

**PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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 THOMAS MERCHEL GREG RUCKER (SPECIAL FUND COMMISSIONER)
Secretary RICHARD BREVOGEL
JOSEPH ANDL
MICHAEL BARTH

EXECUTIVE COMMITTEE ALTERNATES

State of NEW JERSEY
County of BURLINGTON

THOMAS MERCHEL (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, 2017 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, 2017 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 _____, 2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Professional Municipal Management Joint Insurance Fund Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2017 and 2016, 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 Fund as of December 31, 2017 and 2016 and the changes in its financial position and its cash flows for the years 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 25, 2018 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,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 25, 2018

**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, 2017, 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 25, 2018.

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

Voorhees, New Jersey
June 25, 2018

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Professional Municipal Management Joint Insurance Fund (the "Fund") presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2017, 2016 and 2015. 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 reserves and net position. Net position represents the amount of total assets less total liabilities and reserves.

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 comparative statements 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, 2017, 2016 and 2015.

Statements Of Net Position Summary	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>2017 to 2016 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$ 1,829,441	\$ 2,110,277	\$ 1,654,101	\$ (280,836)	-13.3%
Investments - Securities	3,457,432	2,467,700	2,001,880	989,732	40.1%
Investment In Joint Ventures	2,099,165	1,895,762	1,553,523	203,403	10.7%
Other Assets	513,279	608,983	976,262	(95,704)	-15.7%
Total Assets	7,899,317	7,082,722	6,185,766	816,595	11.5%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	3,415,301	3,125,134	3,609,752	290,167	9.3%
Other Liabilities	101,252	56,820	55,432	44,432	78.2%
Total Liabilities And Reserves	3,516,553	3,181,954	3,665,184	334,599	10.5%
Net Position - Unrestricted	\$ 4,382,764	\$ 3,900,768	\$ 2,520,582	\$ 481,996	12.4%

Statements Of Revenues, Expenses, And Changes In Net Position Summary	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>2017 to 2016 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	\$ 4,017,391	\$ 3,450,440	\$ 3,874,900	\$ 566,951	16.4%
Operating Expenses:					
Provision For Claims and Claims					
Adjustment Expenses	1,790,690	624,207	1,130,835	1,166,483	186.9%
Premium For Excess Insurance	1,241,786	1,236,628	1,281,734	5,158	0.4%
Professional & Contractual Services	607,762	500,657	493,835	107,105	21.4%
Total Operating Expenses	3,640,238	2,361,492	2,906,404	1,278,746	54.1%
Operating Income	379,653	1,088,948	968,496	(711,795)	-65.4%
Non Operating Revenue (Expense)					
Investment Income (Loss)	53,421	(7,286)	22,190	60,707	833.2%
Change In Investment In Joint Ventures	203,403	342,239	(80,793)	(138,836)	-40.6%
Total Non Operating Revenue (Expense)	256,824	334,953	(58,603)	(78,129)	-23.3%
Return Of Surplus	154,481	43,715	23,020	110,766	253.4%
Change In Net Position	\$ 481,996	\$ 1,380,186	\$ 886,873	\$ (898,190)	-65.1%

Financial Highlights Continued

The Fund's total assets increased by 11.5%. "Investment in Joint Ventures" 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 increased by 10.5%.

Assessments and other income increased by 16.4%, reflecting an increase in Retrospective Premiums and a dividend received from the New Jersey Municipal Environmental Risk Management Fund (E-JIF). The Fund recognized an Operating Income of \$379,653 representing a decrease of \$711,795 from 2016, which experienced an operating income of \$1,088,948. The change was primarily due to a 186.9% increase in the provision for claims and claims adjustment expense.

Investment income increased by 833.2%, of the increase, there was a 91% increase related to interest income received on investment.

For 2017, the Fund paid a dividend to its members' of \$154,481, representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$38,468 and \$16,013 of members' closed year surplus used to pay the 2011 fund year supplemental contributions.

The Fund's combined net position for all years increased by \$481,996, or 12.4%.

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 1,829,441	\$ 2,110,277
Investments	3,457,432	2,467,700
Contributions Receivable	184,000	207,000
Accrued Interest Receivable	3,866	2,871
Prepaid Expenses	350	
Due From Residual Claims Fund		76,331
Retrospective Premium Recoverable	325,063	322,781
Investments In Joint Ventures	2,099,165	1,895,762
	<hr/>	<hr/>
Total Assets	7,899,317	7,082,722
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	22,410	34,272
Contributions Payable	2,500	501
Authorized And Unpaid Return Of Surplus	76,342	22,047
	<hr/>	<hr/>
Total Liabilities	101,252	56,820
Reserves:		
Claims:		
Case Reserves	2,317,649	2,063,172
IBNR Reserves	1,097,652	1,061,962
	<hr/>	<hr/>
Total Reserves	3,415,301	3,125,134
	<hr/>	<hr/>
Total Liabilities and Reserves	3,516,553	3,181,954
 <u>NET POSITION</u>		
Unrestricted	\$ 4,382,764	\$ 3,900,768
	<hr/> <hr/>	<hr/> <hr/>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Regular Contributions	\$ 3,976,641	\$ 3,824,175
Retrospective Premium Income (Recoveries)	2,282	(395,784)
Environmental JIF Dividend	38,468	22,049
	<hr/>	<hr/>
Total Operating Revenues	4,017,391	3,450,440
Operating Expenses:		
Provision For Claims and Claims Adjustment Expenses	1,790,690	624,207
Excess Insurance Premiums	1,241,786	1,236,628
Administrative Expenses:		
Administrator	128,174	119,700
Claims Administrator	133,228	130,518
Safety Programs	34,056	41,870
Professional Services	305,264	203,469
Miscellaneous Expenses	4,540	5,100
	<hr/>	<hr/>
Total Operating Expenses	3,637,738	2,361,492
Operating Income	<hr/>	<hr/>
	379,653	1,088,948
Non-Operating Revenue (Expense):		
Investment Income (Loss)	53,421	(7,286)
Change In Investment In Joint Ventures	203,403	342,239
	<hr/>	<hr/>
Total Non-Operating Revenue (Expense)	256,824	334,953
Change in Net Positon	636,477	1,423,901
Net Position - Beginning	3,900,768	2,520,582
Return of Surplus	<hr/>	<hr/>
	(154,481)	(43,715)
Net Position - Ending	<hr/>	<hr/>
	\$ 4,382,764	\$ 3,900,768

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 4,001,640	\$ 3,846,676
Receipts From Environmental JIF Dividend	38,468	22,049
Payments For Claim Payments	(1,424,192)	(1,166,384)
Payments For Insurance Premiums	(1,242,136)	(1,236,570)
Payments To Professionals and Suppliers	<u>(617,122)</u>	<u>(497,799)</u>
Net Cash Flows Provided By Operating Activities	<u>756,658</u>	<u>967,972</u>
Cash Flows From Investing Activities:		
Redemption Of Investments		2,000,000
Purchase Of Investments	(995,176)	(2,500,000)
Investment Income	<u>57,870</u>	<u>32,890</u>
Net Cash Flows Used In Investing Activities	<u>(937,306)</u>	<u>(467,110)</u>
Cash Flows Used In Noncapital Financing Activities:		
Return Of Surplus	<u>(100,188)</u>	<u>(44,686)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(280,836)	456,176
Cash And Cash Equivalents - Beginning	<u>2,110,277</u>	<u>1,654,101</u>
Cash And Cash Equivalents - Ending	<u>\$ 1,829,441</u>	<u>\$ 2,110,277</u>
Reconciliation Of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 379,653	\$ 1,088,948
Adjustments To Reconcile Operating Income To		
Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Decrease (Increase) In Assets:		
Contributions Receivable	23,000	23,000
Due From Residual Claims Fund	76,331	(69,902)
Retrospective Premium Recoverable	(2,282)	395,784
Excess Insurance Receivable		12,343
Prepaid Expenses	(350)	58
Increase (Decrease) In Liabilities:		
Accrued Administrative Expenses	(11,860)	2,858
Contributions Payable	1,999	(499)
Claims Reserves	<u>290,167</u>	<u>(484,618)</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 756,658</u>	<u>\$ 967,972</u>
Supplemental Disclosure - Noncash Activity:		
Change In Unrealized Gain (Loss) On Investments Included In		
Investment Income (Loss)	<u>\$ (5,444)</u>	<u>\$ (34,180)</u>
Change In Investment In Joint Ventures	<u>\$ 203,403</u>	<u>\$ 342,239</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 2017, 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 Department of 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 policies followed by the Fund in the preparation of the accompanying financial statements:

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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*.

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 primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

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 primary entity.

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 primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity 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 comparative statements 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 governmental 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.

Additionally, the Fund has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection 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 the fair value of investments are allocated every month based upon each line of coverage's share of opening cash and investment balances.

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, 2017. 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, 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

Inter-fund 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.

Inter-year 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 inter-year 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 inter-year 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 inter-year 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 (CONT'D)

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 \$1,913,688 as of December 31, 2017, \$291,290 was insured while \$1,622,398 was collateralized under GUDPA.

Of the Fund's bank balance of \$2,167,286 as of December 31, 2016, \$500,000 was insured while \$1,667,286 was collateralized under GUDPA.

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 Home Loan Bank (FHLB), Federal Home Loan Mortgage Corp (FHLMC) and United States Treasury Notes of \$3,457,432 and \$2,467,700 as of December 31, 2017 and 2016, 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 debt obligations.

As of December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>
FHLB	1.350%	12/13/19	AAA	\$ 490,130	\$ 491,280
FHLMC	1.200%	05/23/19	AAA	1,976,900	1,976,420
US Treasury Note	1.000%	05/31/18	AAA	249,493	
US Treasury Note	1.000%	11/30/18	AAA	248,223	
US Treasury Note	1.000%	11/30/19	AAA	245,890	
US Treasury Note	1.375%	05/31/20	AAA	246,796	
				\$ 3,457,432	\$ 2,467,700

Fair Value Measurements of Investments

The Fund categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Fund has the following recurring fair value measurements as of December 31, 2017 and 2016:

Government Mortgage-Backed Debt Securities and United States Treasury Notes of \$3,457,432 and \$2,467,700 are valued using quoted market prices for identical assets (Level 1 inputs).

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: RETROSPECTIVE PREMIUM RECOVERABLE (CONT'D)

As of December 31, 2017, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>Fund Year</u>		
		<u>2013</u>	<u>2014</u>	<u>2015</u>
Evesham	\$ 143,159		\$ 143,159	
Evesham Township Fire District	1,708			\$ 1,708
Maple Shade	2,576	\$ 2,576		
Willingboro	177,620	177,620		
	<u>\$ 325,063</u>	<u>\$ 180,196</u>	<u>\$ 143,159</u>	<u>\$ 1,708</u>

As of December 31, 2016, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>Fund Year</u>		
		<u>2013</u>	<u>2014</u>	<u>2015</u>
Evesham	\$ 143,159		\$ 143,159	
Evesham Township Fire District	7,638			\$ 7,638
Maple Shade	2,576	\$ 2,576		
Mooresrown	14,222		14,222	
Willingboro	155,186	155,186		
	<u>\$ 322,781</u>	<u>\$ 157,762</u>	<u>\$ 157,381</u>	<u>\$ 7,638</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 2017 and 2016 for all open Fund years net of excess insurance recoveries:

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: CHANGES IN UNPAID CLAIMS LIABILITIES (CONT'D)

	<u>2017</u>	<u>2016</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning	<u>\$ 3,125,134</u>	<u>\$ 3,609,752</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,885,198	1,451,999
Changes in provision for insured events of prior fund years	<u>(94,508)</u>	<u>(827,792)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>1,790,690</u>	<u>624,207</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	416,273	278,969
Attributable to insured events of prior fund years	<u>1,084,250</u>	<u>829,856</u>
Total Payments all Fund years	<u>1,500,523</u>	<u>1,108,825</u>
Total unpaid claim and claim adjustment expenses all Fund years - Ending	<u><u>\$ 3,415,301</u></u>	<u><u>\$ 3,125,134</u></u>

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

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, 2017 and 2016, the Fund's share of net position in the Residual Fund, the MEL and the Environmental Fund is as follows:

	<u>2017</u>	<u>2016</u>
Residual Claims Fund	\$ 175,972	\$ 172,841
MEL	1,230,944	1,125,864
Enviromental Fund	<u>692,249</u>	<u>597,057</u>
	<u>\$ 2,099,165</u>	<u>\$ 1,895,762</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	<u>\$ 95,395,374</u>	<u>\$ 74,965,192</u>	<u>\$ 30,789,643</u>
Total Liabilities	<u>\$ 83,436,989</u>	<u>\$ 44,176,497</u>	<u>\$ 10,984,106</u>
Net Position	<u>\$ 11,958,385</u>	<u>\$ 30,788,695</u>	<u>\$ 19,805,537</u>
Total Revenue	<u>\$ 26,929,424</u>	<u>\$ 44,832,572</u>	<u>\$ 8,206,260</u>
Total Expenses	<u>\$ 26,318,949</u>	<u>\$ 44,042,488</u>	<u>\$ 3,988,119</u>
Change in Net Position	<u>\$ (9,525)</u>	<u>\$ 790,084</u>	<u>\$ 3,218,141</u>
Distributions to Members	<u>\$ 620,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>

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 7, 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 has an ownership interest in those Funds.

Excess insurance premiums paid to the MEL for the years ended December 31, 2017 and 2016 were \$828,665 and \$832,584, respectively.

Excess insurance premiums paid to the Environmental Fund were \$122,534 and \$121,383 for the years ended December 31, 2017 and 2016, respectively.

During 2017 and 2016, the Fund was assessed \$205,960 and \$198,884, respectively, for the transfer of fund year 2013 and 2012 liabilities to the Residual Fund. In addition, the Fund invoiced the Residual Fund for 2013 and 2012 claims paid by the Fund subsequent to June 30, 2017 and 2016. As of December 31, 2017 and 2016, those reimbursable claims totaled \$0 and \$76,331, respectively.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 9: RETURN OF SURPLUS

During the 2017, the Executive Committee approved a dividend distribution in the amount of \$154,481, representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$38,468 and \$16,013 of members' closed year surplus used to pay the 2011 fund year supplemental contributions as disclosed in note 10.

During the 2016, the Executive Committee approved a dividend distribution in the amount of \$43,715, representing a \$22,049 pass through of E-JIF dividends and \$21,666 of members' closed year surplus used to pay the closed fund year supplemental contributions as disclosed in note 10.

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, 2017 and 2016, the allocated balance of the supplemental contribution was as follows:

<u>Member</u>	<u>2017</u>	<u>2016</u>
Evesham	\$ 47,989	\$ 53,988
Evesham Township Fire District	10,669	12,002
Maple Shade	24,252	27,283
Mooresrown	37,832	42,561
Willingboro	63,258	71,166
	<u>\$ 184,000</u>	<u>\$ 207,000</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 11: MEL JIF RETROSPECTIVE PROGRAM AND AGGREGATE EXCESS LOSS FUND CONTINGENCY ACCOUNT

MEL JIF Retrospective Program - As disclosed in notes 7 and 8, the Fund is a member of the Municipal Excess Liability Joint Insurance Fund and has adopted a retrospective rating premium approach to implement experience rated assessments for liability and workers' compensation coverages. The MEL billed 85% of the experience rated assessment in the first year and, should a member joint insurance fund exceed that amount, an additional assessment would be calculated based on each member joint insurance fund's retrospective rating modification. The retrospective rating modification is an experience rated factor and any additional assessments would be capped at 100%, 115% or 125% of that factor. Over a ten-year period (120 months), if a member joint insurance fund's liability and workers' compensation loss funds stay within the 85% threshold, there would not be an additional assessment.

In 2017, the Fund budgeted and assessed each member 100% of the MEL's layer of projected loss funds. The Fund will expense the liability and workers' compensation excess coverage premium for the actual amount billed by the MEL and record revenue at the full amount budgeted and billed its members.

The difference between the assessment billed to the Fund's members and the MEL's premium will be transferred to an Aggregate Excess Loss Fund Contingency within the Fund in January and will earn interest in the same manner as all other fund years. The net position within the Aggregate Excess Loss Fund Contingency of the Fund will be maintained by member in the same manner that the Closed Fund Years' net position is maintained. As future fund years continue to adopt this program, the same process will be followed and the member shares will be maintained on a weighted average of their contributions to the Aggregate Excess Loss Fund Contingency. If the MEL bills the Fund for an additional assessment, and the member does not have enough net position in its portion of the Aggregate Excess Loss Fund Contingency, the Fund could bill the member an additional assessment.

Aggregate Excess Loss Fund Contingency Account – During 2017 and 2016, the Fund assessed its members \$53,900 and \$65,237, respectively, to established an aggregate loss fund contingency account. The loss fund contingency account, including accrued interest represents a management designation of the fund's net position as of December 31, 2017 and 2016.

**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, 2017 TO DECEMBER 31, 2017

	<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	\$ 57,142	\$ 1,068,181	\$ 77,380	\$ 1,922,431	\$ 3,125,134
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	202,198	582,000	64,000	1,037,000	1,885,198
Changes in provision for insured events of prior fund years	31,164	(109,500)	(5,000)	(11,172)	(94,508)
Total incurred claims and claims adjustment expenses all fund years	233,362	472,500	59,000	1,025,828	1,790,690
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	175,434	42,069	6,834	191,936	416,273
Attributable to insured events of prior fund years	74,753	277,128	1,983	730,386	1,084,250
Total payments all fund years	250,187	319,197	8,817	922,322	1,500,523
Total unpaid claim and claim adjustment expenses - Ending	\$ 40,317	\$ 1,221,484	\$ 127,563	\$ 2,025,937	\$ 3,415,301

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2017

	Fund Year Ending December 31									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 3,234,581	\$ 3,777,230	\$ 3,388,972	\$ 3,694,235	\$ 3,525,657	\$ 3,741,966	\$ 3,818,394	\$ 3,776,130	\$ 3,770,256	\$ 3,936,534
Ceded	1,134,361	1,101,157	1,106,765	1,115,450	1,148,855	1,165,986	1,219,906	1,281,733	1,236,628	1,244,286
	2,100,220	2,676,073	2,282,207	2,578,785	2,376,802	2,575,980	2,598,488	2,494,397	2,533,628	2,692,248
Unallocated Expenses	424,822	438,414	443,153	441,531	459,810	468,345	475,614	485,840	495,624	609,792
Estimated Claims and Expenses, End of Policy Year:										
Incurred	1,275,000	1,500,000	1,577,000	1,845,000	1,366,999	1,589,000	2,820,254	1,922,501	1,451,999	1,885,198
Ceded							40,154			
Net Incurred	1,275,000	1,500,000	1,577,000	1,845,000	1,366,999	1,589,000	2,780,100	1,922,501	1,451,999	1,885,198
Paid (Cumulative) as of:										
End of Policy Year	432,235	322,787	425,821	686,780	345,597	549,689	1,011,194	437,333	278,969	416,273
One Year Later	684,700	874,171	1,021,726	1,200,941	594,608	976,989	1,199,226	722,232	592,472	
Two Years Later	833,695	1,277,868	1,233,147	1,593,703	775,739	1,263,049	1,418,481	926,140		
Three Years Later	1,260,293	1,474,485	1,477,341	1,879,099	1,153,842	1,383,390	1,665,986			
Four Years Later (A)	1,414,551	1,655,074	1,543,878	1,989,547	1,160,319	1,497,663				
Reestimated Ceded Claims and Expenses	230,122	99,914	184,887	281,954	214,056	205,960	52,497			
Reestimated Incurred Claims and Expenses:										
End of Policy Year	1,275,000	1,500,000	1,577,000	1,845,000	1,366,999	1,589,000	2,780,100	1,922,501	1,451,999	1,885,198
One Year Later	1,401,629	1,840,899	1,827,000	1,925,678	1,217,807	2,317,233	2,652,126	1,619,762	1,545,144	
Two Years Later	1,433,629	1,873,383	1,812,863	2,134,960	1,381,360	1,723,225	2,212,723	1,451,609		
Three Years Later	1,692,629	1,807,987	1,796,013	2,257,503	1,297,681	1,591,225	2,081,724			
Four Years Later (A)	1,644,673	1,754,988	1,728,765	2,271,501	1,344,031	1,703,623				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 369,673	\$ 254,988	\$ 151,765	\$ 426,501	\$ (22,968)	\$ 114,623	\$ (698,376)	\$ (470,892)	\$ 93,145	\$ -

(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
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD APRIL 1, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 2017

Underwriting Income:		
Regular Contributions	\$ 77,197,152	
Supplemental Contributions	255,000	
Retrospective Premium	325,063	
Residual Claims Fund Dividends	289,700	
MEL Dividend	112,811	
Environmental JIF Dividend	454,082	
Other Income	<u>6,403</u>	
Total Underwriting Income		\$ 78,640,211
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$ 31,647,406	
Case Reserves	2,317,649	
IBNR Reserves	1,097,652	
Residual Claims Fund Premium	<u>4,326,028</u>	
Subtotal		39,388,735
Less Excess Insurance:		
Received	104,860	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>104,860</u>
Total Limited Incurred Claims		39,283,875
Expenses:		
Excess Insurance Premiums	21,064,527	
Administrative	<u>10,598,560</u>	
Total Expenses		<u>31,663,087</u>
Total Incurred Liabilities		<u>70,946,962</u>
Underwriting Surplus		7,693,249
Investment Income		<u>4,947,270</u>
Gross Statutory Surplus		12,640,519
Return of Surplus:		
Paid	10,280,578	
Authorized and Unpaid	<u>76,342</u>	
Total Return of Surplus		<u>10,356,920</u>
Net Statutory Surplus		<u>\$ 2,283,599</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION

Note 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS

The information in the Professional Municipal Management Joint Insurance Fund (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>2017</u>	<u>2016</u>
Total Assets - Comparative Statements of Net Position	\$ 7,899,317	\$ 7,082,722
Less Investment in Joint Ventures	<u>2,099,165</u>	<u>1,895,762</u>
Total Assets - Statutory Basis	<u>\$ 5,800,152</u>	<u>\$ 5,186,960</u>
Net Position - Comparative Statements of Net Position	\$ 4,382,764	\$ 3,900,768
Less Investment in Joint Ventures	<u>2,099,165</u>	<u>1,895,762</u>
Net Statutory Surplus (Deficit)	<u>\$ 2,283,599</u>	<u>\$ 2,005,006</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2017

Underwriting Income:		
Regular Contributions	\$	3,922,739
Supplemental Contributions		-
Retrospective Premium		-
Environmental JIF Dividend		-
Other Income		-
		<hr/>
Total Underwriting Income		\$ 3,922,739
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$	416,273
Residual Claims Fund Premium		-
Case Reserves		757,917
IBNR Reserves		711,008
		<hr/>
Subtotal		1,885,198
Less Excess Insurance:		
Received		-
Receivable		-
Recoverable		-
		<hr/>
Subtotal		-
Total Limited Incurred Claims		1,885,198
Expenses:		
Excess Insurance Premiums	1,241,786	
Administrative	609,792	
		<hr/>
Total Expenses		1,851,578
Total Incurred Liabilities		<hr/> 3,736,776
Underwriting Surplus		185,963
Investment Income		11,295
		<hr/>
Gross Statutory Surplus		197,258
Return of Surplus:		
Paid		-
Authorized and Unpaid		-
		<hr/>
Total Return of Surplus		-
Net Statutory Surplus		<hr/> <hr/> \$ 197,258

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2017

Underwriting Income:		
Regular Contributions	\$	3,758,938
Supplemental Contributions		-
Retrospective Premium		-
Environmental JIF Dividend		-
Other Income		-
		<hr/>
Total Underwriting Income		\$ 3,758,938
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$	592,472
Case Reserves		735,314
IBNR Reserves		217,358
		<hr/>
Subtotal		1,545,144
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	-	
		<hr/>
Subtotal		-
Total Limited Incurred Claims		1,545,144
Expenses:		
Excess Insurance Premiums	1,236,628	
Administrative	495,624	
		<hr/>
Total Expenses		1,732,252
Total Incurred Liabilities		<hr/> 3,277,396
Underwriting Surplus		481,542
Investment Income		11,318
		<hr/>
Gross Statutory Surplus		492,860
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
		<hr/>
Total Return of Surplus		-
Net Statutory Surplus		<hr/> <hr/> \$ 492,860

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, 2017

Underwriting Income:		
Regular Contributions	\$	3,756,704
Supplemental Contributions		-
Retrospective Premium		1,708
Environmental JIF Dividend		-
Other Income		<u>40</u>
Total Underwriting Income		\$ 3,758,452
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$	926,140
Case Reserves		414,911
IBNR Reserves		<u>110,558</u>
Subtotal		1,451,609
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		1,451,609
Expenses:		
Excess Insurance Premiums	1,281,733	
Administrative	<u>485,840</u>	
Total Expenses		<u>1,767,573</u>
Total Incurred Liabilities		<u>3,219,182</u>
Underwriting Surplus		539,270
Investment Income		<u>17,678</u>
Gross Statutory Surplus		556,948
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u>\$ 556,948</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, 2017

Underwriting Income:		
Regular Contributions	\$ 3,661,690	
Supplemental Contributions	-	
Retrospective Premium	143,159	
Environmental JIF Dividend	-	
Other Income	-	
	<hr/>	
Total Underwriting Income		\$ 3,804,849
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$ 1,665,986	
Case Reserves	409,507	
IBNR Reserves	58,728	
	<hr/>	
Subtotal		2,134,221
Less Excess Insurance:		
Received	52,497	
Receivable	-	
Recoverable	-	
	<hr/>	
Subtotal		52,497
Total Limited Incurred Claims		2,081,724
Expenses:		
Excess Insurance Premiums	1,219,906	
Administrative	475,614	
	<hr/>	
Total Expenses		1,695,520
Total Incurred Liabilities		<hr/> 3,777,244
Underwriting Surplus		27,605
Investment Income		<hr/> 13,545
Gross Statutory Deficit		41,150
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
	<hr/>	
Total Return of Surplus		<hr/> -
Net Statutory Surplus		<hr/> <hr/> \$ 41,150

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, 2017

Underwriting Income:		
Regular Contributions	\$ 3,571,688	
Supplemental Contributions	-	
Retrospective Premium	157,763	
Environmental JIF Dividend	-	
Other Income	-	
	<hr/>	
Total Underwriting Income		\$ 3,729,451
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$ 1,497,663	
Residual Claims Fund Premium	205,960	
	<hr/>	
Subtotal		1,703,623
Less Excess Insurance:		
Received	-	
Receivable	-	
Recoverable	-	
	<hr/>	
Subtotal		<hr/> -
Total Limited Incurred Claims		1,703,623
Expenses:		
Excess Insurance Premiums	1,165,986	
Administrative	468,345	
	<hr/>	
Total Expenses		<hr/> 1,634,331
Total Incurred Liabilities		<hr/> 3,337,954
Underwriting Surplus		391,497
Investment Income		11,955
Surplus Transfer to Closed Fund Year		<hr/> (403,452)
Gross Statutory Surplus		-
Return of Surplus:		
Paid	-	
Authorized and Unpaid	-	
	<hr/>	
Total Return of Surplus		<hr/> -
Net Statutory Surplus		<hr/> <hr/> \$ -

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF AGGREGATE EXCESS LOSS FUND CONTINGENCY
OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2017

Underwriting Income:		
Regular Contributions	<u>\$ 119,137</u>	
Underwriting Surplus		\$ 119,137
Investment Income		<u> 707</u>
Net Statutory Surplus		<u><u>\$ 119,844</u></u>

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, 2017

Underwriting Income:		
Regular Contributions		\$ 58,406,256
Supplemental Contributions		255,000
Retrospective Premium		22,433
Residual Claims Fund Dividends		289,700
MEL Dividend		112,811
Environmental JIF Dividend		454,082
Other Income		<u>6,363</u>
Total Underwriting Income		\$ 59,546,645
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	\$ 26,548,872	
Residual Claims Fund Premium	<u>4,120,068</u>	
Subtotal		30,668,940
Less Excess Insurance:		
Received	52,363	
Receivable	-	
Recoverable	<u>-</u>	
		<u>52,363</u>
Total Limited Incurred Claims		30,616,577
Expenses:		
Excess Insurance Premiums	14,918,488	
Administrative	<u>8,063,345</u>	
Total Expenses		<u>22,981,833</u>
Total Incurred Liabilities		<u>53,598,410</u>
Underwriting Surplus		5,948,235
Investment Income		4,880,772
Transfer of Surplus From 2013 Fund Year		<u>403,452</u>
Gross Statutory Surplus		11,232,459
Return of Surplus:		
Paid	10,280,578	
Authorized and Unpaid	<u>76,342</u>	
Total Return of Surplus		<u>10,356,920</u>
Net Statutory Surplus		<u>\$ 875,539</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2017

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Environmental JIF</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 436,896	\$ 483,019	\$ 53,346	\$ 1,332,335	\$ 122,534	\$ 580,737	\$ 286,948	\$ 626,924	\$ 3,922,739
Supplemental Contributions									-
Retrospective Premium									-
Environmental JIF Dividend									-
Other Income									-
Total Income	436,896	483,019	53,346	1,332,335	122,534	580,737	286,948	626,924	3,922,739
Incurred Liabilities:									
Claims (Net of Recoveries)	202,198	582,000	64,000	1,037,000	122,534	580,737	286,948	609,792	1,885,198
Expenses	251,567								1,851,578
Total Liabilities	453,765	582,000	64,000	1,037,000	122,534	580,737	286,948	609,792	3,736,776
Underwriting Surplus (Deficit)	(16,869)	(98,981)	(10,654)	295,335	-	-	-	17,132	185,963
Adjustments:									
Investment Income	344	2,058	217	5,593	113	1,334	60	1,576	11,295
Total Adjustments	344	2,058	217	5,593	113	1,334	60	1,576	11,295
Gross Statutory Surplus (Deficit)	(16,525)	(96,923)	(10,437)	300,928	113	1,334	60	18,708	197,258
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ (16,525)	\$ (96,923)	\$ (10,437)	\$ 300,928	\$ 113	\$ 1,334	\$ 60	\$ 18,708	\$ 197,258

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2017

	<u>Coverages and Other Accounts</u>							Expense & Contingency	Total
	Property	General Liability	Automobile	Workers' Compensation	Environmental JIF	MEL	Public Officials & Employment Practices		
Underwriting Income:									
Regular Contributions	\$ 409,146	\$ 485,444	\$ 63,974	\$ 1,288,669	\$ 121,383	\$ 602,263	\$ 279,039	\$ 509,020	\$ 3,758,938
Supplemental Contributions									-
Retrospective Premium									-
Environmental JIF Dividend									-
Other Income									-
Total Income	409,146	485,444	63,974	1,288,669	121,383	602,263	279,039	509,020	3,758,938
Incurred Liabilities:									
Claims (Net of Recoveries)	92,144	306,000	19,000	1,128,000	121,383	602,263	279,041	495,624	1,545,144
Expenses	233,941								1,732,252
Total Liabilities	326,085	306,000	19,000	1,128,000	121,383	602,263	279,041	495,624	3,277,396
Underwriting Surplus (Deficit)	83,061	179,444	44,974	160,669	-	-	(2)	13,396	481,542
Adjustments:									
Investment Income	258	1,852	224	3,389				5,595	11,318
Transfers									-
Total Adjustments	258	1,852	224	3,389	-	-	-	5,595	11,318
Gross Statutory Surplus (Deficit)	83,319	181,296	45,198	164,058	-	-	(2)	18,991	492,860
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 83,319	\$ 181,296	\$ 45,198	\$ 164,058	\$ -	\$ -	(2)	\$ 18,991	\$ 492,860

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, 2017

	<u>Coverages and Other Accounts</u>							Public Officials & Employment Practices	Expense & Contingency	Total
	Property	General Liability	Automobile	Workers' Compensation	Environmental JIF	MEL				
Underwriting Income:										
Regular Contributions	\$ 420,157	\$ 471,685	\$ 75,666	\$ 1,241,000	\$ 120,569	\$ 659,235	\$ 272,773	\$ 495,619	\$ 3,756,704	
Supplemental Contributions									-	
Retrospective Premium				1,708					1,708	
Environmental JIF Dividend									-	
Other Income								40	40	
Total Income	420,157	471,685	75,666	1,242,708	120,569	659,235	272,773	495,659	3,758,452	
Incurred Liabilities:										
Claims (Net of Recoveries)	72,610	302,000	82,999	994,000	120,569	659,235	272,772	485,840	1,451,609	
Expenses	229,157								1,767,573	
Total Liabilities	301,767	302,000	82,999	994,000	120,569	659,235	272,772	485,840	3,219,182	
Underwriting Surplus (Deficit)	118,390	169,685	(7,333)	248,708	-	-	1	9,819	539,270	
Adjustments:										
Investment Income (Loss)	1,268	4,039	524	6,551	(8)	792		4,512	17,678	
Transfers									-	
Total Adjustments	1,268	4,039	524	6,551	(8)	792	-	4,512	17,678	
Gross Statutory Surplus (Deficit)	119,658	173,724	(6,809)	255,259	(8)	792	1	14,331	556,948	
Return of Surplus									-	
Net Statutory Surplus (Deficit)	\$ 119,658	\$ 173,724	\$ (6,809)	\$ 255,259	\$ (8)	\$ 792	\$ 1	\$ 14,331	\$ 556,948	

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, 2017

	<u>Coverages and Other Accounts</u>							Total	
	Property	General Liability	Automobile	Workers' Compensation	Environmental JIF	MEL	Public Officials & Employment Practices		Expense & Contingency
Underwriting Income:									
Regular Contributions	\$ 398,187	\$ 473,408	\$ 89,385	\$ 1,210,000	\$ 118,937	\$ 642,928	\$ 243,856	\$ 484,989	\$ 3,661,690
Supplemental Contributions									-
Retrospective Premium				143,159					143,159
Environmental JIF Dividend									-
Other Income									-
Total Income	398,187	473,408	89,385	1,353,159	118,937	642,928	243,856	484,989	3,804,849
Incurred Liabilities:									
Claims (Net of Recoveries)	143,367	444,000	18,356	1,476,001	118,937	642,927	243,855	475,614	2,081,724
Expenses	214,187								1,695,520
Total Liabilities	357,554	444,000	18,356	1,476,001	118,937	642,927	243,855	475,614	3,777,244
Underwriting Surplus (Deficit)	40,633	29,408	71,029	(122,842)	-	1	1	9,375	27,605
Adjustments:									
Investment Income (Loss)	379	4,871	929	4,441	(12)	356	40	2,541	13,545
Transfers									-
Total Adjustments	379	4,871	929	4,441	(12)	356	40	2,541	13,545
Gross Statutory Surplus (Deficit)	41,012	34,279	71,958	(118,401)	(12)	357	41	11,916	41,150
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 41,012	\$ 34,279	\$ 71,958	\$ (118,401)	\$ (12)	\$ 357	\$ 41	\$ 11,916	\$ 41,150

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, 2017

	<u>Coverages and Other Accounts</u>								
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Environmental JIF</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 321,461	\$ 471,295	\$ 89,158	\$ 1,209,207	\$ 116,914	\$ 629,299	\$ 241,409	\$ 492,945	\$ 3,571,688
Supplemental Contributions				157,763					-
Retrospective Premium									157,763
Environmental JIF Dividend									-
Other Income									-
Total Income	321,461	471,295	89,158	1,366,970	116,914	629,299	241,409	492,945	3,729,451
Incurred Liabilities:									
Claims (Net of Recoveries)	111,385	246,500	31,841	1,313,897	116,914	629,299	241,408	468,345	1,703,623
Expenses	178,365								1,634,331
Total Liabilities	289,750	246,500	31,841	1,313,897	116,914	629,299	241,408	468,345	3,337,954
Underwriting Surplus	31,711	224,795	57,317	53,073	-	-	1	24,600	391,497
Adjustments:									
Investment Income (Loss)	286	4,605	664	4,032	(6)	258	7	2,109	11,955
Transfers									-
(Surplus) Deficit Transfer to Closed Fund Year	(31,997)	(229,400)	(57,981)	(57,105)	6	(258)	(8)	(26,709)	
Total Adjustments	(31,711)	(224,795)	(57,317)	(53,073)	-	-	(1)	(24,600)	(391,497)
Gross Statutory Surplus Return of Surplus	-	-	-	-	-	-	-	-	-
Net Statutory Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2017

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 175,434	\$ 42,069	\$ 6,834	\$ 191,936	\$ 416,273
Case Reserves	26,764	243,192	22,425	465,536	757,917
IBNR Reserves		296,739	34,741	379,528	711,008
Subtotal	<u>202,198</u>	<u>582,000</u>	<u>64,000</u>	<u>1,037,000</u>	<u>1,885,198</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 202,198</u>	<u>\$ 582,000</u>	<u>\$ 64,000</u>	<u>\$ 1,037,000</u>	<u>\$ 1,885,198</u>
Number of Claims	<u>24</u>	<u>75</u>	<u>15</u>	<u>63</u>	<u>177</u>
Average Cost per Claim	<u>\$ 8,425</u>	<u>\$ 7,760</u>	<u>\$ 4,267</u>	<u>\$ 16,460</u>	<u>\$ 10,651</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2017

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 86,091	\$ 23,516	\$ 7,856	\$ 475,009	\$ 592,472
Case Reserves	6,053	160,899		568,362	735,314
IBNR Reserves		121,585	11,144	84,629	217,358
Subtotal	<u>92,144</u>	<u>306,000</u>	<u>19,000</u>	<u>1,128,000</u>	<u>1,545,144</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 92,144</u>	<u>\$ 306,000</u>	<u>\$ 19,000</u>	<u>\$ 1,128,000</u>	<u>\$ 1,545,144</u>
Number of Claims	<u>24</u>	<u>84</u>	<u>18</u>	<u>86</u>	<u>212</u>
Average Cost per Claim	<u>\$ 3,839</u>	<u>\$ 3,643</u>	<u>\$ 1,056</u>	<u>\$ 13,116</u>	<u>\$ 7,288</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2017

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 65,110	\$ 68,505	\$ 23,746	\$ 768,779	\$ 926,140
Case Reserves	7,500	184,710	37,234	185,467	414,911
IBNR Reserves		48,785	22,019	39,754	110,558
Subtotal	<u>72,610</u>	<u>302,000</u>	<u>82,999</u>	<u>994,000</u>	<u>1,451,609</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 72,610</u>	<u>\$ 302,000</u>	<u>\$ 82,999</u>	<u>\$ 994,000</u>	<u>\$ 1,451,609</u>
Number of Claims	<u>30</u>	<u>115</u>	<u>32</u>	<u>100</u>	<u>277</u>
Average Cost per Claim	<u>\$ 2,420</u>	<u>\$ 2,626</u>	<u>\$ 2,594</u>	<u>\$ 9,940</u>	<u>\$ 5,240</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2017

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 155,710	\$ 278,426	\$ 18,356	\$ 1,213,494	\$ 1,665,986
Case Reserves		141,268		268,239	409,507
IBNR Reserves		24,306		34,422	58,728
	<u>155,710</u>	<u>444,000</u>	<u>18,356</u>	<u>1,516,155</u>	<u>2,134,221</u>
Excess Insurance					
Received	12,343			40,154	52,497
Receivable					-
Recoverable					-
	<u>12,343</u>	<u>-</u>	<u>-</u>	<u>40,154</u>	<u>52,497</u>
Limited Incurred Claims	<u>\$ 143,367</u>	<u>\$ 444,000</u>	<u>\$ 18,356</u>	<u>\$ 1,476,001</u>	<u>\$ 2,081,724</u>
Number of Claims	<u>35</u>	<u>92</u>	<u>31</u>	<u>80</u>	<u>238</u>
Average Cost per Claim	<u>\$ 4,096</u>	<u>\$ 4,826</u>	<u>\$ 592</u>	<u>\$ 18,450</u>	<u>\$ 8,747</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2017

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 251,567		\$ 251,567
Municipal Excess Liability Fund	580,737		580,737
Environmental Account	122,534		122,534
Public Officials & Employment Practices	286,948		286,948
	<hr/>		
Subtotal Excess Insurance	1,241,786	-	1,241,786
	<hr/>		
Administrative Expenses:			
Actuary	37,767		37,767
Administrator	128,175		128,175
Attorney	19,861		19,861
Auditor		\$ 22,228	22,228
Claims Administrator	133,229		133,229
Internal Auditor	4,128		4,128
Litigation Management	16,918		16,918
Medical Management	83,152		83,152
Miscellaneous	4,387	149	4,536
Postage	28	33	61
Risk Management Consulting	102,769		102,769
Safety Programs	34,056		34,056
Treasurer	17,168		17,168
Underwriter	5,744		5,744
	<hr/>		
Subtotal Administrative Expenses	587,382	22,410	609,792
	<hr/>		
Total Expenses	\$ 1,829,168	\$ 22,410	\$ 1,851,578
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2016 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2017

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 233,941		\$ 233,941
Municipal Excess Liability Fund	602,263		602,263
Environmental Account	121,383		121,383
Public Officials & Employment Practices	279,041		279,041
	<hr/>		
Subtotal Excess Insurance	1,236,628	-	1,236,628
	<hr/>		
Administrative Expenses:			
Actuary	37,026		37,026
Administrator	119,700		119,700
Attorney	19,472		19,472
Auditor	19,750		19,750
Claims Administrator	130,518		130,518
Internal Auditor	1,619		1,619
Litigation Management	16,586		16,586
Medical Management	81,521		81,521
Miscellaneous	5,060		5,060
Postage	40		40
Safety - Right to Know & Incentive	10,000		10,000
Safety Programs	31,870		31,870
Treasurer	16,831		16,831
Underwriter	5,631		5,631
	<hr/>		
Subtotal Administrative Expenses	495,624	-	495,624
	<hr/>		
Total Expenses	\$ 1,732,252	-	\$ 1,732,252
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2017

	<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
	<hr/>		
Subtotal Excess Insurance	1,281,733	-	1,281,733
	<hr/>		
Administrative Expenses:			
Actuary	36,300		36,300
Administrator	111,267		111,267
Attorney	19,090		19,090
Auditor	19,500		19,500
Claims Administrator	127,959		127,959
Internal Auditor	6,396		6,396
Litigation Management	16,261		16,261
Medical Management	79,923		79,923
Miscellaneous	5,693		5,693
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
	<hr/>		
Subtotal Administrative Expenses	485,840	-	485,840
	<hr/>		
Total Expenses	\$ 1,767,573	-	\$ 1,767,573
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2017

	<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
	<hr/>		
Subtotal Excess Insurance	1,219,906	-	1,219,906
	<hr/>		
Administrative Expenses:			
Actuary	35,588		35,588
Administrator	102,876		102,876
Attorney	18,715		18,715
Auditor	19,500		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		10,000
Safety Programs	30,871		30,871
Treasurer	16,177		16,177
Underwriter	5,412		5,412
	<hr/>		
Subtotal Administrative Expenses	475,614	-	475,614
	<hr/>		
Total Expenses	\$ 1,695,520	-	\$ 1,695,520
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2017 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2017

	<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	\$ 100,000	\$ 250,000	\$ 250,000	\$ 250,000
Excess Insurers	MEL	MEL	MEL	MEL
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule D)	\$ 202,198	\$ 582,000	\$ 64,000	\$ 1,037,000
Administrative Expenses (1)	306,587	143,397	15,837	395,538
	<u>\$ 508,785</u>	<u>\$ 725,397</u>	<u>\$ 79,837</u>	<u>\$ 1,432,538</u>
Exposure Units	\$ 266,258,463 (Property Value)	113,379 (Population)	528 (Vehicles)	\$ 52,438,676 (Payroll)
Average Liability per Exposure Unit	\$1.91 (Per \$1,000)	\$6.40 (Per Capita)	\$151.21 (Per Vehicle)	\$27.32 (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 2016 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2017

	<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)	\$ 92,144	\$ 306,000	\$ 19,000	\$ 1,128,000
Administrative Expenses (1)	277,072	119,505	15,749	317,239
	<u>\$ 369,216</u>	<u>\$ 425,505</u>	<u>\$ 34,749</u>	<u>\$ 1,445,239</u>
Exposure Units	\$ 257,545,929 (Property Value)	113,379 (Population)	478 (Vehicles)	\$ 50,963,813 (Payroll)
Average Liability per Exposure Unit	\$1.43 (Per \$1,000)	\$3.75 (Per Capita)	\$72.70 (Per Vehicle)	\$28.36 (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 2015 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2017

	<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)	\$ 72,610	\$ 302,000	\$ 82,999	\$ 994,000
Administrative Expenses (1)	276,039	115,777	18,573	304,609
	<u>\$ 348,649</u>	<u>\$ 417,777</u>	<u>\$ 101,572</u>	<u>\$ 1,298,609</u>
Exposure Units	\$ 256,578,497 (Property Value)	113,379 (Population)	502 (Vehicles)	\$ 49,246,031 (Payroll)
Average Liability per Exposure Unit	\$1.36 (Per \$1,000)	\$3.68 (Per Capita)	\$202.33 (Per Vehicle)	\$26.37 (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, 2017

	<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)	\$ 143,367	\$ 444,000	\$ 18,356	\$ 1,476,001
Administrative Expenses (1)	258,910	115,066	21,726	294,100
	<u>\$ 402,277</u>	<u>\$ 559,066</u>	<u>\$ 40,082</u>	<u>\$ 1,770,101</u>
Exposure Units	\$ 250,437,802 (Property Value)	113,379 (Population)	506 (Vehicles)	\$ 48,414,515 (Payroll)
Average Liability per Exposure Unit	\$1.61 (Per \$1,000)	\$4.93 (Per Capita)	\$79.21 (Per Vehicle)	\$36.56 (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
SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2017

<u>Description</u>	<u>Amount</u>
Cash and Equivalents:	
Wilmington Trust:	
Money Market Account	\$ 41,290
Investors Bank:	
Administrative and Expense Account	1,000
Claims Account	100,000
Operating Account	<u>1,687,151</u>
Total Cash and Cash Equivalents	1,829,441
Investments:	
Wilmington Trust Wealth Management	<u>3,457,432</u>
Total Cash, Cash Equivalents and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	<u><u>\$ 5,286,873</u></u>
Total Cash, Cash Equivalents and Investments by Fund Year:	
2017	\$ 1,689,405
2016	1,444,494
2015	1,079,962
2014	365,955
Aggregate Excess Loss Fund Contingency	119,763
Closed Years	<u>587,294</u>
	<u><u>\$ 5,286,873</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2017

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2017	\$ 22,228
Miscellaneous Expenses	2017	155
Postage	2017	33
		<hr/>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis		<u>\$ 22,416</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

