

**PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND

TABLE OF CONTENTS

Page No.

Statement Signature Page	1
Independent Auditor's Report	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards – Independent Auditor's Report	5
Management's Discussion and Analysis	7

Financial Statements

Exhibit A-1	Comparative Statements of Net Position	10
Exhibit A-2	Comparative Statements of Revenues, Expenses and Changes in Net Position	11
Exhibit A-3	Comparative Statements of Cash Flows	12
	Notes to Financial Statements	13

Required Supplementary Information

Schedule 1	Reconciliation of Claims Liabilities by Fund	27
Schedule 2	Ten-Year Claims Development Information	28

Supplementary Information

Schedule A	Historical Balance Sheet - Statutory Basis	30
Schedule B	Statement of Historical Operating Results Analysis - Statutory Basis	31
	Notes to Supplementary Information	32
Schedule C	Statements of Fund Year Operating Results Analysis - Statutory Basis	33
Schedule D	Statements of Fund Year Account Operating Results Analysis - Statutory Basis	39
Schedule E	Statements of Fund Year Claims Analysis - Statutory Basis	44
Schedule F	Statements of Fund Year Expense Analysis - Statutory Basis	48
Schedule G	Statements of Fund Year Program Summary - Statutory Basis	52
Schedule H	Schedule of Cash and Investments	56
Schedule I	Schedule of Accrued Expenses	57

Schedule of Findings and Recommendations

Schedule of Findings and Recommendations	59
Schedule of Financial Statement Findings	59
Summary Schedule of Prior Year Audit Findings as Prepared by Management	59
Appreciation	59

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND

Street Address: _____ Mail Address: C/O PERMA
9 CAMPUS DRIVE
SUITE 216
PARSIPPANY, NJ 07054

Primary location of books and records: PERMA, 9 CAMPUS DRIVE,
SUITE 216, PARSIPPANY, NJ 07054

Statement Contact Person: BRADFORD STOKES Phone No. (201) 881-7632

EXECUTIVE COMMITTEE

Chairman SCOTT CAREW THOMAS MERCHEL (SPECIAL FUND COMMISSIONER)
Secretary RICHARD BREVOGEL
THOMAS CZERNIECKI
JOSEPH ANDL

EXECUTIVE COMMITTEE ALTERNATES

State of NEW JERSEY
County of BURLINGTON

SCOTT CAREW (Chairman), RICHARD BREVOGEL (Secretary), of the PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND being duly sworn, each for themselves deposes and says that they are the above described executive committee members of the said joint insurance fund and that on the 31st day of December, 2015 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated and that this semi-annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December, 2015 and of its income and deductions therefrom for the period ended on that date, according to the best of their information, knowledge and belief respectively.

Chairman Secretary

- (a) Is this an original filing Yes No
- (b) If no,
 - (i) State the amendment number _____
 - (ii) Date filed _____
 - (iii) Number of pages attached _____

Subscribed and sworn to before me the _____ day of _____, 2016

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Professional Municipal Management
Joint Insurance Fund
9 Campus Drive, Suite 2016
Parsippany, NJ 07054

Report on the Financial Statements

We have audited the accompanying financial statements of the Professional Municipal Management Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Professional Municipal Management Joint Insurance Fund as of December 31, 2015 and 2014 and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Professional Municipal Management Joint Insurance Fund’s basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Professional Municipal Management
Joint Insurance Fund

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2016 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
June 27, 2016

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Professional Municipal Management
Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054

We have audited, in accordance with the 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, and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Professional Municipal Management Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collective comprise the Fund's basic financial statements, and have issued our report thereon dated June 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and the audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
June 27, 2016

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2015, 2014 and 2013. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance coverage for municipalities that are members of the Fund. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statements of Net Position – This statement presents information reflecting the Fund's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – This statement reflects the Fund's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year.

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the years ended December 31, 2015, 2014 and 2013.

Statements of Net Position Summary	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>2015 to 2014 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$1,654,101	\$1,457,566	\$1,691,615	\$ 196,535	13.5%
Investments- Securities	2,001,880	1,997,320	1,995,360	4,560	0.2%
Investment in Joint Ventures	1,553,523	1,634,316	1,639,781	(80,793)	-4.9%
Other Assets	976,262	934,021	17,521	42,241	4.5%
Total Assets	6,185,766	6,023,223	5,344,277	162,543	2.7%
Liabilities & Net Position					
Liabilities					
Loss Reserves	3,609,752	4,148,501	2,537,611	(538,749)	-13.0%
Other Liabilities & Reserves	55,432	241,013	288,243	(185,581)	-77.0%
Total Liabilities	3,665,184	4,389,514	2,825,854	(724,330)	-16.5%
Net Position - Unrestricted	\$2,520,582	\$1,633,709	\$2,518,423	\$ 886,873	54.3%

Statements of Revenues, Expenses, and Changes in Net Position Summary	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>2015 to 2014 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	\$3,874,900	\$4,534,804	\$3,592,407	\$ (659,904)	-14.6%
Operating Expenses:					
Net Claims and Claims Adjustment Expenses					
Reinsurance & Group	1,130,835	3,727,179	1,579,242	(2,596,344)	-69.7%
Insurance Premiums	1,281,734	1,219,906	1,165,985	61,828	5.1%
Professional & Contractual Services	493,835	464,026	469,248	29,809	6.4%
Total Operating Expenses	2,906,404	5,411,111	3,214,475	(2,504,707)	-46.3%
Operating Income (Loss)	968,496	(876,307)	377,932	1,844,803	210.5%
Non Operating Revenue (Expense)					
Investment Income (Loss)	22,190	16,742	(583)	5,448	32.5%
Change in Investment in Joint Venture	(80,793)	(5,465)	111,359	(75,328)	-1378.4%
Total Non Operating Revenue (Expense)	(58,603)	11,277	110,776	(69,880)	-619.7%
Change in Dividend Reserve		23,771	3	(23,771)	-100.0%
Distributions to Members	23,020	43,455	124,492	(20,435)	-47.0%
Change In Net Positon	\$ 886,873	\$ (884,714)	\$ 364,219	\$ 1,771,587	200.2%

Financial Highlights Continued

The Fund's total assets increased by 2.7%. "Investment in Joint Venture" represents its share of surplus retained in the Municipal Excess Liability Joint Insurance Fund, the Municipal Excess Liability Residual Claims Fund, and the Environmental Joint Insurance Fund. The Fund's total liabilities decreased by 16.5%.

Assessments and other income decreased by 14.6%, reflecting a decrease in Retrospective Premiums and a Supplemental Assessment in 2014. The Fund recognized an Operating Income of \$968,496 representing an increase of \$1,844,803 over 2014 which experienced an operating loss of \$876,307. The change was primarily due to a 69.7% decrease in the provision for claims and claims expense.

Investment income increased by 32.5%, of the increase, 207.8% was related to changes in unrealized gains that were recorded in the current year.

For 2015, the Fund paid a dividend to its members' of \$23,020, a pass through of E-JIF dividends.

The Fund's combined surplus for all years increased by \$886,873, or 54.3%.

Economic Conditions

The future financial position of the Fund will be impacted by medical costs trends that impact upon workers compensation costs. The Fund continues to attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management. The Fund plans to continue to manage its assets in such a way that it maintains liquidity and safety, while increasing earnings when the opportunities arise.

Contacting the Fund's Management

This financial report is designed to provide the Professional Municipal Management Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Professional Municipal Management Joint Insurance Fund office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,654,101	\$ 1,457,566
Investments	2,001,880	1,997,320
Dividends and Interest Receivable	8,867	19,851
Excess Insurance Receivable	12,343	40,154
Due From Residual Claims Fund	6,429	19,184
Contributions Receivable	230,000	230,000
Retrospective Premium Recoverable	718,565	623,430
Deposits and Prepaid Expenses	58	1,402
Investments in Joint Ventures	<u>1,553,523</u>	<u>1,634,316</u>
Total Assets	<u>6,185,766</u>	<u>6,023,223</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	31,412	21,329
Claims Payable		200,000
Contributions Payable	1,000	
Authorized and Unpaid Return of Surplus	<u>23,020</u>	<u>19,684</u>
Total Liabilities	<u>55,432</u>	<u>241,013</u>
Reserves:		
Claims:		
Case Reserves	2,401,385	2,851,084
IBNR Reserves	<u>1,208,367</u>	<u>1,297,417</u>
Total Reserves	<u>3,609,752</u>	<u>4,148,501</u>
Total Liabilities and Reserves	<u>3,665,184</u>	<u>4,389,514</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ 2,520,582</u>	<u>\$ 1,633,709</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Regular Contributions	\$ 3,756,705	\$ 3,661,690
Supplemental Contributions		230,000
Retrospective Premium	95,135	623,430
Environmental JIF Dividend	23,020	19,684
Other Income	40	
	<hr/>	<hr/>
Total Operating Revenues	3,874,900	4,534,804
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	1,130,835	3,727,179
Insurance Premiums	1,281,734	1,219,906
Administrative Expenses:		
Administrator	111,268	102,876
Claims Administrator	127,959	125,450
Safety Programs	51,354	30,871
Professional Services	197,482	197,287
Miscellaneous Expenses	5,772	7,542
	<hr/>	<hr/>
Total Operating Expenses	2,906,404	5,411,111
	<hr/>	<hr/>
Operating Income (Loss)	968,496	(876,307)
	<hr/>	<hr/>
Non-Operating Revenue (Expense):		
Investment Income	22,190	16,742
Change in Investments in Joint Ventures	(80,793)	(5,465)
	<hr/>	<hr/>
Total Non-Operating Revenue (Expense)	(58,603)	11,277
	<hr/>	<hr/>
Change in Net Position	909,893	(865,030)
Net Position - Beginning of Year	1,633,709	2,518,423
Distributions to Members	(23,020)	(43,455)
Change in Dividend Reserve		23,771
	<hr/>	<hr/>
Net Position - End of Year	<u>\$ 2,520,582</u>	<u>\$ 1,633,709</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 3,757,705	\$ 3,661,690
Receipts from Environmental JIF Dividend	34,004	
Receipts from Other Income	40	
Payments for Claim Payments	(1,829,018)	(1,960,455)
Payments for Insurance Premiums	(1,280,390)	(1,427,782)
Payments to Professionals and Suppliers	<u>(483,752)</u>	<u>(477,676)</u>
Net Cash Flows Provided By (Used In) Operating Activities	<u>198,589</u>	<u>(204,223)</u>
Cash Flows From Investing Activities:		
Redemption of Investments	2,000,000	
Purchase of Investments	(2,000,000)	
Investment Income	<u>17,630</u>	<u>14,782</u>
Net Cash Flows Provided By Investing Activities	<u>17,630</u>	<u>14,782</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(19,684)</u>	<u>(44,608)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	196,535	(234,049)
Cash and Cash Equivalents - Beginning of Year	<u>1,457,566</u>	<u>1,691,615</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,654,101</u>	<u>\$ 1,457,566</u>
Reconciliation of Operating Income (Loss) to		
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 968,496	\$ (876,307)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided By (Used In) Operating Activities:		
Changes in Assets and Liabilities:		
Claims Payments Receivable From Residual Claims Fund	12,755	(19,184)
Dividends and Interest Receivable	10,984	(19,684)
Supplemental Assessment Receivable		(230,000)
Retrospective Premium Recoverable	(95,135)	(623,430)
Excess Insurance Receivable	27,811	(24,982)
Deposits and Prepaid Expenses	1,344	780
Accrued Administrative Expenses	10,083	(13,650)
Accrued Excess Insurance		(197,901)
Claims Payable	(200,000)	200,000
Contributions Payable	1,000	
Other Payables		(10,755)
Claims Reserves	<u>(538,749)</u>	<u>1,610,890</u>
Net Cash Flows Provided By (Used In) Operating Activities	<u>\$ 198,589</u>	<u>\$ (204,223)</u>
Supplemental Disclosure - Noncash Activity:		
Change in Unrealized Gain (Loss) on Investments included in		
Investment Income (Loss)	<u>\$ 4,560</u>	<u>\$ 1,960</u>
Change in Investment in Joint Ventures	<u>\$ (80,793)</u>	<u>\$ (5,465)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

On April 1, 1987, the Professional Municipal Management Joint Insurance Fund (the "Fund") was formed in accordance with P.L. 1983, C.372, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A and N.J.S. 11:15-3 of the New Jersey Statutes. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

During 2015, members of the Fund included Evesham Township, Evesham Fire District, Maple Shade Township, Willingboro Township and Moorestown Township.

The Board of Commissioners of the Fund may approve subsequent membership by a two-thirds vote or may terminate any member by a majority vote, after proper notice has been given. New memberships are effective upon approval by the Commissioners of Banking and Insurance and Community Affairs. Early terminations require prior approval by the Commissioner of Banking and Insurance. The members of the Fund must also be members of the Municipal Excess Liability Joint Insurance Fund ("MEL").

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund offers the following coverages to its members:

- Workers' compensation and employers' liability.
- Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Motor vehicles liability and damage.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies followed by the Professional Municipal Management Joint Insurance Fund (the "Fund"):

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Component Unit (Cont'd)

Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The Fund has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Valuation of Investments

Among the Fund's investment objectives are preservation of principal, diversification, and maximization of interest yield. The Fund invests in government securities with the intent of holding them until maturity. Investments are reported at fair value based on quoted market prices. Realized and unrealized gains and losses on investments are recognized as a component of investment income.

Annual Contributions

Annual contributions are based on loss estimates as determined by the Fund's actuary and are received in two installments. Total contributions are recognized as earned revenue evenly over the annual contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Executive Committee.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Supplemental Contributions

The Executive Committee shall by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Investment Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on fair value of investments are allocated every month based upon each line of coverage's share of opening cash balance.

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **Reported Claims Case Reserves**

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.

B. **Claims Incurred But Not Reported (IBNR) Reserve**

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage, Inc.

Case and IBNR Reserves represent the estimated liability for the expected future development of claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2015. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities (Cont'd)

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage

Coverage in excess of the Fund's self-insured retention limits is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund as described in Note 7.

Fund Transfers

Interfund transfers are made upon the expressed approval of the Executive Committee, following prior written notification to the Commissioners of the Department of Banking and Insurance and the Department of Community Affairs.

Interyear fund transfers require prior approval of the Departments of Banking and Insurance and the Department of Community Affairs. The fund may seek approval from the Commissioners to make interyear fund transfers at any time from a claims or loss retention trust account from any year which has been completed for at least 12 months. The interyear fund transfer may be in any amount subject to the limitation that, after the transfer, the remaining net current surplus must exceed 35 percent of unpaid claims for that year.

Claims must be undiscounted, the IBNR reserve must be certified by an actuary and the membership for each year involving interyear fund transfers must be identical.

All fund transfers are recognized at the time actual transfers take place.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization of the Executive Committee. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by the Fund's actuary may be declared to be refundable by the Fund no less than twenty- four months after the end of the year. The initial and any subsequent refund for any year from a Claim or Loss Retention Account is subject to the limitation that, after the refund, the remaining net current surplus must exceed thirty-five percent of unpaid claims for that year. In later years, the Fund can seek annual approval for payment of refunds from a Claim or Loss Retention Account remaining from any year which has been completed for at least thirty-six months or longer and may include such refund payments with initial refund payments from the preceding year. A full and final refund is not allowed until all Case reserves and IBNR reserves are closed.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Commissioners/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities and positive changes in the Fund's investment in joint ventures.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Fund's investment in joint ventures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits (Cont'd)

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$1,694,526 as of December 31, 2015, \$250,000 was insured while \$1,444,526 was collateralized under GUDPA.

Of the Fund's bank balance of \$1,495,396 as of December 31, 2014, \$250,000 was insured while \$1,245,396 was collateralized under GUDPA.

New Jersey Cash Management Fund

During the year, the Fund participated in the New Jersey Cash Management Fund. The Cash Management Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. The Fund's deposits with the New Jersey Cash Management Fund were \$2,562 and \$2,559 at December 31, 2015 and 2014, respectively.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in Federal National Mortgage Association Bonds and Notes (FNMA) of \$2,001,880 and \$1,997,320 as of December 31, 2015 and 2014, respectively, were held by either the counterparty or counterparty's trust department or agent, but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit risk, the Fund's investment policy provides that no investment or deposit shall have a maturity longer than five (5) years from date of purchase.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Fund may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Fund has no investment policy that would further limit its investment choices.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

Concentration of Credit Risk

The Fund does not place a limit on the amount that may be invested in any one issuer. All of the Fund's investments are in mortgage backed securities.

As of December 31, 2015 and 2014, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Market Value</u>	
				<u>2015</u>	<u>2014</u>
FNMA	0.75%	12/27/16	N/A		\$ 1,997,320
FNMA	1.05%	07/29/18	N/A	\$ 2,001,880	
				<u>\$ 2,001,880</u>	<u>\$ 1,997,320</u>

Note 5: RETROSPECTIVE PREMIUM RECOVERABLE

As permitted by the Fund's By-Laws and Budget policy the Retrospective Assessments can be calculated and assessed based upon actuarial calculations, if projected claim losses exceed the amounts upon which annual assessments were based. This final calculation will take place after the fund year is closed out to the RCF. If a member owes the fund an additional premium under this endorsement, the amount will be payable 12 months after billing takes place.

The recording of the Retrospective Premium is based on actuarial projections which are consistent with the yearly budget process which is also based on loss fund projections. As claims develop the Fund records increases and decreases in Case Reserves and IBNR's. Similarly, the contra of this is recorded in the retrospective premium calculation.

As of December 31, 2015, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>Fund Year</u>			
		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Evesham	\$ 295,151			\$ 143,159	\$ 151,992
Evesham Township Fire District	7,638				7,638
Maple Shade	2,576		\$ 2,576		
Mooresrown	80,118			80,118	
Willingboro	333,082	\$ 5,405	165,227	162,450	
	<u>\$ 718,565</u>	<u>\$ 5,405</u>	<u>\$ 167,803</u>	<u>\$ 385,727</u>	<u>\$ 159,630</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: RETROSPECTIVE PREMIUM RECOVERABLE (CONT'D)

As of December 31, 2014, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>Fund Year</u>		
		<u>2012</u>	<u>2013</u>	<u>2014</u>
Evesham	\$ 143,159			\$ 143,159
Evesham Township Fire District	6,411			6,411
Maple Shade	2,576		\$ 2,576	
Mooresrown	99,719			99,719
Willingboro	371,565	\$ 31,495	177,620	162,450
	<u>\$ 623,430</u>	<u>\$ 31,495</u>	<u>\$ 180,196</u>	<u>\$ 411,739</u>

Note 6: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund during 2015 and 2014 for all open Fund years net of excess insurance recoveries:

	<u>2015</u>	<u>2014</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 4,148,501	\$ 2,537,611
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,922,501	2,780,100
Changes in provision for insured events of prior fund years	<u>(791,666)</u>	<u>947,079</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>5,279,336</u>	<u>6,264,790</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	437,333	971,040
Attributable to insured events of prior fund years	<u>1,232,251</u>	<u>1,145,249</u>
Total Payments all Fund years	<u>1,669,584</u>	<u>2,116,289</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	<u>\$ 3,609,752</u>	<u>\$ 4,148,501</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: MEMBERSHIP IN JOINT INSURANCE FUNDS

Municipal Excess Liability Residual Claims Fund

The Fund is currently a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members. The transfer of loss reserves to the Residual Fund results in the closing of fund years and the unencumbering of the retained earnings related to the closed fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected.

As a member of the Residual Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Residual Fund were to be exhausted, members would become jointly and severely liable for the Residual Fund's liabilities.

The Residual Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year. In accordance Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for the Fund's membership assessment in the year in which the distribution was declared.

During 2015 and 2014, the Fund was assessed \$281,954 and \$184,887, respectively for the transfer of fund year 2011 and 2010 liabilities to the Residual Claims Fund.

In addition, the Fund will invoice the Residual Fund for 2011 claims paid by the fund subsequent to June 30, 2015. As of December 31, 2015, reimbursable claims totaled \$6,429.

Municipal Excess Liability Joint Insurance Fund

The Fund is currently a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the MEL are elected.

As a member of the MEL, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the MEL were to be exhausted, members would become jointly and severely liable for the MEL's liabilities.

The MEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

New Jersey Municipal Environmental Risk Management Fund

The Fund is currently a member of the New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"). The Environmental Fund provides its members with various environmental related coverage.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: MEMBERSHIP IN JOINT INSURANCE FUNDS (CONT'D)

New Jersey Municipal Environmental Risk Management Fund (Cont'd)

The Environmental Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Environmental Fund are elected.

As a member of the Environmental Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Environmental Fund were to be exhausted, members would become responsible for their respective shares of the Environmental Fund's liabilities.

The Environmental Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Equity Interest

As of December 31, 2015 and 2014, the Fund's share of net position in the Residual Fund, the MEL and the Environmental Fund is as follows:

	<u>2015</u>	<u>2014</u>
Residual Claims Fund	\$ 87,875	\$ 67,553
MEL	904,437	995,768
Enviromental Fund	<u>561,211</u>	<u>570,995</u>
	<u>\$ 1,553,523</u>	<u>\$ 1,634,316</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: MEMBERSHIP IN JOINT INSURANCE FUNDS (CONT'D)

Selected Financial Information

	Residual <u>Fund</u>	<u>MEL</u>	Environmental <u>Fund</u>
Total Assets	\$ 83,825,989	\$ 85,525,087	\$ 26,878,401
Total Liabilities	\$ 80,950,764	\$ 66,411,989	\$ 11,688,447
Net Position	\$ 2,875,225	\$ 19,113,098	\$ 15,189,954
Total Revenue	\$ 27,713,127	\$ 45,936,040	\$ 4,412,802
Total Expenses	\$ 28,584,936	\$ 47,911,034	\$ 3,984,777
Change in Net Position	\$ (1,471,809)	\$ (1,974,994)	\$ (71,979)
Distributions to Members	\$ 600,000	\$ -	\$ 500,004

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund and the Environmental Fund are available at the office of the Fund's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

Note 8: RELATED PARTY TRANSACTIONS

As disclosed in note 6, the Fund is a member of the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund and the New Jersey Municipal Environmental Risk Management Fund and accordingly has an ownership interest in those Funds. Excess insurance premiums paid to those funds for the years ended December 31, 2015 and 2014 were \$1,008,961 and \$976,051, respectively.

Note 9: RETURN OF SURPLUS

During the year, the Executive Committee approved a dividend distribution in the amount of \$23,020, representing a pass through of E-JIF dividends.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 10: SUPPLEMENTAL CONTRIBUTION

On June 22, 2015, the Executive Committee approved a supplemental contribution of \$230,000 for the 2011 fund year. The supplemental contribution is payable to the Fund by the membership in equal installments along with regular contributions for the next ten (10) years starting in 2016 through and including 2025. If a member leaves the Fund during this period, the supplemental assessment for that member shall be due and owing to the Fund before the date of membership termination.

If there are sufficient funds available in the Closed Year Account, on a year by year basis, members have the option of applying all or a portion of Closed Year balances or “shares” to offset the portion of the supplemental assessment due at that time.

The balance due from the members for the contribution will be adjusted each year if the member has enough in the closed fund year to cover the balance due they may apply this toward their share. Any remaining balance due as of January 15, 2016 will be added to the members’ regular contributions over a 10 year period with the final balance due by January 15, 2025.

As of December 31, 2015, the allocated balance of the supplemental contribution was as follows:

<u>Member</u>	
Evesham	\$ 59,986
Evesham Township Fire District	13,336
Maple Shade	30,314
Mooresrown	47,291
Willingboro	79,073
	<hr/>
	\$ 230,000
	<hr/> <hr/>

**PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION**

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claim and claim adjustment expenses - Beginning of Year	\$ 20,675	\$ 1,627,645	\$ 58,133	\$ 2,442,048	\$ 4,148,501
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	80,001	390,000	72,500	1,380,000	1,922,501
Changes in provision for insured events of prior fund years	(51,762)	(124,899)	(55,803)	(559,202)	(791,666)
Total incurred claims and claims adjustment expenses all fund years	48,914	1,892,746	74,830	3,262,846	5,279,336
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	28,008	6,948	6,549	395,828	437,333
Attributable to insured events of prior fund years	(31,087)	630,495	2,330	630,513	1,232,251
Total payments all fund years	(3,079)	637,443	8,879	1,026,341	1,669,584
Total unpaid claim and claim adjustment expenses - End of Year	\$ 51,993	\$ 1,255,303	\$ 65,951	\$ 2,236,505	\$ 3,609,752

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2015

	Fund Year Ending December 31									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 3,132,205	\$ 3,201,408	\$ 3,226,306	\$ 3,770,743	\$ 3,384,275	\$ 3,691,326	\$ 3,527,806	\$ 3,748,340	\$ 4,055,980	\$ 3,922,741
Ceded	1,025,312	1,100,817	1,134,361	1,101,157	1,106,765	1,115,450	1,148,855	1,165,986	1,219,906	1,281,733
	2,106,893	2,100,591	2,091,945	2,669,586	2,277,510	2,575,876	2,378,951	2,582,354	2,836,074	2,641,008
Unallocated Expenses	407,764	407,345	424,822	438,414	443,153	441,531	459,810	468,345	475,614	485,279
Estimated Claims and Expenses, End of Policy Year:										
Incurred	1,690,000	1,750,000	1,275,000	1,500,000	1,577,000	1,845,000	1,366,999	1,589,000	2,820,254	1,922,501
Ceded									40,154	
Net Incurred	1,690,000	1,750,000	1,275,000	1,500,000	1,577,000	1,845,000	1,366,999	1,589,000	2,780,100	1,922,501
Paid (Cumulative) as of:										
End of Policy Year	682,869	578,946	432,235	322,787	425,821	686,760	345,597	549,689	1,011,194	437,333
One Year Later	999,218	922,098	684,700	874,171	1,021,726	1,200,941	594,608	976,989	1,199,226	
Two Years Later	1,239,242	1,340,203	833,695	1,277,868	1,233,147	1,593,703	775,739	1,263,049		
Three Years Later	1,498,316	1,470,948	1,260,293	1,474,485	1,477,341	1,879,099	1,153,842			
Four Years Later (A)	1,595,181	1,600,320	1,414,551	1,655,074	1,543,878	1,989,547				
Reestimated Ceded Claims and Expenses	279,923	209,217	230,122	99,914	184,887	281,954	15,172		52,497	
Reestimated Incurred Claims and Expenses:										
End of Policy Year	1,690,000	1,750,000	1,275,000	1,500,000	1,577,000	1,845,000	1,366,999	1,589,000	2,780,100	1,922,501
One Year Later	1,720,781	1,761,000	1,401,629	1,840,899	1,827,000	1,925,678	1,217,807	2,317,233	2,652,126	
Two Years Later	1,938,077	1,808,337	1,433,629	1,873,383	1,812,863	2,134,960	1,381,360	1,723,225		
Three Years Later	1,867,379	1,751,338	1,692,629	1,807,987	1,796,013	2,257,503	1,297,681			
Four Years Later (A)	1,875,104	1,809,537	1,644,673	1,754,988	1,728,765	2,271,501				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 185,104	\$ 59,537	\$ 369,673	\$ 254,988	\$ 151,765	\$ 426,501	\$ (69,318)	\$ 134,225	\$ (127,974)	\$ -

(A) After the fourth year the Fund cedes remaining actuarially calculated liabilities to the Residual Claims Fund (R.C.F.).

PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2015

ASSETS

Cash and Cash Equivalents	\$ 1,654,101		
Investments	<u>2,001,880</u>		
Total Cash and Investments		\$ 3,655,981	
Receivables:			
Contributions Receivable	230,000		
Due From Residual Claims Fund	6,429		
Excess Insurance Receivable	12,343		
Interest Receivable	8,867		
Retrospective Premium Receivable	<u>718,565</u>		
Total Receivables		976,204	
Other Assets:			
Prepaid Expenses	<u>58</u>		
Total Other Assets		<u>58</u>	
Total Assets			\$ 4,632,243
<u>LIABILITIES</u>			
Claims:			
Case Reserves	2,401,385		
IBNR Reserves	<u>1,208,367</u>		
Total Claims		3,609,752	
Accrued Expenses:			
Excess Insurance			
Administrative	<u>31,412</u>		
Total Accrued Expenses		31,412	
Other Liabilities:			
Contributions Payable	1,000		
Authorized and Unpaid Return of Surplus	<u>23,020</u>		
Total Other Liabilities		<u>24,020</u>	
Total Liabilities			<u>3,665,184</u>
Net Statutory Surplus			<u>\$ 967,059</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD APRIL 1, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 2015

Underwriting Income:		
Regular Contributions	\$ 69,396,336	
Supplemental Contributions	255,000	
Retrospective Premium	718,565	
Residual Claims Fund Dividends	289,700	
MEL Dividend	112,811	
Environmental JIF Dividend	393,565	
Other Income	<u>6,403</u>	
 Total Underwriting Income		 \$ 71,172,380
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$ 29,442,903	
Case Reserves	2,401,385	
IBNR Reserves	1,208,367	
Residual Claims Fund Premium	<u>3,921,184</u>	
 Subtotal		 36,973,839
Less Excess Insurance:		
Received	92,517	
Receivable	12,343	
Recoverable	<u>-</u>	
 Subtotal		 <u>104,860</u>
 Total Limited Incurred Claims		 36,868,979
Expenses:		
Excess Insurance Premiums	18,586,113	
Administrative	<u>9,492,640</u>	
 Total Expenses		 <u>28,078,753</u>
 Total Incurred Liabilities		 <u>64,947,732</u>
Underwriting Surplus		6,224,648
Investment Income		<u>4,901,135</u>
 Gross Statutory Surplus		 11,125,783
Return of Surplus:		
Paid	10,135,704	
Authorized and Unpaid	<u>23,020</u>	
 Total Return of Surplus		 <u>10,158,724</u>
 Net Statutory Surplus		 <u>\$ 967,059</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION

Note 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS

The information in the Fund's basic financial statements, Exhibits A-1 through A-3, differs from the accompanying Supplementary Information required by the Department of Banking and Insurance. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures as follows:

	<u>2015</u>	<u>2014</u>
Total Assets - Statements of Net Position	\$ 6,185,766	\$ 6,023,223
Less Investment in Joint Ventures	<u>1,553,523</u>	<u>1,634,316</u>
Total Assets - Statutory Basis	<u>\$ 4,632,243</u>	<u>\$ 4,388,907</u>
Net Position - Statements of Net Position	\$ 2,520,582	\$ 1,633,709
Less Investment in Joint Ventures	<u>1,553,523</u>	<u>1,634,316</u>
Net Statutory Surplus (Deficit)	<u>\$ 967,059</u>	<u>\$ (607)</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 30, 2015

Underwriting Income:		
Regular Contributions	\$	3,756,704
Supplemental Contributions		-
Retrospective Premium		159,630
Environmental JIF Dividend		-
Other Income		<u>40</u>
Total Underwriting Income		\$ 3,916,374
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$	437,333
Case Reserves		846,880
IBNR Reserves		<u>638,288</u>
Subtotal		1,922,501
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		1,922,501
Expenses:		
Excess Insurance Premiums	1,281,733	
Administrative	<u>485,279</u>	
Total Expenses		<u>1,767,012</u>
Total Incurred Liabilities		<u>3,689,513</u>
Underwriting Surplus		226,861
Investment Income		<u>6,367</u>
Gross Statutory Surplus		233,228
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 233,228</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

Underwriting Income:		
Regular Contributions	\$	3,661,690
Supplemental Contributions		-
Retrospective Premium		385,728
Environmental JIF Dividend		-
Other Income		-
		<hr/>
Total Underwriting Income		\$ 4,047,418
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$	1,199,226
Case Reserves		1,113,465
IBNR Reserves		391,932
		<hr/>
Subtotal		2,704,623
Less Excess Insurance:		
Received	40,154	
Receivable	12,343	
Recoverable	-	
		<hr/>
Subtotal		52,497
Total Limited Incurred Claims		2,652,126
Expenses:		
Excess Insurance Premiums	1,219,906	
Administrative	475,614	
		<hr/>
Total Expenses		1,695,520
Total Incurred Liabilities		<hr/> 4,347,646
Underwriting Deficit		(300,228)
Investment Income		<hr/> 8,562
Gross Statutory Deficit		(291,666)
Return of Surplus:		
Paid		-
Authorized and Unpaid		-
		<hr/>
Total Return of Surplus		<hr/> -
Net Statutory Deficit		<hr/> <hr/> \$ (291,666)

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

Underwriting Income:		
Regular Contributions	\$	3,571,688
Supplemental Contributions		-
Retrospective Premium		167,804
Environmental JIF Dividend		-
Other Income		-
		<hr/>
Total Underwriting Income		\$ 3,739,492
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$	1,263,049
Case Reserves		311,414
IBNR Reserves		148,762
		<hr/>
Subtotal		1,723,225
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	-	
		<hr/>
Subtotal		-
Total Limited Incurred Claims		1,723,225
Expenses:		
Excess Insurance Premiums	1,165,986	
Administrative	468,345	
		<hr/>
Total Expenses		1,634,331
Total Incurred Liabilities		<hr/> 3,357,556
Underwriting Surplus		381,936
Investment Income		8,848
		<hr/>
Gross Statutory Surplus		390,784
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
		<hr/>
Total Return of Surplus		-
Net Statutory Surplus		<hr/> <hr/> \$ 390,784

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

Underwriting Income:		
Regular Contributions	\$ 3,510,941	
Supplemental Contributions	-	
Retrospective Premium	5,403	
Environmental JIF Dividend	-	
Other Income	-	
	<hr/>	
Total Underwriting Income		\$ 3,516,344
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$ 1,153,842	
Case Reserves	129,626	
IBNR Reserves	29,385	
	<hr/>	
Subtotal		1,312,853
Less Excess Insurance:		
Received	15,172	
Receivable	-	
Recoverable	-	
	<hr/>	
Subtotal		<u>15,172</u>
Total Limited Incurred Claims		1,297,681
Expenses:		
Excess Insurance Premiums	1,148,855	
Administrative	459,810	
	<hr/>	
Total Expenses		<u>1,608,665</u>
Total Incurred Liabilities		<u>2,906,346</u>
Underwriting Surplus		609,998
Investment Income		<u>11,462</u>
Gross Statutory Surplus		621,460
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
	<hr/>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u><u>\$ 621,460</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

Underwriting Income:		
Regular Contributions	\$ 3,447,762	
Supplemental Contributions	230,000	
Retrospective Premium	-	
Environmental JIF Dividend	-	
Other Income	-	
	<hr/>	
Total Underwriting Income		\$ 3,677,762
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$ 1,989,547	
Case Reserves	-	
IBNR Reserves	-	
Residual Claims Fund Premium	281,954	
	<hr/>	
Subtotal		2,271,501
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	-	
	<hr/>	
Subtotal		-
Total Limited Incurred Claims		2,271,501
Expenses:		
Excess Insurance Premiums	1,115,450	
Administrative	441,531	
	<hr/>	
Total Expenses		1,556,981
Total Incurred Liabilities		<hr/> 3,828,482
Underwriting Deficit		(150,720)
Investment Income		12,847
Deficit Transfer To Closed Fund Year		<hr/> 137,873
Gross Statutory Surplus		-
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
	<hr/>	
Total Return of Surplus		-
Net Statutory Surplus		<hr/> <hr/> \$ -

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF CLOSED FUND YEARS
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD APRIL 1, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 2015

Underwriting Income:		
Regular Contributions	\$ 51,447,551	
Supplemental Contributions	25,000	
Retrospective Premium	-	
Residual Claims Fund Dividends	289,700	
MEL Dividend	112,811	
Environmental JIF Dividend	393,565	
Other Income	<u>6,363</u>	
 Total Underwriting Income		 \$ 52,274,990
Incurred Liabilities:		
Claims:		
Paid (Net of Subrogation)	\$ 23,399,906	
Residual Claims Fund Premium	<u>3,639,230</u>	
 Subtotal		 27,039,136
Less Excess Insurance:		
Received	37,191	
Receivable	-	
Recoverable	<u>-</u>	
		<u>37,191</u>
 Total Limited Incurred Claims		 27,001,945
Expenses:		
Excess Insurance Premiums	12,654,183	
Administrative	<u>7,162,061</u>	
 Total Expenses		 <u>19,816,244</u>
 Total Incurred Liabilities		 <u>46,818,189</u>
Underwriting Surplus		5,456,801
Investment Income		4,853,049
Transfer of Deficit From 2011 Fund Year		<u>(137,873)</u>
 Gross Statutory Surplus		 10,171,977
Return of Surplus:		
Paid	10,135,704	
Authorized and Unpaid	<u>23,020</u>	
 Total Return of Surplus		 <u>10,158,724</u>
 Net Statutory Surplus		 <u>\$ 13,253</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 30, 2015

	<u>Coverages and Other Accounts</u>							Expense & Contingency	Total
	Property	General Liability	Automobile	Workers' Compensation	MEL	Environmental JIF	Public Officials & Employment Practices		
Underwriting Income:									
Regular Contributions	\$ 420,157	\$ 471,685	\$ 75,666	\$ 1,241,000	\$ 659,235	\$ 120,569	\$ 272,773	\$ 495,619	\$ 3,756,704
Supplemental Contributions									
Retrospective Premium				159,630					159,630
Environmental JIF Dividend									-
Other Income								40	40
Total Income	420,157	471,685	75,666	1,400,630	659,235	120,569	272,773	495,659	3,916,374
Incurred Liabilities:									
Claims (Net of Subrogation)	80,001	390,000	72,500	1,380,000	659,235	120,569	272,772	485,279	1,922,501
Expenses	229,157								1,767,012
Total Liabilities	309,158	390,000	72,500	1,380,000	659,235	120,569	272,772	485,279	3,689,513
Underwriting Surplus	110,999	81,685	3,166	20,630	-	-	1	10,380	226,861
Adjustments:									
Investment Income (Loss)	508	1,379	210	2,942	787	(8)		549	6,367
Transfers									-
Total Adjustments	508	1,379	210	2,942	787	(8)	-	549	6,367
Gross Statutory Surplus (Deficit)	111,507	83,064	3,376	23,572	787	(8)	1	10,929	233,228
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 111,507	\$ 83,064	\$ 3,376	\$ 23,572	\$ 787	\$ (8)	\$ 1	\$ 10,929	\$ 233,228

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>							Total	
	Property	General Liability	Automobile	Workers' Compensation	MEL	Environmental JIF	Public Officials & Employment Practices		Expense & Contingency
Underwriting Income:									
Regular Contributions	\$ 398,187	\$ 473,408	\$ 89,385	\$ 1,210,000	\$ 642,928	\$ 118,937	\$ 243,856	\$ 484,989	\$ 3,661,690
Supplemental Contributions									-
Retrospective Premium				385,728					385,728
Environmental JIF Dividend									-
Other Income									-
Total Income	398,187	473,408	89,385	1,595,728	642,928	118,937	243,856	484,989	4,047,418
Incurred Liabilities:									
Claims (Net of Subrogation)	148,770	659,999	18,356	1,825,001	642,927	118,937	243,855	475,614	2,652,126
Expenses	214,187								1,695,520
Total Liabilities	362,957	659,999	18,356	1,825,001	642,927	118,937	243,855	475,614	4,347,646
Underwriting Surplus (Deficit)	35,230	(186,591)	71,029	(229,273)	1	-	1	9,375	(300,228)
Adjustments:									
Investment Income (Loss)	138	3,113	507	3,855	354	(12)	40	567	8,562
Transfers									-
Total Adjustments	138	3,113	507	3,855	354	(12)	40	567	8,562
Gross Statutory Surplus (Deficit)	35,368	(183,478)	71,536	(225,418)	355	(12)	41	9,942	(291,666)
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 35,368	\$ (183,478)	\$ 71,536	\$ (225,418)	\$ 355	\$ (12)	\$ 41	\$ 9,942	\$ (291,666)

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	Coverages and Other Accounts								
	Property	General Liability	Automobile	Workers' Compensation	MEL	Environmental JIF	Public Officials & Employment Practices	Expense & Contingency	Total
Underwriting Income:									
Regular Contributions	\$ 321,461	\$ 471,295	\$ 89,158	\$ 1,209,207	\$ 629,299	\$ 116,914	\$ 241,409	\$ 492,945	\$ 3,571,688
Supplemental Contributions									-
Retrospective Premium				167,804					167,804
Environmental JIF Dividend									-
Other Income									-
Total Income	321,461	471,295	89,158	1,377,011	629,299	116,914	241,409	492,945	3,739,492
Incurred Liabilities:									
Claims (Net of Subrogation)	111,385	300,000	31,841	1,279,999	629,299	116,914	241,408	468,345	1,723,225
Expenses	178,365								1,634,331
Total Liabilities	289,750	300,000	31,841	1,279,999	629,299	116,914	241,408	468,345	3,357,556
Underwriting Surplus	31,711	171,295	57,317	97,012	-	-	1	24,600	381,936
Adjustments:									
Investment Income (Loss)	190	3,732	490	3,846	257	(5)	7	331	8,848
Transfers									-
Total Adjustments	190	3,732	490	3,846	257	(5)	7	331	8,848
Gross Statutory Surplus (Deficit)	31,901	175,027	57,807	100,858	257	(5)	8	24,931	390,784
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 31,901	\$ 175,027	\$ 57,807	\$ 100,858	\$ 257	(5)	8	\$ 24,931	\$ 390,784

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>							Total	
	Property	General Liability	Automobile	Workers' Compensation	MEL	Environmental JIF	Public Officials & Employment Practices		Expense & Contingency
Underwriting Income:									
Regular Contributions	\$ 309,333	\$ 430,777	\$ 100,941	\$ 1,214,370	\$ 627,000	\$ 115,706	\$ 225,801	\$ 487,013	\$ 3,510,941
Supplemental Contributions									-
Retrospective Premium				5,403					5,403
Environmental JIF Dividend									-
Other Income									-
Total Income	309,333	430,777	100,941	1,219,773	627,000	115,706	225,801	487,013	3,516,344
Incurring Liabilities:									
Claims (Net of Subrogation)	141,033	535,001	9,647	612,000	627,000	115,706	225,801	459,810	1,297,681
Expenses	180,348								1,608,665
Total Liabilities	321,381	535,001	9,647	612,000	627,000	115,706	225,801	459,810	2,906,346
Underwriting Surplus (Deficit)	(12,048)	(104,224)	91,294	607,773	-	-	-	27,203	609,998
Adjustments:									
Investment Income	62	2,390	861	7,336	196	50	-	567	11,462
Interfund Transfers									-
Total Adjustments	62	2,390	861	7,336	196	50	-	567	11,462
Gross Statutory Surplus (Deficit)	(11,986)	(101,834)	92,155	615,109	196	50	-	27,770	621,460
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ (11,986)	\$ (101,834)	\$ 92,155	\$ 615,109	\$ 196	\$ 50	\$ -	\$ 27,770	\$ 621,460

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2011 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>							<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>MEL</u>	<u>Environmental JIF</u>	<u>Public Officials & Employment Practices</u>	
Underwriting Income:								
Regular Contributions	\$ 277,669	\$ 389,824	\$ 114,480	\$ 1,236,000	\$ 611,191	\$ 113,789	\$ 225,801	\$ 3,447,762
Supplemental Contributions				230,000				230,000
Retrospective Premium								-
Environmental JIF Dividend								-
Other Income								-
Total Income	277,669	389,824	114,480	1,466,000	611,191	113,789	225,801	3,677,762
Incurring Liabilities:								
Claims (Net of Subrogation)	340,677	383,751	27,824	1,237,295	611,191	113,789	225,801	2,271,501
Expenses	164,669							1,556,981
Total Liabilities	505,346	383,751	27,824	1,237,295	611,191	113,789	225,801	3,828,482
Underwriting Surplus (Deficit)	(227,677)	6,073	86,656	228,705	-	-	-	(150,720)
Adjustments:								
Investment Income	251	3,012	1,139	5,969	1,440	4		12,847
Transfers								
(Surplus) Deficit Transfer to Closed Fund Year	227,426	(9,085)	(87,795)	(234,674)	(1,440)	(4)		137,873
Total Adjustments	227,677	(6,073)	(86,656)	(228,705)	-	-	-	150,720
Gross Statutory Surplus	-	-	-	-	-	-	-	-
Return of Surplus	-	-	-	-	-	-	-	-
Net Statutory Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 28,008	\$ 6,948	\$ 6,549	\$ 395,828	\$ 437,333
Case Reserves	55,061	50,985	15,315	725,519	846,880
IBNR Reserves	(3,068)	332,067	50,636	258,653	638,288
Subtotal	80,001	390,000	72,500	1,380,000	1,922,501
Excess Insurance Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 80,001	\$ 390,000	\$ 72,500	\$ 1,380,000	\$ 1,922,501
Number of Claims	30	106	31	100	267
Average Cost per Claim	\$ 2,667	\$ 3,679	\$ 2,339	\$ 13,800	\$ 7,200

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 161,113	\$ 62,600	\$ 18,356	\$ 957,157	\$ 1,199,226
Case Reserves		349,536		763,929	1,113,465
IBNR Reserves		247,863		144,069	391,932
Subtotal	161,113	659,999	18,356	1,865,155	2,704,623
Excess Insurance Received				40,154	40,154
Receivable	12,343				12,343
Recoverable					-
Subtotal	12,343	-	-	40,154	52,497
Limited Incurred Claims	\$ 148,770	\$ 659,999	\$ 18,356	\$ 1,825,001	\$ 2,652,126
Number of Claims	35	90	33	81	239
Average Cost per Claim	\$ 4,251	\$ 7,333	\$ 556	\$ 22,531	\$ 11,097

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 111,385	\$ 141,074	\$ 31,841	\$ 978,749	\$ 1,263,049
Case Reserves		67,390		244,024	311,414
IBNR Reserves		91,536		57,226	148,762
Subtotal	111,385	300,000	31,841	1,279,999	1,723,225
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 111,385	\$ 300,000	\$ 31,841	\$ 1,279,999	\$ 1,723,225
Number of Claims	25	90	31	109	255
Average Cost per Claim	\$ 4,455	\$ 3,333	\$ 1,027	\$ 11,743	\$ 6,758

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Subrogation)	\$ 156,205	\$ 419,075	\$ 9,647	\$ 568,915	\$ 1,153,842
Case Reserves		101,020		28,606	129,626
IBNR Reserves		14,906		14,479	29,385
Subtotal	156,205	535,001	9,647	612,000	1,312,853
Excess Insurance Received Receivable Recoverable	15,172				15,172
Subtotal	15,172	-	-	-	15,172
Limited Incurred Claims	\$ 141,033	\$ 535,001	\$ 9,647	\$ 612,000	\$ 1,297,681
Number of Claims	34	81	20	84	219
Average Cost per Claim	\$ 4,148	\$ 6,605	\$ 482	\$ 7,286	\$ 5,925

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 229,157		\$ 229,157
Municipal Excess Liability Fund	659,235		659,235
Environmental Account	120,569		120,569
Public Officials & Employment Practices	272,772		272,772
Subtotal Excess Insurance	1,281,733	-	1,281,733
Administrative Expenses:			
Actuary	36,300		36,300
Administrator	111,267		111,267
Attorney	19,090		19,090
Auditor		\$ 21,365	21,365
Claims Administrator	127,959		127,959
Internal Auditor	3,968		3,968
Litigation Management	16,261		16,261
Medical Management	79,923		79,923
Miscellaneous	5,648	47	5,695
Postage	75		75
Safety - Right to Know & Incentive		10,000	10,000
Safety Programs	31,354		31,354
Treasurer	16,502		16,502
Underwriter	5,520		5,520
Subtotal Administrative Expenses	453,867	31,412	485,279
Total Expenses	\$ 1,735,600	\$ 31,412	\$ 1,767,012

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 214,187		\$ 214,187
Municipal Excess Liability Fund	642,927		642,927
Environmental Account	118,937		118,937
Public Officials & Employment Practices	243,855		243,855
Subtotal Excess Insurance	1,219,906	-	1,219,906
Administrative Expenses:			
Actuary	35,588		35,588
Administrator	102,876		102,876
Attorney	18,715		18,715
Auditor	19,500.00		19,500
Claims Administrator	125,450		125,450
Internal Auditor	3,890		3,890
Litigation Management	15,942		15,942
Medical Management	83,652		83,652
Miscellaneous	7,451		7,451
Postage	90		90
Safety - Right to Know & Incentive	10,000.00		10,000
Safety Programs	30,871		30,871
Treasurer	16,177		16,177
Underwriter	5,412		5,412
Subtotal Administrative Expenses	475,614	-	475,614
Total Expenses	\$ 1,695,520	-	\$ 1,695,520

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 178,365		\$ 178,365
Municipal Excess Liability Fund	629,299		629,299
Environmental Account	116,914		116,914
Public Officials & Employment Practices	241,408		241,408
	<hr/>		
Subtotal Excess Insurance	1,165,986	-	1,165,986
	<hr/>		
Administrative Expenses:			
Actuary	34,891		34,891
Administrator	100,859		100,859
Attorney	18,348		18,348
Auditor	17,500		17,500
Claims Administrator	122,990		122,990
Internal Auditor	3,814		3,814
Litigation Management	15,629		15,629
Medical Management	81,751		81,751
Miscellaneous	10,257		10,257
Postage	106		106
Safety - Right to Know & Incentive	10,029		10,029
Safety Programs	31,005		31,005
Treasurer	15,860		15,860
Underwriter	5,306		5,306
	<hr/>		
Subtotal Administrative Expenses	468,345	-	468,345
	<hr/>		
Total Expenses	\$ 1,634,331	-	\$ 1,634,331
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 180,348		\$ 180,348
Municipal Excess Liability Fund	627,000		627,000
Environmental Account	115,706		115,706
Public Officials & Employment Practices	225,801		225,801
	<hr/>		
Subtotal Excess Insurance	1,148,855	-	1,148,855
	<hr/>		
Administrative Expenses:			
Actuary	32,074		32,074
Administrator	98,881		98,881
Attorney	17,989		17,989
Auditor	20,132		20,132
Claims Administrator	120,578		120,578
Internal Auditor	3,739		3,739
Litigation Management	15,323		15,323
Medical Management	81,164		81,164
Miscellaneous	8,382		8,382
Safety - Right to Know & Incentive	10,000		10,000
Safety Programs	30,797		30,797
Treasurer	15,549		15,549
Underwriter	5,202		5,202
	<hr/>		
Subtotal Administrative Expenses	459,810	-	459,810
	<hr/>		
Total Expenses	\$ 1,608,665	-	\$ 1,608,665
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 250,000	\$ 250,000	STATUTORY \$ 250,000
Fund Retention	\$ 50,000	\$ 250,000	\$ 250,000	\$ 250,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule D)	\$ 80,001	\$ 390,000	\$ 72,500	\$ 1,380,000
Administrative Expenses (1)	275,985	115,643	18,551	304,257
	<u>\$ 355,986</u>	<u>\$ 505,643</u>	<u>\$ 91,051</u>	<u>\$ 1,684,257</u>
Exposure Units	\$ 256,578,497 (Property Value)	113,379 (Population)	502 (Vehicles)	\$ 49,246,031 (Payroll)
Average Liability per Exposure Unit	\$1.39 (Per \$1,000)	\$4.46 (Per Capita)	\$181.38 (Per Vehicle)	\$34.20 (Per \$1,000)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 250,000	\$ 250,000	STATUTORY \$ 250,000
Fund Retention	\$ 50,000	\$ 250,000	\$ 250,000	\$ 250,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule D)	\$ 148,770	\$ 659,999	\$ 18,356	\$ 1,825,001
Administrative Expenses (1)	258,910	115,066	21,726	294,100
	<u>\$ 407,680</u>	<u>\$ 775,065</u>	<u>\$ 40,082</u>	<u>\$ 2,119,101</u>
Exposure Units	\$ 250,131,972 (Property Value)	113,379 (Population)	506 (Vehicles)	\$ 48,414,515 (Payroll)
Average Liability per Exposure Unit	\$1.63 (Per \$1,000)	\$6.84 (Per Capita)	\$79.21 (Per Vehicle)	\$43.77 (Per \$1,000)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 250,000	\$ 250,000	STATUTORY \$ 250,000
Fund Retention	\$ 50,000	\$ 250,000	\$ 250,000	\$ 250,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule D)	\$ 111,385	\$ 300,000	\$ 31,841	\$ 1,279,999
Administrative Expenses (1)	213,403	115,398	21,831	296,079
	<u>\$ 324,788</u>	<u>\$ 415,398</u>	<u>\$ 53,672</u>	<u>\$ 1,576,078</u>
Exposure Units	\$ 250,131,972 (Property Value)	113,379 (Population)	518 (Vehicles)	\$ 46,615,665 (Payroll)
Average Liability per Exposure Unit	\$1.30 (Per \$1,000)	\$3.66 (Per Capita)	\$103.61 (Per Vehicle)	\$33.81 (Per \$1,000)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 100,000,000	\$ 250,000	\$ 250,000	STATUTORY \$ 250,000
Fund Retention	\$ 50,000	\$ 250,000	\$ 250,000	\$ 250,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule D)	\$ 141,033	\$ 535,001	\$ 9,647	\$ 612,000
Administrative Expenses (1)	211,978	105,636	24,753	297,791
	<u>\$ 353,011</u>	<u>\$ 640,637</u>	<u>\$ 34,400</u>	<u>\$ 909,791</u>
Exposure Units	\$ 251,918,556 (Property Value)	113,379 (Population)	513 (Vehicles)	\$ 48,318,766 (Payroll)
Average Liability per Exposure Unit	\$1.40 (Per \$1,000)	\$5.65 (Per Capita)	\$67.06 (Per Vehicle)	\$18.83 (Per \$1,000)

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CASH AND INVESTMENTS
AS OF DECEMBER 31, 2015

<u>Description</u>	<u>Amount</u>
Cash and Equivalents:	
TD Bank:	
Administrative and Expense Account	\$ 500
Claims Account	50,000
Operating Account	1,405,499
Investment Account	195,540
NJ Cash Management Fund	<u>2,562</u>
Total Cash and Cash Equivalents	1,654,101
Investments:	
TD Bank Wealth Management - Investment Account	<u>2,001,880</u>
Total Cash and Investments per Schedule A - Historical Balance Sheet	<u><u>\$ 3,655,981</u></u>
Total Cash and Investments by Fund Year:	
2015	\$ 1,587,122
2014	814,045
2013	681,784
2012	773,624
Closed Years	<u>(200,594)</u>
	<u><u>\$ 3,655,981</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES
AS OF DECEMBER 31, 2015

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2015	\$ 21,365
Miscellaneous Expenses	2015	47
Safety Incentive Program	2015	<u>10,000</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet		<u>\$ 31,412</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



James J. Miles, Jr
Certified Public Accountant