016,220	(\$788,038)	\$2,558,450	\$1,930,418	\$1,429,650	\$1,603,286	\$1,092,027	\$2,024,929	\$1,994,562
Covered payroll	\$9,837,764	\$9,387,325	\$7,426,247	\$7,828,396	\$7,123,473	\$6,441,367	\$5,449,159	\$4,924,748	\$4,058,309
Proportionate Share of the net pension liability (asset) as percentage of covered-employee payroll	40.82%	-8.39%	34.45%	24.66%	20.07%	24.89%	20.04%	41.12%	49.15%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	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 9 years are shown

Notes to Schedule

1. There were no changes to benefit terms during the measurement period ended June 30, 2022.

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, 2023
10 YEAR SCHEDULE***

	Fiscal Year									
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	
Contractually Required Contribution (Actuarially Determined Contribution)	\$ 1,164,309	\$ 1,016,636	\$ 1,091,058	\$ 792,370	\$ 656,865	\$ 612,233	\$ 551,010	\$ 533,877	\$ 587,253	
Contributions in Relation to the Contractually Required Contributions	1,164,309	1,016,636	1,091,058	792,370	656,865	612,233	551,010	533,877	587,253	
Contributions Deficiency (Excess)	-	-	-	-	-	-	-	-	-	
Covered Payroll	\$10,972,582	\$9,837,764	\$9,387,235	\$7,426,247	\$7,828,396	\$7,123,473	\$6,441,367	\$ 5,449,159	\$ 4,924,748	
Contributions as a Percentage of Covered Payroll	10.61%	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 9 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, 2023
LAST 10 FISCAL YEARS*

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Total OPEB Liability						
Service Cost	\$ 146,822	\$ 125,454	\$ 172,953	\$ 162,744	\$ 188,704	\$ 208,154
Interest Cost	111,987	113,294	84,002	81,742	77,753	64,420
Changes in Assumptions	(25,857)	156,691	(352,436)	(32,915)	(286,746)	(159,144)
Benefit Payments	(56,978)	(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	175,974	235,548	(132,844)	178,532	(45,454)	92,950
Total OPEB Liability - Beginning	1,717,514	1,481,966	1,614,810	1,436,278	1,481,732	1,388,782
Total OPEB Liability - Ending (a)	<u>\$ 1,893,488</u>	<u>\$ 1,717,514</u>	<u>\$ 1,481,966</u>	<u>\$ 1,614,810</u>	<u>\$ 1,436,278</u>	<u>\$ 1,481,732</u>
Plan Fiduciary Net Position						
Employer Contributions	\$ 168,227	\$ 164,744	\$ 307,363	\$ 33,583	\$ 150,165	\$ 56,127
Net Investment Income	(219,639)	328,110	37,901	51,551	52,952	60,789
Benefit Payments	(56,978)	(45,768)	(37,363)	(33,583)	(25,165)	(20,480)
Administrative Expenses	(416)	(452)	(555)	(179)	(365)	(307)
Other Expenses	-	-	-	-	(871)	-
Net Change in Plan Fiduciary Net Position	(108,806)	446,634	307,346	51,372	176,716	96,129
Plan Fiduciary Net Position - Beginning	1,640,528	1,193,894	886,548	835,176	658,460	562,331
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,531,722</u>	<u>\$ 1,640,528</u>	<u>\$ 1,193,894</u>	<u>\$ 886,548</u>	<u>\$ 835,176</u>	<u>\$ 658,460</u>
Net OPEB Liability (a)-(b)	\$ 361,766	\$ 76,986	\$ 288,072	\$ 728,262	\$ 601,102	\$ 823,272
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	81%	96%	81%	55%	58%	44%
Covered Payroll	\$ 10,972,582	\$ 9,837,764	\$ 9,387,235	\$ 7,426,247	\$ 7,828,396	\$ 7,123,473
Net OPEB Liability as a Percentage of Covered Employee Payroll	3%	1%	3%	10%	8%	12%

* Fiscal year 2018 was the 1st year of implementation, therefore only 6 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, 2023
LAST 10 FISCAL YEARS***

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

* Fiscal year 2018 was the first year of implementation, therefore only 6 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	15 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 CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Primary Workers' Compensation	Excess Workers' Compensation	General Liability 1	General Liability 2	Property	Medical Malpractice	Dental	PRISM Affiliate Risk Captive	Total June 30, 2023	Total June 30, 2022
Unpaid Claims and Claim Adjustment Expenses at the										
A. Beginning of the Fiscal Year	\$ 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
Incurred Claims and Claim Adjustment Expenses:										
Provision for Claims										
Current Fiscal Year	8,935,000	5,047,552	1,273,400	-	92,465,052	9,582,848	36,484,122	95,387,016	249,174,990	158,973,274
Prior Fiscal Years	(11,904,494)	(20,864,410)	(56,110,492)	14,000	10,079,821	4,781,743	-	59,831,989	(14,171,843)	108,836,920
B. Total Incurred	(2,969,494)	(15,816,858)	(54,837,092)	14,000	102,544,873	14,364,591	36,484,122	155,219,005	235,003,147	267,810,194
Payments:										
Attributable to insured events of the										
Current Fiscal Year	4,619,024	-	-	-	24,537,924	-	33,551,539	6,350,923	69,059,410	61,784,145
Prior Fiscal Years	4,316,653	14,102,430	-	-	25,001,276	15,584,507	2,769,238	99,141,046	160,915,150	96,108,142
C. Total Payments	8,935,677	14,102,430	-	-	49,539,200	15,584,507	36,320,777	105,491,969	229,974,560	157,892,287
Total Unpaid Claims and Claim Claim Adjustment Expenses at										
D. End of the Fiscal Year (A+B-C)	\$ 60,130,060	\$ 155,567,689	\$ 18,480,582	\$ 2,167,000	\$ 67,946,128	\$ 35,531,669	\$ 2,932,583	\$ 547,167,079	\$ 889,922,790	\$ 884,894,203
Claims Reported	\$ 15,897,664	\$ 102,837,221	\$ 3,324,524	\$ -	\$ 58,839,353	\$ 19,086,280	\$ 2,932,583	\$ 307,415,967	\$ 510,333,592	\$ 340,325,715
Claims Incurred But Not Reported	5,286,396	44,668,468	13,109,058	-	9,087,775	15,540,389	-	239,751,112	327,443,198	482,680,488
Unallocated Loss Adjustment Expenses	38,946,000	8,062,000	2,047,000	2,167,000	19,000	905,000	-	-	52,146,000	61,888,000
Total Claim Liabilities	\$ 60,130,060	\$ 155,567,689	\$ 18,480,582	\$ 2,167,000	\$ 67,946,128	\$ 35,531,669	\$ 2,932,583	\$ 547,167,079	\$ 889,922,790	\$ 884,894,203
Current Claim Liabilities	\$ 4,260,118	\$ 18,887,426	\$ 543,326	\$ -	\$ 52,115,000	\$ 12,225,555	\$ 2,932,583	\$ 148,292,295	\$ 239,256,303	\$ 241,124,580
Noncurrent Claim Liabilities	55,869,942	136,680,263	17,937,256	2,167,000	15,831,128	23,306,114	-	398,874,784	650,666,487	643,769,623
Total Claim Liabilities	\$ 60,130,060	\$ 155,567,689	\$ 18,480,582	\$ 2,167,000	\$ 67,946,128	\$ 35,531,669	\$ 2,932,583	\$ 547,167,079	\$ 889,922,790	\$ 884,894,203

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2023

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, 2023
(ALL PROGRAMS)**

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 285,324,897	\$ 319,317,027	\$ 350,559,894	\$ 469,691,911	\$ 505,760,442	\$ 823,324,170	\$ 607,788,729	\$ 701,426,182	\$ 779,537,018	\$ 935,089,305
Less Ceded	(164,918,367)	(179,542,634)	(195,577,777)	(280,217,877)	(295,276,073)	(310,413,725)	(347,824,023)	(425,306,988)	(507,129,567)	(522,749,692)
Loss Portfolio Transfer	(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)	(145,565,580)
Dividends Declared	-	-	-	-	-	(2,000,000)	(7,125,448)	(9,000,000)	(2,000,000)	(6,500,000)
Investment Earnings	3,579,340	4,247,238	4,416,682	8,571,681	12,834,208	14,299,000	5,699,072	(695,256)	(6,609,475)	4,058,717
1. Total Revenues Available For Payment of Claims	79,799,675	107,870,655	114,581,643	162,793,953	194,064,787	499,371,328	163,160,117	204,251,054	180,928,482	264,332,750
2. Unallocated Loss Adjustment Expense	1,515,973	1,742,045	2,399,760	1,945,578	4,254,133	5,457,394	6,715,916	5,831,658	7,832,604	4,382,211
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	255,248,896 (164,918,367) 90,330,529	289,100,975 (179,454,200) 109,646,775	326,801,063 (195,577,777) 131,223,286	443,588,666 (280,217,877) 163,370,789	467,745,044 (295,276,073) 172,468,971	498,954,780 (310,413,725) 188,541,055	511,345,287 (347,824,023) 163,521,264	605,739,520 (425,306,988) 180,432,532	666,102,841 (507,129,567) 158,973,274	771,924,683 (522,749,692) 249,174,991
4. Cumulative Paid Claims as of:										
End of the Policy Year	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	69,059,410
One Year Later	48,129,843	55,107,212	62,990,323	70,987,228	77,406,457	74,007,811	69,644,549	76,164,786	103,588,280	
Two Years Later	55,838,278	64,984,162	88,685,970	106,880,592	94,177,491	101,624,160	90,453,287	107,333,423		
Three Years Later	69,238,862	91,256,950	121,100,075	123,574,410	113,149,753	128,301,899	106,782,447			
Four Years Later	78,729,022	111,768,089	136,824,900	135,685,813	124,830,834	174,103,918				
Five Years Later	100,731,441	107,787,847	135,254,359	139,980,283	133,714,116					
Six Years Later	105,302,558	115,575,435	139,022,734	142,114,346						
Seven Years Later	105,368,317	115,692,112	139,235,294							
Eight Years Later	105,496,901	115,859,833								
Nine Years Later	105,102,118									
5. Reestimated Ceded Claims and Expenses	137,937,557	249,091,791	209,050,088	312,876,448	391,575,946	386,310,700	489,662,396	299,875,872	166,948,362	102,684,971
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	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	249,174,991
One Year Later	92,687,394	115,831,832	133,962,994	171,585,114	146,440,138	255,246,311	170,695,606	180,897,089	172,494,511	
Two Years Later	97,238,564	113,158,272	152,739,976	151,894,547	156,054,777	335,009,333	172,471,440	187,009,253		
Three Years Later	100,362,092	126,906,754	142,475,106	150,047,659	156,206,901	404,644,362	177,731,448			
Four Years Later	110,051,193	116,585,582	152,017,636	151,373,010	154,922,872	452,111,699				
Five Years Later	108,190,734	107,185,396	144,165,483	149,540,968	155,566,420					
Six Years Later	108,276,425	116,700,294	144,494,397	149,850,975						
Seven Years Later	108,225,409	118,640,307	144,281,851							
Eight Years Later	108,261,967	118,648,562								
Nine Years Later	107,924,388									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 17,593,859	\$ 9,001,787	\$ 13,058,565	\$ (13,519,814)	\$ (16,902,551)	\$ 263,570,644	\$ 14,210,184	\$ 6,576,721	\$ 13,521,237	\$ -

SUPPLEMENTARY INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2023

ASSETS:	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, 2023
Current Assets:														
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Cash in Banks	2,152,771	-	756,434	-	-	-	-	-	-	-	820,248	417,646	-	4,147,099
Cash in the PRISM Treasury	9,083,184	19,082,371	-	-	-	4,954,130	26,387	721,618	1,453,211	280,534	1,551,149	14,546,785	-	51,699,369
Total Cash & Cash Equivalents	11,235,955	19,082,371	756,434	-	-	4,954,130	26,387	721,618	1,453,211	280,534	2,371,697	14,964,431	-	55,846,768
Investments	1,333,359	2,801,182	-	-	-	727,238	3,874	105,929	213,323	41,181	227,700	31,988,617	-	37,442,403
Accounts Receivable														
Due From Members	116,428	138,838	178,752	-	55,405,667	55,450	-	19,176	1,420,273	11,511	38,573	434,992	-	57,819,660
Investment Income Receivable	270,571	568,429	-	-	-	147,574	786	21,496	43,288	8,357	46,206	2,891,887	-	3,998,594
Lease Receivable	-	-	-	-	-	-	-	-	-	-	262,053	-	-	262,053
Reinsurance Claims, Deposit with Carrier and Other	8,833,439	43,335,677	20,543,087	38,719,155	3,938,697	4,368,299	-	-	245,000	-	69,850	35,160,082	(56,047,319)	99,165,967
GL1 LPT Rate Credit Receivable	-	-	9,571,987	-	-	-	-	-	-	-	-	-	-	9,571,987
GL1 LPT Prepaid Expense	-	-	20,000,000	-	-	-	-	-	-	-	-	-	-	20,000,000
Due From Other Funds	43,162,479	61,189,282	-	-	-	15,885,849	84,615	2,313,930	4,659,844	899,558	4,973,896	-	(133,169,453)	-
Prepaid Insurance and Expenses	-	-	-	-	94,856,203	-	163,568	-	-	-	83,907	7,500	-	95,111,178
Total Current Assets	64,952,231	127,115,779	51,050,260	38,719,155	154,200,567	26,138,540	279,230	3,182,149	8,034,939	1,241,141	8,073,882	85,447,509	(189,216,772)	379,218,610
Noncurrent Assets:														
Investments	52,839,429	111,007,496	-	-	-	28,819,562	153,505	4,197,853	8,453,729	1,631,948	1,024,305	558,669,625	-	766,797,452
Due From Members	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	1,008,008	2,117,669	-	-	-	549,785	2,928	80,082	161,270	31,132	172,139	-	(4,123,013)	-
Investments - Restricted	-	-	-	-	-	-	-	-	-	-	7,999,167	-	-	7,999,167
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	-	-	-	-	-	-	-	-	-	-	3,009,461	-	-	3,009,461
GL1 LPT Rate Credit Receivable	-	-	14,424,357	-	-	-	-	-	-	-	-	-	-	14,424,357
Net Pension Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land and Buildings, Net	-	-	-	-	-	-	-	-	-	-	5,855,655	-	-	5,855,655
Furniture and Equipment, Net	-	-	-	-	-	-	-	-	-	-	7,546,868	-	-	7,546,868
Total Noncurrent Assets	54,722,884	117,955,954	16,185,229	111,000	113,413	29,800,275	157,546	4,409,637	8,834,393	1,688,422	25,607,595	558,669,625	(12,623,013)	805,632,960
Total Assets	119,675,115	245,071,733	67,235,489	38,830,155	154,313,980	55,938,815	436,776	7,591,786	16,869,332	2,929,563	33,681,477	644,117,134	(201,839,785)	1,184,851,570
DEFERRED OUTFLOWS OF RESOURCES:														
Deferred Outflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	4,398,922	-	-	4,398,922
Deferred Outflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	328,844	-	-	328,844
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,727,766	\$ -	\$ -	4,727,766

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2023

	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, 2023
LIABILITIES:														
Current Liabilities:														
Accounts Payable	\$ 248,474	\$ 1,595,305	\$ 455,822	\$ 15,435	\$ 1,506,612	\$ 1,927,813	\$ -	\$ 1,281,629	\$ 830,571	\$ 97,360	\$ 281,834	\$ 20,965,892	\$ (21,655,438)	\$ 7,551,309
GL1 LPT Payable	-	-	34,391,881	-	-	-	-	-	-	-	-	-	(34,391,881)	-
Deposits From														
Insurance Companies	158,734	-	277,132	-	-	-	-	-	-	-	-	-	-	435,866
Due to Other Funds	-	14,036,457	35,446,393	33,008,131	50,249,197	-	-	-	-	-	429,275	-	(133,169,453)	-
Due to Members	6,640,762	-	293,893	-	448,159	-	-	2,206,401	593,509	214,610	100,000	-	-	10,497,334
Unearned Income	-	-	-	-	-	-	-	5,000	-	-	40,888	-	-	45,888
Claim Liabilities														
Claims Reported	4,260,118	18,887,426	543,326	-	52,115,000	12,225,555	-	-	2,932,583	-	-	148,217,975	-	239,181,983
Claims Incurred But Not Reported	-	-	-	-	-	-	-	-	-	-	-	74,320	-	74,320
Compensated Absences	-	-	-	-	-	-	-	-	-	-	158,410	-	-	158,410
Total Current Liabilities	11,308,088	34,519,188	71,408,447	33,023,566	104,318,968	14,153,368	-	3,493,030	4,356,663	311,970	1,010,407	169,258,187	(189,216,772)	257,945,110
Noncurrent Liabilities:														
Due to Members, Long Term	-	-	-	-	-	-	-	-	-	-	7,899,167	-	-	7,899,167
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	4,123,013	-	(4,123,013)	-
Claims Reported	11,637,546	83,949,795	2,781,198	-	6,724,353	6,860,725	-	-	-	-	-	159,197,992	-	271,151,609
Claims Incurred But Not Reported	5,286,396	44,668,468	13,109,058	-	9,087,775	15,540,389	-	-	-	-	-	239,676,792	-	327,368,878
Unallocated Loss Adjustment														
Expense Payable	38,946,000	8,062,000	2,047,000	2,167,000	19,000	905,000	-	-	-	-	-	-	-	52,146,000
Compensated Absences, Long Term	-	-	-	-	-	-	-	-	-	-	633,639	-	-	633,639
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	361,766	-	-	361,766
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	4,016,220	-	-	4,016,220
Total Noncurrent Liabilities	55,869,942	136,680,263	17,937,256	2,167,000	15,831,128	23,306,114	-	-	-	-	17,033,805	398,874,784	(4,123,013)	663,577,279
Total Liabilities	67,178,030	171,199,451	89,345,703	35,190,566	120,150,096	37,459,482	-	3,493,030	4,356,663	311,970	18,044,212	568,132,971	(193,339,785)	921,522,389
DEFERRED INFLOWS OF RESOURCES:														
Deferred Inflows of Resources on Leases	-	-	-	-	-	-	-	-	-	-	3,271,513	-	-	3,271,513
Deferred Inflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	479,194	-	-	479,194
Deferred Inflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	478,821	-	-	478,821
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	4,229,528	-	-	4,229,528
NET POSITION:														
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-	13,402,523	-	-	13,402,523
Capital Stock	-	-	-	-	-	-	-	-	-	-	-	8,500,000	(8,500,000)	-
Unrestricted	52,497,085	73,872,282	(22,110,214)	3,639,589	34,163,884	18,479,333	436,776	4,098,756	12,512,669	2,617,593	2,732,980	67,484,163	-	250,424,896
Total Net Position	\$ 52,497,085	\$ 73,872,282	\$ (22,110,214)	\$ 3,639,589	\$ 34,163,884	\$ 18,479,333	\$ 436,776	\$ 4,098,756	\$ 12,512,669	\$ 2,617,593	\$ 16,135,503	\$ 75,984,163	\$ (8,500,000)	\$ 263,827,419

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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, 2023
OPERATING REVENUES:														
Premiums for Transferred Risk	\$ 33,505,674	\$ 169,413,741	\$ 171,303,253	\$ 147,305,485	\$ 107,949,166	\$ 10,326,523	\$ 5,071,948	\$ 624,749,643	\$ -	\$ 87,434,670	\$ -	\$ 2,671,817	\$ (217,002,176)	\$ 1,142,729,744
Broker Fees	1,379,465	6,802,706	5,655,534	6,009,433	-	12,321	-	4,419,705	2,547,902	-	-	57,417	-	26,884,483
Contributions for Retained Risk	18,811,123	5,774,162	2,354,525	-	80,745,405	18,318,612	-	-	43,890,991	-	-	215,829,609	-	385,724,427
Member Services & Dividend Income	-	-	-	-	-	-	-	-	-	496,674	549,660	-	-	1,046,334
Administration Fees	6,848,950	9,358,208	6,387,932	4,234,662	1,442,233	1,737,128	102,502	986,314	-	80	-	-	-	31,098,009
School Loss Control Fees	34,011	43,144	32,523	-	35,415	-	-	-	-	-	-	-	-	145,093
Program Development Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	324,328	-	-	214,969	-	-	539,297
Total Operating Revenues	60,579,223	191,391,961	185,733,767	157,549,580	190,172,219	30,394,584	5,174,450	630,479,990	46,438,893	87,931,424	764,629	218,558,843	(217,002,176)	1,588,167,387
OPERATING EXPENSES:														
Insurance and Provision for Losses														
Transferred Risk & Insurance Expense	33,505,674	169,413,741	59,010,172	147,252,374	104,445,368	10,223,158	5,688,282	624,749,643	-	87,074,657	-	2,671,817	(108,534,583)	1,135,500,303
GL1 LPT Premium Expense	-	-	145,565,580	-	-	-	-	-	-	-	-	-	(108,467,593)	37,097,987
Broker Fees	1,379,465	6,802,706	4,112,060	6,009,433	-	12,321	-	4,419,705	2,547,902	-	-	57,417	-	25,341,009
GL1 LPT Broker Fees	-	-	3,273,463	-	-	-	-	-	-	-	-	-	-	3,273,463
Provision for Claims														
Current Year Claims	8,935,000	5,047,552	1,273,400	-	92,465,052	9,582,848	-	-	36,484,122	-	-	95,387,016	-	249,174,990
Prior Year Claims	(2,416,494)	(21,113,410)	(55,621,492)	-	10,074,821	4,814,743	-	-	-	-	-	59,831,989	-	(4,429,843)
Unallocated Loss														
Adjustment Expenses	(9,488,000)	249,000	(489,000)	14,000	5,000	(33,000)	-	-	-	-	-	-	-	(9,742,000)
Program Services	7,711,585	1,178,668	5,718,144	496,442	2,737,535	571,485	-	70,465	3,535,612	4,809	-	45,182	-	22,069,927
Loss Prevention Expenses	-	-	-	-	-	-	-	-	-	-	2,552,773	-	-	2,552,773
General Administrative Services	673	-	2,500	-	-	-	-	19,774	4,626	66,637	23,068,663	-	-	23,162,873
Member Dividends & Stabilization Funds Distributed	6,500,000	-	-	-	-	-	-	13,284	-	496,674	-	-	-	7,009,958
Total Operating Expenses	\$ 46,127,903	\$ 161,578,257	\$ 162,844,827	\$ 153,772,249	\$ 209,727,776	\$ 25,171,555	\$ 5,688,282	\$ 629,272,871	\$ 42,572,262	\$ 87,642,777	\$ 25,621,436	\$ 157,993,421	\$ (217,002,176)	\$ 1,491,011,440

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

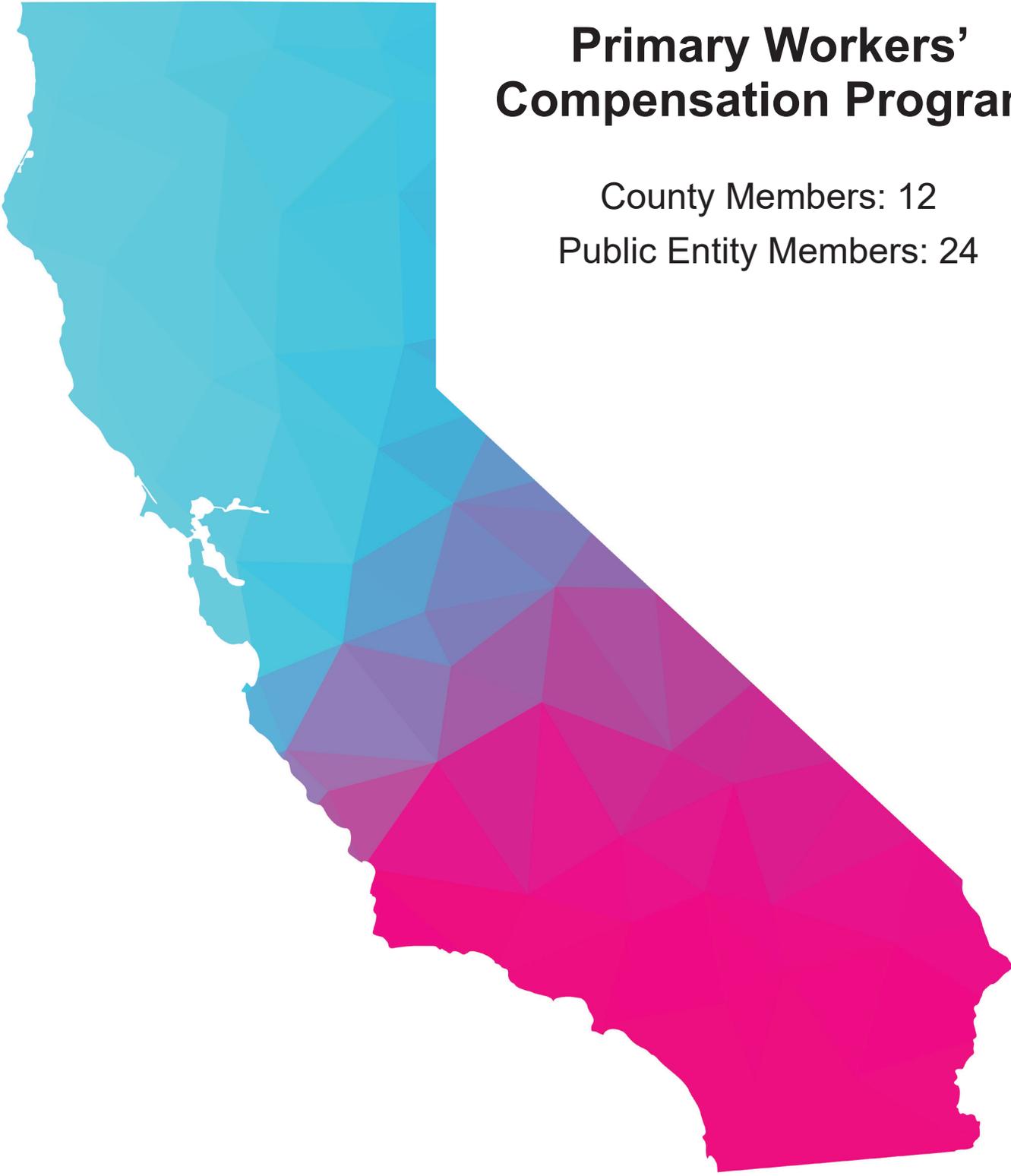
	Primary Workers' Compensation	Excess Workers' Compensation	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	PRISMHealth	Dental	Miscellaneous Programs	General Administration & Building	PRISM Affiliate Risk Captive	Elimination Inter-Fund Trans	Totals June 30, 2023
TRANSFERS IN (OUT):														
Transfer In	-	-	-	-	-	-	-	-	-	-	22,825,000	-	(22,825,000)	-
Transfer Out	(5,674,657)	(6,847,894)	(4,694,668)	(2,734,400)	(700,365)	(994,493)	(49,332)	(564,241)	(400,050)	(14,900)	-	(150,000)	22,825,000	-
Total Transfers	(5,674,657)	(6,847,894)	(4,694,668)	(2,734,400)	(700,365)	(994,493)	(49,332)	(564,241)	(400,050)	(14,900)	22,825,000	(150,000)	-	-
Operating Income (Loss)	8,776,663	22,965,810	18,194,272	1,042,931	(20,255,922)	4,228,536	(563,164)	642,878	3,466,581	273,747	(2,031,807)	60,415,422	-	97,155,947
NONOPERATING REVENUES (EXPENSES):														
Investment Income (Loss) & Financing Fees, net of Investment Expense	1,587,755	2,779,708	3,867	26,879	1,985,717	819,795	13,383	176,275	236,572	62,735	204,642	15,262,576	(764,047)	22,395,857
Building Expense	-	-	-	-	-	-	-	-	-	-	237,143	-	-	237,143
Program Financing Expenses	-	-	(322,630)	(387,553)	-	-	-	-	-	-	(53,864)	-	764,047	-
Total Nonoperating Revenues (Expenses)	1,587,755	2,779,708	(318,763)	(360,674)	1,985,717	819,795	13,383	176,275	236,572	62,735	387,921	15,262,576	-	22,633,000
Change in Net Position	10,364,418	25,745,518	17,875,509	682,257	(18,270,205)	5,048,331	(549,781)	819,153	3,703,153	336,482	(1,643,886)	75,677,998	-	119,788,947
NET POSITION:														
Beginning 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	(8,193,835)	-	144,038,472
Additional Paid in Capital	-	-	-	-	-	-	-	-	-	-	-	8,500,000	(8,500,000)	-
Beginning 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
Net Position, End of Year	\$ 52,497,085	\$ 73,872,282	\$ (22,110,214)	\$ 3,639,589	\$ 34,163,884	\$ 18,479,333	\$ 436,776	\$ 4,098,756	\$ 12,512,669	\$ 2,617,593	\$ 16,135,503	\$ 75,984,163	\$ (8,500,000)	\$ 263,827,419

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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, 2023
CASH FLOWS FROM														
OPERATING ACTIVITIES:														
Receipts from Members	\$ 60,768,166	\$ 192,577,347	\$ 185,678,900	\$ 157,549,580	\$ 179,364,667	\$ 30,366,087	\$ 4,232,355	\$ 630,379,348	\$ 47,882,722	\$ 87,482,918	\$ 801,285	\$ 208,306,916	\$ (204,963,671)	\$ 1,580,426,620
Payments (to)/from Others	7,669,978	(1,618,298)	(6,531,301)	(10,434,168)	8,954,301	(2,797,567)	-	-	-	507,770	51,022	-	(21,114,024)	(25,312,287)
Dividends Paid	-	-	-	-	-	-	-	-	-	(466,735)	-	-	-	(466,735)
Claims Paid	(8,935,677)	(14,102,430)	-	-	(49,539,200)	(15,584,507)	-	-	(36,320,777)	-	-	(126,637,830)	21,145,861	(229,974,560)
Insurance Purchased	(33,505,674)	(169,413,741)	(216,908,259)	(147,252,374)	(126,895,889)	(10,223,158)	(4,782,215)	(621,001,447)	-	(86,977,297)	-	(3,362,563)	204,963,671	(1,215,358,946)
Payments to Suppliers	(8,737,339)	(7,528,408)	(13,038,904)	(6,497,485)	(790,972)	(1,246,617)	-	(8,020,161)	(6,035,523)	(71,445)	(6,569,416)	(47,344)	(31,837)	(58,615,451)
Payments to Employees	-	-	-	-	-	-	-	-	-	-	(14,880,926)	-	-	(14,880,926)
Subsidy Payments from (to) Members	-	-	-	-	-	-	-	-	-	-	(161,069)	-	-	(161,069)
Internal Activities	(17,896,871)	(22,038,879)	35,475,513	7,040,827	(13,031,925)	(5,660,706)	61,515	(1,450,070)	(2,976,452)	(395,488)	21,022,536	(150,000)	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(637,417)	(22,124,409)	(15,324,051)	406,380	(1,939,018)	(5,146,468)	(488,345)	(92,330)	2,549,970	79,723	263,432	78,109,179	-	35,656,646
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:														
Purchase of Building and Other Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Software, Furniture and Equipment	-	-	-	-	-	-	-	-	-	-	(1,974,019)	-	-	(1,974,019)
Sale of Furniture and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	3,500,000	(3,500,000)	-
NET CASH (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	(1,974,019)	3,500,000	(3,500,000)	(1,974,019)
CASH FLOWS FROM INVESTING ACTIVITIES:														
Purchase of Securities	(70,701,919)	(107,306,120)	-	-	(98,582,586)	(34,111,702)	(212,939)	(8,429,728)	(13,526,567)	(2,881,829)	(16,583,183)	(414,697,469)	-	(767,034,042)
Sales of Securities	77,083,748	137,621,773	14,510,687	-	99,440,644	41,073,007	670,769	8,835,068	11,857,211	2,923,755	18,796,755	326,033,627	-	738,847,044
Cash from Investment Earnings	819,082	1,507,378	52,539	-	1,125,956	448,393	9,016	95,317	115,936	30,866	207,551	17,593,780	(764,047)	21,241,767
Investment Expenses	-	-	-	-	-	-	-	-	-	-	(170,759)	(707,335)	-	(878,094)
Program Financing Expenses	-	-	(322,630)	(387,553)	-	-	-	-	-	-	(53,864)	-	764,047	-
Investment in Captive	(360,478)	(1,989,148)	(725,065)	(45,706)	(46,699)	(177,441)	(459)	(54,230)	(90,339)	(10,435)	-	-	3,500,000	-
Finance Fees from Members	49,800	33,914	3,867	26,879	1,703	317	-	-	-	4,401	373	-	-	121,254
Lease Receipts	-	-	-	-	-	-	-	-	-	-	416,430	-	-	416,430
Operating Lease Disbursements	-	-	-	-	-	-	-	-	-	-	(122,206)	-	-	(122,206)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	6,890,233	29,867,797	13,519,398	(406,380)	1,939,018	7,232,574	466,387	446,427	(1,643,759)	66,758	2,491,097	(71,777,397)	3,500,000	(7,407,847)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,252,816	7,743,388	(1,804,653)	-	-	2,086,106	(21,958)	354,097	906,211	146,481	780,510	9,831,782	-	26,274,780
CASH AND CASH EQUIVALENTS, BEGINNING 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
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,235,955	\$ 19,082,371	\$ 756,434	\$ -	\$ -	\$ 4,954,130	\$ 26,387	\$ 721,618	\$ 1,453,211	\$ 280,534	\$ 2,371,697	\$ 14,964,431	\$ -	\$ 55,846,768

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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, 2023
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:														
Operating Income/(Loss)	\$ 8,776,663	\$ 22,965,810	\$ 18,194,272	\$ 1,042,931	\$ (20,255,922)	\$ 4,228,536	\$ (563,164)	\$ 642,878	\$ 3,466,581	\$ 273,747	\$ (2,031,807)	\$ 60,415,422	\$ -	\$ 97,155,947
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities														
Depreciation	-	-	-	-	-	-	-	-	-	-	1,393,162	-	-	1,393,162
Changes in														
Accounts Receivable, Net	7,812,133	(432,912)	(6,549,601)	(10,434,168)	(1,909,840)	(2,826,064)	-	(2,754)	1,469,582	59,264	87,678	(10,962,711)	(11,072,439)	(34,761,832)
GL1 LPT Receivable	-	-	(22,902,013)	-	-	-	-	-	-	-	-	-	-	(22,902,013)
Due From or To Other Funds	(12,222,214)	(15,190,985)	40,170,181	9,775,227	(12,331,560)	(4,666,213)	110,847	(885,829)	(2,576,402)	(380,587)	(1,802,465)	-	-	-
Prepaid Expenses	-	-	-	-	(19,346,445)	-	942,095	-	-	-	113,842	977,318	-	(17,313,190)
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	(2,727,530)	-	-	(2,727,530)
Unearned Premium from Members	-	-	-	-	-	-	(942,095)	-	-	-	-	-	-	(942,095)
Accounts and Other Payables	6,901,172	452,966	(2,063,179)	8,390	(1,100,924)	(662,811)	(36,028)	153,375	26,864	127,299	(526,890)	(22,047,886)	23,735,820	4,968,168
Subsidy Funds Payable	-	-	-	-	-	-	-	-	-	-	(161,069)	-	-	(161,069)
Compensated Absences	-	-	-	-	-	-	-	-	-	-	65,388	-	-	65,388
GL1 LPT Payable	-	-	12,663,381	-	-	-	-	-	-	-	-	-	(12,663,381)	-
Claim Liabilities	(2,417,171)	(30,168,288)	(54,348,092)	-	53,000,673	(1,186,916)	-	-	163,345	-	-	49,727,036	-	14,770,587
Unallocated Loss Adjustment Expense Payable	(9,488,000)	249,000	(489,000)	14,000	5,000	(33,000)	-	-	-	-	-	-	-	(9,742,000)
Net Pension Liability/Asset	-	-	-	-	-	-	-	-	-	-	4,804,258	-	-	4,804,258
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	284,780	-	-	284,780
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	764,085	-	-	764,085
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (637,417)	\$ (22,124,409)	\$ (15,324,051)	\$ 406,380	\$ (1,939,018)	\$ (5,146,468)	\$ (488,345)	\$ (92,330)	\$ 2,549,970	\$ 79,723	\$ 263,432	\$ 78,109,179	\$ -	\$ 35,656,646
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES														
Unrealized gain/(loss) on investments	\$ 665,143	\$ 1,187,516	\$ -	\$ -	\$ 858,058	\$ 354,412	\$ 5,788	\$ 76,236	\$ 102,314	\$ 25,229	\$ 162,194	\$ (2,532,182)	\$ -	\$ 904,708



Primary Workers' Compensation Program

County Members: 12
Public Entity Members: 24

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 2,152,771	\$ 232,188
Cash in the PRISM Treasury	9,083,184	4,750,951
TOTAL CASH AND CASH EQUIVALENTS	11,235,955	4,983,139
Investments	1,333,359	5,866,208
Accounts Receivable		
Due From Members	116,428	292,594
Investment Income Receivable	270,571	216,841
Reinsurance Claims, Deposit with Carrier and Other	8,833,439	16,469,406
Due From Other Funds	43,162,479	31,005,840
TOTAL CURRENT ASSETS	64,952,231	58,834,028
Noncurrent Assets:		
Investments	52,839,429	54,023,266
Due From Other Funds	1,008,008	942,433
Investment in Captive	875,447	875,447
TOTAL NONCURRENT ASSETS	54,722,884	55,841,146
TOTAL ASSETS	119,675,115	114,675,174
LIABILITIES:		
Current Liabilities:		
Accounts Payable	248,474	395,767
Deposits From Insurance Companies	158,734	17,535
Due to Members		
Dividends Payable	6,500,000	-
Member Deposits	140,762	93,974
Claim Liabilities		
Claims Reported	4,260,118	8,377,584
TOTAL CURRENT LIABILITIES	11,308,088	8,884,860
Noncurrent Liabilities:		
Claims Reported	11,637,546	8,222,383
Claims Incurred But Not Reported	5,286,396	7,001,264
Unallocated Loss Adjustment Expense Payable	38,946,000	48,434,000
TOTAL NONCURRENT LIABILITIES	55,869,942	63,657,647
TOTAL LIABILITIES	67,178,030	72,542,507
NET POSITION:		
Unrestricted	52,497,085	42,132,667
TOTAL NET POSITION	\$ 52,497,085	\$ 42,132,667

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, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 33,505,674	\$ 34,885,416
Broker Fees	1,379,465	1,380,200
Contributions for Retained Risk	18,811,123	17,699,918
Administration Fees	6,848,950	6,257,219
School Loss Control Fees	34,011	37,965
Other Income	-	20,303
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	60,579,223	60,281,021
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	33,505,674	34,885,090
Broker Fees	1,379,465	1,380,200
Provision for Claims		
Current Year Claims	8,935,000	9,408,000
Prior Year Claims	(2,416,494)	(5,187,478)
Unallocated Loss Adjustment Expenses	(9,488,000)	8,466,000
Program Services	7,711,585	7,947,579
General Administrative Services	673	-
Member Dividends & Stabilization Funds Distributed	6,500,000	-
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	46,127,903	56,899,391
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(5,674,657)	(4,886,448)
	<hr/>	<hr/>
TOTAL TRANSFERS	(5,674,657)	(4,886,448)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	8,776,663	(1,504,818)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	1,537,955	(2,708,140)
Financing Fees	49,800	54,755
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	1,587,755	(2,653,385)
	<hr/>	<hr/>
CHANGE IN NET POSITION	10,364,418	(4,158,203)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	42,132,667	46,290,870
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 52,497,085	\$ 42,132,667
	<hr/>	<hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 60,768,166	\$ 61,300,863
Payments (to)/from Others	7,669,978	(3,186,453)
Dividends Paid	-	(2,000,000)
Claims Paid	(8,935,677)	(7,864,383)
Insurance Purchased	(33,505,674)	(34,885,090)
Payments to Suppliers	(8,737,339)	(10,064,074)
Internal Activities	<u>(17,896,871)</u>	<u>2,228,501</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(637,417)</u>	<u>5,529,364</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(70,701,919)	(44,599,292)
Sales of Securities	77,083,748	34,564,645
Cash from Investment Earnings	819,082	1,053,539
Investment in Captive	(360,478)	-
Finance Fees from Members	<u>49,800</u>	<u>54,755</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>6,890,233</u>	<u>(8,926,353)</u>
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 6,252,816	 (3,396,989)
 CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	 <u>4,983,139</u>	 <u>8,380,128</u>
 END OF YEAR	 <u><u>\$ 11,235,955</u></u>	 <u><u>\$ 4,983,139</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	8,776,663	(1,504,818)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	7,812,133	(2,141,647)
Due From or To Other Funds	(12,222,214)	7,114,949
Prepaid Expenses	-	9,500
Accounts and Other Payables	6,901,172	(2,770,759)
Claim Liabilities	(2,417,171)	(3,643,861)
Unallocated Loss Adjustment Expense Payable	<u>(9,488,000)</u>	<u>8,466,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (637,417)</u></u>	<u><u>\$ 5,529,364</u></u>
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ 665,143</u></u>	<u><u>\$ (3,753,159)</u></u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 72,035,231	\$ 67,213,092
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	8,935,000	9,408,000
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(11,904,494)</u>	<u>3,278,522</u>
B. Total incurred claims and claim adjustment expenses	<u>(2,969,494)</u>	<u>12,686,522</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	4,619,024	4,499,923
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>4,316,653</u>	<u>3,364,460</u>
C. Total Payments	<u>8,935,677</u>	<u>7,864,383</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 60,130,060</u>	<u>\$ 72,035,231</u>
Current Claim Liabilities	4,260,118	8,377,584
Noncurrent Claim Liabilities	<u>55,869,942</u>	<u>63,657,647</u>
Total Claim Liabilities	<u>\$ 60,130,060</u>	<u>\$ 72,035,231</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, 2023

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.

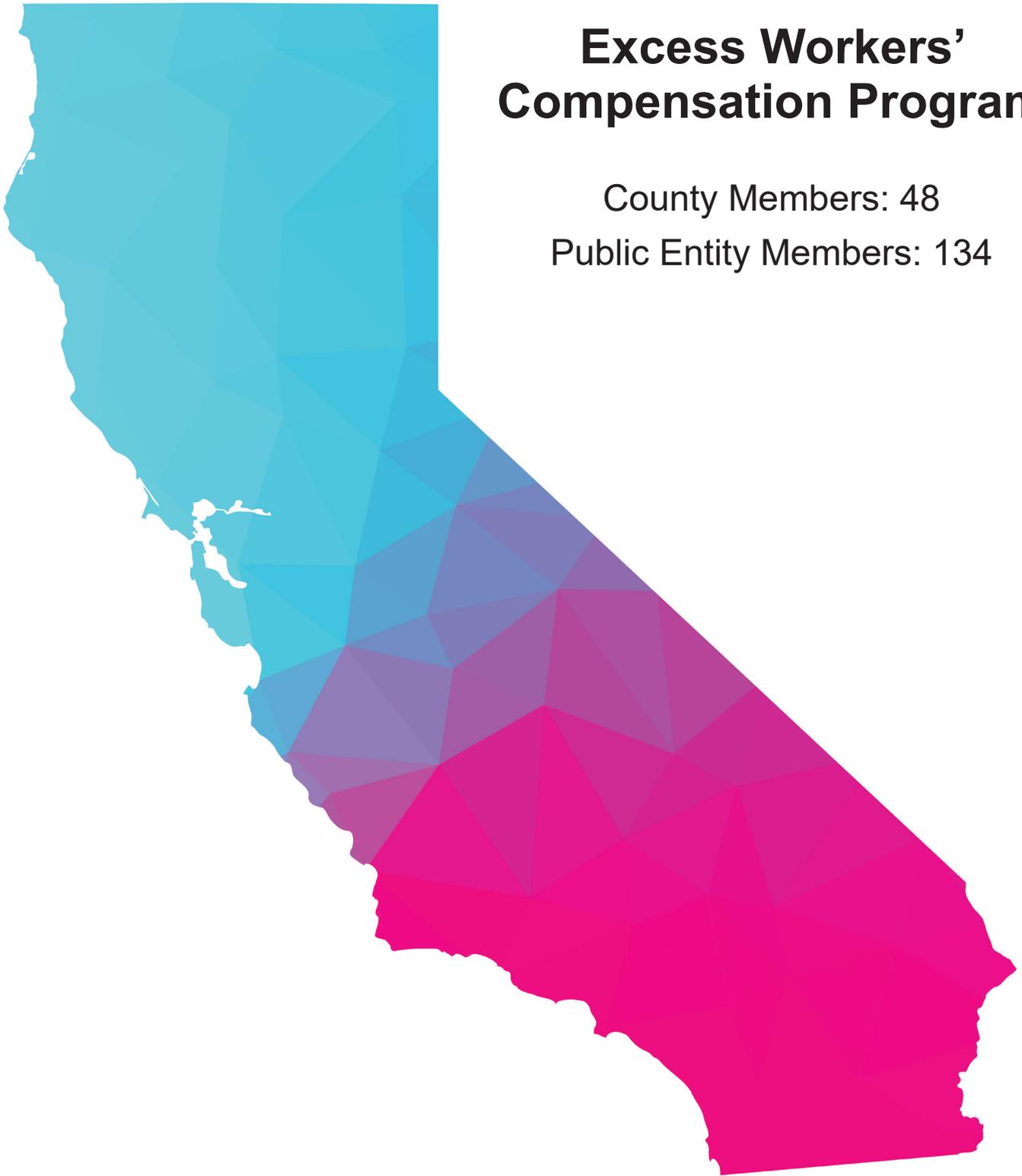
**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2023**

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 52,184,743	\$ 52,591,920	\$ 54,292,222	\$ 66,898,451	\$ 55,273,807	\$ 48,089,020	\$ 46,048,068	\$ 42,382,168	\$ 44,036,089	\$ 44,089,766
Less Ceded	(37,380,293)	(40,948,454)	(42,158,960)	(54,689,379)	(42,939,979)	(35,044,943)	(33,071,603)	(32,239,834)	(33,683,592)	(33,676,761)
Dividends Declared	-	-	-	-	-	(2,000,000)	(2,000,000)	(2,000,000)	-	(6,500,000)
1. Total Revenues Available For Payment of Claims	14,804,450	11,643,466	12,133,262	12,209,072	12,333,828	11,044,077	10,976,465	8,142,334	10,352,497	3,913,005
2. Less Unallocated Loss Adjustment Expense	1,381,955	1,542,493	1,925,243	1,649,612	4,081,932	4,685,541	5,237,818	5,187,078	7,153,135	3,331,906
3. Estimated Incurred Claims Less Ceded Claims	50,435,293	54,185,020	51,254,960	63,656,379	52,515,979	43,962,943	40,848,603	39,207,834	43,091,592	42,611,761
Net Incurred Claims and Expenses, End of Policy Year	(37,380,293)	(40,860,020)	(42,158,960)	(54,689,379)	(42,939,979)	(35,044,943)	(33,071,603)	(32,239,834)	(33,683,592)	(33,676,761)
4. Cumulative Paid Claims as of:										
End of the Policy Year	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	8,935,000
One Year Later	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	4,619,024
Two Years Later	9,632,916	6,607,142	6,868,677	5,660,241	8,082,907	7,133,410	5,989,270	4,881,910	6,870,713	
Three Years Later	10,595,000	7,164,498	7,437,056	6,046,567	8,695,460	7,704,324	6,553,611	5,360,258		
Four Years Later	10,903,553	7,424,915	7,672,566	6,163,557	8,920,118	7,944,152	6,764,177			
Five Years Later	11,043,935	7,571,974	7,742,115	6,236,041	8,933,337	8,056,529				
Six Years Later	11,160,798	7,603,551	7,784,343	6,276,285	9,035,865					
Seven Years Later	11,217,320	7,638,043	7,799,809	6,289,258						
Eight Years Later	11,260,317	7,675,517	7,814,520							
Nine Years Later	11,259,332	7,687,275								
5. Reestimated Ceded Claims and Expenses	11,276,634	32,873,338	32,831,793	33,394,912	24,267,633	40,273,366	30,099,416	25,881,931	21,290,412	23,263,424
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	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	8,935,000
One Year Later	12,382,000	8,222,000	8,226,000	8,563,000	7,782,000	8,813,000	7,976,000	5,866,000	8,694,000	
Two Years Later	11,735,000	7,792,000	8,526,000	8,328,000	9,814,000	8,855,000	7,325,000	5,945,000		
Three Years Later	11,718,000	8,206,000	8,585,000	6,720,000	9,836,000	8,619,000	7,249,000			
Four Years Later	12,094,000	8,253,000	8,292,000	6,713,000	9,626,000	8,492,000				
Five Years Later	11,816,000	8,089,000	8,298,000	6,657,000	9,444,000					
Six Years Later	11,823,000	8,083,000	8,218,001	6,556,000						
Seven Years Later	11,817,000	8,033,999	8,091,001							
Eight Years Later	11,761,000	7,942,999								
Nine Years Later	11,596,000									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (1,459,000)	\$ (5,382,001)	\$ (1,004,999)	\$ (2,411,000)	\$ (132,000)	\$ (426,000)	\$ (528,000)	\$ (1,023,000)	\$ (714,000)	\$ -

Excess Workers' Compensation Program

County Members: 48

Public Entity Members: 134



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 19,082,371	\$ 11,338,983
TOTAL CASH & CASH EQUIVALENTS	<u>19,082,371</u>	<u>11,338,983</u>
Investments	2,801,182	14,000,743
Accounts Receivable		
Due From Members	138,838	1,367,368
Investment Income Receivable	568,429	517,529
Reinsurance Claims, Deposit with Carrier and Other	43,335,677	41,674,235
Due From Other Funds	61,189,282	44,282,163
TOTAL CURRENT ASSETS	<u>127,115,779</u>	<u>113,181,021</u>
Noncurrent Assets:		
Investments	111,007,496	128,936,072
Due From Other Funds	2,117,669	2,249,287
Investment in Captive	4,830,789	4,830,789
TOTAL NONCURRENT ASSETS	<u>117,955,954</u>	<u>136,016,148</u>
TOTAL ASSETS	<u>245,071,733</u>	<u>249,197,169</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,595,305	3,131,487
Due to Other Funds	14,036,457	12,451,941
Claim Liabilities		
Claims Reported	18,887,426	22,688,271
TOTAL CURRENT LIABILITIES	<u>34,519,188</u>	<u>38,271,699</u>
Noncurrent Liabilities:		
Claims Reported	83,949,795	94,488,854
Claims Incurred But Not Reported	44,668,468	60,496,852
Unallocated Loss Adjustment Expense Payable	8,062,000	7,813,000
TOTAL NONCURRENT LIABILITIES	<u>136,680,263</u>	<u>162,798,706</u>
TOTAL LIABILITIES	<u>171,199,451</u>	<u>201,070,405</u>
NET POSITION:		
Unrestricted	73,872,282	48,126,764
TOTAL NET POSITION	<u>\$ 73,872,282</u>	<u>\$ 48,126,764</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 169,413,741	\$ 169,648,276
Broker Fees	6,802,706	6,654,692
Contributions for Retained Risk	5,774,162	2,505,644
Administration Fees	9,358,208	8,309,164
School Loss Control Fees	43,144	43,515
Other Income	-	762,849
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	191,391,961	187,924,140
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	169,413,741	168,794,597
Broker Fees	6,802,706	6,654,692
Provision for Claims		
Current Year Claims	5,047,552	1,842,897
Prior Year Claims	(21,113,410)	4,395,369
Unallocated Loss Adjustment Expenses	249,000	1,689,000
Program Services	1,178,668	1,512,723
General Administrative Services	-	1,112
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	161,578,257	184,890,390
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(6,847,894)	(6,029,777)
	<hr/>	<hr/>
TOTAL TRANSFERS	(6,847,894)	(6,029,777)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	22,965,810	(2,996,027)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	2,745,794	(6,434,898)
Financing Fees	33,914	24,492
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	2,779,708	(6,410,406)
	<hr/>	<hr/>
CHANGE IN NET POSITION	25,745,518	(9,406,433)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	48,126,764	57,533,197
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 73,872,282	\$ 48,126,764
	<hr/> <hr/>	<hr/> <hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 192,577,347	\$ 186,342,461
Payments (to)/from Others	(1,618,298)	(5,168,420)
Claims Paid	(14,102,430)	(12,234,921)
Insurance Purchased	(169,413,741)	(168,794,597)
Payments to Suppliers	(7,528,408)	(8,351,415)
Internal Activities	<u>(22,038,879)</u>	<u>9,586,940</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(22,124,409)</u>	<u>1,380,048</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(107,306,120)	(94,490,996)
Sales of Securities	137,621,773	82,130,154
Cash from Investment Earnings	1,507,378	2,551,987
Investment in Captive	(1,989,148)	-
Finance Fees from Members	<u>33,914</u>	<u>24,492</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>29,867,797</u>	<u>(9,784,363)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,743,388	(8,404,315)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>11,338,983</u>	<u>19,743,298</u>
END OF YEAR	<u>\$ 19,082,371</u>	<u>\$ 11,338,983</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	22,965,810	(2,996,027)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(432,912)	(6,750,099)
Due From or To Other Funds	(15,190,985)	15,616,717
Accounts and Other Payables	452,966	(182,888)
Claim Liabilities	(30,168,288)	(5,996,655)
Unallocated Loss Adjustment Expense Payable	<u>249,000</u>	<u>1,689,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (22,124,409)</u>	<u>\$ 1,380,048</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 1,187,516</u>	<u>\$ (8,917,999)</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 185,486,977</u>	<u>\$ 189,794,632</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	5,047,552	1,842,897
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(20,864,410)</u>	<u>6,084,369</u>
B. Total incurred claims and claim adjustment expenses	<u>(15,816,858)</u>	<u>7,927,266</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>14,102,430</u>	<u>12,234,921</u>
C. Total Payments	<u>14,102,430</u>	<u>12,234,921</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 155,567,689</u>	<u>\$ 185,486,977</u>
Current Claim Liabilities	18,887,426	22,688,271
Noncurrent Claim Liabilities	<u>136,680,263</u>	<u>162,798,706</u>
Total Claim Liabilities	<u>\$ 155,567,689</u>	<u>\$ 185,486,977</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, 2023

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.

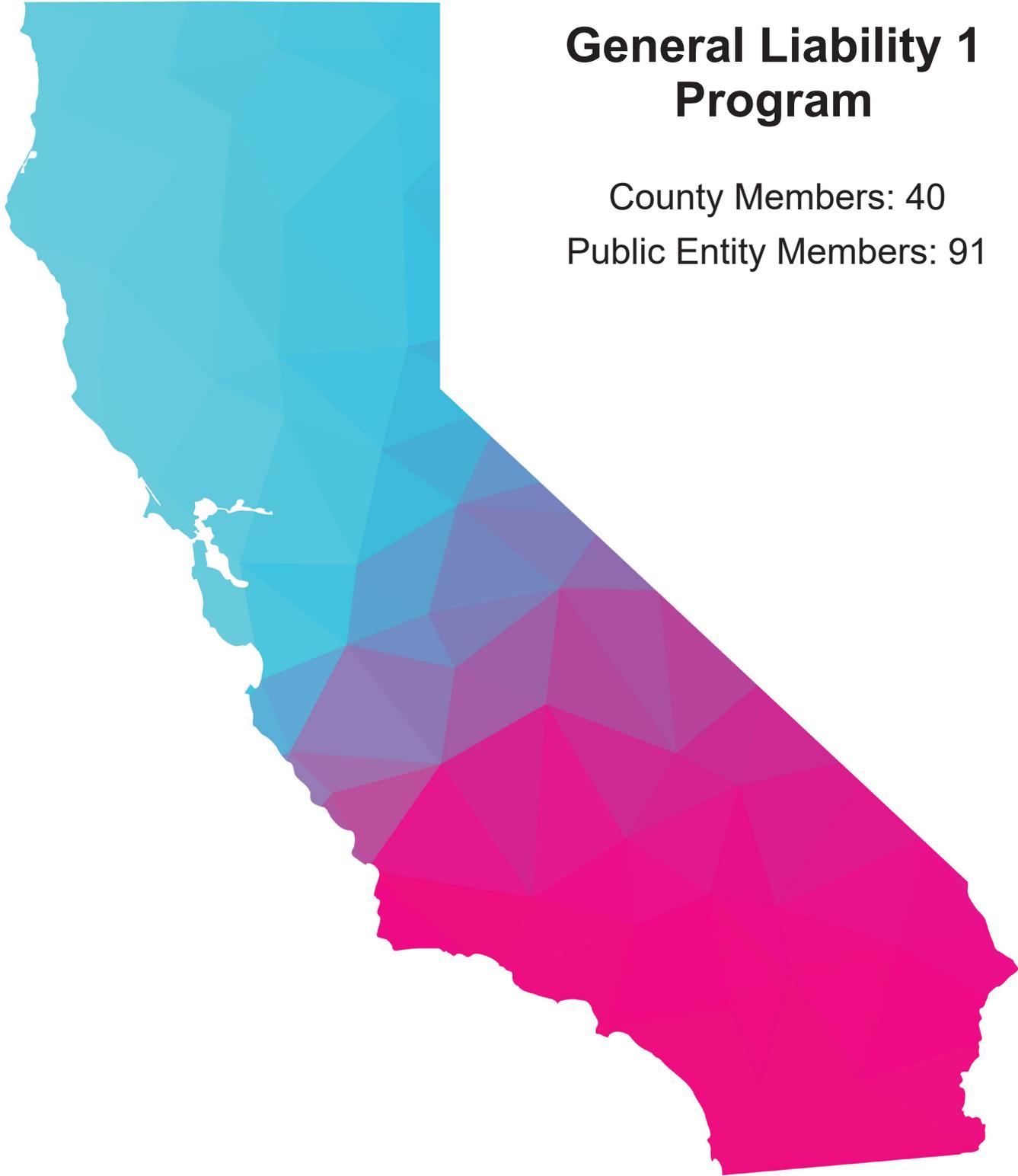
The columns of the schedule show data for successive policy years.

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, 2023

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 77,872,261	\$ 97,699,836	\$ 119,149,647	\$ 127,468,314	\$ 136,582,965	\$ 135,901,950	\$ 139,873,209	\$ 143,111,045	\$ 167,110,659	\$ 170,427,376
Less Ceded	(47,448,283)	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)	(133,045,737)	(138,405,763)	(162,822,618)	(163,130,548)
Investment Earnings	2,516,386	2,823,301	3,094,777	1,145,163	760,122	524,142	125,331	(47,367)	(59,196)	76,314
1. Total Revenues Available For Payment of Claims	<u>32,940,364</u>	<u>43,325,078</u>	<u>53,985,578</u>	<u>25,740,245</u>	<u>11,659,889</u>	<u>9,231,386</u>	<u>6,952,803</u>	<u>4,657,915</u>	<u>4,228,845</u>	<u>7,373,142</u>
2. Unallocated Loss Adjustment Expense	12,618	123,879	249,081	53,273	-	100,724	202,413	90,375	89,443	251,905
3. Estimated Incurred Claims Less Ceded Claims	60,295,762 (47,448,283)	80,522,151 (57,198,059)	106,542,005 (68,258,846)	117,788,870 (102,873,232)	125,683,198 (125,683,198)	128,007,526 (127,194,706)	134,815,587 (133,045,737)	141,420,763 (138,405,763)	164,665,515 (162,822,618)	168,178,100 (163,130,548)
Net Incurred Claims and Expenses, End of Policy Year	<u>12,847,479</u>	<u>23,324,092</u>	<u>38,283,159</u>	<u>14,915,638</u>	<u>-</u>	<u>812,820</u>	<u>1,769,850</u>	<u>3,015,000</u>	<u>1,842,897</u>	<u>5,047,552</u>
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	950,641	3,293,817	3,623,460	-	-	-	-	-	-
One Year Later	2,361,141	5,161,301	9,034,334	8,426,745	-	-	-	-	-	-
Two Years Later	6,162,084	10,430,178	17,164,800	11,266,723	-	-	-	56,946	-	-
Three Years Later	10,372,243	21,652,538	25,264,694	12,782,592	-	-	-	-	-	-
Four Years Later	12,944,505	29,973,034	38,263,345	13,403,080	-	-	-	-	-	-
Five Years Later	15,745,328	25,919,301	36,641,861	13,900,729	-	-	-	-	-	-
Six Years Later	20,259,923	33,562,033	38,893,131	14,240,013	-	-	-	-	-	-
Seven Years Later	20,282,685	33,641,236	39,085,985	-	-	-	-	-	-	-
Eight Years Later	20,412,254	33,729,551	-	-	-	-	-	-	-	-
Nine Years Later	20,000,169	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	<u>45,577,939</u>	<u>79,278,275</u>	<u>70,033,937</u>	<u>86,127,389</u>	<u>86,593,706</u>	<u>102,325,722</u>	<u>241,573,980</u>	<u>57,806,400</u>	<u>39,931,966</u>	<u>13,883,135</u>
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820	1,769,850	3,015,000	1,842,897	5,047,552
One Year Later	14,275,787	30,278,418	39,483,699	16,869,019	-	1,813,455	2,791,237	1,882,902	1,792,224	-
Two Years Later	19,231,418	31,534,751	42,063,111	16,249,725	-	1,906,906	4,230,230	1,867,839	-	-
Three Years Later	19,670,868	33,388,255	41,451,544	15,627,821	-	2,112,827	4,055,854	-	-	-
Four Years Later	20,038,856	33,285,931	52,256,161	15,316,902	-	2,018,265	-	-	-	-
Five Years Later	20,092,065	24,218,000	43,070,093	15,397,768	-	-	-	-	-	-
Six Years Later	20,252,228	33,768,027	44,087,329	15,307,473	-	-	-	-	-	-
Seven Years Later	20,253,000	36,088,288	44,076,949	-	-	-	-	-	-	-
Eight Years Later	20,412,254	36,211,782	-	-	-	-	-	-	-	-
Nine Years Later	20,253,000	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	<u>\$ 7,405,521</u>	<u>\$ 12,887,690</u>	<u>\$ 5,793,790</u>	<u>\$ 391,835</u>	<u>\$ -</u>	<u>\$ 1,205,445</u>	<u>\$ 2,286,004</u>	<u>\$ (1,147,161)</u>	<u>\$ (50,673)</u>	<u>\$ -</u>

General Liability 1 Program

County Members: 40
Public Entity Members: 91



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 756,434	\$ 1,409,973
Cash in the PRISM Treasury	-	1,151,114
TOTAL CASH & CASH EQUIVALENTS	756,434	2,561,087
Investments	-	1,421,330
Accounts Receivable		
Due From Members	178,752	160,452
Investment Income Receivable	-	52,539
Reinsurance Claims, Deposit with Carrier and Other	20,543,087	14,011,786
GL1 LPT Rate Credit Receivable	9,571,987	6,029,331
GL1 LPT Prepaid Expense	20,000,000	-
Due From Other Funds	-	4,495,445
TOTAL CURRENT ASSETS	51,050,260	28,731,970
Noncurrent Assets:		
Investments	-	13,089,357
Due From Other Funds	-	228,343
Investment in Captive	1,760,872	1,760,872
GL1 LPT Rate Credit Receivable	14,424,357	15,065,000
TOTAL NONCURRENT ASSETS	16,185,229	30,143,572
TOTAL ASSETS	67,235,489	58,875,542
LIABILITIES:		
Current Liabilities:		
Accounts Payable	455,822	1,113,624
GL1 LPT Payable	34,391,881	21,728,500
Deposits From Insurance Companies	277,132	2,371,007
Due to Other Funds	35,446,393	-
Due to Members	293,893	330,460
Claim Liabilities		
Claims Reported	543,326	632,087
TOTAL CURRENT LIABILITIES	71,408,447	26,175,678
Noncurrent Liabilities:		
Claims Reported	2,781,198	1,379,529
Claims Incurred But Not Reported	13,109,058	68,770,058
Unallocated Loss Adjustment Expense Payable	2,047,000	2,536,000
TOTAL NONCURRENT LIABILITIES	17,937,256	72,685,587
TOTAL LIABILITIES	89,345,703	98,861,265
NET POSITION:		
Unrestricted	(22,110,214)	(39,985,723)
TOTAL NET POSITION	\$ (22,110,214)	\$ (39,985,723)

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, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 171,303,253	\$ 145,758,370
Broker Fees	5,655,534	4,629,248
Contributions for Retained Risk	2,354,525	2,647,907
Administration Fees	6,387,932	5,735,063
School Loss Control Fees	32,523	25,579
Other Income	-	106,913
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	185,733,767	158,903,080
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	59,010,172	50,228,855
GL1 LPT Premium Expense	145,565,580	82,784,495
Broker Fees	4,112,060	3,473,875
GL1 LPT Broker Fees	3,273,463	605,373
Provision for Claims		
Current Year Claims	1,273,400	1,766,924
Prior Year Claims	(55,621,492)	29,051,285
Unallocated Loss Adjustment Expenses	(489,000)	144,000
Program Services	5,718,144	403,038
General Administrative Services	2,500	62,129
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	162,844,827	168,519,974
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(4,694,668)	(4,086,569)
	<hr/>	<hr/>
TOTAL TRANSFERS	(4,694,668)	(4,086,569)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	18,194,272	(13,703,463)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	-	(692,030)
Financing Fees	3,867	372
Program Financing Expenses	(322,630)	-
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(318,763)	(691,658)
	<hr/>	<hr/>
CHANGE IN NET POSITION	17,875,509	(14,395,121)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	(39,985,723)	(25,590,602)
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ (22,110,214)	\$ (39,985,723)
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**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 185,678,900	\$ 158,899,027
Payments (to)/from Others	(6,531,301)	(2,764,360)
Insurance Purchased	(216,908,259)	(112,123,489)
Payments to Suppliers	(13,038,904)	(4,442,734)
Internal Activities	<u>35,475,513</u>	<u>(22,862,527)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(15,324,051)</u>	<u>16,705,917</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	-	(24,302,297)
Sales of Securities	14,510,687	8,832,540
Cash from Investment Earnings	52,539	214,501
Program Financing Expenses	(322,630)	-
Investment in Captive	(725,065)	-
Finance Fees from Members	<u>3,867</u>	<u>372</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>13,519,398</u>	<u>(15,254,884)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,804,653)	1,451,033
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>2,561,087</u>	<u>1,110,054</u>
END OF YEAR	<u>\$ 756,434</u>	<u>\$ 2,561,087</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	18,194,272	(13,703,463)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(6,549,601)	(2,830,052)
GL1 LPT Receivable	(22,902,013)	10,427,568
Due From or To Other Funds	40,170,181	(18,775,958)
Accounts and Other Payables	(2,063,179)	897,113
GL1 LPT Payable	12,663,381	9,728,500
Claim Liabilities	(54,348,092)	30,818,209
Unallocated Loss Adjustment Expense Payable	<u>(489,000)</u>	<u>144,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (15,324,051)</u>	<u>\$ 16,705,917</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ -</u>	<u>\$ (959,070)</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 1 PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 73,317,674</u>	<u>\$ 42,355,465</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	1,273,400	1,766,924
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(56,110,492)</u>	<u>29,195,285</u>
B. Total incurred claims and claim adjustment expenses	<u>(54,837,092)</u>	<u>30,962,209</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
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>\$ 18,480,582</u>	<u>\$ 73,317,674</u>
Current Claim Liabilities	543,326	632,087
Noncurrent Claim Liabilities	<u>17,937,256</u>	<u>72,685,587</u>
Total Claim Liabilities	<u>\$ 18,480,582</u>	<u>\$ 73,317,674</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, 2023

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.

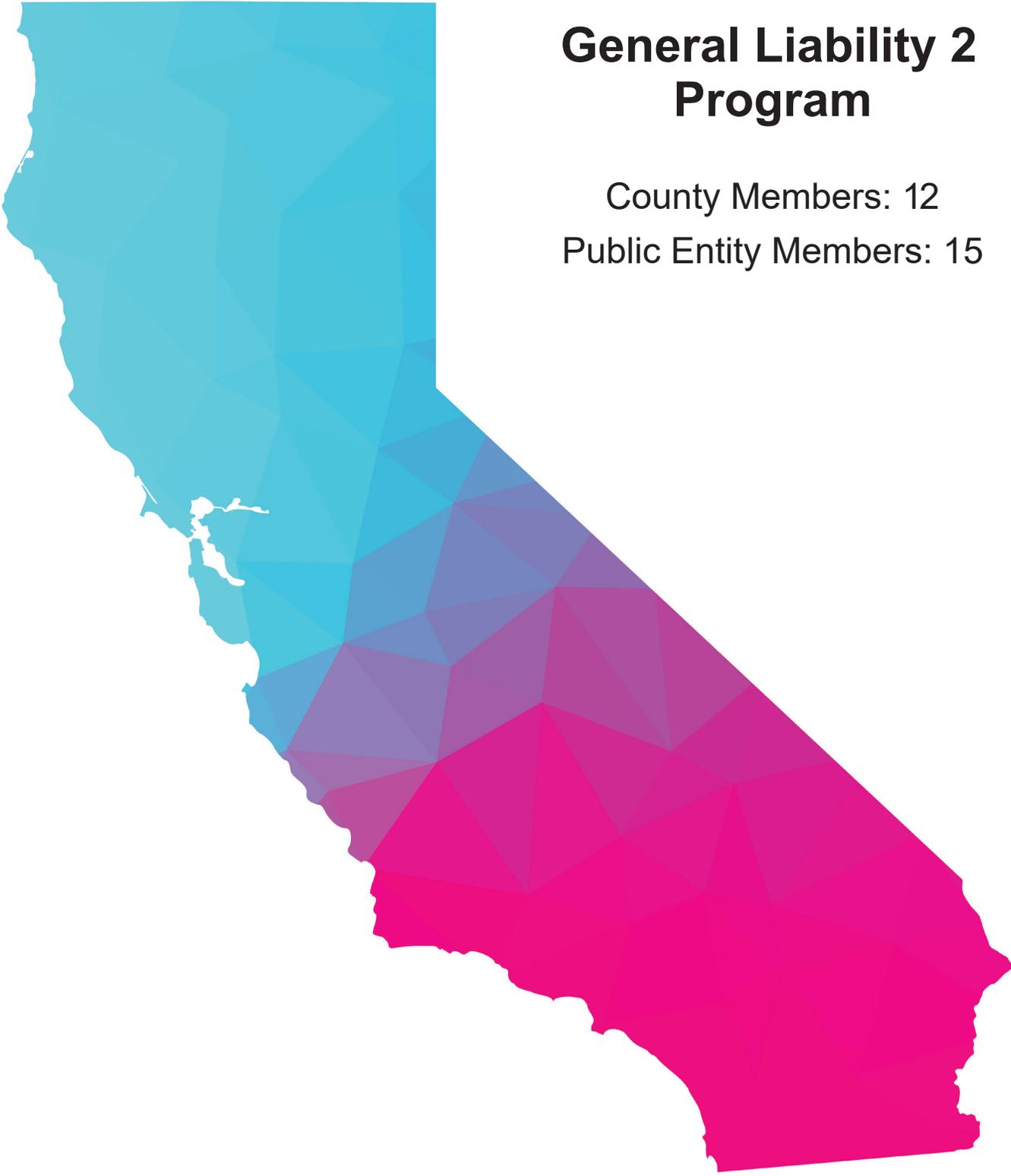
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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, 2023

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 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	\$ 206,930,277
Less Ceded	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)	(12,381,702)	(32,232,571)	(50,228,855)	(59,010,172)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	(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)	(145,565,580)
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	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	(18,582,270)	(6,015,025)	(9,284,550)	(4,927,231)	18,343,504	22,035,215	(25,779,737)	1,402,836	4,875,599	2,354,525
2. Unallocated Loss Adjustment Expense	18,328	35,738	71,341	55,972	135,200	161,729	284,054	310,541	404,724	446,480
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	28,716,578	31,508,347	36,742,274	40,370,659	42,071,896	15,666,695	12,381,702	36,091,152	51,995,779	60,283,572
	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)	(12,381,702)	(32,232,571)	(50,228,855)	(59,010,172)
	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924	1,273,400
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	2,443,124	110,653	760,444	732,315	2,113,472	-	-	-	-	-
Two Years Later	4,412,160	1,489,584	14,004,016	6,113,260	2,113,472	-	-	-	-	-
Three Years Later	12,165,139	14,487,153	33,792,442	6,113,260	2,113,472	-	-	-	-	-
Four Years Later	18,903,963	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-
Five Years Later	37,988,696	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-
Six Years Later	37,988,696	24,021,768	33,792,442	6,113,260	-	-	-	-	-	-
Seven Years Later	37,988,696	24,021,768	33,792,442	-	-	-	-	-	-	-
Eight Years Later	37,988,696	24,021,768	-	-	-	-	-	-	-	-
Nine Years Later*	37,988,696	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	12,118,620	24,532,279	57,613,960	83,972,446	138,539,173	92,962,170	103,419,031	89,301,604	39,960,117	2,498,941
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000	-	3,858,581	1,766,924	1,273,400
One Year Later	24,596,512	24,657,164	30,362,640	28,180,080	2,113,472	23,662,000	-	3,471,664	1,766,924	-
Two Years Later	23,564,995	19,501,022	42,210,919	6,113,260	2,113,472	23,662,000	-	3,471,664	-	-
Three Years Later	27,721,257	33,763,193	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-	-
Four Years Later	39,512,839	24,021,768	33,792,442	6,113,260	2,113,472	23,662,000	-	-	-	-
Five Years Later	37,988,696	24,021,768	33,792,442	6,113,260	2,113,472	-	-	-	-	-
Six Years Later	37,988,696	24,021,768	33,792,442	6,113,260	-	-	-	-	-	-
Seven Years Later	37,998,696	24,021,768	33,792,442	-	-	-	-	-	-	-
Eight Years Later	37,998,696	24,021,768	-	-	-	-	-	-	-	-
Nine Years Later*	37,998,696	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 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: 12
Public Entity Members: 15

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Reinsurance Claims, Deposit with Carrier and Other	38,719,155	28,284,987
TOTAL CURRENT ASSETS	<u>38,719,155</u>	<u>28,284,987</u>
Noncurrent Assets:		
Investment in Captive	111,000	111,000
TOTAL NONCURRENT ASSETS	<u>111,000</u>	<u>111,000</u>
TOTAL ASSETS	<u>38,830,155</u>	<u>28,395,987</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	15,435	52,751
Due to Other Funds	33,008,131	23,232,904
TOTAL CURRENT LIABILITIES	<u>33,023,566</u>	<u>23,285,655</u>
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	2,167,000	2,153,000
TOTAL NONCURRENT LIABILITIES	<u>2,167,000</u>	<u>2,153,000</u>
TOTAL LIABILITIES	<u>35,190,566</u>	<u>25,438,655</u>
NET POSITION:		
Unrestricted	3,639,589	2,957,332
TOTAL NET POSITION	<u>\$ 3,639,589</u>	<u>\$ 2,957,332</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 147,305,485	\$ 116,914,368
Broker Fees	6,009,433	4,936,195
Administration Fees	4,234,662	3,409,384
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	157,549,580	125,259,947
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	147,252,374	116,872,384
Broker Fees	6,009,433	4,936,195
Unallocated Loss Adjustment Expenses	14,000	607,000
Program Services	496,442	510,793
General Administrative Services	-	24,979
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	153,772,249	122,951,351
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(2,734,400)	(2,342,499)
	<hr/>	<hr/>
TOTAL TRANSFERS	(2,734,400)	(2,342,499)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	1,042,931	(33,903)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Financing Fees	26,879	19,657
Program Financing Expenses	(387,553)	(285,510)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(360,674)	(265,853)
	<hr/>	<hr/>
CHANGE IN NET POSITION	682,257	(299,756)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	2,957,332	3,257,088
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 3,639,589	\$ 2,957,332
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 157,549,580	\$ 125,259,947
Payments (to)/from Others	(10,434,168)	(12,035,339)
Insurance Purchased	(147,252,374)	(116,872,384)
Payments to Suppliers	(6,497,485)	(5,466,434)
Internal Activities	<u>7,040,827</u>	<u>9,380,063</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>406,380</u>	<u>265,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Program Financing Expenses	(387,553)	(285,510)
Investment in Captive	(45,706)	-
Finance Fees from Members	<u>26,879</u>	<u>19,657</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(406,380)</u>	<u>(265,853)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	1,042,931	(33,903)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(10,434,168)	(12,035,339)
Due From or To Other Funds	9,775,227	11,722,562
Accounts and Other Payables	8,390	5,533
Unallocated Loss Adjustment Expense Payable	<u>14,000</u>	<u>607,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 406,380</u>	<u>\$ 265,853</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, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 2,153,000	\$ 1,546,000
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	-	-
Increase (Decrease) in the provision for claims of prior fiscal years	14,000	607,000
B. Total incurred claims and claim adjustment expenses	14,000	607,000
Payments attributable to insured events of the Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	-	-
C. Total Payments	-	-
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	\$ 2,167,000	\$ 2,153,000
Current Claim Liabilities	-	-
Noncurrent Claim Liabilities	2,167,000	2,153,000
Total Claim Liabilities	\$ 2,167,000	\$ 2,153,000

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, 2023

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.

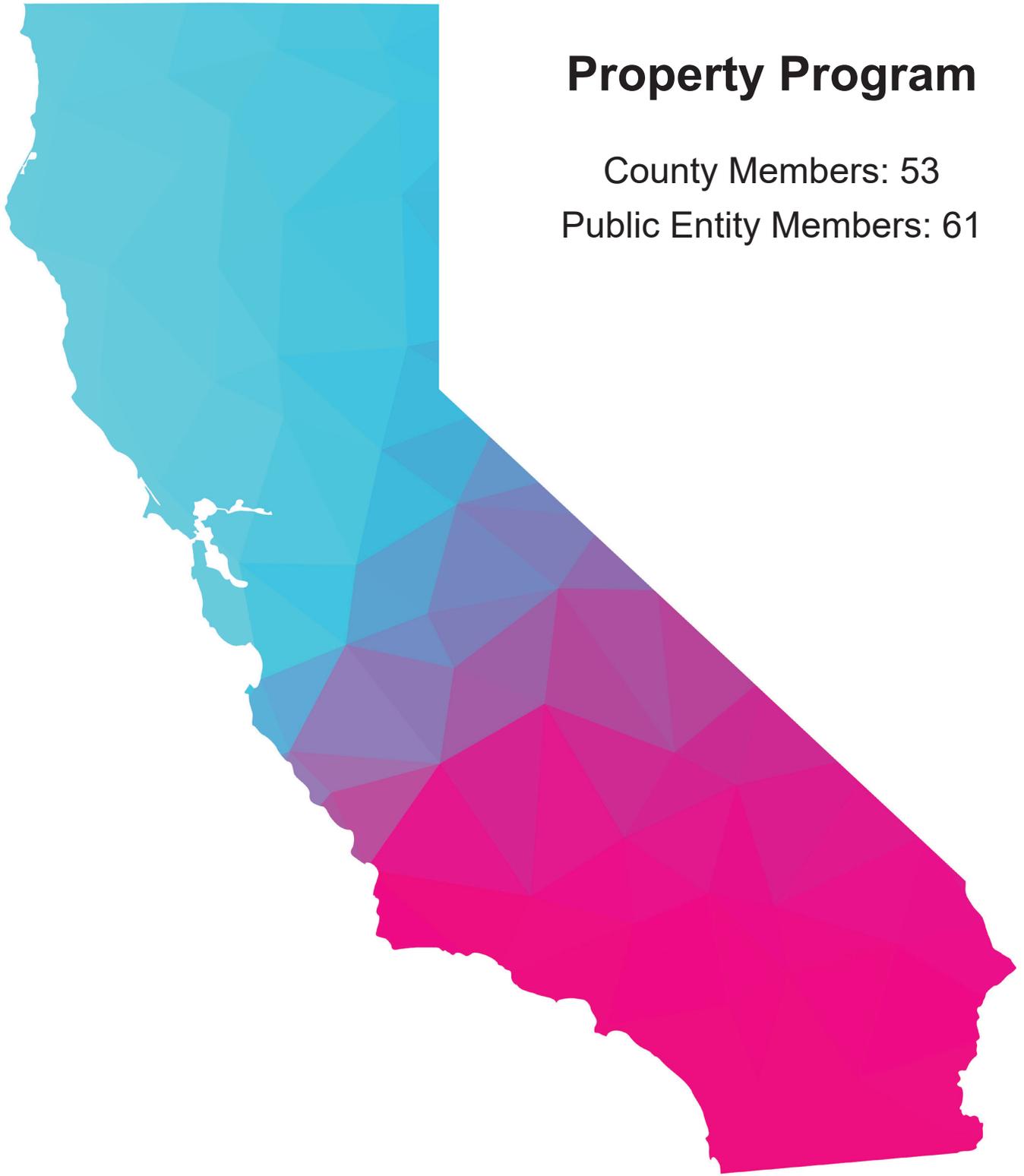
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL LIABILITY 2 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2023

POLICY YEAR	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*	June 30, 2023*
Earned Premiums	\$ 22,700,000	\$ 26,484,451	\$ 32,140,342	\$ 46,724,983	\$ 48,889,112	\$ 62,346,508	\$ 78,462,797	\$ 100,070,874	\$ 116,914,368	\$ 147,305,485
Less Ceded	(22,700,000)	(19,484,451)	(22,887,339)	(46,724,983)	(48,889,112)	(62,346,508)	(78,462,797)	(99,313,728)	(116,872,384)	(147,252,374)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	171,997	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	7,000,000	9,425,000	-	-	-	-	757,146	41,984	53,111
2. Unallocated Loss Adjustment Expense	74,551	15,007	170,770	175,388	127,645	433,594	851,524	41,570	-	96,463
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	22,700,000 (22,700,000) -	26,484,451 (19,484,451) 7,000,000	32,312,339 (22,887,339) 9,425,000	46,724,983 (46,724,983) -	48,889,112 (48,889,112) -	62,346,508 (62,346,508) -	78,462,797 (78,462,797) -	99,313,728 (99,313,728) -	116,872,384 (116,872,384) -	147,252,374 (147,252,374) -
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	5,600,000	6,192,816	-	-	-	-	-	-	-
Two Years Later	-	7,000,000	8,928,354	-	-	-	-	-	-	-
Three Years Later	-	7,000,000	9,073,189	-	-	-	-	-	-	-
Four Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Five Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Six Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Seven Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Eight Years Later	-	7,000,000	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	34,940,202	52,276,748	34,879,685	70,638,181	72,622,403	85,343,410	63,494,329	36,757,887	-	3,269,420
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	7,000,000	9,425,000	-	-	-	-	-	-	-
One Year Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Two Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Three Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Four Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Five Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Six Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Seven Years Later	-	7,000,000	9,425,000	-	-	-	-	-	-	-
Eight Years Later	-	7,000,000	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Fully Insured. from End of the Policy Year

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

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



Property Program

County Members: 53

Public Entity Members: 61

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Due From Members	55,405,667	44,541,526
Reinsurance Claims, Deposit with Carrier and Other	3,938,697	12,892,998
Prepaid Insurance and Expenses	94,856,203	75,509,758
TOTAL CURRENT ASSETS	<u>154,200,567</u>	<u>132,944,282</u>
Noncurrent Assets:		
Investment in Captive	113,413	113,413
TOTAL NONCURRENT ASSETS	<u>113,413</u>	<u>113,413</u>
TOTAL ASSETS	<u>154,313,980</u>	<u>133,057,695</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,506,612	210,824
Deposits From Insurance Companies	-	2,500,000
Due to Other Funds	50,249,197	62,580,757
Due to Members	448,159	391,570
Claim Liabilities		
Claims Reported	52,115,000	10,806,748
Claims Incurred But Not Reported	-	4,119,707
TOTAL CURRENT LIABILITIES	<u>104,318,968</u>	<u>80,609,606</u>
Noncurrent Liabilities:		
Claims Reported	6,724,353	-
Claims Incurred But Not Reported	9,087,775	-
Unallocated Loss Adjustment Expense Payable	19,000	14,000
TOTAL NONCURRENT LIABILITIES	<u>15,831,128</u>	<u>14,000</u>
TOTAL LIABILITIES	<u>120,150,096</u>	<u>80,623,606</u>
NET POSITION:		
Unrestricted	34,163,884	52,434,089
TOTAL NET POSITION	<u>\$ 34,163,884</u>	<u>\$ 52,434,089</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, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 107,949,166	\$ 132,196,008
Contributions for Retained Risk	80,745,405	19,649,482
Administration Fees	1,442,233	1,651,646
School Loss Control Fees	<u>35,415</u>	<u>39,331</u>
TOTAL OPERATING REVENUES	<u>190,172,219</u>	<u>153,536,467</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	104,445,368	126,870,690
Provision for Claims		
Current Year Claims	92,465,052	14,926,455
Prior Year Claims	10,074,821	-
Unallocated Loss Adjustment Expenses	5,000	(8,000)
Program Services	<u>2,737,535</u>	<u>560,439</u>
TOTAL OPERATING EXPENSES	<u>209,727,776</u>	<u>142,349,584</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(700,365)</u>	<u>(625,694)</u>
TOTAL TRANSFERS	<u>(700,365)</u>	<u>(625,694)</u>
OPERATING INCOME (LOSS)	<u>(20,255,922)</u>	<u>10,561,189</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	1,984,014	(913,490)
Financing Fees	1,703	24,786
Program Financing Expenses	<u>-</u>	<u>(71,847)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,985,717</u>	<u>(960,551)</u>
CHANGE IN NET POSITION	<u>(18,270,205)</u>	<u>9,600,638</u>
NET POSITION:		
Beginning of Year	<u>52,434,089</u>	<u>42,833,451</u>
NET POSITION, END OF YEAR	<u><u>\$ 34,163,884</u></u>	<u><u>\$ 52,434,089</u></u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 179,364,667	\$ 150,344,278
Payments (to)/from Others	8,954,301	(8,081,856)
Claims Paid	(49,539,200)	-
Insurance Purchased	(126,895,889)	(121,240,838)
Payments to Suppliers	(790,972)	(595,439)
Internal Activities	(13,031,925)	(19,465,594)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,939,018)</u>	<u>960,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(98,582,586)	(12,925,080)
Sales of Securities	99,440,644	11,659,092
Cash from Investment Earnings	1,125,956	352,498
Program Financing Expenses	-	(71,847)
Investment in Captive	(46,699)	-
Finance Fees from Members	1,703	24,786
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,939,018</u>	<u>(960,551)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(20,255,922)	10,561,189
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(1,909,840)	(11,528,692)
Due From or To Other Funds	(12,331,560)	(18,839,900)
Prepaid Expenses	(19,346,445)	10,835,673
Accounts and Other Payables	(1,100,924)	(4,986,174)
Claim Liabilities	53,000,673	14,926,455
Unallocated Loss Adjustment Expense Payable	5,000	(8,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,939,018)</u>	<u>\$ 960,551</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 858,058</u>	<u>\$ (1,265,988)</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 14,940,455	\$ 22,000
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	92,465,052	14,926,455
Increase (Decrease) in the provision for claims of prior fiscal years	<u>10,079,821</u>	<u>(8,000)</u>
B. Total incurred claims and claim adjustment expenses	<u>102,544,873</u>	<u>14,918,455</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	24,537,924	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>25,001,276</u>	<u>-</u>
C. Total Payments	<u>49,539,200</u>	<u>-</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 67,946,128</u>	<u>\$ 14,940,455</u>
Current Claim Liabilities	52,115,000	14,926,455
Noncurrent Claim Liabilities	15,831,128	14,000
Total Claim Liabilities	<u>\$ 67,946,128</u>	<u>\$ 14,940,455</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
SUPPLEMENTARY INFORMATION
PROPERTY PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2023

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.

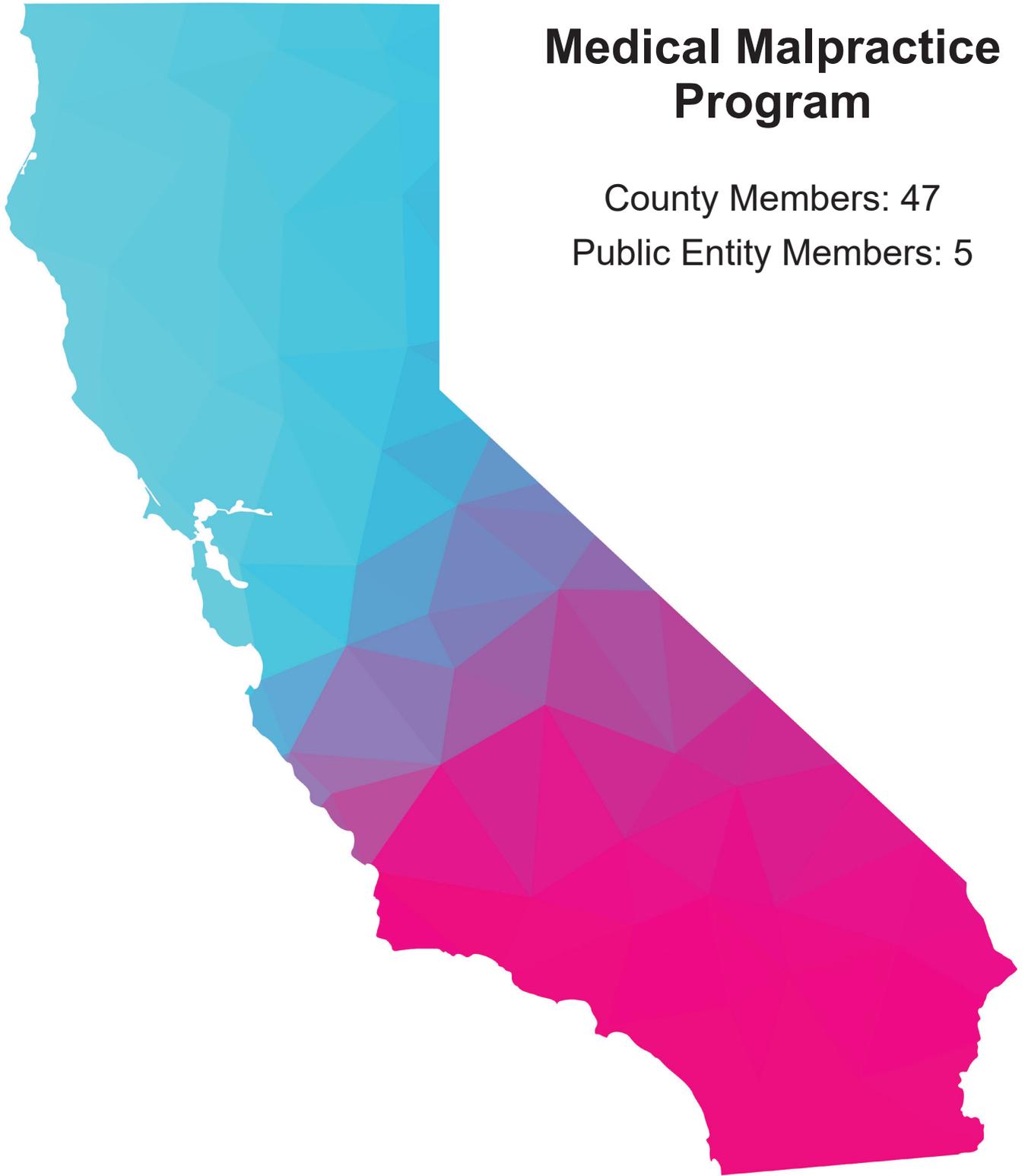
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2023

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 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	\$ 188,694,571
Less Ceded	(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)	(107,949,073)
Dividends Declared	-	-	-	-	-	-	(125,448)	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	292,765	881,643
1. Total Revenues Available For Payment of Claims	11,749,959	12,739,784	9,567,438	2,505,754	2,723,690	7,596,672	7,313,256	7,583,272	19,941,499	81,627,141
2. Unallocated Loss Adjustment Expense	27,474	23,601	(10,902)	4,003	(110,341)	(4,000)	(2,000)	(14,000)	(8,000)	5,000
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	56,060,305 (46,060,305) 10,000,000	58,677,313 (48,609,374) 10,067,939	59,095,613 (49,528,175) 9,567,438	58,118,491 (57,993,491) 125,000	61,588,986 (61,588,986) -	67,329,099 (67,204,099) 125,000	82,364,274 (82,364,274) -	110,742,255 (110,742,255) -	145,147,145 (130,220,690) 14,926,455	200,414,126 (107,949,073) 92,465,053
4. Cumulative Paid Claims as of:										
End of the Policy Year	4,795,812	10,000,000	9,567,438	-	-	-	-	-	-	24,537,924
One Year Later	9,409,593	10,206,664	10,152,576	-	-	125,000	-	-	24,733,676	
Two Years Later	10,000,000	10,209,664	10,152,576	125,000	-	1,306,329	-	267,600		
Three Years Later	10,000,000	10,209,664	10,152,576	125,000	-	1,306,329	-			
Four Years Later	10,000,000	10,209,664	10,152,576	125,000	-	1,306,329	-			
Five Years Later	10,000,000	10,209,664	10,152,576	125,000	-	-	-			
Six Years Later	10,000,000	10,209,664	10,152,576	125,000	-	-	-			
Seven Years Later	10,000,000	10,209,664	10,152,576	-	-	-	-			
Eight Years Later	10,000,000	10,209,664	-	-	-	-	-			
Nine Years Later	10,000,000	-	-	-	-	-	-			
5. Reestimated Ceded Claims and Expenses	12,014,009	53,090,794	9,415,410	40,744,327	44,117,207	59,948,616	37,187,614	92,719,569	62,296,964	67,993,986
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	10,000,000	10,067,939	9,567,438	125,000	-	125,000	-	-	14,926,455	92,465,053
One Year Later	10,000,000	10,206,664	10,152,576	30,840	-	125,000	-	-	24,733,676	
Two Years Later	10,000,000	10,209,664	10,152,576	284,369	-	1,306,329	-	267,600		
Three Years Later	10,000,000	10,209,664	10,152,576	284,369	-	1,306,329	-			
Four Years Later	10,000,000	10,209,664	10,152,576	284,369	-	1,306,329	-			
Five Years Later	10,000,000	10,209,664	10,152,576	284,369	-	-	-			
Six Years Later	10,000,000	10,209,664	10,152,576	284,369	-	-	-			
Seven Years Later	10,000,000	10,209,664	10,152,576	-	-	-	-			
Eight Years Later	10,000,000	10,209,664	-	-	-	-	-			
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	\$ -	\$ 267,600	\$ 9,807,221	\$ -

Medical Malpractice Program

County Members: 47

Public Entity Members: 5



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 4,954,130	\$ 2,868,024
TOTAL CASH & CASH EQUIVALENTS	4,954,130	2,868,024
Investments	727,238	3,541,275
Accounts Receivable		
Due From Members	55,450	26,953
Investment Income Receivable	147,574	130,901
Reinsurance Claims, Deposit with Carrier and Other	4,368,299	1,570,732
Due From Other Funds	15,885,849	11,200,499
TOTAL CURRENT ASSETS	<u>26,138,540</u>	<u>19,338,384</u>
Noncurrent Assets:		
Investments	28,819,562	32,612,418
Due From Other Funds	549,785	568,922
Investment in Captive	430,928	430,928
TOTAL NONCURRENT ASSETS	<u>29,800,275</u>	<u>33,612,268</u>
TOTAL ASSETS	<u>55,938,815</u>	<u>52,950,652</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,927,813	2,768,065
Claim Liabilities		
Claims Reported	12,225,555	13,073,784
TOTAL CURRENT LIABILITIES	<u>14,153,368</u>	<u>15,841,849</u>
Noncurrent Liabilities:		
Claims Reported	6,860,725	7,779,807
Claims Incurred But Not Reported	15,540,389	14,959,994
Unallocated Loss Adjustment Expense Payable	905,000	938,000
TOTAL NONCURRENT LIABILITIES	<u>23,306,114</u>	<u>23,677,801</u>
TOTAL LIABILITIES	<u>37,459,482</u>	<u>39,519,650</u>
NET POSITION:		
Unrestricted	18,479,333	13,431,002
TOTAL NET POSITION	<u>\$ 18,479,333</u>	<u>\$ 13,431,002</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 10,326,523	\$ 11,202,315
Broker Fees	12,321	10,841
Contributions for Retained Risk	18,318,612	15,258,101
Administration Fees	1,737,128	1,273,490
Other Income	-	233,376
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	30,394,584	27,978,123
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	10,223,158	11,200,135
Broker Fees	12,321	10,841
Provision for Claims		
Current Year Claims	9,582,848	6,805,312
Prior Year Claims	4,814,743	918,770
Unallocated Loss Adjustment Expenses	(33,000)	684,000
Program Services	571,485	542,756
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	25,171,555	20,161,814
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(994,493)	(955,466)
	<hr/>	<hr/>
TOTAL TRANSFERS	(994,493)	(955,466)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	4,228,536	6,860,843
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	819,478	(1,641,779)
Financing Fees	317	-
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	819,795	(1,641,779)
	<hr/>	<hr/>
CHANGE IN NET POSITION	5,048,331	5,219,064
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	13,431,002	8,211,938
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 18,479,333	\$ 13,431,002
	<hr/> <hr/>	<hr/> <hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 30,366,087	\$ 22,187,611
Payments (to)/from Others	(2,797,567)	(426,878)
Claims Paid	(15,584,507)	(11,451,506)
Insurance Purchased	(10,223,158)	(9,520,841)
Payments to Suppliers	(1,246,617)	1,715,003
Internal Activities	(5,660,706)	1,881,841
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,146,468)</u>	<u>4,385,230</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(34,111,702)	(27,605,528)
Sales of Securities	41,073,007	20,954,415
Cash from Investment Earnings	448,393	636,219
Investment in Captive	(177,441)	-
Finance Fees from Members	317	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7,232,574</u>	<u>(6,014,894)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,086,106	(1,629,664)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>2,868,024</u>	<u>4,497,688</u>
END OF YEAR	<u>\$ 4,954,130</u>	<u>\$ 2,868,024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	4,228,536	6,860,843
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(2,826,064)	(669,101)
Due From or To Other Funds	(4,666,213)	2,837,307
Prepaid Expenses	-	1,679,294
Unearned Premium from Members	-	(5,548,289)
Accounts and Other Payables	(662,811)	2,268,600
Claim Liabilities	(1,186,916)	(3,727,424)
Unallocated Loss Adjustment Expense Payable	(33,000)	684,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (5,146,468)</u>	<u>\$ 4,385,230</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 354,412</u>	<u>\$ (2,275,309)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 36,751,585	\$ 39,795,009
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	9,582,848	6,805,312
Increase (Decrease) in the provision for claims of prior fiscal years	<u>4,781,743</u>	<u>1,602,770</u>
B. Total incurred claims and claim adjustment expenses	<u>14,364,591</u>	<u>8,408,082</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>15,584,507</u>	<u>11,451,506</u>
C. Total Payments	<u>15,584,507</u>	<u>11,451,506</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 35,531,669</u>	<u>\$ 36,751,585</u>
Current Claim Liabilities	12,225,555	13,073,784
Noncurrent Claim Liabilities	<u>23,306,114</u>	<u>23,677,801</u>
Total Claim Liabilities	<u>\$ 35,531,669</u>	<u>\$ 36,751,585</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, 2023

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, 2023

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 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	\$ 28,540,842
Less Ceded	(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)	(10,223,158)
Investment Earnings and Other Income	861,561	267,897	227,881	101,833	606,581	789,730	287,223	(48,820)	(464,086)	563,309
1. Total Revenues Available For Payment of Claims	7,676,892	7,148,558	7,018,169	7,390,489	8,560,879	9,398,119	8,684,013	10,844,068	12,066,415	18,880,993
2. Unallocated Loss Adjustment Expense	1,047	1,327	(5,773)	7,330	19,697	79,806	142,107	216,094	193,302	250,457
3. Estimated Incurred Claims Less Ceded Claims	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	19,806,006
Net Incurred Claims and Expenses, End of Policy Year	(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)	(10,223,158)
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	9,582,848	
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	17,502	37,635	15,523	245,810	-	-	-	-
One Year Later	-	503,920	243,443	1,894,067	1,752,099	2,176,225	19,547	35,000	36,912	-
Two Years Later	385,965	1,772,706	1,261,135	5,071,771	3,849,559	3,087,506	1,550,511	15,860		
Three Years Later	1,514,858	3,565,148	5,406,575	7,301,811	5,106,054	7,086,043	10,185,992			
Four Years Later	1,553,550	6,074,117	7,711,389	7,715,476	8,321,433	11,232,966				
Five Years Later	1,553,550	6,116,030	7,720,104	8,885,464	10,662,501					
Six Years Later	1,553,550	6,226,395	9,221,743	9,270,145						
Seven Years Later	1,553,550	6,226,395	9,226,738							
Eight Years Later	1,553,550	6,294,043								
Nine Years Later	1,553,550									
5. Reestimated Ceded Claims and Expenses	413,449	7,081,902	3,712,184	7,126,472	9,430,091	15,631,366	18,105,511	2,000,000	1,495,891	380,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	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	9,582,848
One Year Later	4,950,026	8,550,054	6,575,046	9,989,538	8,779,726	7,480,935	8,738,250	7,177,850	7,432,955	
Two Years Later	6,224,082	10,203,303	10,624,337	10,379,536	13,770,438	14,297,448	12,107,966	8,283,926		
Three Years Later	4,768,898	7,422,110	9,330,511	10,347,322	12,956,481	14,126,261	15,623,224			
Four Years Later	1,922,429	6,897,687	8,361,424	10,975,751	11,914,386	14,286,454				
Five Years Later	1,810,904	6,729,432	9,689,339	9,508,078	11,416,138					
Six Years Later	1,729,432	6,700,303	9,081,016	9,550,615						
Seven Years Later	1,673,644	6,369,056	9,005,850							
Eight Years Later	1,606,948	6,344,817								
Nine Years Later	1,593,623									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (3,646,338)	\$ 816,995	\$ 3,477,234	\$ 3,698,550	\$ 5,280,296	\$ 8,329,737	\$ 6,712,838	\$ 3,147,926	\$ 627,643	\$ -



Master Rolling Owner Controlled Insurance Program

County Members: 4

Public Entity Members: 3

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

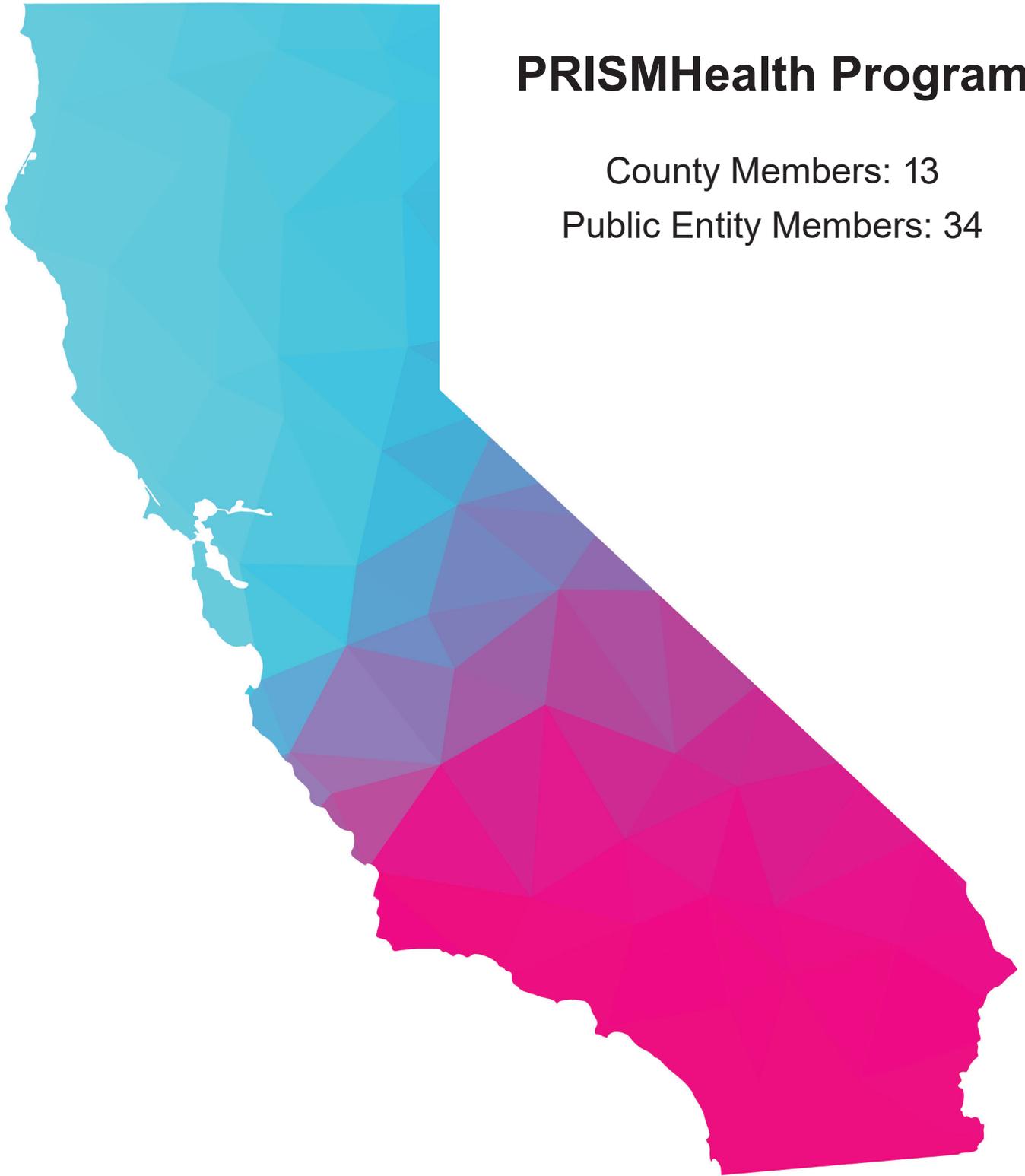
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 26,387	\$ 48,345
TOTAL CASH & CASH EQUIVALENTS	26,387	48,345
Investments	3,874	59,693
Accounts Receivable		
Investment Income Receivable	786	2,207
Due From Other Funds	84,615	188,800
Prepaid Insurance and Expenses	163,568	1,105,663
TOTAL CURRENT ASSETS	279,230	1,404,708
Noncurrent Assets:		
Investments	153,505	549,728
Due From Other Funds	2,928	9,590
Investment in Captive	1,113	1,113
TOTAL NONCURRENT ASSETS	157,546	560,431
TOTAL ASSETS	436,776	1,965,139
LIABILITIES:		
Current Liabilities:		
Accounts Payable	-	36,487
Unearned Income	-	942,095
TOTAL CURRENT LIABILITIES	-	978,582
TOTAL LIABILITIES	-	978,582
NET POSITION:		
Unrestricted	436,776	986,557
TOTAL NET POSITION	\$ 436,776	\$ 986,557

**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, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 5,071,948	\$ 9,582,710
Administration Fees	<u>102,502</u>	<u>59,889</u>
TOTAL OPERATING REVENUES	<u>5,174,450</u>	<u>9,642,599</u>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	<u>5,688,282</u>	<u>9,582,710</u>
TOTAL OPERATING EXPENSES	<u>5,688,282</u>	<u>9,582,710</u>
TRANSFERS IN OR (OUT):		
Transfer Out	<u>(49,332)</u>	<u>(47,164)</u>
TOTAL TRANSFERS	<u>(49,332)</u>	<u>(47,164)</u>
OPERATING INCOME (LOSS)	<u>(563,164)</u>	<u>12,725</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	<u>13,383</u>	<u>(27,133)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>13,383</u>	<u>(27,133)</u>
CHANGE IN NET POSITION	<u>(549,781)</u>	<u>(14,408)</u>
NET POSITION:		
Beginning of Year	<u>986,557</u>	<u>1,000,965</u>
NET POSITION, END OF YEAR	<u>\$ 436,776</u>	<u>\$ 986,557</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 4,232,355	\$ 8,033,047
Insurance Purchased	(4,782,215)	(7,510,060)
Internal Activities	<u>61,515</u>	<u>(128,258)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(488,345)</u>	<u>394,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(212,939)	(738,141)
Sales of Securities	670,769	346,303
Cash from Investment Earnings	9,016	9,336
Investment in Captive	<u>(459)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>466,387</u>	<u>(382,502)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,958)	12,227
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>48,345</u>	<u>36,118</u>
END OF YEAR	<u>\$ 26,387</u>	<u>\$ 48,345</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(563,164)	12,725
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	-	1,322,421
Due From or To Other Funds	110,847	(81,094)
Prepaid Expenses	942,095	2,929,671
Unearned Premium from Members	(942,095)	(2,931,973)
Accounts and Other Payables	<u>(36,028)</u>	<u>(857,021)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (488,345)</u>	<u>\$ 394,729</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 5,788</u>	<u>\$ (37,603)</u>



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022**

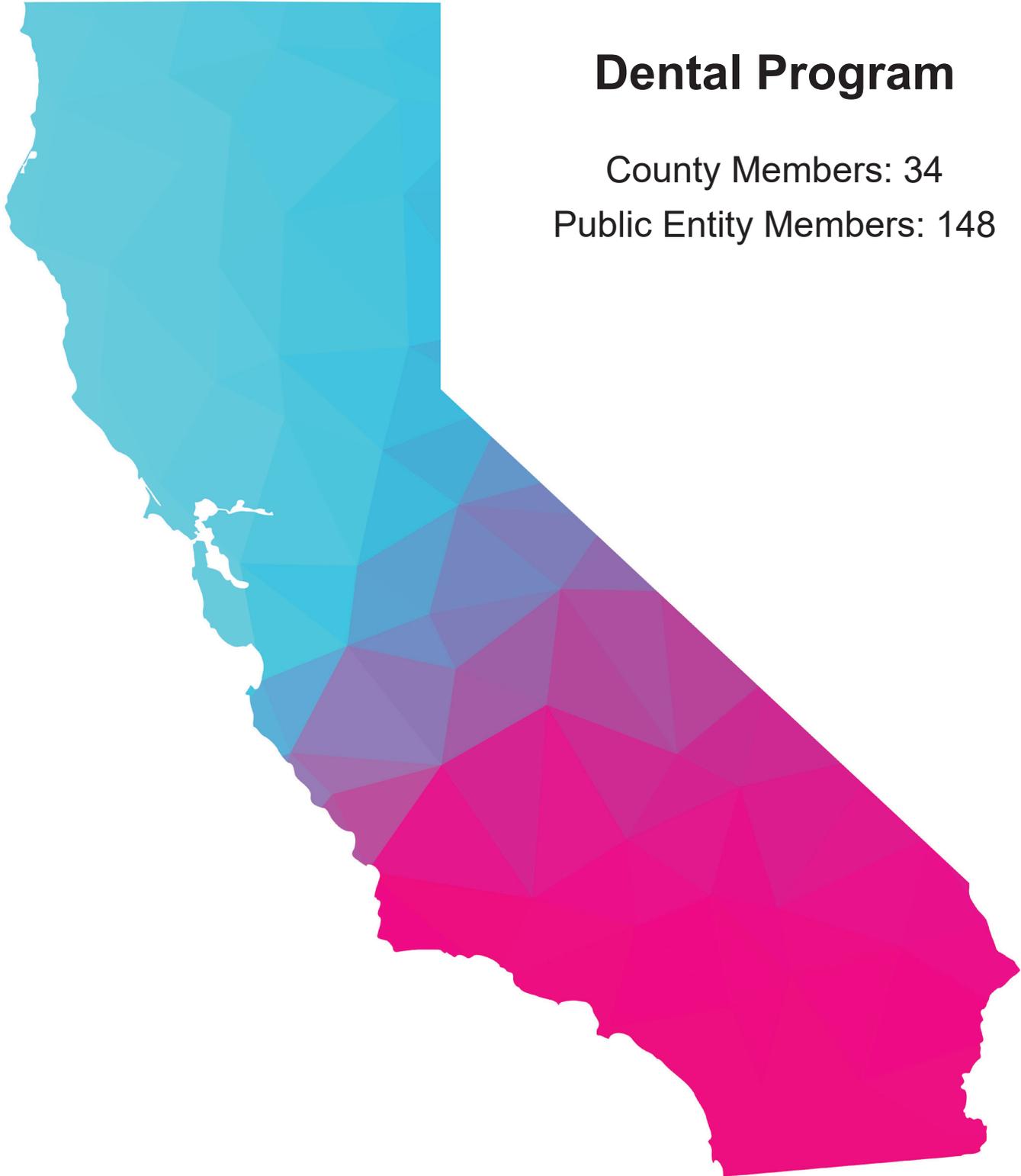
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 721,618	\$ 367,521
TOTAL CASH & CASH EQUIVALENTS	721,618	367,521
Investments	105,929	453,794
Accounts Receivable		
Due From Members	19,176	16,422
Investment Income Receivable	21,496	16,774
Due From Other Funds	2,313,930	1,435,279
TOTAL CURRENT ASSETS	3,182,149	2,289,790
Noncurrent Assets:		
Investments	4,197,853	4,179,092
Due From Other Funds	80,082	72,904
Investment in Captive	131,702	131,702
TOTAL NONCURRENT ASSETS	4,409,637	4,383,698
TOTAL ASSETS	7,591,786	6,673,488
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,281,629	1,097,880
Due to Members		
Dividends Payable	2,158,685	2,145,401
Due to Members	47,716	142,440
Unearned Income	5,000	8,164
TOTAL CURRENT LIABILITIES	3,493,030	3,393,885
TOTAL LIABILITIES	3,493,030	3,393,885
NET POSITION:		
Unrestricted	4,098,756	3,279,603
TOTAL NET POSITION	\$ 4,098,756	\$ 3,279,603

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 624,749,643	\$ 589,617,105
Broker Fees	4,419,705	4,247,344
Administration Fees	986,314	956,127
Other Income	324,328	222,656
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	630,479,990	595,043,232
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	624,749,643	589,617,106
Broker Fees	4,419,705	4,233,876
Program Services	70,465	48,000
General Administrative Services	19,774	-
Member Dividends & Stabilization Funds Distributed	13,284	2,197
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	629,272,871	593,901,179
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(564,241)	(488,953)
	<hr/>	<hr/>
TOTAL TRANSFERS	(564,241)	(488,953)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	642,878	653,100
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	176,275	(255,760)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	176,275	(255,760)
	<hr/>	<hr/>
CHANGE IN NET POSITION	819,153	397,340
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	3,279,603	2,882,263
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 4,098,756	\$ 3,279,603
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISMHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 630,379,348	\$ 595,158,438
Insurance Purchased	(621,001,447)	(586,069,594)
Payments to Suppliers	(8,020,161)	(8,586,827)
Internal Activities	<u>(1,450,070)</u>	<u>(59,324)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(92,330)</u>	<u>442,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(8,429,728)	(4,035,839)
Sales of Securities	8,835,068	3,264,335
Cash from Investment Earnings	95,317	99,643
Investment in Captive	<u>(54,230)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>446,427</u>	<u>(671,861)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	354,097	(229,168)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>367,521</u>	<u>596,689</u>
END OF YEAR	<u><u>\$ 721,618</u></u>	<u><u>\$ 367,521</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	642,878	653,100
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(2,754)	(16,422)
Due From or To Other Funds	(885,829)	429,629
Accounts and Other Payables	<u>153,375</u>	<u>(623,614)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (92,330)</u></u>	<u><u>\$ 442,693</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ 76,236</u></u>	<u><u>\$ (354,454)</u></u>



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 1,453,211	\$ 547,000
TOTAL CASH & CASH EQUIVALENTS	<u>1,453,211</u>	<u>547,000</u>
Investments	213,323	675,407
Accounts Receivable		
Due From Members	1,420,273	2,889,855
Investment Income Receivable	43,288	24,966
Reinsurance Claims, Deposit with Carrier and Other	245,000	245,000
Due From Other Funds	<u>4,659,844</u>	<u>2,136,205</u>
TOTAL CURRENT ASSETS	<u>8,034,939</u>	<u>6,518,433</u>
Noncurrent Assets:		
Investments	8,453,729	6,219,975
Due From Other Funds	161,270	108,507
Investment in Captive	<u>219,394</u>	<u>219,394</u>
TOTAL NONCURRENT ASSETS	<u>8,834,393</u>	<u>6,547,876</u>
TOTAL ASSETS	<u>16,869,332</u>	<u>13,066,309</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	830,571	868,293
Due to Members		
Member Deposits	593,509	619,262
Claim Liabilities		
Claims Reported	<u>2,932,583</u>	<u>2,769,238</u>
TOTAL CURRENT LIABILITIES	<u>4,356,663</u>	<u>4,256,793</u>
TOTAL LIABILITIES	<u>4,356,663</u>	<u>4,256,793</u>
NET POSITION:		
Unrestricted	<u>12,512,669</u>	<u>8,809,516</u>
TOTAL NET POSITION	<u>\$ 12,512,669</u>	<u>\$ 8,809,516</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Broker Fees	\$ 2,547,902	\$ 2,377,092
Contributions for Retained Risk	43,890,991	39,849,219
Other Income	-	26,513
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	46,438,893	42,252,824
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Broker Fees	2,547,902	2,377,092
Provision for Claims		
Current Year Claims	36,484,122	36,292,833
Program Services	3,535,612	3,108,176
General Administrative Services	4,626	-
Member Dividends & Stabilization Funds Distributed	-	2,000,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	42,572,262	43,778,101
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(400,050)	(343,567)
	<hr/>	<hr/>
TOTAL TRANSFERS	(400,050)	(343,567)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	3,466,581	(1,868,844)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	236,572	(261,444)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	236,572	(261,444)
	<hr/>	<hr/>
CHANGE IN NET POSITION	3,703,153	(2,130,288)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	8,809,516	10,939,804
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 12,512,669	\$ 8,809,516
	<hr/>	<hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 47,882,722	\$ 45,511,915
Dividends Paid	-	(2,000,000)
Claims Paid	(36,320,777)	(35,632,872)
Payments to Suppliers	(6,035,523)	(4,707,314)
Internal Activities	(2,976,452)	(542,445)
	<u>2,549,970</u>	<u>2,629,284</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(13,526,567)	(6,143,741)
Sales of Securities	11,857,211	3,336,875
Cash from Investment Earnings	115,936	94,631
Investment in Captive	(90,339)	-
	<u>(1,643,759)</u>	<u>(2,712,235)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>906,211</u>	<u>(82,951)</u>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>547,000</u>	<u>629,951</u>
END OF YEAR	<u>\$ 1,453,211</u>	<u>\$ 547,000</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	3,466,581	(1,868,844)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	1,469,582	3,361,159
Due From or To Other Funds	(2,576,402)	(198,878)
Unearned Premium from Members	-	(21,556)
Accounts and Other Payables	26,864	697,442
Claim Liabilities	163,345	659,961
	<u>\$ 2,549,970</u>	<u>\$ 2,629,284</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 102,314</u>	<u>\$ (362,330)</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 2,769,238</u>	<u>\$ 2,109,277</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>36,484,122</u>	<u>36,292,833</u>
B. Total incurred claims and claim adjustment expenses	<u>36,484,122</u>	<u>36,292,833</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	33,551,539	33,523,595
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,769,238</u>	<u>2,109,277</u>
C. Total Payments	<u>36,320,777</u>	<u>35,632,872</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 2,932,583</u>	<u>\$ 2,769,238</u>
Current Claim Liabilities	<u>2,932,583</u>	<u>2,769,238</u>
Total Claim Liabilities	<u>\$ 2,932,583</u>	<u>\$ 2,769,238</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, 2023

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.

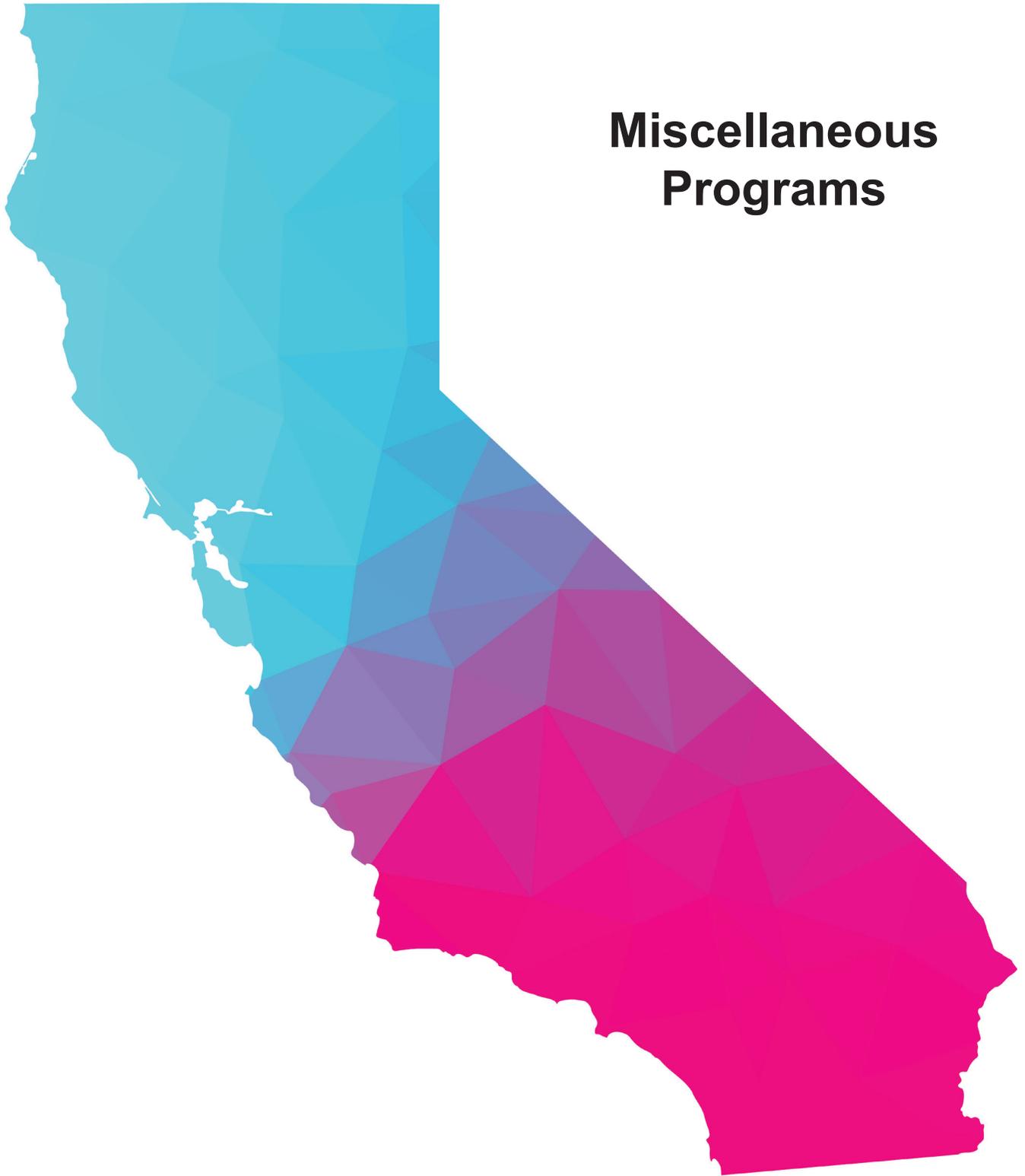
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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, 2023

POLICY YEAR	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	June 30, 2023
Earned Premiums	\$ 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	\$ 42,801,341
Dividends Declared	-	-	-	-	-	-	(5,000,000)	(7,000,000)	(2,000,000)	-
1. Total Revenues Available For Payment of Claims	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	42,801,341
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Net Incurred Claims and Expenses, End of Policy Year	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	36,484,122
4. Cumulative Paid Claims as of:										
End of the Policy Year	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	33,551,539
One Year Later	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649	36,292,833	
Two Years Later	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649		
Three Years Later	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710			
Four Years Later	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327				
Five Years Later	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949					
Six Years Later	24,283,069	26,917,532	29,738,033	29,186,280						
Seven Years Later	24,283,069	26,917,532	29,738,033							
Eight Years Later	24,283,069	26,917,532								
Nine Years Later	24,283,069									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	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	36,484,122
One Year Later	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	
Two Years Later	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710	36,112,649		
Three Years Later	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327	29,603,710			
Four Years Later	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327				
Five Years Later	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949					
Six Years Later	26,483,069	26,917,532	29,738,033	29,186,280						
Seven Years Later	26,483,069	26,917,532	29,738,033							
Eight Years Later	26,483,069	26,917,532								
Nine Years Later	26,483,069									
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, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in the PRISM Treasury	\$ 280,534	\$ 134,053
TOTAL CASH & CASH EQUIVALENTS	280,534	134,053
Investments	41,181	165,519
Accounts Receivable		
Due From Members	11,511	59,679
Investment Income Receivable	8,357	6,118
Reinsurance Claims, Deposit with Carrier and Other	-	11,096
Due From Other Funds	899,558	523,512
TOTAL CURRENT ASSETS	1,241,141	899,977
Noncurrent Assets:		
Investments	1,631,948	1,524,307
Due From Other Funds	31,132	26,591
Investment in Captive	25,342	25,342
TOTAL NONCURRENT ASSETS	1,688,422	1,576,240
TOTAL ASSETS	2,929,563	2,476,217
LIABILITIES:		
Current Liabilities:		
Accounts Payable	97,360	10,435
Due to Members		
Dividends Payable	214,610	184,671
TOTAL CURRENT LIABILITIES	311,970	195,106
TOTAL LIABILITIES	311,970	195,106
NET POSITION:		
Unrestricted	2,617,593	2,281,111
TOTAL NET POSITION	\$ 2,617,593	\$ 2,281,111

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 87,434,670	\$ 73,652,811
Member Services & Dividend Income	496,674	540,855
Administration Fees	80	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	87,931,424	74,193,666
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	87,074,657	73,489,127
Program Services	4,809	24,000
General Administrative Services	66,637	-
Member Dividends & Stabilization Funds Distributed	496,674	540,855
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	87,642,777	74,053,982
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out	(14,900)	(14,805)
	<hr/>	<hr/>
TOTAL TRANSFERS	(14,900)	(14,805)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	273,747	124,879
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	58,334	(70,001)
Financing Fees	4,401	1,834
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	62,735	(68,167)
	<hr/>	<hr/>
CHANGE IN NET POSITION	336,482	56,712
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	2,281,111	2,224,399
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 2,617,593	\$ 2,281,111
	<hr/> <hr/>	<hr/> <hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 87,482,918	\$ 74,144,620
Payments (to)/from Others	507,770	529,759
Dividends Paid	(466,735)	(548,421)
Insurance Purchased	(86,977,297)	(73,484,207)
Payments to Suppliers	(71,445)	(24,000)
Internal Activities	(395,488)	(36,561)
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	79,723	581,190
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(2,881,829)	(1,530,823)
Sales of Securities	2,923,755	893,438
Cash from Investment Earnings	30,866	25,726
Investment in Captive	(10,435)	-
Finance Fees from Members	4,401	1,834
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	66,758	(609,825)
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	146,481	(28,635)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	134,053	162,688
	<hr/>	<hr/>
END OF YEAR	\$ 280,534	\$ 134,053
	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	273,747	124,879
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	59,264	445,278
Due From or To Other Funds	(380,587)	(21,756)
Prepaid Expenses	-	59,804
Accounts and Other Payables	127,299	(27,015)
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 79,723	\$ 581,190
	<hr/>	<hr/>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 25,229	\$ (97,013)
	<hr/>	<hr/>



**General
Administration
and Building**

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	820,248	694,270
Cash in the PRISM Treasury	1,551,149	896,617
TOTAL CASH & CASH EQUIVALENTS	2,371,697	1,591,187
Investments	227,700	1,107,091
Accounts Receivable		
Due From Members	38,573	118,223
Investment Income Receivable	46,206	40,923
Lease Receivable	262,053	248,396
Reinsurance Claims, Deposit with Carrier and Other	69,850	77,878
Due From Other Funds	4,973,896	3,501,557
Prepaid Insurance and Expenses	83,907	197,749
TOTAL CURRENT ASSETS	8,073,882	6,883,004
Noncurrent Assets:		
Investments	1,024,305	2,035,223
Due From Other Funds	172,139	177,859
Investments - Restricted	7,999,167	8,160,236
Lease Receivable	3,009,461	3,271,513
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	(1,517,249)	(1,405,101)
Tenant Improvements	2,566,899	2,566,899
Less Accumulated Depreciation, Tenant Improvements	(1,939,385)	(1,827,550)
Furniture and Equipment, Net		
Office Furniture and Equipment	1,525,772	1,408,343
Computer Software	13,336,671	11,213,670
Less Accumulated Depreciation	(7,315,575)	(6,076,653)
TOTAL NONCURRENT ASSETS	25,607,595	27,057,867
TOTAL ASSETS	33,681,477	33,940,871
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources on Pensions	4,398,922	1,832,009
Deferred Outflows of Resources on OPEB	328,844	168,227
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,727,766	\$ 2,000,236

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 281,834	\$ 542,313
Due to Other Funds	429,275	503,699
Due to Members	100,000	100,000
Unearned Income	40,888	53,549
Compensated Absences	158,410	145,332
TOTAL CURRENT LIABILITIES	1,010,407	1,344,893
Noncurrent Liabilities:		
Due to Members, Long Term	7,899,167	8,060,236
Due to Other Funds	4,123,013	4,384,435
Compensated Absences, Long Term	633,639	581,329
Net OPEB Liability	361,766	76,986
Net Pension Liability	4,016,220	-
TOTAL NONCURRENT LIABILITIES	17,033,805	13,102,986
TOTAL LIABILITIES	18,044,212	14,447,879
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources on Leases	3,271,513	3,519,909
Deferred Inflows of Resources on Pensions	479,194	(502,006)
Deferred Inflows of Resources on OPEB	478,821	695,936
TOTAL DEFERRED INFLOWS OF RESOURCES	4,229,528	3,713,839
NET POSITION:		
Net Investment in Capital Assets	13,402,523	12,624,998
Unrestricted	2,732,980	5,154,391
TOTAL NET POSITION	\$ 16,135,503	\$ 17,779,389

**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, 2023 AND 2022**

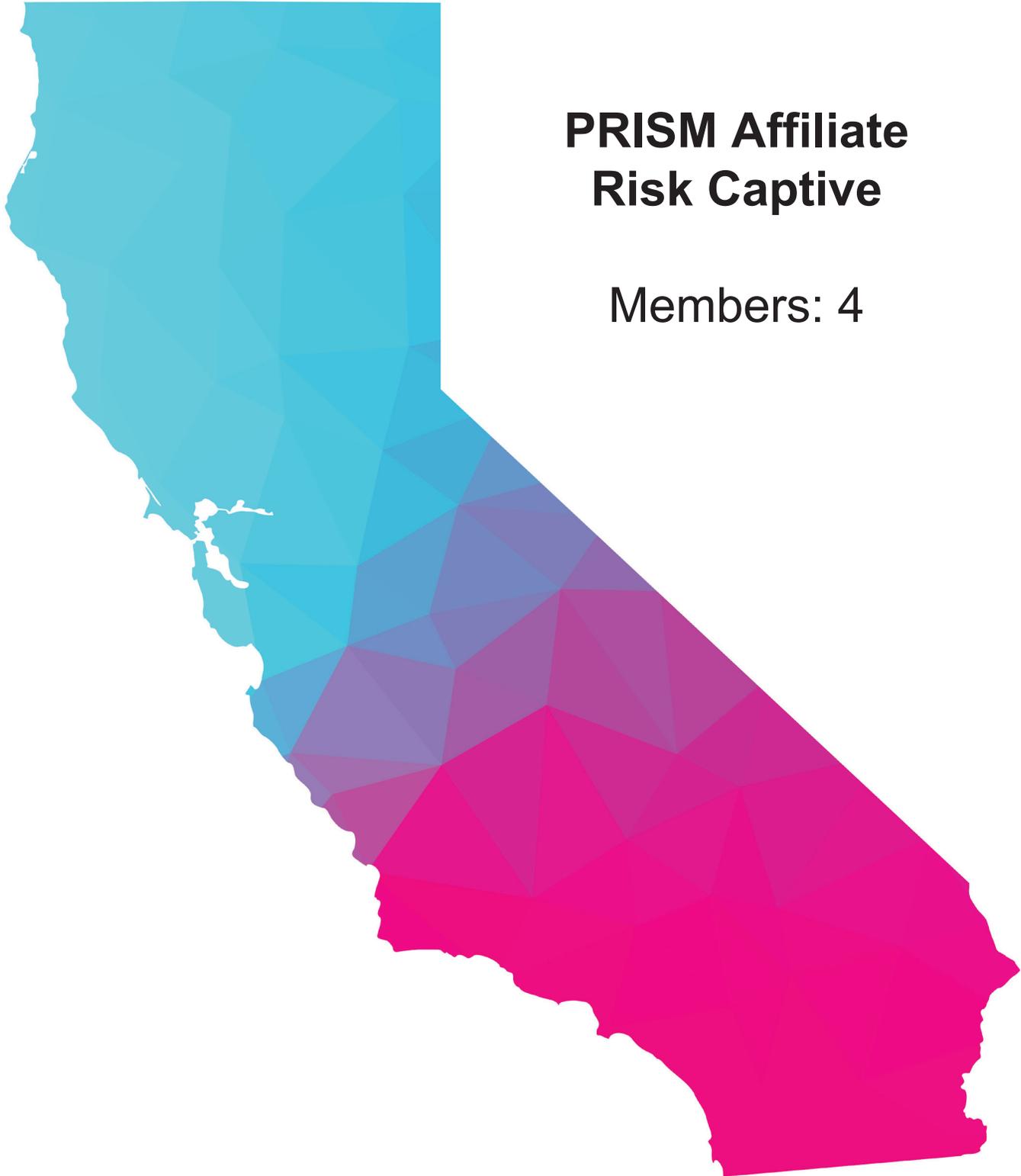
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Member Services & Dividend Income		
Member Services		
Claims Information System	\$ 312,396	\$ 103,705
Loss Prevention and Enterprise Risk Consultant	237,264	204,153
Other Income	214,969	892,537
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	764,629	1,200,395
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Loss Prevention Expenses	2,552,773	2,600,729
General Administrative Services		
Salaries and Benefits	18,071,907	9,028,155
Staff Support	782,278	295,876
Services and Supplies	2,821,316	2,364,872
Depreciation	1,393,162	1,341,405
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	25,621,436	15,631,037
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer In	22,825,000	19,970,942
	<hr/>	<hr/>
TOTAL TRANSFERS	22,825,000	19,970,942
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(2,031,807)	5,540,300
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	375,028	(687,575)
Financing Fees	373	514
Investment Expense	(170,759)	(160,762)
Lease Income, net of Building Expense		
Lease Income	429,092	367,202
Building Maintenance and Operating Expense	(122,206)	(52,348)
Depreciation and Amortization	(69,743)	(76,926)
Program Financing Expenses	(53,864)	(70,643)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	387,921	(680,538)
	<hr/>	<hr/>
CHANGE IN NET POSITION	(1,643,886)	4,859,762
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	17,779,389	12,919,627
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 16,135,503	\$ 17,779,389
	<hr/> <hr/>	<hr/> <hr/>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 801,285	\$ 593,492
Payments (to)/from Others	51,022	854,076
Payments to Suppliers	(6,569,416)	(5,526,623)
Payments to Employees	(14,880,926)	(13,198,339)
Subsidy Payments from (to) Members	(161,069)	288,613
Internal Activities	<u>21,022,536</u>	<u>20,167,364</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>263,432</u>	<u>3,178,583</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Building and Other Capital Assets	-	(72,701)
Purchase of Software, Furniture and Equipment	<u>(1,974,019)</u>	<u>(2,739,696)</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(1,974,019)</u>	<u>(2,812,397)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(16,583,183)	(10,116,613)
Sales of Securities	18,796,755	8,775,688
Cash from Investment Earnings	207,551	270,282
Investment Expenses	(170,759)	(160,762)
Program Financing Expenses	(53,864)	(70,643)
Finance Fees from Members	373	514
Lease Receipts	416,430	367,202
Operating Lease Disbursements	<u>(122,206)</u>	<u>(52,348)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,491,097</u>	<u>(986,680)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	780,510	(620,494)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>1,591,187</u>	<u>2,211,681</u>
END OF YEAR	<u>\$ 2,371,697</u>	<u>\$ 1,591,187</u>

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
JUNE 30, 2023 AND 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (2,031,807)	\$ 5,540,300
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,393,162	1,341,405
Changes in		
Accounts Receivable, Net	87,678	247,039
Due From or To Other Funds	(1,802,465)	196,422
Prepaid Expenses	113,842	(114,030)
Deferred Outflows of Resources	(2,727,530)	167,078
Accounts and Other Payables	(526,890)	(150,982)
Subsidy Funds Payable	(161,069)	288,613
Compensated Absences	65,388	2,452
Net Pension Liability/Asset	4,804,258	(3,346,488)
Net OPEB Liability	284,780	(211,086)
Deferred Inflows of Resources	764,085	(782,140)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 263,432</u>	<u>\$ 3,178,583</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 162,194</u>	<u>\$ (952,897)</u>



**PRISM Affiliate
Risk Captive**

Members: 4



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 417,646	\$ 393,550
Cash in the PRISM Treasury	14,546,785	4,739,099
TOTAL CASH & CASH EQUIVALENTS	14,964,431	5,132,649
Investments	31,988,617	7,476,045
Accounts Receivable		
Due From Members	434,992	357,537
Investment Income Receivable	2,891,887	1,983,574
Reinsurance Claims, Deposit with Carrier and Other	35,160,082	27,774,826
Prepaid Insurance and Expenses	7,500	984,818
TOTAL CURRENT ASSETS	85,447,509	43,709,449
Noncurrent Assets:		
Investments	558,669,625	497,050,537
TOTAL NONCURRENT ASSETS	558,669,625	497,050,537
TOTAL ASSETS	644,117,134	540,759,986
LIABILITIES:		
Current Liabilities:		
Accounts Payable	20,965,892	43,013,778
Claim Liabilities		
Claims Reported	148,217,975	170,107,430
Claims Incurred But Not Reported	74,320	8,549,731
TOTAL CURRENT LIABILITIES	169,258,187	221,670,939
Noncurrent Liabilities:		
Claims Reported	159,197,992	-
Claims Incurred But Not Reported	239,676,792	318,782,882
TOTAL NONCURRENT LIABILITIES	398,874,784	318,782,882
TOTAL LIABILITIES	568,132,971	540,453,821
NET POSITION:		
Capital Stock	8,500,000	8,500,000
Unrestricted	67,484,163	(8,193,835)
TOTAL NET POSITION	\$ 75,984,163	\$ 306,165

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, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 2,671,817	\$ 2,101,293
Broker Fees	57,417	46,477
Contributions for Retained Risk	215,829,609	173,482,134
Administration Fees	-	26,598
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	218,558,843	175,656,502
	<hr/>	<hr/>
OPERATING EXPENSES:		
Insurance and Provision for Losses		
Transferred Risk & Insurance Expense	2,671,817	2,101,292
Broker Fees	57,417	46,477
Provision for Claims		
Current Year Claims	95,387,016	87,930,853
Prior Year Claims	59,831,989	68,076,974
Program Services	45,182	64,506
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	157,993,421	158,220,102
	<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)	60,415,422	17,286,400
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income (Loss) & Financing Fees, net of Investment Expense		
Investment Income (Loss)	15,969,911	(48,639,907)
Investment Expense	(707,335)	(691,962)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	15,262,576	(49,331,869)
	<hr/>	<hr/>
CHANGE IN NET POSITION	75,677,998	(32,045,469)
	<hr/>	<hr/>
NET POSITION:		
Beginning of Year	(8,193,835)	23,851,634
Additional Paid in Capital	8,500,000	8,500,000
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 75,984,163	\$ 306,165
	<hr/> <hr/>	<hr/> <hr/>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 208,306,916	\$ 158,847,608
Claims Paid	(126,637,830)	(92,025,072)
Insurance Purchased	(3,362,563)	(1,743,754)
Payments to Suppliers	(47,344)	(50,177)
Internal Activities	<u>(150,000)</u>	<u>(150,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>78,109,179</u>	<u>64,878,605</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(414,697,469)	(216,605,611)
Sales of Securities	326,033,627	146,029,961
Cash from Investment Earnings	17,593,780	7,858,764
Investment Expenses	(707,335)	(691,962)
Investment in Captive	<u>3,500,000</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(68,277,397)</u>	<u>(63,408,848)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,831,782	1,469,757
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>5,132,649</u>	<u>3,662,892</u>
END OF YEAR	<u>\$ 14,964,431</u>	<u>\$ 5,132,649</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	60,415,422	17,286,400
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in		
Accounts Receivable, Net	(10,962,711)	(22,132,363)
Prepaid Expenses	977,318	(979,568)
Accounts and Other Payables	(22,047,886)	5,404,914
Claim Liabilities	<u>49,727,036</u>	<u>65,299,222</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 78,109,179</u>	<u>\$ 64,878,605</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ (2,532,182)</u>	<u>\$ (56,871,943)</u>

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
PRISM AFFILIATE RISK CAPTIVE
RECONCILIATION OF UNPAID CLAIM LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 497,440,043</u>	<u>\$ 432,140,821</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	95,387,016	87,930,853
Increase (Decrease) in the provision for claims of prior fiscal years	<u>59,831,989</u>	<u>68,076,974</u>
B. Total incurred claims and claim adjustment expenses	<u>155,219,005</u>	<u>156,007,827</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	6,350,923	23,760,627
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>99,141,046</u>	<u>66,947,978</u>
C. Total Payments	<u>105,491,969</u>	<u>90,708,605</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 547,167,079</u>	<u>\$ 497,440,043</u>
Current Claim Liabilities	148,292,295	178,657,161
Noncurrent Claim Liabilities	<u>398,874,784</u>	<u>318,782,882</u>
Total Claim Liabilities	<u>\$ 547,167,079</u>	<u>\$ 497,440,043</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, 2023

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, 2023

POLICY YEAR	June 30, 2017*	June 30, 2018	June 30, 2019**	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Earned Premiums	\$ 78,135,139	\$ 97,047,480	\$ 393,550,605	\$ 116,919,308	\$ 142,291,017	\$ 100,701,884	\$ 106,299,647
Less Ceded	-	-	-	-	(1,599,257)	(2,101,293)	(1,507,606)
Investment Earnings	8,762,203	9,791,475	11,259,278	5,335,522	(599,066)	(6,378,953)	2,537,441
1. Total Revenues Available For Payment of Claims	86,897,342	106,838,955	404,809,883	122,254,830	140,092,694	92,221,638	107,329,482
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	75,803,096	93,571,460	136,235,191	115,460,318	126,941,559	90,032,146	96,894,622
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	(1,599,257)	(2,101,293)	(1,507,606)
4. Cumulative Paid Claims as of:	75,803,096	93,571,460	136,235,191	115,460,318	125,342,302	87,930,853	95,387,016
End of the Policy Year	15,161,362	14,402,517	15,791,866	15,800,219	20,379,129	23,760,627	6,350,923
One Year Later	25,087,580	34,315,031	31,499,850	34,032,022	35,135,227	35,654,146	
Two Years Later	49,070,991	48,376,052	56,452,674	52,745,455	65,520,110		
Three Years Later	61,901,911	65,867,160	78,892,048	60,228,568			
Four Years Later	72,906,676	74,319,643	120,434,767				
Five Years Later	75,493,265	80,759,329					
Six Years Later	76,890,390						
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses	-	-	-	-	-	-	-
End of the Policy Year	75,803,096	93,571,460	136,235,191	115,460,318	125,342,302	87,930,853	95,387,016
One Year Later	78,766,357	96,621,991	180,278,594	121,586,409	126,386,024	91,781,899	
Two Years Later	81,353,377	99,213,918	251,908,323	119,204,534	131,060,575		
Three Years Later	81,768,607	100,157,999	321,744,618	121,199,660			
Four Years Later	82,783,448	100,126,065	369,273,324				
Five Years Later	82,394,213	101,449,861					
Six Years Later	82,852,978						
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 7,049,882	\$ 7,878,401	\$ 233,038,133	\$ 5,739,342	\$ 5,718,273	\$ 3,851,046	\$ -

*Affiliate Risk Captive established July 1, 2016

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

STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends

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

	<u>Page</u>
Schedule of Net Position.....	187
Schedule of Revenues, Expenses and Changes in Net Position	188
History of Dividends Returned to Members.....	189

Demographic and Economic Information

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

	<u>Page</u>
Economic Statistics	190
Number of Claims	191
Property Values.....	192

Operating Information

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

	<u>Page</u>
Economic Indicators and Information	193

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, 2023

	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	June 30, 2023
Assets										
Current Assets	\$ 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	\$ 379,218,610
Noncurrent Assets	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	805,632,960
Deferred Outflows - Pension & OPEB	-	587,253	3,329,112	1,537,233	1,718,920	1,227,362	1,995,729	2,167,314	2,000,236	4,727,766
Total Assets and Deferred Outflows	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	1,189,579,336
Liabilities										
Current Liabilities	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	257,945,110
Noncurrent Liabilities	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	663,577,279
Deferred Inflows - Leases, Pension & OPEB	-	845,081	1,444,075	1,466,353	1,144,292	595,345	4,668,279	4,731,110	3,713,839	4,229,528
Total Liabilities and Deferred Inflows	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	925,751,917
Net Position										
Invested in Capital Assets	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	13,402,523
Unrestricted	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	250,424,896
Total Net Position	\$ 113,329,001	\$ 112,406,645	\$ 137,672,617	\$ 140,521,262	\$ 122,570,594	\$ 200,031,853	\$ 174,262,982	\$ 186,354,634	\$ 144,038,472	\$ 263,827,419

*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, 2023

	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	June 30, 2023
REVENUES:										
Premiums for Transferred Risk	\$ 423,229,776	\$ 443,008,816	\$ 493,749,250	\$ 535,583,984	\$ 639,585,449	\$ 826,382,527	\$ 844,596,238	\$ 950,074,535	\$ 1,112,076,538	\$ 1,142,729,744
Broker Fees	8,342,982	8,775,741	9,385,697	9,996,927	10,678,116	11,435,218	14,784,924	17,126,598	24,282,089	26,884,483
Contributions for Retained Risk	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	385,724,427
Dividend Income	215,008	241,593	232,389	192,828	93,904	173,634	174,054	192,456	540,855	496,674
Member Services	865,314	1,111,493	747,513	935,244	637,546	678,036	579,779	739,495	307,858	549,660
Administrative Fees	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	31,098,009
Public Entity/School Loss Control Fees	552,493	604,556	655,463	738,862	138,545	106,979	139,952	118,885	146,390	145,093
Program Development Fees	-	-	-	2,400	-	-	-	-	-	-
Other Income	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	776,440
Investment Income	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)	22,395,857
Total Revenues	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	1,610,800,387
EXPENSES:										
Insurance Expense	422,937,089	444,479,808	496,527,761	537,135,168	638,628,836	808,697,072	870,164,217	931,306,209	1,092,944,347	1,172,598,290
Broker Fees	8,079,636	8,559,724	9,125,742	10,056,293	10,636,299	12,897,673	14,741,476	17,116,998	23,718,621	28,614,472
Provision for Insured Claims	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	244,745,147
Unallocated Loss Expenses	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	(9,742,000)
Program Services	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	22,069,927
Member Services and Subsidies	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	2,552,773
General Administration	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	21,699,968
Dividends	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	7,009,958
Stabilization Funds	-	-	477,716	64,106	47,210	-	-	-	-	-
Building Depreciation & Maintenance	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	1,462,905
Total Expenses	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	1,491,011,440
Changes in Net Position	(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)	119,788,947
NET POSITION:										
Beginning 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
Adjustment to Beginning Net Position	-	(2,461,387)	-	-	(6,195,368)	-	-	-	-	-
Ending Net Position	\$ 113,329,001	\$ 112,406,645	\$ 137,672,617	\$ 140,521,262	\$ 122,570,594	\$ 200,031,853	\$ 174,262,982	\$ 186,354,634	\$ 144,038,472	\$ 263,827,419

PUBLIC RISK INNOVATIONS, SOLUTION, AND MANAGEMENT
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2023

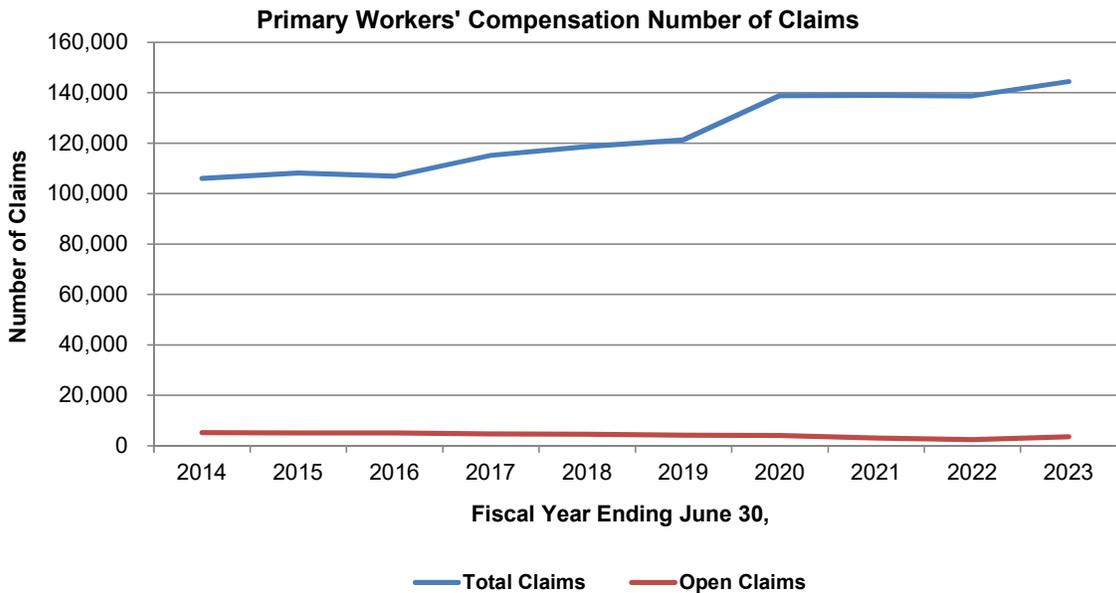
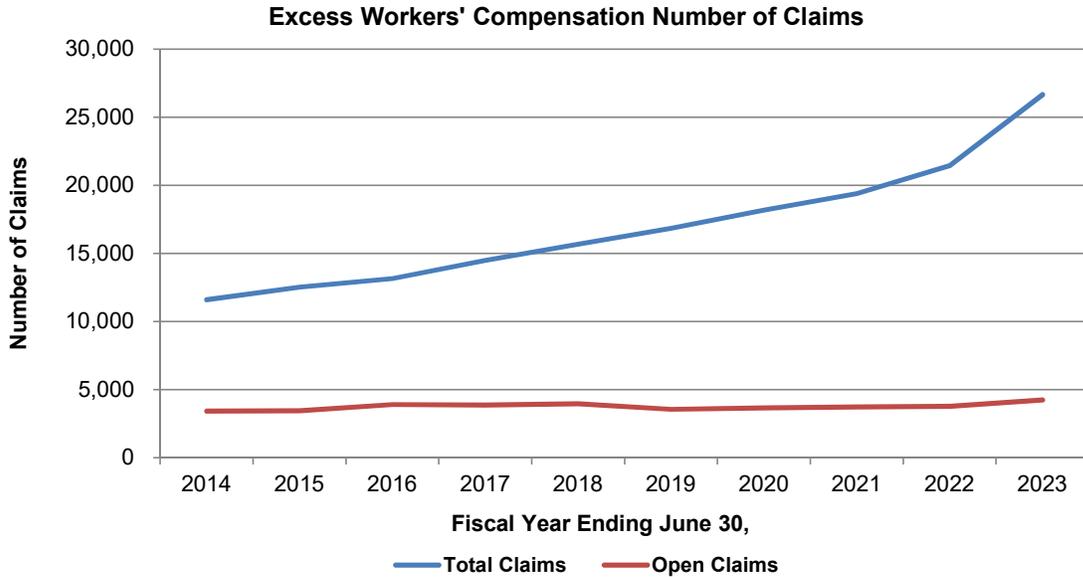
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Excess Workers' Compensation										
Pool Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reinsurance	-	-	-	-	-	-	-	-	-	-
Primary Workers' Compensation	5,500,000	3,998,408	2,300,000	2,500,000	-	2,000,000	2,000,000	2,000,000	-	6,500,000
Employee Benefits										
PRISMHealth Program	14,481	13,870	22,235	15,857	8,174	13,833	12,259	3,210	2,197	13,284
Dental	-	-	-	-	-	-	5,000,000	7,000,000	2,000,000	-
General Liability 1 Program										
Pool Dividend	-	-	3,000,000	-	-	-	-	-	-	-
Primary General Liability	450,000	450,000	-	266,000	980,419	-	-	-	-	-
General Liability 2 Program										
Mega Fund	-	-	-	-	-	-	-	-	-	-
Reinsurance	-	-	-	-	-	-	-	-	-	-
Miscellaneous Programs	99,743	114,475	116,728	91,516	20,239	173,634	174,053	192,456	540,855	496,674
Property	115,265	127,118	115,661	97,423	73,665	-	125,448	-	-	-
Medical Malpractice										
Mega Fund	-	-	-	-	-	-	-	-	-	-
Reinsurance	-	-	-	-	-	-	-	-	-	-
Pool 2	-	-	-	-	-	-	-	-	-	-
Building Fund	-	-	-	-	-	-	-	-	-	-
Total	\$ 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	\$ 7,009,958

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC STATISTICS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2023

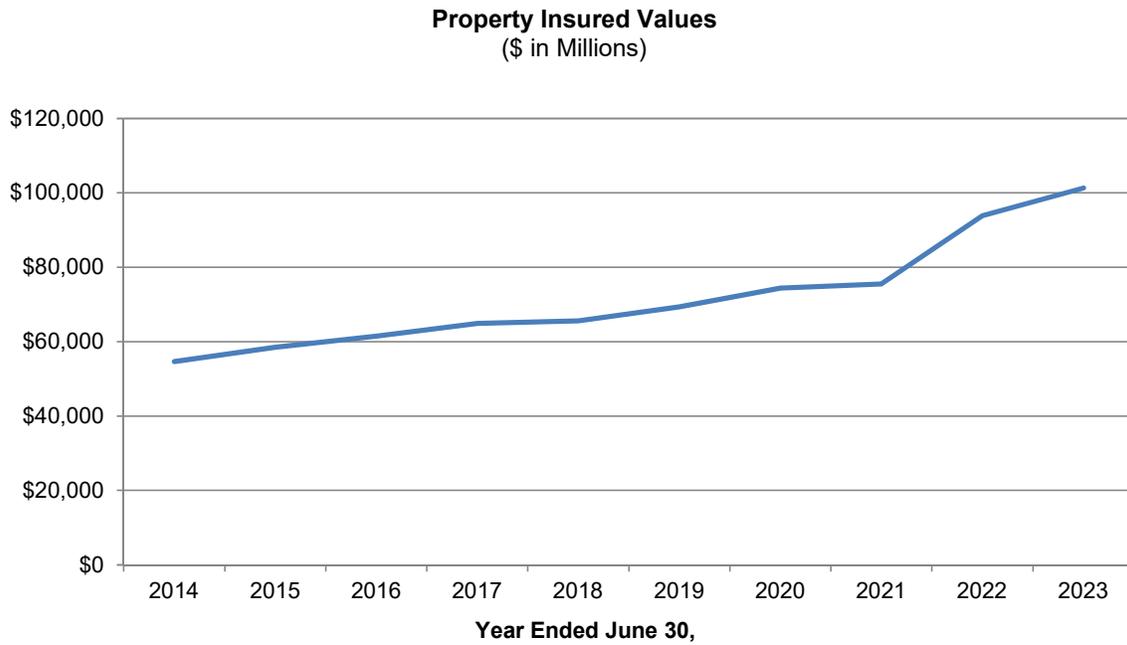
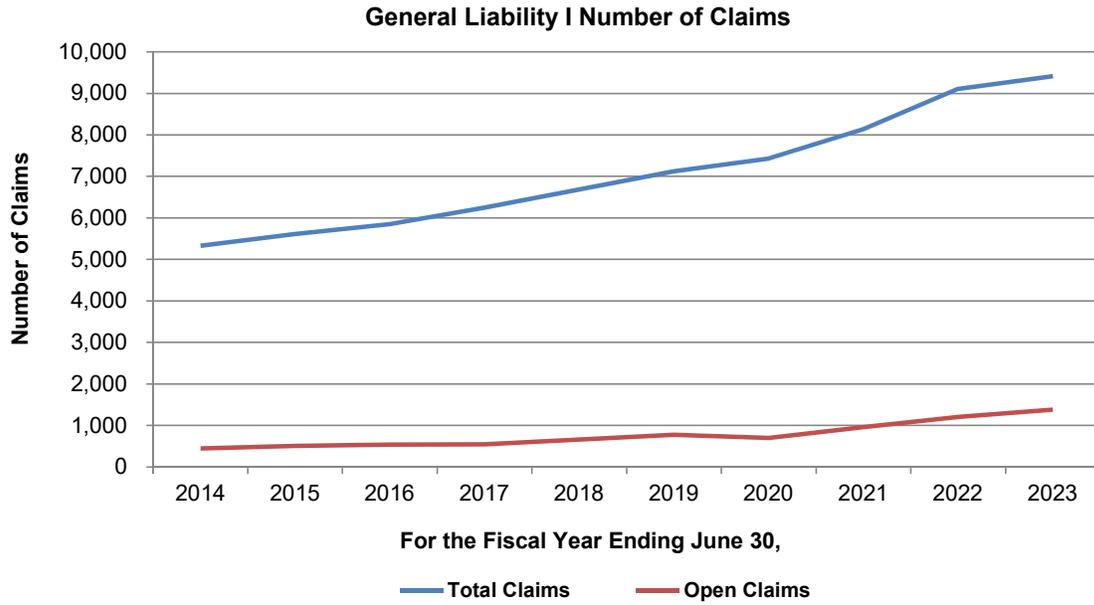
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Excess Workers' Compensation										
Total Number of Claims	11,602	12,525	13,145	14,496	15,686	16,840	18,189	19,402	21,437	26,661
Open Claims	3,424	3,465	3,904	3,884	3,964	3,543	3,682	3,734	3,783	4,239
Covered Payroll	\$ 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	\$ 33,977,782,818
Primary Workers' Compensation										
Total Number of Claims	106,031	108,204	107,009	115,224	118,732	121,315	138,891	139,029	138,836	144,462
Open Claims	5,235	5,198	5,078	4,787	4,630	4,211	4,113	3,085	2,478	3,678
Covered Payroll	\$ 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	\$ 2,706,078,088
General Liability 1										
Total Number of Claims	5,330	5,612	5,944	6,255	6,688	7,123	7,430	8,135	9,114	9,414
Open Claims	447	511	556	547	661	775	700	964	1,209	1,379
Covered Payroll	\$ 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	\$ 7,867,354,705
Property										
Total Number of PRISM Claims	2,375	2,593	2,799	3,083	3,459	3,946	4,422	5,067	5,772	6,082
Open PRISM Claims	118	164	28	13	105	178	129	119	66	410
Total Number of Excess Claims	1,146	1,283	1,364	1,473	1,655	1,833	2,076	2,345	2,861	2,537
Open Excess Claims	58	128	141	165	191	211	294	317	280	186
Total Property Values	\$ 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	\$ 101,332,998,765

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2023**

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 Supplementary 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, 2023**



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Full-time Equivalent Employees as of June 30	54	59	62	68	74	79	79	86	91	89
Number of Retirees	4	6	6	6	9	10	11	11	13	12
Square footage of Office Space	25,000	25,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	25,000
Member Units*										
Primary Workers' Compensation	39	38	38	39	39	41	39	38	37	37
Excess Workers' Compensation	166	166	167	171	175	174	180	180	182	181
Primary General Liability	23	23	23	22	-	-	-	-	-	-
General Liability 1	104	104	117	114	125	128	130	127	134	135
General Liability 2	11	11	12	15	18	18	18	21	25	25
Property	84	85	96	98	105	104	109	110	118	112
Medical Malpractice	49	49	49	51	52	52	52	51	51	51
Master Owner Controlled Ins	2	4	8	15	16	17	18	18	6	6
PRISMHealth	25	25	28	32	37	43	42	43	45	47
Dental	133	142	145	153	154	163	166	167	174	172
Total Member Units	636	647	683	710	721	740	754	755	772	766
Member Counties	55	55	55	55	55	55	55	55	55	55
Member Public Entities	255	262	260	273	288	295	295	301	305	311
Total Members	310	317	315	328	343	350	350	356	360	366

* 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, 2023

	Final Budget	Actual Results	Variance
Revenues:			
Premiums for Transferred Risk, Public Entity & School Loss Control Fees	\$ 1,170,720,646	\$ 1,142,874,837	\$ (27,845,809)
Broker Fees	25,281,236	26,884,483	1,603,247
Contributions for Retained Risk	358,847,094	385,724,427	26,877,333
Investment Income (Loss) & Financing Fees	11,390,000	23,273,951	11,883,951
Administration Fees	31,542,009	31,098,009	(444,000)
Member Services & Dividend Income	2,451,435	1,046,334	(1,405,101)
Lease Income	485,138	429,092	(56,046)
Other Income	160,000	539,297	379,297
Total Revenues	1,600,877,558	1,611,870,430	10,992,872
Expenses:			
Member Dividends & Stabilization Funds Distributed	2,012,000	7,009,958	(4,997,958)
Transferred Risk & Insurance Expense, including GL1 LPT Premium Expense	1,153,984,482	1,172,598,290	(18,613,808)
Broker Fees & GL1 LPT Broker Fees	15,911,192	28,614,472	(12,703,280)
Provision for Claims	277,376,432	244,745,147	32,631,285
Unallocated Loss Adjustment Expenses	2,785,000	(9,742,000)	12,527,000
Program Services	45,598,295	22,069,927	23,528,368
Loss Prevention Expenses	2,743,991	2,552,773	191,218
General Administrative/Building/Depr Expense	24,667,643	24,232,916	434,727
Total Expenses	1,525,079,035	1,492,081,483	32,997,552
Total Income (Loss)	\$ 75,798,523	\$ 119,788,947	\$ 43,990,424
Change in Net Position	75,798,523	119,788,947	
Beginning Net Position Balance July 1, 2022	184,987,563	144,038,472	
Ending Net Position Balance, June 30, 2023	\$ 260,786,086	\$ 263,827,419	

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.