

**PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2 Cooper Street,
Camden, NJ 08102

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

EXECUTIVE COMMITTEE

Chairman THOMAS MERCHEL
SUSAN DANSON
ROBERT CORRALES
DWAYNE HARRIS

EXECUTIVE COMMITTEE ALTERNATES

Secretary RICHARD BREVOGEL

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, 2021 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, 2021 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 _____ 2022

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Professional Municipal Management Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Cont'd)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Cont'd)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 28, 2022

**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, 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity'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 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 material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund’s financial statements are free from 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 financial statements. 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 28, 2022

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, 2021, 2020, and 2019. 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, investing activities, and capital financing 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, 2021, 2020, and 2019.

Statements Of Net Position Summary	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>2021 to 2020 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$ 6,886,777	\$ 6,260,388	\$ 1,766,709	\$ 626,389	10.0%
Investments - Securities	-	766,587	4,660,020	(766,587)	-100.0%
Investment In Joint Ventures	1,606,976	1,748,342	1,931,994	(141,366)	-8.1%
Receivables and Other Assets	1,062,731	988,120	813,445	74,611	7.6%
Total Assets	9,556,484	9,763,437	9,172,168	(206,953)	-2.1%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	3,747,799	3,695,699	3,691,591	52,100	1.4%
Other Liabilities	733,599	562,662	247,228	170,937	30.4%
Total Liabilities And Reserves	4,481,398	4,258,361	3,938,819	223,037	5.2%
Net Position - Unrestricted	\$ 5,075,086	\$ 5,505,076	\$ 5,233,349	\$ (429,990)	-7.8%

Statements Of Revenues, Expenses, And Changes In Net Position Summary	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>2021 to 2020 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	\$ 4,403,179	\$ 4,286,742	\$ 4,454,661	\$ 116,437	2.7%
Operating Expenses:					
Provision For Claims and Claims					
Adjustment Expenses	2,014,515	1,588,675	2,258,351	425,840	26.8%
Premium For Excess Insurance	1,447,840	1,357,607	1,336,223	90,233	6.6%
Surplus Trigger Assessment	12,566	112,571	39,633	(100,005)	-88.8%
MEL Premium Deferral	329,712	-	-	329,712	100.0%
Professional & Contractual Services	637,910	645,743	613,256	(7,833)	-1.2%
Total Operating Expenses	4,442,543	3,704,596	4,247,463	737,947	19.9%
Operating Income (Loss)	(39,364)	582,146	207,198	(621,510)	-106.8%
Non Operating Revenue (Expense)					
Investment Income (Loss)	(10,688)	92,599	162,117	(103,287)	-111.5%
Change In Investment In Joint Ventures	(141,366)	(183,652)	(94,881)	42,286	23.0%
Total Non Operating Revenue (Expense)	(152,054)	(91,053)	67,236	(61,001)	-67.0%
Return Of Surplus	238,572	219,366	206,264	19,206	8.8%
Change In Net Position	\$ (429,990)	\$ 271,727	\$ 68,170	\$ (701,717)	-258.2%

Financial Highlights Continued

The Fund's total assets decreased by 2.1%. "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 and reserves increased by 5.5%.

Assessments and other income increased by 2.7%, reflecting an increase in Regular Contributions. The Fund recognized an Operating Loss of \$39,364 representing a decrease of \$621,510 from 2020. The change was primarily due to a 26.8% increase in the provision for claims and claims adjustment expense and the addition of the MEL Deferred Premium for Fund Years 2016-2021, which represents the 15% differential between the 85% of the experience rated assessment previous billed by the MEL and the Fund's budgeted retrospective rating modification of 100%.

Investment income decreased by 111.5% due to the decrease in short term interest rates as dictated by the Federal Reserve Board, Joint Insurance Funds investing in the MEL Joint Cash Management Investments (JCMI) experienced unrealized losses that have impacted the Fund's financial position.

For 2021, the Fund paid a dividend to its members' of \$238,572 representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$115,572 and \$23,000 of members' closed year surplus used to pay the 2011 fund year supplemental contributions.

The Fund's combined net position for all years decreased by \$429,990, or 7.8%.

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 6,886,777	\$ 6,260,388
Investments	-	766,587
Contributions Receivable	92,000	115,000
Excess Insurance Receivable	-	112,424
Accrued Interest Receivable	-	3,084
Prepaid Expenses	-	218
Retrospective Premium Receivable	970,731	757,394
Investments In Joint Ventures	1,606,976	1,748,342
	<u>9,556,484</u>	<u>9,763,437</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	24,530	35,309
Contributions Payable	-	7,159
MEL Premium Deferral	329,712	-
Due to Residual Claims Fund	210,792	257,922
Surplus Trigger Assessment Due	12,566	112,571
Authorized And Unpaid Return Of Surplus	155,999	149,701
	<u>733,599</u>	<u>562,662</u>
Reserves:		
Claims:		
Case Reserves	2,596,678	1,942,055
IBNR Reserves	1,329,654	1,753,644
Excess Insurance Recoverable	(178,533)	-
	<u>3,747,799</u>	<u>3,695,699</u>
Total Reserves	<u>3,747,799</u>	<u>3,695,699</u>
Total Liabilities and Reserves	<u>4,481,398</u>	<u>4,258,361</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 5,075,086</u>	<u>\$ 5,505,076</u>

The Accompanying Notes To Financial Statements Are An Integral Part Of This Statement.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Regular Contributions	\$ 4,026,550	\$ 3,979,440
Supplemental Contributions	16,393	-
Retrospective Premium Income	244,664	210,936
Environmental JIF Dividend	115,572	96,366
	<hr/>	<hr/>
Total Operating Revenues	4,403,179	4,286,742
	<hr/>	<hr/>
Operating Expenses:		
Provision For Claims and Claims Adjustment Expenses	2,014,515	1,588,675
Excess Insurance Premiums	1,447,840	1,357,607
Surplus Trigger Assessment	12,566	112,571
MEL Premium Deferral	329,712	-
Administrative Expenses:		
Administrator	157,287	135,624
Claims Administrator	144,047	138,507
Safety Programs	35,595	54,268
Professional Services	297,929	292,443
Miscellaneous Expenses	3,052	24,901
	<hr/>	<hr/>
Total Operating Expenses	4,442,543	3,704,596
	<hr/>	<hr/>
Operating Income (Loss)	(39,364)	582,146
	<hr/>	<hr/>
Non-Operating Revenue (Expense):		
Investment Income (Loss)	(10,688)	92,599
Change In Investment In Joint Ventures	(141,366)	(183,652)
	<hr/>	<hr/>
Total Non-Operating Revenue (Expense)	(152,054)	(91,053)
	<hr/>	<hr/>
Change in Net Position	(191,418)	491,093
Net Position - Beginning	5,505,076	5,233,349
Return of Surplus	(238,572)	(219,366)
	<hr/>	<hr/>
Net Position - Ending	\$ 5,075,086	\$ 5,505,076
	<hr/>	<hr/>

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 4,042,391	\$ 4,007,599
Receipts From Retrospective Premium Income	31,327	106,927
Receipts From Environmental JIF Dividend	115,572	96,366
Payments For Claim Payments	(1,897,121)	(1,498,242)
Payments For Insurance Premiums	(1,217,915)	(1,284,887)
Payments To Professionals and Suppliers	(990,967)	(746,311)
	<u>99,680</u>	<u>681,452</u>
Net Cash Flows Provided By Operating Activities		
Cash Flows From Investing Activities:		
Redemption of Investments	765,000	3,898,600
Investment Income	(6,017)	106,408
	<u>758,983</u>	<u>4,005,008</u>
Net Cash Flows Provided By Investing Activities		
Cash Flows Used In Noncapital Financing Activities:		
Return of Surplus	(232,274)	(192,781)
	<u>626,389</u>	<u>4,493,679</u>
Net Increase In Cash And Cash Equivalents		
Cash And Cash Equivalents - Beginning	<u>6,260,388</u>	<u>1,766,709</u>
Cash And Cash Equivalents - Ending	<u>\$ 6,886,777</u>	<u>\$ 6,260,388</u>
Reconciliation of Operating Income (Loss) To		
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ (39,364)	\$ 582,146
Adjustments To Reconcile Operating Income (Loss) To		
Net Cash Provided By Operating Activities:		
Changes In Assets And Liabilities:		
Decrease (Increase) In Assets:		
Contributions Receivable	23,000	23,000
Retrospective Premium Recoverable	(213,337)	(104,009)
Excess Insurance Receivable	112,424	(112,424)
Prepaid Expenses	218	(218)
Increase (Decrease) In Liabilities:		
Accrued Administrative Expenses	(10,779)	12,003
Contributions Payable	(7,159)	5,159
MEL Premium Deferral	329,712	-
Due to Residual Claims Fund	(47,130)	198,749
Surplus Trigger Assessment Due	(100,005)	72,938
Claims Reserves	52,100	4,108
	<u>\$ 99,680</u>	<u>\$ 681,452</u>
Net Cash Flows Provided By Operating Activities		
Supplemental Disclosure - Noncash Activity:		
Change In Unrealized Gain (Loss) On Investments Included In		
Investment Income (Loss)	\$ (6,630)	\$ 2,894
	<u>\$ (141,366)</u>	<u>\$ (183,652)</u>
Change In Investment In Joint Ventures		

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 2021, 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. 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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Component Unit (Cont'd)

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.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Cash, Cash Equivalents, and Investments (Cont'd)

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 governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the Fund of which the local unit is a part or within which the Fund is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. 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

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The Fund categorizes its fair value measurement 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 prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

Supplemental Contributions

The Executive Committee shall by majority vote levy upon the participating members 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.

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, 2021. 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 Department 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 \$2,497,586 as of December 31, 2021, \$250,000 was insured while \$2,247,586 was collateralized under GUDPA.

Of the Fund's bank balance of \$2,353,678 as of December 31, 2020, \$263,581 was insured while \$2,090,097 was collateralized under GUDPA.

Joint Cash Management and Investment Program

During the year, the Fund participated in the Joint Management and Investment Program (the "JCMI"). The JCMI was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes, which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The JCMI is designed to insure the quality of investments in order to minimize risk to the JCMI's participants. The program is administered by the Municipal Excess Liability Joint Insurance Fund (the "MEL"). Deposits with the JCMI are not subject to custodial credit risk as defined above. As of December 31, 2021 and 2020, the Fund's deposits with the JCMI was \$4,783,147 and \$4,009,706, respectively.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in United States Treasury Notes of \$0 and \$766,587 as of December 31, 2021 and 2020, 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, 2021 and 2020, 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>2021</u>	<u>2020</u>
U.S. TREASURY NOTE	1.375%	01/31/21	AAA	\$ -	\$ 250,227
U.S. TREASURY NOTE	1.250%	03/31/21	AAA	-	516,360
				<u>\$ -</u>	<u>\$ 766,587</u>

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 prices 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, 2021 and 2020:

United States Treasury Notes of \$0 and \$766,587 are valued using quoted market prices for identical assets (Level 1 inputs).

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: 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 2021 and 2020 for all open Fund years net of excess insurance recoveries:

	<u>2021</u>	<u>2020</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning	<u>\$ 3,953,621</u>	<u>\$ 3,750,764</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,892,552	1,782,434
Changes in provision for insured events of prior fund years	<u>121,963</u>	<u>(193,759)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>2,014,515</u>	<u>1,588,675</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	490,639	312,578
Attributable to insured events of prior fund years	<u>1,518,906</u>	<u>1,073,240</u>
Total Payments all Fund years	<u>2,009,545</u>	<u>1,385,818</u>
Total unpaid claim and claim adjustment expenses all Fund years - Ending	<u><u>\$ 3,958,591</u></u>	<u><u>\$ 3,953,621</u></u>
Analysis Of Balance:		
Due to Residual Claims Fund	\$ 210,792	\$ 257,922
Net Reserves	<u>3,747,799</u>	<u>3,695,699</u>
	<u><u>\$ 3,958,591</u></u>	<u><u>\$ 3,953,621</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: 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 Municipal Excess Liability Residual Claims Fund. 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.

As of December 31, 2021, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>2014</u>	<u>2016</u>	<u>Fund Year</u>			
				<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Evesham	\$ 259,092	\$ 47,719	\$ 16,393	\$ -	\$ -	\$ 194,980	\$ -
Maple Shade	161,312	-	-	104,386	-	56,926	-
Willingboro	550,327	-	-	31,861	273,658	80,013	164,795
	<u>\$ 970,731</u>	<u>\$ 47,719</u>	<u>\$ 16,393</u>	<u>\$ 136,247</u>	<u>\$ 273,658</u>	<u>\$ 331,919</u>	<u>\$ 164,795</u>

As of December 31, 2020, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>2014</u>	<u>2016</u>	<u>Fund Year</u>			
				<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Evesham	\$ 297,876	\$ 95,439	\$ 16,393	\$ -	\$ -	\$ 186,044	\$ -
Maple Shade	104,386	-	-	104,386	-	-	-
Willingboro	355,132	-	-	25,518	273,658	55,956	-
	<u>\$ 757,394</u>	<u>\$ 95,439</u>	<u>\$ 16,393</u>	<u>\$ 129,904</u>	<u>\$ 273,658</u>	<u>\$ 242,000</u>	<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 net position 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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Municipal Excess Liability Residual Claims Fund (Cont'd)

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 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. 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.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Equity Interest

As of December 31, 2021 and 2020, the Fund's share of net position in the Residual Fund, the MEL, and the Environmental Fund is as follows:

	<u>2021</u>	<u>2020</u>
Residual Fund	\$ 49,324	\$ 155,512
MEL	925,755	887,910
Environmental Fund	<u>631,897</u>	<u>704,920</u>
	<u>\$ 1,606,976</u>	<u>\$ 1,748,342</u>

Selected Financial Information

Selected summarized financial information for the Residual Fund, the MEL, and the Environmental Fund as of December 31, 2021 is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>
Total Assets	<u>\$ 121,772,380</u>	<u>\$ 104,490,151</u>	<u>\$ 33,431,539</u>
Total Liabilities	<u>\$ 121,665,691</u>	<u>\$ 89,332,327</u>	<u>\$ 12,768,944</u>
Net Position	<u>\$ 106,689</u>	<u>\$ 15,157,824</u>	<u>\$ 20,662,595</u>
Total Revenue	<u>\$ 23,991,379</u>	<u>\$ 66,909,112</u>	<u>\$ 4,239,301</u>
Total Expenses	<u>\$ 35,854,429</u>	<u>\$ 68,002,943</u>	<u>\$ 2,654,689</u>
Change in Net Position	<u>\$ (12,534,050)</u>	<u>\$ (1,093,831)</u>	<u>\$ (1,515,388)</u>
Distributions to Members	<u>\$ 671,000</u>	<u>\$ -</u>	<u>\$ 3,100,000</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Selected Financial Information (Cont'd)

Selected summarized financial information for the Residual Fund, the MEL, and the Environmental Fund as of December 31, 2020 is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>
Total Assets	<u>\$ 113,821,785</u>	<u>\$ 85,601,144</u>	<u>\$ 34,453,325</u>
Total Liabilities	<u>\$ 101,181,048</u>	<u>\$ 69,349,487</u>	<u>\$ 12,275,343</u>
Net Position	<u>\$ 12,640,737</u>	<u>\$ 16,251,657</u>	<u>\$ 22,177,982</u>
Total Revenue	<u>\$ 28,628,559</u>	<u>\$ 52,502,391</u>	<u>\$ 4,765,059</u>
Total Expenses	<u>\$ 27,440,450</u>	<u>\$ 62,523,370</u>	<u>\$ 905,589</u>
Change in Net Position	<u>\$ 530,539</u>	<u>\$ (10,020,979)</u>	<u>\$ 1,359,470</u>
Distributions to Members	<u>\$ 657,570</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund, and the New Jersey Municipal Environmental Risk Management 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, 2021 and 2020 were \$981,153 and \$905,816 respectively. As disclosed in Note 12, the Fund was also assessed a surplus trigger assessment during 2020. As disclosed in Note 3, the Fund participated in the Joint Cash Management and Investment Program during 2021 and 2020. Also disclosed in Note 11, the Fund assessed a MEL Premium Deferral in 2021.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: RELATED PARTY TRANSACTIONS (CONT'D)

Excess insurance premiums paid to the Environmental Fund were \$112,197 and \$113,357 for the years ended December 31, 2021 and 2020, respectively.

During 2021 and 2020, the Fund was assessed \$332,648 and \$257,922, respectively, for the transfer of fund year 2017 and 2016 liabilities to the Residual Fund. As disclosed in Note 12, the Fund was also assessed a surplus trigger assessment during 2021 and 2020.

Note 9: RETURN OF SURPLUS

During 2021, the Executive Committee approved a dividend distribution in the amount of \$238,572, representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$115,572, and \$23,000 of members' closed year surplus used to pay the 2011 fund year supplemental contributions as disclosed in note 10.

During 2020, the Executive Committee approved a dividend distribution in the amount of \$219,366, representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$96,366, and \$23,000 of members' closed year surplus used to pay the 2011 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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 10: SUPPLEMENTAL CONTRIBUTION (CONT'D)

As of December 31, 2021 and 2020, the allocated balance of the supplemental contribution was as follows:

<u>Member</u>	<u>2021</u>	<u>2020</u>
Evesham	\$ 23,995	\$ 29,993
Evesham Township Fire District	5,334	6,668
Maple Shade	12,126	15,157
Mooresrown	18,916	23,645
Willingboro	31,629	39,537
	<u>\$ 92,000</u>	<u>\$ 115,000</u>

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. The MEL 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 were 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 2018, 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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 11: MEL JIF RETROSPECTIVE PROGRAM AND AGGREGATE EXCESS LOSS FUND CONTINGENCY ACCOUNT (CONT'D)

MEL Premium Deferral

From 2016 to 2021, the MEL deferred 15% of the loss fund via their retrospective program to their member JIFs with the understanding that it could call in this deferral if needed. During 2021, the MEL called in the Fund's Premium Deferral in the amount of \$329,712.

Aggregate Excess Loss Fund Contingency Account

During 2021 and 2020, the Fund assessed its members \$40,295 and \$49,771, respectively, to establish 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, 2021 and 2020.

Note 12: SURPLUS TRIGGER ASSESSMENT DUE

The Board of Fund Commissioners of the Municipal Excess Liability Residual Claims Fund and Municipal Excess Liability Joint Insurance Fund passed resolutions to amend their plans of risk management. After the end of the year and before the Residual Fund and MEL have finalized their year-end accounting, their Commissioners shall levy an additional supplementary assessment so that their statutory surplus for all fund years combined is no less than 12.5 percent of unpaid claims including IBNR. A supplementary assessment payable over 10 years becomes automatic if the statutory surplus falls below a trigger number thus guaranteeing that the MEL and Residual Fund will have the resources to pay claims.

For the years ended December 31, 2021 and 2020, supplemental assessments were due to the Residual Fund and MEL as follows:

	<u>2021</u>	<u>2020</u>
Residual Fund	\$ 12,276	\$ 54,322
MEL	290	58,249
	\$ 12,566	\$ 112,571

Note 13: SUBSEQUENT EVENTS

COVID-19 Pandemic - While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Fund and its affiliated Joint Insurance Funds are in an exceptionally strong position because of years of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Fund.

Claims Activity - Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgements when Title 59 immunities should apply.

**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, 2021 TO DECEMBER 31, 2021

	<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	\$ 44,005	\$ 902,807	\$ 103,919	\$ 2,902,890	\$ 3,953,621
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	251,649	320,533	50,150	1,270,220	1,892,552
Changes in provision for insured events of prior fund years	13,163	(209,173)	(44,256)	362,229	121,963
Total incurred claims and claims adjustment expenses all fund years	264,812	111,360	5,894	1,632,449	2,014,515
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	210,750	9,600	3,678	266,611	490,639
Attributable to insured events of prior fund years	55,614	196,494	29,313	1,237,485	1,518,906
Total payments all fund years	266,364	206,094	32,991	1,504,096	2,009,545
Total unpaid claim and claim adjustment expenses - Ending	\$ 42,453	\$ 808,073	\$ 76,822	\$ 3,031,243	\$ 3,958,591
Analysis Of Balance:					
Due to Residual Claims Fund				\$ 210,792	
Net Reserves					3,747,799
					<u>\$ 3,958,591</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2021

	Fund Year Ending December 31									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 3,562,093	\$ 3,769,823	\$ 3,841,018	\$ 3,823,612	\$ 3,854,315	\$ 4,154,511	\$ 4,258,876	\$ 4,267,644	\$ 4,111,311	\$ 3,982,477
Ceded	1,148,855	1,165,986	1,219,906	1,281,733	1,236,628	1,241,786	1,295,845	1,334,225	1,357,607	1,447,840
	2,413,238	2,603,837	2,621,112	2,541,879	2,617,687	2,912,725	2,963,031	2,933,419	2,753,704	2,534,637
Unallocated Expenses	459,810	468,345	475,614	485,840	495,624	617,923	628,820	614,804	644,496	629,783
Estimated Claims and Expenses, End of Policy Year:										
Incurred	1,366,999	1,589,000	2,820,254	1,922,501	1,451,999	1,885,198	1,918,381	1,921,039	1,894,858	1,892,552
Ceded			40,154						112,424	
Net Incurred	1,366,999	1,589,000	2,780,100	1,922,501	1,451,999	1,885,198	1,918,381	1,921,039	1,782,434	1,892,552
Paid (Cumulative) as of:										
End of Policy Year	345,597	549,689	1,011,194	437,333	278,969	416,273	332,779	576,665	312,578	490,639
One Year Later	594,608	976,989	1,199,226	722,232	592,472	775,210	886,993	1,065,256	628,974	
Two Years Later	775,739	1,263,049	1,418,481	926,140	769,384	1,085,997	1,098,879	1,336,328		
Three Years Later	1,153,842	1,383,390	1,665,986	1,027,902	997,250	1,396,029	1,486,168			
Four Years Later (A)	1,160,319	1,497,663	1,896,854	1,059,377	1,113,232	1,569,833				
Reestimated Ceded Claims and Expenses	214,056	205,960	267,160	59,173						
Reestimated Incurred Claims and Expenses:										
End of Policy Year	1,366,999	1,589,000	2,780,100	1,922,501	1,451,999	1,885,198	1,918,381	1,921,039	1,782,434	1,892,552
One Year Later	1,217,807	2,317,233	2,652,126	1,619,762	1,545,144	1,705,610	1,984,948	2,023,832	1,500,401	
Two Years Later	1,381,360	1,723,225	2,212,723	1,451,609	1,282,687	1,963,074	1,798,980	2,387,974		
Three Years Later	1,297,681	1,591,225	2,081,724	1,192,008	1,369,435	1,850,771	1,908,981			
Four Years Later (A)	1,344,031	1,703,623	2,059,020	1,118,550	1,371,154	1,780,625				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (22,968)	\$ 114,623	\$ (721,080)	\$ (803,951)	\$ (80,845)	\$ (104,573)	\$ (9,400)	\$ 466,935	\$ (282,033)	\$ -

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

PROFESSIONAL MUNICIPAL MANAGEMENT

JOINT INSURANCE FUND

SUPPLEMENTARY INFORMATION

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2021

ASSETS

Cash and Cash Equivalents	<u>\$ 6,886,777</u>	
Total Cash and Investments		\$ 6,886,777
Receivables:		
Contributions Receivable	92,000	
Retrospective Premium Receivable	<u>970,731</u>	
Total Receivables		<u>1,062,731</u>
Total Assets		\$ 7,949,508
<u>LIABILITIES</u>		
Claims:		
Case Reserves	2,596,678	
IBNR Reserves	1,329,654	
Less: Excess Insurance Recoverable	<u>(178,533)</u>	
Total Claims		3,747,799
Accrued Expenses:		
Administrative	<u>24,530</u>	
Total Accrued Expenses		<u>24,530</u>
Other Liabilities:		
MEL Premium Deferral	329,712	
Due to Residual Claims Fund	210,792	
Surplus Trigger Assessment Due	12,566	
Authorized and Unpaid Return of Surplus	<u>155,999</u>	
Total Other Liabilities		<u>709,069</u>
Total Liabilities		<u>4,481,398</u>
Net Statutory Surplus		<u><u>\$ 3,468,110</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD APRIL 1, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 2021

Underwriting Income:		
Regular Contributions	\$ 93,102,571	
Supplemental Contributions	271,393	
Retrospective Premium	1,229,974	
Residual Claims Fund Dividends	289,700	
MEL Dividend	112,811	
Environmental JIF Dividend	796,089	
Other Income	<u>6,403</u>	
Total Underwriting Income		\$ 95,808,941
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	37,627,942	
Case Reserves	2,596,678	
IBNR Reserves	1,329,654	
Residual Claims Fund Premium	<u>5,068,579</u>	
Subtotal		\$ 46,622,853
Less Excess Insurance:		
Received	104,860	
Receivable	-	
Recoverable	<u>178,533</u>	
Subtotal		<u>283,393</u>
Total Limited Incurred Claims		46,339,460
Expenses:		
Excess Insurance Premiums	26,500,044	
Administrative	<u>13,124,593</u>	
Total Expenses		<u>39,624,637</u>
Total Incurred Liabilities		<u>85,964,097</u>
Underwriting Surplus		9,844,844
Investment Income		5,308,673
Surplus Trigger Assessment		164,770
MEL Premium Deferral		<u>329,712</u>
Gross Statutory Surplus		14,659,035
Return of Surplus:		
Paid	11,034,926	
Authorized and Unpaid	<u>155,999</u>	
Total Return of Surplus		<u>11,190,925</u>
Net Statutory Surplus		<u>\$ 3,468,110</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>2021</u>	<u>2020</u>
Total Assets - Comparative Statements of Net Position	\$ 9,556,484	\$ 9,763,437
Less Investment in Joint Ventures	<u>1,606,976</u>	<u>1,748,342</u>
Total Assets - Statutory Basis	<u>\$ 7,949,508</u>	<u>\$ 8,015,095</u>
Net Position - Comparative Statements of Net Position	\$ 5,075,086	\$ 5,505,076
Less Investment in Joint Ventures	<u>1,606,976</u>	<u>1,748,342</u>
Net Statutory Surplus	<u>\$ 3,468,110</u>	<u>\$ 3,756,734</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

Underwriting Income:			
Regular Contributions		<u>\$ 3,986,256</u>	
Total Underwriting Income			\$ 3,986,256
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	\$ 490,639		
Case Reserves	738,485		
IBNR Reserves	<u>663,428</u>		
Subtotal		1,892,552	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		1,892,552	
Expenses:			
Excess Insurance Premiums	1,447,840		
Administrative	<u>629,782</u>		
Total Expenses		<u>2,077,622</u>	
Total Incurred Liabilities			<u>3,970,174</u>
Underwriting Surplus			16,082
Investment Loss			<u>(3,779)</u>
Gross Statutory Surplus			12,303
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 12,303</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

Underwriting Income:			
Regular Contributions	\$	3,929,670	
Retrospective Premium		<u>164,795</u>	
Total Underwriting Income			\$ 4,094,465
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		628,974	
Case Reserves		753,395	
IBNR Reserves		<u>296,565</u>	
Subtotal			\$ 1,678,934
Less Excess Insurance:			
Received		-	
Receivable		-	
Recoverable		<u>178,533</u>	
Subtotal			<u>178,533</u>
Total Limited Incurred Claims			1,500,401
Expenses:			
Excess Insurance Premiums		1,357,607	
Administrative		<u>644,496</u>	
Total Expenses			<u>2,002,103</u>
Total Incurred Liabilities			<u>3,502,504</u>
Underwriting Surplus			591,961
Investment Income			<u>16,806</u>
Gross Statutory Surplus			608,767
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 608,767</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

Underwriting Income:			
Regular Contributions	\$	3,884,167	
Retrospective Premium		<u>331,919</u>	
Total Underwriting Income			\$ 4,216,086
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	1,336,328		
Case Reserves	804,171		
IBNR Reserves		<u>247,475</u>	
Subtotal			\$ 2,387,974
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			2,387,974
Expenses:			
Excess Insurance Premiums	1,334,225		
Administrative		<u>614,804</u>	
Total Expenses			<u>1,949,029</u>
Total Incurred Liabilities			<u>4,337,003</u>
Underwriting Deficit			(120,917)
Investment Income			<u>51,558</u>
Gross Statutory Deficit			(69,359)
Return of Surplus:			
Paid	-		
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u>\$ (69,359)</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

Underwriting Income:			
Regular Contributions	\$	3,906,786	
Retrospective Premium		<u>273,658</u>	
Total Underwriting Income			\$ 4,180,444
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	1,486,168		
Case Reserves	300,627		
IBNR Reserves		<u>122,186</u>	
Subtotal			\$ 1,908,981
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			1,908,981
Expenses:			
Excess Insurance Premiums	1,295,845		
Administrative		<u>628,820</u>	
Total Expenses			<u>1,924,665</u>
Total Incurred Liabilities			<u>3,833,646</u>
Underwriting Surplus			346,798
Investment Income			<u>78,432</u>
Gross Statutory Surplus			425,230
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ 425,230</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 30, 2021

Underwriting Income:			
Regular Contributions	\$	3,922,739	
Retrospective Premium		<u>136,247</u>	
Total Underwriting Income			\$ 4,058,986
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		1,569,833	
Residual Claims Fund Premium		<u>210,792</u>	
Subtotal			\$ 1,780,625
Less Excess Insurance:			
Received		-	
Receivable		-	
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			1,780,625
Expenses:			
Excess Insurance Premiums		1,241,786	
Administrative		<u>617,923</u>	
Total Expenses			<u>1,859,709</u>
Total Incurred Liabilities			<u>3,640,334</u>
Underwriting Surplus			418,652
Investment Income			72,290
Surplus Trigger Assessment			12,566
Surplus Transfer to Closed Fund Year			<u>(478,376)</u>
Gross Statutory Surplus			-
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ -</u></u>

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, 2021

Underwriting Income:		
Regular Contributions	<u>\$ 317,680</u>	
Total Underwriting Income		\$ 317,680
Expenses:		
Surplus Trigger Assessment		58,249
MEL Premium Deferral		<u>270,773</u>
Underwriting Deficit		(11,342)
Investment Income		<u>11,342</u>
Net Statutory Surplus		<u><u>\$ -</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, 2021

Underwriting Income:		
Regular Contributions	\$ 73,155,273	
Supplemental Contributions	271,393	
Retrospective Premium	323,355	
Residual Claims Fund Dividends	289,700	
MEL Dividend	112,811	
Environmental JIF Dividend	796,089	
Other Income	<u>6,403</u>	
Total Underwriting Income		\$ 74,955,024
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	32,116,000	
Residual Claims Fund Premium	<u>4,857,787</u>	
Subtotal		\$ 36,973,787
Less Excess Insurance:		
Received	104,860	
Receivable	-	
Recoverable	<u>-</u>	
		<u>104,860</u>
Total Limited Incurred Claims		36,868,927
Expenses:		
Excess Insurance Premiums	19,822,741	
Administrative	<u>9,988,768</u>	
Total Expenses		<u>29,811,509</u>
Total Incurred Liabilities		<u>66,680,436</u>
Underwriting Surplus		8,274,588
Investment Income		5,082,024
Surplus Trigger Assessment		93,955
MEL Premium Deferral		58,939
Transfer of Surplus From 2017 Fund Year		<u>478,376</u>
Gross Statutory Surplus		13,682,094
Return of Surplus:		
Paid	11,034,926	
Authorized and Unpaid	<u>155,999</u>	
Total Return of Surplus		<u>11,190,925</u>
Net Statutory Surplus		<u>\$ 2,491,169</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

	<u>Coverages and Other Accounts</u>								<u>Total</u>	
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Contingency</u>	<u>Environmental JIF</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>		<u>Expense & Contingency</u>
Underwriting Income:										
Regular Contributions	\$ 504,591	\$ 333,052	\$ 52,789	\$ 1,285,000	\$ 45,010	\$ 112,196	\$ 651,526	\$ 350,775	\$ 651,317	\$ 3,986,256
Total Income	504,591	333,052	52,789	1,285,000	45,010	112,196	651,526	350,775	651,317	3,986,256
Incurred Liabilities:										
Claims (Net of Recoveries)	251,649	320,533	50,150	1,270,220						1,892,552
Expenses	336,591					112,197	648,277	350,775	629,782	2,077,622
Total Liabilities	588,240	320,533	50,150	1,270,220	-	112,197	648,277	350,775	629,782	3,970,174
Underwriting Surplus (Deficit)	(83,649)	12,519	2,639	14,780	45,010	(1)	3,249	-	21,535	16,082
Adjustments:										
Investment Loss	(107)	(725)	(115)	(2,333)	(99)	-	(44)	(236)	(120)	(3,779)
Transfers										-
Total Adjustments	(107)	(725)	(115)	(2,333)	(99)	-	(44)	(236)	(120)	(3,779)
Gross Statutory Surplus (Deficit)	(83,756)	11,794	2,524	12,447	44,911	(1)	3,205	(236)	21,415	12,303
Return of Surplus										
Net Statutory Surplus (Deficit)	\$ (83,756)	\$ 11,794	\$ 2,524	\$ 12,447	\$ 44,911	\$ (1)	\$ 3,205	\$ (236)	\$ 21,415	\$ 12,303

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<u>Coverages and Other Accounts</u>								<u>Total</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>	
Underwriting Income:									
Regular Contributions	\$ 469,901	\$ 376,171	\$ 47,021	\$ 1,257,000	\$ 113,357	\$ 613,316	\$ 332,033	\$ 658,156	\$ 3,929,670
Retrospective Premium				164,795					164,795
Total Income	469,901	376,171	47,021	1,421,795	113,357	613,316	332,033	658,156	4,094,465
Incurred Liabilities:									
Claims (Net of Recoveries)	118,287	227,335	44,252	1,110,527					1,500,401
Expenses	298,901				113,357	613,316	332,033	644,496	2,002,103
Total Liabilities	417,188	227,335	44,252	1,110,527	113,357	613,316	332,033	644,496	3,502,504
Underwriting Surplus	52,713	148,836	2,769	311,268	-	-	-	13,660	591,961
Adjustments:									
Investment Income	1,035	2,009	249	7,045		3,958	342	1,845	16,806
Transfers									-
Total Adjustments	1,035	2,009	249	7,045		3,958	342	1,845	16,806
Gross Statutory Surplus	53,748	150,845	3,018	318,313	-	3,958	342	15,505	608,767
Return of Surplus									-
Net Statutory Surplus	\$ 53,748	\$ 150,845	\$ 3,018	\$ 318,313	\$ -	\$ 3,958	\$ 342	\$ 15,505	\$ 608,767

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

	<u>Coverages and Other Accounts</u>								<u>Total</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>	
Underwriting Income:									
Regular Contributions	\$ 468,785	\$ 413,752	\$ 44,262	\$ 1,275,000	\$ 115,716	\$ 628,742	\$ 311,365	\$ 626,545	\$ 3,884,167
Retrospective Premium				331,919					331,919
Total Income	468,785	413,752	44,262	1,606,919	115,716	628,742	311,365	626,545	4,216,086
Incurred Liabilities:									
Claims (Net of Recoveries)	192,013	385,393	11,760	1,798,808					2,387,974
Expenses	278,785				115,716	628,747	310,977	614,804	1,949,029
Total Liabilities	470,798	385,393	11,760	1,798,808	115,716	628,747	310,977	614,804	4,337,003
Underwriting Surplus (Deficit)	(2,013)	28,359	32,502	(191,889)	-	(5)	388	11,741	(120,917)
Adjustments:									
Investment Income	2,106	11,011	1,022	26,135	231	5,067	304	5,682	51,558
Transfers									-
Total Adjustments	2,106	11,011	1,022	26,135	231	5,067	304	5,682	51,558
Gross Statutory Surplus (Deficit)	93	39,370	33,524	(165,754)	231	5,062	692	17,423	(69,359)
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 93	\$ 39,370	\$ 33,524	\$ (165,754)	\$ 231	\$ 5,062	\$ 692	\$ 17,423	\$ (69,359)

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

	<u>Coverages and Other Accounts</u>								<u>Total</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>	
Underwriting Income:									
Regular Contributions	\$ 456,350	\$ 428,966	\$ 47,555	\$ 1,313,000	\$ 116,812	\$ 613,337	\$ 290,347	\$ 640,419	\$ 3,906,786
Retrospective Premium				273,658					273,658
Total Income	456,350	428,966	47,555	1,586,658	116,812	613,337	290,347	640,419	4,180,444
Incurred Liabilities:									
Claims (Net of Recoveries)	91,226	114,128	51,909	1,651,718					1,908,981
Expenses	275,350				116,812	613,337	290,346	628,820	1,924,665
Total Liabilities	366,576	114,128	51,909	1,651,718	116,812	613,337	290,346	628,820	3,833,646
Underwriting Surplus (Deficit)	89,774	314,838	(4,354)	(65,060)	-	-	1	11,599	346,798
Adjustments:									
Investment Income	5,256	20,390	2,024	42,776	96	3,796	125	3,969	78,432
Transfers									-
Total Adjustments	5,256	20,390	2,024	42,776	96	3,796	125	3,969	78,432
Gross Statutory Surplus (Deficit)	95,030	335,228	(2,330)	(22,284)	96	3,796	126	15,568	425,230
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ 95,030	\$ 335,228	\$ (2,330)	\$ (22,284)	\$ 96	\$ 3,796	\$ 126	\$ 15,568	\$ 425,230

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 30, 2021

	<u>Coverages and Other Accounts</u>							<u>Expense & Contingency</u>	<u>Total</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>		
Underwriting Income:									
Regular Contributions	\$ 436,896	\$ 483,019	\$ 53,346	\$ 1,332,335	\$ 122,534	\$ 580,737	\$ 286,948	\$ 626,924	\$ 3,922,739
Retrospective Premium				136,247					136,247
Total Income	436,896	483,019	53,346	1,468,582	122,534	580,737	286,948	626,924	4,058,986
Incurred Liabilities:									
Claims (Net of Recoveries)	164,630	353,402	101,203	1,161,390					1,780,625
Expenses	251,567				122,534	580,737	286,948	617,923	1,859,709
Total Liabilities	416,197	353,402	101,203	1,161,390	122,534	580,737	286,948	617,923	3,640,334
Underwriting Surplus (Deficit)	20,699	129,617	(47,857)	307,192	-	-	-	9,001	418,652
Adjustments:									
Investment Income	1,342	22,118	1,378	43,511	118	1,472	63	2,288	72,290
Transfers									-
Residual Claims Fund									
Surplus Trigger Assessment								12,566	12,566
(Surplus) Deficit Transfer to Closed Fund Year	(22,041)	(151,735)	46,479	(350,703)	(118)	(1,472)	(63)	1,277	(478,376)
Total Adjustments	(20,699)	(129,617)	47,857	(307,192)	-	-	-	(9,001)	(418,652)
Gross Statutory Surplus	-	-	-	-	-	-	-	-	-
Return of Surplus									-
Net Statutory Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

	<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)	\$ 210,750	\$ 9,600	\$ 3,678	\$ 266,611	\$ 490,639
Case Reserves	39,899	105,070	8,249	585,267	738,485
IBNR Reserves	1,000	205,863	38,223	418,342	663,428
Subtotal	<u>251,649</u>	<u>320,533</u>	<u>50,150</u>	<u>1,270,220</u>	<u>1,892,552</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 251,649</u>	<u>\$ 320,533</u>	<u>\$ 50,150</u>	<u>\$ 1,270,220</u>	<u>\$ 1,892,552</u>
Number of Claims	<u>22</u>	<u>48</u>	<u>13</u>	<u>98</u>	<u>181</u>
Average Cost per Claim	<u>\$ 11,439</u>	<u>\$ 6,678</u>	<u>\$ 3,858</u>	<u>\$ 12,961</u>	<u>\$ 10,456</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<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)	\$ 118,277	\$ 50,478	\$ 13,902	\$ 446,317	\$ 628,974
Case Reserves	10	34,308	6,476	712,601	753,395
IBNR Reserves		142,549	23,874	130,142	296,565
Subtotal	<u>118,287</u>	<u>227,335</u>	<u>44,252</u>	<u>1,289,060</u>	<u>1,678,934</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable				178,533	178,533
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,533</u>	<u>178,533</u>
Limited Incurred Claims	<u>\$ 118,287</u>	<u>\$ 227,335</u>	<u>\$ 44,252</u>	<u>\$ 1,110,527</u>	<u>\$ 1,500,401</u>
Number of Claims	<u>36</u>	<u>98</u>	<u>17</u>	<u>88</u>	<u>239</u>
Average Cost per Claim	<u>\$ 3,286</u>	<u>\$ 2,320</u>	<u>\$ 2,603</u>	<u>\$ 12,620</u>	<u>\$ 6,278</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

	<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)	\$ 190,469	\$ 130,888	\$ 11,760	\$ 1,003,211	\$ 1,336,328
Case Reserves	1,544	159,237		643,390	804,171
IBNR Reserves		95,268		152,207	247,475
Subtotal	<u>192,013</u>	<u>385,393</u>	<u>11,760</u>	<u>1,798,808</u>	<u>2,387,974</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 192,013</u>	<u>\$ 385,393</u>	<u>\$ 11,760</u>	<u>\$ 1,798,808</u>	<u>\$ 2,387,974</u>
Number of Claims	<u>25</u>	<u>103</u>	<u>17</u>	<u>84</u>	<u>229</u>
Average Cost per Claim	<u>\$ 7,681</u>	<u>\$ 3,742</u>	<u>\$ 692</u>	<u>\$ 21,414</u>	<u>\$ 10,428</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

	<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)	\$ 91,226	\$ 77,826	\$ 51,909	\$ 1,265,207	\$ 1,486,168
Case Reserves		26,532		274,095	300,627
IBNR Reserves		9,770		112,416	122,186
Subtotal	91,226	114,128	51,909	1,651,718	1,908,981
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 91,226	\$ 114,128	\$ 51,909	\$ 1,651,718	\$ 1,908,981
Number of Claims	24	81	19	67	191
Average Cost per Claim	\$ 3,801	\$ 1,409	\$ 2,732	\$ 24,653	\$ 9,995

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 336,591		\$ 336,591
Municipal Excess Liability Fund	648,277		648,277
Environmental Account	112,197		112,197
Public Officials & Employment Practices	350,775		350,775
Subtotal Excess Insurance	1,447,840	-	1,447,840
Administrative Expenses:			
Actuary	40,880		40,880
Administrator	157,287		157,287
Attorney	21,498		21,498
Auditor	-	\$ 24,061	24,061
Claims Administrator	144,047		144,047
Internal Auditor	4,468		4,468
Litigation Management	18,312		18,312
Medical Management	89,972		89,972
Miscellaneous	2,260	434	2,694
Postage	324	35	359
Risk Management Consulting	77,310		77,310
Safety Programs	24,095		24,095
Treasurer	18,582		18,582
Underwriter	6,217		6,217
Subtotal Administrative Expenses	605,252	24,530	629,782
Total Expenses	\$ 2,053,092	\$ 24,530	\$ 2,077,622

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 298,901		\$ 298,901
Municipal Excess Liability Fund	613,316		613,316
Environmental Account	113,357		113,357
Public Officials & Employment Practices	332,033		332,033
	<hr/>		
Subtotal Excess Insurance	1,357,607	-	1,357,607
	<hr/>		
Administrative Expenses:			
Actuary	40,078		40,078
Administrator	135,624		135,624
Attorney	21,076		21,076
Auditor	20,000		20,000
Claims Administrator	138,507		138,507
Internal Auditor	3,860		3,860
Litigation Management	17,953		17,953
Medical Management	86,511		86,511
Miscellaneous	24,794		24,794
Postage	105		105
Risk Management Consulting	77,407		77,407
Safety - Right to Know & Incentive	11,500		11,500
Safety Programs	42,768		42,768
Treasurer	18,218		18,218
Underwriter	6,095		6,095
	<hr/>		
Subtotal Administrative Expenses	644,496	-	644,496
	<hr/>		
Total Expenses	\$ 2,002,103	-	\$ 2,002,103
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2019 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 278,785		\$ 278,785
Municipal Excess Liability Fund	628,747		628,747
Environmental Account	115,716		115,716
Public Officials & Employment Practices	310,977		310,977
	<hr/>		
Subtotal Excess Insurance	1,334,225	-	1,334,225
	<hr/>		
Administrative Expenses:			
Actuary	39,292		39,292
Administrator	132,964		132,964
Attorney	20,663		20,663
Auditor	21,000		21,000
Claims Administrator	135,791		135,791
Internal Auditor	4,295		4,295
Litigation Management	17,601		17,601
Medical Management	84,815		84,815
Miscellaneous	5,176		5,176
Postage	106		106
Risk Management Consulting	77,217		77,217
Safety Programs	40,547		40,547
Treasurer	17,861		17,861
Underwriter	5,976		5,976
	<hr/>		
Subtotal Administrative Expenses	614,804	-	614,804
	<hr/>		
Total Expenses	\$ 1,949,029	-	\$ 1,949,029
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2018 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 275,350		\$ 275,350
Municipal Excess Liability Fund	613,337		613,337
Environmental Account	116,812		116,812
Public Officials & Employment Practices	290,346		290,346
	<hr/>		
Subtotal Excess Insurance	1,295,845	-	1,295,845
	<hr/>		
Administrative Expenses:			
Actuary	38,552		38,552
Administrator	130,357		130,357
Attorney	20,258		20,258
Auditor	20,500		20,500
Claims Administrator	133,129		133,129
Internal Auditor	4,210		4,210
Litigation Management	17,256		17,256
Medical Management	83,152		83,152
Miscellaneous	6,280		6,280
Postage	35		35
Risk Management Consulting	102,015		102,015
Safety Programs	39,706		39,706
Treasurer	17,511		17,511
Underwriter	5,859		5,859
	<hr/>		
Subtotal Administrative Expenses	628,820	-	628,820
	<hr/>		
Total Expenses	\$ 1,924,665	-	\$ 1,924,665
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY \$ 7,000,000
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)	\$ 251,649	\$ 320,533	\$ 50,150	\$ 1,270,220
Administrative Expenses (1)	394,129	114,066	18,080	440,098
	<u>\$ 645,778</u>	<u>\$ 434,599</u>	<u>\$ 68,230</u>	<u>\$ 1,710,318</u>
Exposure Units	\$ 330,392,121 (Property Value)	117,024 (Population)	605 (Vehicles)	\$ 57,153,985 (Payroll)
Average Liability per Exposure Unit	\$1.95 (Per \$1,000)	\$3.71 (Per Capita)	\$112.78 (Per Vehicle)	\$29.92 (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 2020 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY \$ 7,000,000
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)	\$ 118,287	\$ 227,335	\$ 44,252	\$ 1,110,527
Administrative Expenses (1)	357,862	129,703	16,213	439,619
	<u>\$ 476,149</u>	<u>\$ 357,038</u>	<u>\$ 60,465</u>	<u>\$ 1,550,146</u>
Exposure Units	\$ 292,266,510 (Property Value)	117,024 (Population)	575 (Vehicles)	\$ 55,905,079 (Payroll)
Average Liability per Exposure Unit	\$1.63 (Per \$1,000)	\$3.05 (Per Capita)	\$105.16 (Per Vehicle)	\$27.73 (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 2019 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY \$ 7,000,000
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)	\$ 192,013	\$ 385,393	\$ 11,760	\$ 1,798,808
Administrative Expenses (1)	339,530	132,280	14,151	407,628
	<u>\$ 531,543</u>	<u>\$ 517,673</u>	<u>\$ 25,911</u>	<u>\$ 2,206,436</u>
Exposure Units	\$ 286,390,859 (Property Value)	117,024 (Population)	583 (Vehicles)	\$ 54,182,873 (Payroll)
Average Liability per Exposure Unit	\$1.86 (Per \$1,000)	\$4.42 (Per Capita)	\$44.44 (Per Vehicle)	\$40.72 (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 2018 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	STATUTORY \$ 7,000,000
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)	\$ 91,226	\$ 114,128	\$ 51,909	\$ 1,651,718
Administrative Expenses (1)	329,374	128,036	14,194	432,566
	<u>\$ 420,600</u>	<u>\$ 242,164</u>	<u>\$ 66,103</u>	<u>\$ 2,084,284</u>
Exposure Units	\$ 289,777,146 (Property Value)	117,024 (Population)	562 (Vehicles)	\$ 52,919,036 (Payroll)
Average Liability per Exposure Unit	\$1.45 (Per \$1,000)	\$2.07 (Per Capita)	\$117.62 (Per Vehicle)	\$39.39 (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 AND CASH EQUIVALENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2021

<u>Description</u>	<u>Amount</u>
Cash and Cash Equivalents:	
BNY Mellon:	
Joint Cash Management and Investment Program (JCMI)	\$ 4,783,147
Investors Bank:	
Administrative and Expense Account	1,000
Claims Account	100,000
Operating Account	<u>2,002,630</u>
 Total Cash and Cash Equivalents per Schedule A - Historical Balance Sheet--Statutory Basis	 <u>\$ 6,886,777</u>
 Total Cash and Cash Equivalents by Fund Year:	
2018	\$ 574,382
2019	650,367
2020	1,315,399
2021	1,438,750
Aggregate Excess Loss Fund Contingency	270,773
Closed Years	<u>2,637,106</u>
	<u>\$ 6,886,777</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2021

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2021	\$ 24,061
Miscellaneous Expenses	2021	434
Postage	2021	<u>35</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis		<u>\$ 24,530</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, and contracts 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