

**PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**



PROFESSIONAL MUNICIPAL MANAGEMENT
JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

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	<u>SUSAN DANSON</u>	<u>DWAYNE HARRIS</u>
Secretary	<u>IVY CARMICHAEL</u>	_____
	<u>KEVIN ABERANT</u>	_____
	<u>DAVID PFEIFFER</u>	_____

EXECUTIVE COMMITTEE ALTERNATES

<u>MARY-ANN KNELL</u>	_____
_____	_____
_____	_____
_____	_____

State of NEW JERSEY
 County of BURLINGTON

SUSAN DANSON (Chairman), IVY CARMICHAEL (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, 2023 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, 2023 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 _____ 2024

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, 2023 and 2022, 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, 2023 and 2022, 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 25, 2024, 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 25, 2024

**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, 2023, 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 25, 2024.

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.

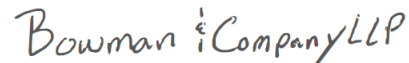
Report on Compliance and Other Matters

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 25, 2024

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, 2023, 2022, and 2021. 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, 2023, 2022, and 2021.

Statements Of Net Position Summary	12/31/2023	12/31/2022	12/31/2021	2023 to 2022 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 2,067,101	\$ 1,727,517	\$ 2,103,630	\$ 339,584	19.7%
Investments	4,649,081	4,434,663	4,783,147	214,418	4.8%
Investment In Joint Ventures	1,124,932	1,142,068	1,606,976	(17,136)	-1.5%
Receivables and Other Assets	1,091,714	1,088,439	1,062,731	3,275	0.3%
Total Assets	8,932,828	8,392,687	9,556,484	540,141	6.4%
Liabilities And Reserves & Net Position					
Liabilities And Reserves					
Loss Reserves	3,149,758	3,151,737	3,747,799	(1,979)	-0.1%
Other Liabilities	1,046,962	1,118,844	733,599	(71,882)	-6.4%
Total Liabilities And Reserves	4,196,720	4,270,581	4,481,398	(73,861)	-1.7%
Net Position - Unrestricted	\$ 4,736,108	\$ 4,122,106	\$ 5,075,086	\$ 614,002	14.9%

Statements Of Revenues, Expenses, And Changes In Net Position Summary	12/31/2023	12/31/2022	12/31/2021	2023 to 2022 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$ 4,755,631	\$ 4,446,511	\$ 4,403,179	\$ 309,120	7.0%
Operating Expenses:					
Provision For Claims and Claims					
Adjustment Expenses	1,632,411	1,469,153	2,014,515	163,258	11.1%
Premium For Excess Insurance	1,911,023	1,673,989	1,447,840	237,034	14.2%
Residual Claims Fund					
Supplemental Assessment	8,383	128,023	12,566	(119,640)	-93.5%
MEL Claims Fund					
Supplemental Assessment	-	344,944	-	(344,944)	-100.0%
MEL Premium Deferral	-	-	329,712	-	0.0%
Professional & Contractual Services	696,089	657,363	637,910	38,726	5.9%
Total Operating Expenses	4,247,906	4,273,472	4,442,543	(25,566)	-0.6%
Operating Income (Loss)	507,725	173,039	(39,364)	334,686	193.4%
Non Operating Revenue (Expense)					
Investment Income (Loss)	333,364	(318,112)	(10,688)	651,476	204.8%
Change In Investment In Joint Ventures	(17,136)	(464,908)	(141,366)	447,772	96.3%
Total Non Operating Revenue (Expense)	316,228	(783,020)	(152,054)	1,099,248	140.4%
Return Of Surplus	209,951	342,999	238,572	(133,048)	-38.8%
Change In Net Position	\$ 614,002	\$ (952,980)	\$ (429,990)	\$ 1,566,982	164.4%

Financial Highlights Continued

The Fund's total assets increased by 6.4%. "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, the Environmental Joint Insurance Fund, and the New Jersey Cyber Risk Management Fund. The Fund's total liabilities and reserves decreased by 1.7%.

Assessments and other income increased by 7.0%, reflecting an increase in Regular Contributions. The Fund recognized Operating Income of \$507,725 representing an increase of \$334,686 from 2022. The change was primarily due to a 100% decrease in the MEL Claims Fund Supplemental Assessment. The Fund also had the MEL Claims Fund and Residual Claims Fund Supplemental Assessments, 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 increased by 204.8% due to the increase 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 gains that have impacted the Fund's financial position.

For 2023, the Fund paid a dividend to its members' of \$209,951 representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$86,951 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 increased by \$614,002, or 164.4%.

Economic Conditions

The future financial position of the Fund will be impacted by medical costs trends that impact upon workers compensation costs. The State has increased the weekly workers compensation benefit by 9.9% to make New Jersey having the highest premium rates in the Country. Compounding this problem was the Department of Labor decision to change the rule that most non-medical cost on some workers permanently disabled on the job, which was covered by the pension system; workers compensation is now the primary payer.

New Jersey adopted a law that requires workers compensation judges to presume that COVID is work related for emergency workers. As a result, New Jersey experienced the second highest workers compensation cost for COVID in the country.

Recent Legislation requires judges to presume that cancer is job related for firefighters and an amendment in the sexual molestation statute of limitations will increase total liability cost by an estimated 6%.

Property premiums are increasing at double digit rates because of the higher frequency of natural disasters worldwide. Property insurance premiums are also increasing because of an 11% jump in property values caused by supply chain issues and labor shortages.

The Fund continues to attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management. The Fund intends 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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash And Cash Equivalents	\$ 2,067,101	\$ 1,727,517
Investments	4,649,081	4,434,663
Contributions Receivable	46,000	69,000
Dividend Receivable	86,952	-
Prepaid Expenses	-	2,563
Retrospective Premium Receivable	958,762	1,016,876
Investments In Joint Ventures	1,124,932	1,142,068
	<u>8,932,828</u>	<u>8,392,687</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	69,273	37,037
Contributions Payable	3,500	2,000
Due to Residual Claims Fund	331,130	376,770
Residual Claims Fund Supplemental Assessment	136,406	128,023
MEL Claims Fund Supplemental Assessment	344,944	344,944
Authorized And Unpaid Return Of Surplus	161,709	230,070
	<u>1,046,962</u>	<u>1,118,844</u>
Reserves:		
Claims:		
Case Reserves	1,841,200	1,913,337
IBNR Reserves	1,863,302	1,431,714
Discounted Reserves	(299,707)	-
Excess Insurance Recoverable	(255,037)	(193,314)
	<u>3,149,758</u>	<u>3,151,737</u>
Total Reserves	<u>3,149,758</u>	<u>3,151,737</u>
Total Liabilities and Reserves	<u>4,196,720</u>	<u>4,270,581</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 4,736,108</u>	<u>\$ 4,122,106</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Regular Contributions	\$ 4,659,987	\$ 4,216,258
Retrospective Premium Income	8,692	110,257
Residual Claims Fund Dividend	86,952	-
Environmental JIF Dividend	-	119,996
	<hr/>	<hr/>
Total Operating Revenues	4,755,631	4,446,511
Operating Expenses:		
Provision For Claims and Claims Adjustment Expenses	1,632,411	1,469,153
Excess Insurance Premiums	1,911,023	1,673,989
Residual Claims Fund Supplemental Assessment	8,383	128,023
MEL Claims Fund Supplemental Assessment	-	344,944
Administrative Expenses:		
Administrator	143,924	141,102
Claims Administrator	152,863	148,369
Safety Programs	102,483	49,366
Professional Services	282,812	306,508
Miscellaneous Expenses	14,007	12,018
	<hr/>	<hr/>
Total Operating Expenses	4,247,906	4,273,472
Operating Income	<hr/>	<hr/>
	507,725	173,039
Non-Operating Revenues (Expenses):		
Investment Income (Loss)	333,364	(318,112)
Change In Investment In Joint Ventures	(17,136)	(464,908)
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	316,228	(783,020)
Change in Net Positon	823,953	(609,981)
Net Position - Beginning	4,122,106	5,075,086
Return of Surplus	<hr/>	<hr/>
	(209,951)	(342,999)
Net Position - Ending	<hr/>	<hr/>
	\$ 4,736,108	\$ 4,122,106

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Receipts From Regular Contributions	\$ 4,684,487	\$ 4,241,258
Receipts From Retrospective Premium Income	66,806	64,112
Receipts From Environmental JIF Dividend	-	119,996
Payments For Claim Payments	(1,680,030)	(1,899,237)
Payments For Insurance Premiums	(1,900,077)	(1,545,863)
Payments To Professionals and Suppliers	(672,236)	(1,117,823)
	<u>498,950</u>	<u>(137,557)</u>
Net Cash Flows Provided By (Used In) Operating Activities		
Cash Flows From Investing Activities:		
Purchase of Investments	(95,840)	-
Investment Income	214,786	30,372
	<u>118,946</u>	<u>30,372</u>
Net Cash Flows Provided By Investing Activities		
Cash Flows Used In Noncapital Financing Activities:		
Return of Surplus	(278,312)	(268,928)
	<u>(278,312)</u>	<u>(268,928)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	339,584	(376,113)
Cash And Cash Equivalents - Beginning	<u>1,727,517</u>	<u>2,103,630</u>
Cash And Cash Equivalents - Ending	<u>\$ 2,067,101</u>	<u>\$ 1,727,517</u>
Reconciliation of Operating Income To		
Cash Flows From Operating Activities:		
Operating Income	\$ 507,725	\$ 173,039
Adjustments To Reconcile Operating Income To		
Net Cash Provided By (Used In) Operating Activities:		
Changes In Assets And Liabilities:		
Decrease (Increase) In Assets:		
Contributions Receivable	23,000	23,000
Dividend Receivable	(86,952)	-
Retrospective Premium Recoverable	58,114	(46,145)
Prepaid Expenses	2,563	(2,563)
Increase (Decrease) In Liabilities:		
Accrued Administrative Expenses	32,236	12,507
Contributions Payable	1,500	2,000
MEL Premium Deferral	-	(329,712)
Due to Residual Claims Fund	(45,640)	165,978
Residual Claims Fund Supplemental Assessment	8,383	115,457
MEL Claims Fund Supplemental Assessment	-	344,944
Claims Reserves	(1,979)	(596,062)
	<u>\$ 498,950</u>	<u>\$ (137,557)</u>
Net Cash Flows Provided By (Used In) Operating Activities		
Supplemental Disclosure - Noncash Activity:		
Change In Unrealized Gain (Loss) On Investments Included In		
Investment Income	<u>\$ 169,288</u>	<u>\$ (329,266)</u>
Change In Investment In Joint Ventures	<u>\$ (17,136)</u>	<u>\$ (464,908)</u>

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

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

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

During 2023, 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 the Governmental Accounting Standards Board ("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.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Component Unit (Cont'd)

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 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.

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.

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)

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 GUDPA. 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.

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.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities (Cont'd)

- 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, 2023. 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.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Return of Surplus/Dividends (Cont'd)

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.

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 GASB 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.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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 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. 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 \$2,562,892 as of December 31, 2023, \$250,000 was insured while \$2,312,892 was collateralized under GUDPA.

Of the Fund's bank balance of \$1,955,559 as of **December 31, 2022**, \$250,000 was insured while \$1,705,559 was collateralized under GUDPA.

Note 4: INVESTMENTS

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name. All of the Fund's investments in the Joint Cash Management and Investment Program of \$4,649,081 and \$4,434,663 as of December 31, 2023 **and 2022**, 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. The Fund does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

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 and joint investment pools.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENTS (CONT'D)

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").

Fair Value Measurements of Investments

As of December 31, 2023 and 2022, the Fund had the following investments and maturities:

<u>Investment</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy Level*</u>	<u>Market Value</u>	
					<u>2023</u>	<u>2022</u>
JOINT CASH MANAGEMENT INVESTMENT PROGRAM	N/A	N/A	AAA	Level 2	<u>\$ 4,649,081</u>	<u>\$ 4,434,663</u>

* 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 (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Investment Income (Loss)

The following schedule summarizes the net investment loss for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Investment Income	\$ 214,786	\$ 30,372
Less: Investment Expenses	<u>6,570</u>	<u>19,218</u>
Net Investment Earnings	208,216	11,154
Other Adjustments:		
Realized Loss	(44,140)	-
Unrealized Gain (Loss)	<u>169,288</u>	<u>(329,266)</u>
Total Investment Income (Loss)	<u>\$ 333,364</u>	<u>\$ (318,112)</u>

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 2023 and 2022 for all open Fund years net of excess insurance recoveries:

	<u>2023</u>	<u>2022</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning	\$ 3,528,507	\$ 3,958,591
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	2,076,825	1,862,091
Changes in provision for insured events of prior fund years	<u>(444,414)</u>	<u>(392,938)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>1,632,411</u>	<u>1,469,153</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	594,248	590,629
Attributable to insured events of prior fund years	<u>1,085,782</u>	<u>1,308,608</u>
Total Payments all Fund years	<u>1,680,030</u>	<u>1,899,237</u>
Total unpaid claim and claim adjustment expenses all Fund years - Ending	<u>\$ 3,480,888</u>	<u>\$ 3,528,507</u>
Analysis Of Balance:		
Due to Residual Claims Fund	\$ 331,130	\$ 376,770
Net Reserves	<u>3,149,758</u>	<u>3,151,737</u>
	<u>\$ 3,480,888</u>	<u>\$ 3,528,507</u>

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, 2023, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>Fund Year</u>					
		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Evesham	\$ 194,980	\$ -	\$ -	\$ 194,980	\$ -	\$ -	\$ -
Maple Shade	219,980	69,441	-	57,806	-	49,503	43,230
Willingboro	543,802	-	273,658	87,561	182,583	-	-
	<u>\$ 958,762</u>	<u>\$ 69,441</u>	<u>\$ 273,658</u>	<u>\$ 340,347</u>	<u>\$ 182,583</u>	<u>\$ 49,503</u>	<u>\$ 43,230</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: RETROSPECTIVE PREMIUM RECOVERABLE (CONT'D)

As of **December 31, 2022**, the estimated Retrospective Premium Recoverable was allocated as follows:

<u>Member</u>	<u>Total</u>	<u>Fund Year</u>			
		<u>2017</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Evesham	\$ 194,980	\$ -	\$ 194,980	\$ -	\$ -
Maple Shade	236,880	104,386	82,991	-	49,503
Willingboro	585,016	305,519	96,914	182,583	-
	<u>\$ 1,016,876</u>	<u>\$ 409,905</u>	<u>\$ 374,885</u>	<u>\$ 182,583</u>	<u>\$ 49,503</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.

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.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

New Jersey Cyber Risk Management Fund

The Fund is currently a member of the New Jersey Cyber Risk Management Fund (the "Cyber Fund"). 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 cyber 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 Cyber Fund are elected.

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

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

Equity Interest

As of December 31, 2023 and 2022, the Fund's share of net position in the Residual Fund, the MEL, the Environmental Fund, and the Cyber Fund is as follows:

	<u>2023</u>	<u>2022</u>
Residual Fund	\$ 47,406	\$ 16,735
MEL	615,929	638,097
Environmental Fund	445,202	487,236
Cyber Fund	16,395	-
	<u>\$ 1,124,932</u>	<u>\$ 1,142,068</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Selected Financial Information

Selected summarized financial information for the Residual Fund, the MEL, the Environmental Fund, and the Cyber Fund as of December 31, 2023 is as follows:

	Residual Fund	MEL	Environmental Fund	Cyber Fund
Total Assets	<u>\$ 128,884,717</u>	<u>\$ 115,148,943</u>	<u>\$ 31,706,748</u>	<u>\$ 3,232,144</u>
Total Liabilities	<u>\$ 133,653,232</u>	<u>\$ 102,767,420</u>	<u>\$ 19,325,225</u>	<u>\$ 1,312,993</u>
Net Position	<u>\$ (4,768,515)</u>	<u>\$ 12,381,523</u>	<u>\$ 12,381,523</u>	<u>\$ 1,919,151</u>
Total Revenue	<u>\$ 37,647,508</u>	<u>\$ 69,709,751</u>	<u>\$ 5,985,813</u>	<u>\$ 6,419,422</u>
Total Expenses	<u>\$ 34,507,315</u>	<u>\$ 66,164,257</u>	<u>\$ 4,442,507</u>	<u>\$ 4,500,271</u>
Change in Net Position	<u>\$ 2,440,193</u>	<u>\$ 3,545,494</u>	<u>\$ (956,694)</u>	<u>\$ 1,919,151</u>
Distributions to Members	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

Selected summarized financial information for the Residual Fund, the MEL, and the Environmental Fund as of December 31, 2022 is as follows:

	Residual Fund	MEL	Environmental Fund
Total Assets	<u>\$ 130,005,896</u>	<u>\$ 105,175,044</u>	<u>\$ 30,786,111</u>
Total Liabilities	<u>\$ 137,214,600</u>	<u>\$ 96,334,014</u>	<u>\$ 14,110,115</u>
Net Position	<u>\$ (7,208,704)</u>	<u>\$ 8,841,030</u>	<u>\$ 16,675,996</u>
Total Revenue	<u>\$ 39,009,899</u>	<u>\$ 73,348,661</u>	<u>\$ 2,651,138</u>
Total Expenses	<u>\$ 45,640,292</u>	<u>\$ 79,665,447</u>	<u>\$ 3,337,737</u>
Change in Net Position	<u>\$ (7,315,393)</u>	<u>\$ (6,316,786)</u>	<u>\$ (3,986,599)</u>
Distributions to Members	<u>\$ 685,000</u>	<u>\$ -</u>	<u>\$ 3,300,000</u>

Financial statements for the Municipal Excess Liability Residual Claims Fund, the Municipal Excess Liability Joint Insurance Fund, the New Jersey Municipal Environmental Risk Management Fund, and the New Jersey Cyber 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

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: RELATED PARTY TRANSACTIONS

As disclosed in Note 7, the Fund is a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"), Municipal Excess Liability Joint Insurance Fund (the "MEL"), New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"), and the New Jersey Cyber Risk Management Fund (the "Cyber Fund") and has an ownership interest in those funds.

Municipal Excess Liability Joint Insurance Fund

Excess insurance premiums paid to the MEL for the years ended December 31, 2023 and 2022 were \$1,333,326 and \$1,177,411 respectively. As disclosed in Note 12, the Fund was also assessed supplemental assessments during 2023 and 2022. As disclosed in note 4, the Fund participated in the Joint Cash Management and Investment Program during 2023 and 2022.

New Jersey Municipal Environmental Risk Management Fund

Excess insurance premiums paid to the Environmental Fund were \$113,391 and \$113,342 for the years ended December 31, 2023 and 2022, respectively.

Municipal Excess Liability Residual Claims Fund

During 2023 and 2022, the Fund was assessed \$331,130 and \$376,770, respectively, for the transfer of fund year 2019 and 2018 liabilities to the Residual Fund. As disclosed in Note 12, the Fund was also assessed supplemental assessments during 2023 and 2022.

New Jersey Cyber Risk Management Fund

Excess insurance premiums paid to the Cyber Fund were \$53,892 for the year ended December 31, 2023.

Note 9: RETURN OF SURPLUS

During 2023, the Executive Committee approved a dividend distribution in the amount of \$209,951, representing \$100,000 paid from closed years, a pass through of E-JIF dividends of \$86,951, and \$23,000 of members' closed year surplus used to pay the 2011 fund year supplemental contributions as disclosed in note 10.

During 2022, the Executive Committee approved a dividend distribution in the amount of \$342,999, representing \$200,000 paid from closed years, a pass through of E-JIF dividends of \$119,999, 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 owed 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, 2023 and 2022, the allocated balance of the supplemental contribution was as follows:

<u>Member</u>	<u>2023</u>	<u>2022</u>
Evesham	\$ 11,997	\$ 17,996
Evesham Township Fire District	2,667	4,001
Maple Shade	6,063	9,094
Moorestown	9,458	14,187
Willingboro	<u>15,815</u>	<u>23,722</u>
	<u>\$ 46,000</u>	<u>\$ 69,000</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.

Aggregate Excess Loss Fund Contingency Account

During 2023 and 2022, the Fund did not assess an additional assessment to transfer to the aggregate loss fund contingency account. The loss fund contingency account, including accrued interest represents a management designation of the fund's net position.

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 12: SUPPLEMENTAL ASSESSMENTS

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, 2023 and 2022, supplemental assessments were due to the Residual Fund and MEL as follows:

	<u>2023</u>	<u>2022</u>
Residual Fund	\$ 8,383	\$ 128,023
MEL	-	344,944
	<u>\$ 8,383</u>	<u>\$ 472,967</u>

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 is 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 changes in the public employee pension plans that will reduce the plans' contribution to total disability claims while shifting the burden to the Fund. In addition, the Fund continues to see the financial impact of claim "reopeners", an expanding definition of compensability, increasing TTD rates impacted by inflation, and an increasing number of claim petitions. Fortunately, the Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims continue to increase because of legislative changes and judicial decisions that are deteriorating Title 59 immunities and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

Investments - The Fund's investment performance continues to be affected by the economy. Factors such as financial conditions, COVID policies, natural gas problems, the war in Ukraine, and inflation are expected to weigh on growth. Management continues to monitor the impact of these economic factors on the Fund's financial performance and is adjusting its investment philosophy in recognition of these factors.

**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, 2023 TO DECEMBER 31, 2023

	<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	\$ 72,618	\$ 680,916	\$ 102,037	\$ 2,672,936	\$ 3,528,507
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	196,899	319,455	60,109	1,500,362	2,076,825
Changes in provision for insured events of prior fund years	(93,503)	6,392	43,495	(400,798)	(444,414)
Total incurred claims and claims adjustment expenses all fund years	103,396	325,847	103,604	1,099,564	1,632,411
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	144,217	56,565	11,456	382,010	594,248
Attributable to insured events of prior fund years	(65,734)	160,404	47,490	943,622	1,085,782
Total payments all fund years	78,483	216,969	58,946	1,325,632	1,680,030
Total unpaid claim and claim adjustment expenses - Ending	\$ 97,531	\$ 789,794	\$ 146,695	\$ 2,446,868	\$ 3,480,888
Analysis Of Balance:					
Due to Residual Claims Fund				\$ 331,130	
Net Reserves					3,149,758
					<u>\$ 3,480,888</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2023

	Fund Year Ending December 31									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 3,838,997	\$ 3,822,602	\$ 3,853,809	\$ 4,173,586	\$ 4,314,952	\$ 4,340,932	\$ 4,121,641	\$ 4,028,841	\$ 4,253,951	\$ 4,723,867
Ceded	1,219,906	1,281,733	1,236,628	1,241,786	1,295,845	1,334,225	1,357,607	1,451,089	1,672,740	1,911,022
	2,619,091	2,540,869	2,617,181	2,931,800	3,019,107	3,006,707	2,764,034	2,577,752	2,581,211	2,812,845
Unallocated Expenses	475,614	485,840	495,624	617,923	628,820	614,804	644,496	626,117	692,526	664,591
Estimated Claims and Expenses, End of Policy Year:										
Incurred	2,820,254	1,922,501	1,451,999	1,885,198	1,918,381	1,921,039	1,894,858	1,892,552	1,862,091	2,076,825
Ceded	40,154						112,424			
Net Incurred	2,780,100	1,922,501	1,451,999	1,885,198	1,918,381	1,921,039	1,782,434	1,892,552	1,862,091	2,076,825
Paid (Cumulative) as of:										
End of Policy Year	1,011,194	437,333	278,969	416,273	332,779	576,665	312,578	490,639	590,629	594,248
One Year Later	1,199,226	722,232	592,472	775,210	886,993	1,065,256	628,974	765,723	844,060	
Two Years Later	1,418,481	926,140	769,384	1,085,997	1,098,879	1,336,328	891,745	919,631		
Three Years Later	1,665,986	1,027,902	997,250	1,396,029	1,486,168	1,853,292	1,106,270			
Four Years Later (A)	1,896,854	1,059,377	1,113,232	1,569,833	1,529,162	1,940,440				
Reestimated Ceded Claims and Expenses	267,160	59,173	257,922	210,792	376,770	331,130	255,037			
Reestimated Incurred Claims and Expenses:										
End of Policy Year	2,780,100	1,922,501	1,451,999	1,885,198	1,918,381	1,921,039	1,782,434	1,892,552	1,862,091	2,076,825
One Year Later	2,652,126	1,619,762	1,545,144	1,705,610	1,984,948	2,023,832	1,500,401	1,554,069	1,776,803	
Two Years Later	2,212,723	1,451,609	1,282,687	1,963,074	1,798,980	2,387,974	1,429,671	1,435,916		
Three Years Later	2,081,724	1,192,008	1,369,435	1,850,771	1,908,981	2,407,295	1,324,423			
Four Years Later (A)	2,059,020	1,118,550	1,371,154	1,780,625	1,295,845	2,271,570				
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (721,080)	\$ (803,951)	\$ (80,845)	\$ (104,573)	\$ (622,536)	\$ 350,531	\$ (458,011)	\$ (456,636)	\$ (85,288)	\$ -

(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, 2023

ASSETS

Cash and Cash Equivalents	\$ 2,067,101	
Investments	<u>4,649,081</u>	
Total Cash and Investments		\$ 6,716,182
Receivables:		
Contributions Receivable	46,000	
Dividends Receivable	86,952	
Retrospective Premium Receivable	<u>958,762</u>	
Total Receivables		<u>1,091,714</u>
Total Assets		\$ 7,807,896
<u>LIABILITIES</u>		
Claims:		
Case Reserves	1,841,200	
IBNR Reserves	1,863,302	
Less: Excess Insurance Recoverable	<u>(255,037)</u>	
Total Claims		3,449,465
Accrued Expenses:		
Administrative	<u>69,273</u>	
Total Accrued Expenses		<u>69,273</u>
Other Liabilities:		
Contributions Payable	3,500	
Due to Residual Claims Fund	331,130	
Residual Claims Fund Supplemental Assessment	136,406	
MEL Claims Fund Supplemental Assessment	344,944	
Authorized and Unpaid Return of Surplus	<u>161,709</u>	
Total Other Liabilities		<u>977,689</u>
Total Liabilities		<u>4,496,427</u>
Net Statutory Surplus		<u>\$ 3,311,469</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, 2023

Underwriting Income:		
Regular Contributions	\$ 101,980,816	
Supplemental Contributions	255,000	
Retrospective Premium	1,365,316	
Residual Claims Fund Dividends	376,652	
MEL Dividend	112,811	
Environmental JIF Dividend	916,085	
Other Income	<u>6,403</u>	
Total Underwriting Income		\$ 105,013,083
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	40,619,643	
Case Reserves	1,841,200	
IBNR Reserves	1,863,302	
Residual Claims Fund Premium	<u>5,776,482</u>	
Subtotal		\$ 50,100,627
Less Excess Insurance:		
Received	104,860	
Receivable	-	
Recoverable	<u>255,037</u>	
Subtotal		<u>359,897</u>
Total Limited Incurred Claims		49,740,730
Expenses:		
Excess Insurance Premiums	30,087,056	
Administrative	<u>14,478,046</u>	
Total Expenses		<u>44,565,102</u>
Total Incurred Liabilities		<u>94,305,832</u>
Underwriting Surplus		10,707,251
Investment Income		
Cumulative Investment Income	5,622,866	
Unrealized Losses - Current Year	<u>(298,941)</u>	
Total Investment Income		5,323,925
Supplemental Assessment:		
Residual Claims Fund Supplemental Assessment	242,927	
MEL Claims Fund Supplemental Assessment	<u>732,905</u>	
Total Supplemental Assessment		<u>975,832</u>
Gross Statutory Surplus		15,055,344
Return of Surplus:		
Paid	11,582,166	
Authorized and Unpaid	<u>161,709</u>	
Total Return of Surplus		<u>11,743,875</u>
Net Statutory Surplus		<u>\$ 3,311,469</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 Division of Banking and Insurance as of and for the year ended December 31, 2023. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures and Discounted Reserves as follows:

Total Assets - Comparative Statements of Net Position	\$	8,932,828
Less Investment in Joint Ventures		<u>1,124,932</u>
Total Assets - Statutory Basis	\$	<u>7,807,896</u>
Total Liabilities and Reserves - Comparative Statements of Net Position	\$	4,196,720
Add: Discounted Reserves		<u>299,707</u>
Total Liabilities - Statutory Basis	\$	<u>4,496,427</u>
Net Position - Comparative Statements of Net Position	\$	4,736,108
Less Investment in Joint Ventures		1,124,932
Less Discounted Reserves		<u>299,707</u>
Net Statutory Surplus	\$	<u>3,311,469</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

Underwriting Income:			
Regular Contributions	<u>\$ 4,659,985</u>		
Total Underwriting Income			\$ 4,659,985
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	594,248		
Case Reserves	482,492		
IBNR Reserves	<u>1,136,316</u>		
Subtotal		\$ 2,213,056	
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		2,213,056	
Expenses:			
Excess Insurance Premiums	1,911,022		
Administrative	<u>664,591</u>		
Total Expenses		<u>2,575,613</u>	
Total Incurred Liabilities			<u>4,788,669</u>
Underwriting Deficit			(128,684)
Investment Income			<u>63,882</u>
Gross Statutory Deficit			(64,802)
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Deficit			<u>\$ (64,802)</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 30, 2023

Underwriting Income:			
Regular Contributions	\$	4,218,258	
Retrospective Premium		<u>43,230</u>	
Total Underwriting Income			\$ 4,261,488
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	844,060		
Case Reserves	545,385		
IBNR Reserves	<u>465,560</u>		
Subtotal			\$ 1,855,005
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal			<u>-</u>
Total Limited Incurred Claims			1,855,005
Expenses:			
Excess Insurance Premiums	1,672,740		
Administrative	<u>692,526</u>		
Total Expenses			<u>2,365,266</u>
Total Incurred Liabilities			<u>4,220,271</u>
Underwriting Surplus			41,217
Investment Loss			<u>(7,537)</u>
Gross Statutory Surplus			33,680
Return of Surplus:			
Paid	-		
Authorized and Unpaid	<u>-</u>		
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ 33,680</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, 2023

Underwriting Income:			
Regular Contributions	\$	3,986,256	
Retrospective Premium		<u>49,503</u>	
Total Underwriting Income			\$ 4,035,759
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	919,631		
Case Reserves	372,566		
IBNR Reserves	<u>186,624</u>		
Subtotal			\$ 1,478,821
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable	<u>-</u>		
Subtotal			<u>-</u>
Total Limited Incurred Claims			1,478,821
Expenses:			
Excess Insurance Premiums	1,451,089		
Administrative	<u>626,117</u>		
Total Expenses			<u>2,077,206</u>
Total Incurred Liabilities			<u>3,556,027</u>
Underwriting Surplus			479,732
Investment Loss			(6,918)
MEL Claims Fund Supplemental Assessment			<u>201,541</u>
Gross Statutory Surplus			271,273
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u>\$ 271,273</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, 2023

Underwriting Income:			
Regular Contributions	\$	3,929,670	
Retrospective Premium		<u>182,583</u>	
Total Underwriting Income			\$ 4,112,253
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	1,106,270		
Case Reserves	440,757		
IBNR Reserves		<u>74,802</u>	
Subtotal			\$ 1,621,829
Less Excess Insurance:			
Received	-		
Receivable	-		
Recoverable		<u>255,037</u>	
Subtotal			<u>255,037</u>
Total Limited Incurred Claims			1,366,792
Expenses:			
Excess Insurance Premiums	1,357,607		
Administrative		<u>644,496</u>	
Total Expenses			<u>2,002,103</u>
Total Incurred Liabilities			<u>3,368,895</u>
Underwriting Surplus			743,358
Investment Income			9,388
MEL Claims Fund Supplemental Assessment			<u>143,403</u>
Gross Statutory Surplus			609,343
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 609,343</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, 2023

Underwriting Income:			
Regular Contributions	\$	3,884,167	
Retrospective Premium		<u>340,347</u>	
Total Underwriting Income			\$ 4,224,514
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)		1,940,440	
Residual Claims Fund Premium		<u>331,130</u>	
Subtotal			\$ 2,271,570
Less Excess Insurance:			
Received		-	
Receivable		-	
Recoverable		<u>-</u>	
Subtotal			<u>-</u>
Total Limited Incurred Claims			2,271,570
Expenses:			
Excess Insurance Premiums		1,334,225	
Administrative		<u>614,804</u>	
Total Expenses			<u>1,949,029</u>
Total Incurred Liabilities			<u>4,220,599</u>
Underwriting Surplus			3,915
Investment Income			40,584
Surplus Transfer to Closed Fund Year			<u>(44,499)</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, 2023

Underwriting Income:		
Regular Contributions	<u>\$ 317,680</u>	
Total Underwriting Income		\$ 317,680
Expenses:		
MEL Claims Fund Supplemental 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, 2023

Underwriting Income:		
Regular Contributions	\$ 80,984,800	
Supplemental Contributions	255,000	
Retrospective Premium	749,653	
Residual Claims Fund Dividends	376,652	
MEL Dividend	112,811	
Environmental JIF Dividend	916,085	
Other Income	<u>6,403</u>	
Total Underwriting Income		\$ 83,401,404
Incurred Liabilities:		
Claims:		
Paid (Net of Recoveries)	35,214,994	
Residual Claims Fund Premium	<u>5,445,352</u>	
Subtotal		\$ 40,660,346
Less Excess Insurance:		
Received	104,860	
Receivable	-	
Recoverable	<u>-</u>	
		<u>104,860</u>
Total Limited Incurred Claims		40,555,486
Expenses:		
Excess Insurance Premiums	22,360,373	
Administrative	<u>11,235,512</u>	
Total Expenses		<u>33,595,885</u>
Total Incurred Liabilities		<u>74,151,371</u>
Underwriting Surplus		9,250,033
Investment Income		5,213,184
Residual Claims Fund Supplemental Assessment		242,927
MEL Premium Deferral		58,939
Transfer of Surplus From 2019 Fund Year		<u>44,499</u>
Gross Statutory Surplus		14,205,850
Return of Surplus:		
Paid	11,582,166	
Authorized and Unpaid	<u>161,709</u>	
Total Return of Surplus		<u>11,743,875</u>
Net Statutory Surplus		<u>\$ 2,461,975</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>								<u>Total</u>	
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Cyber</u>	<u>Environmental JIF</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>		<u>Expense & Contingency</u>
Underwriting Income:										
Regular Contributions	\$ 172,886	\$ 301,156	\$ 51,791	\$ 1,560,000	\$ 53,892	\$ 113,391	\$ 1,333,326	\$ 406,527	\$ 667,016	\$ 4,659,985
Total Income	172,886	301,156	51,791	1,560,000	53,892	113,391	1,333,326	406,527	667,016	4,659,985
Incurred Liabilities:										
Claims (Net of Recoveries)	197,990	349,000	65,116	1,600,950						2,213,056
Expenses	3,886				53,892	113,391	1,333,326	406,527	664,591	2,575,613
Total Liabilities	201,876	349,000	65,116	1,600,950	53,892	113,391	1,333,326	406,527	664,591	4,788,669
Underwriting Surplus (Deficit)	(28,990)	(47,844)	(13,325)	(40,950)	-	-	-	-	2,425	(128,684)
Adjustments:										
Investment Income	1,646	9,707	1,385	42,474					8,670	63,882
Transfers										-
Total Adjustments	1,646	9,707	1,385	42,474					8,670	63,882
Gross Statutory Surplus (Deficit)	(27,344)	(38,137)	(11,940)	1,524	-	-	-	-	11,095	(64,802)
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ (27,344)	\$ (38,137)	\$ (11,940)	\$ 1,524	\$ -	\$ -	\$ -	\$ -	\$ 11,095	\$ (64,802)

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 30, 2023

	<u>Coverages and Other Accounts</u>							<u>Public Officials & Employment Practices</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	\$ 167,746	\$ 286,842	\$ 55,642	\$ 1,353,000	\$ 113,342	\$ 1,177,411	\$ 378,241	\$ 686,034	\$ 4,218,258	
Retrospective Premium				43,230					43,230	
Total Income	167,746	286,842	55,642	1,396,230	113,342	1,177,411	378,241	686,034	4,261,488	
Incurred Liabilities:										
Claims (Net of Recoveries)	233,134	404,592	91,122	1,126,157					1,855,005	
Expenses	3,746				113,342	1,177,411	378,241	692,526	2,365,266	
Total Liabilities	236,880	404,592	91,122	1,126,157	113,342	1,177,411	378,241	692,526	4,220,271	
Underwriting Surplus (Deficit)	(69,134)	(117,750)	(35,480)	270,073	-	-	-	(6,492)	41,217	
Adjustments:										
Investment Income (Loss)	(3,632)	2,932	323	13,931				(21,091)	(7,537)	
Transfers									-	
Total Adjustments	(3,632)	2,932	323	13,931				(21,091)	(7,537)	
Gross Statutory Surplus (Deficit)	(72,766)	(114,818)	(35,157)	284,004	-	-	-	(27,583)	33,680	
Return of Surplus									-	
Net Statutory Surplus (Deficit)	\$ (72,766)	\$ (114,818)	\$ (35,157)	\$ 284,004	\$ -	\$ -	\$ -	\$ (27,583)	\$ 33,680	

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, 2023

	<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
Retrospective Premium				49,503						49,503
Total Income	504,591	333,052	52,789	1,334,503	45,010	112,196	651,526	350,775	651,317	4,035,759
Incurred Liabilities:										
Claims (Net of Recoveries)	213,813	285,585	34,599	944,824						1,478,821
Expenses	336,591					112,197	651,526	350,775	626,117	2,077,206
Total Liabilities	550,404	285,585	34,599	944,824	-	112,197	651,526	350,775	626,117	3,556,027
Underwriting Surplus (Deficit)	(45,813)	47,467	18,190	389,679	45,010	(1)	-	-	25,200	479,732
Adjustments:										
Investment Income (Loss)	(107)	(314)	(799)	(4,928)	201	-	(44)	(236)	(691)	(6,918)
MEL Claims Fund Supplemental Assessment Transfers							(201,541)			(201,541)
Total Adjustments	(107)	(314)	(799)	(4,928)	201	-	(201,585)	(236)	(691)	(208,459)
Gross Statutory Surplus (Deficit)	(45,920)	47,153	17,391	384,751	45,211	(1)	(201,585)	(236)	24,509	271,273
Return of Surplus										
Net Statutory Surplus (Deficit)	\$ (45,920)	\$ 47,153	\$ 17,391	\$ 384,751	\$ 45,211	\$ (1)	\$ (201,585)	\$ (236)	\$ 24,509	\$ 271,273

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, 2023

	<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	\$ 469,901	\$ 376,171	\$ 47,021	\$ 1,257,000	\$ 62,715	\$ 113,357	\$ 613,316	\$ 332,033	\$ 658,156	\$ 3,929,670
Retrospective Premium				182,583						182,583
Total Income	469,901	376,171	47,021	1,439,583	62,715	113,357	613,316	332,033	658,156	4,112,253
Incurred Liabilities:										
Claims (Net of Recoveries)	114,353	107,097	69,830	1,075,512						1,366,792
Expenses	298,901					113,357	613,316	332,033	644,496	2,002,103
Total Liabilities	413,254	107,097	69,830	1,075,512	-	113,357	613,316	332,033	644,496	3,368,895
Underwriting Surplus (Deficit)	56,647	269,074	(22,809)	364,071	62,715	-	-	-	13,660	743,358
Adjustments:										
Investment Income (Loss)	1,178	3,416	(307)	(1,922)	745		3,958	342	1,978	9,388
MEL Claims Fund Supplemental Assessment Transfers							(143,403)			(143,403)
Total Adjustments	1,178	3,416	(307)	(1,922)	745		(139,445)	342	1,978	(134,015)
Gross Statutory Surplus (Deficit)	57,825	272,490	(23,116)	362,149	63,460	-	(139,445)	342	15,638	609,343
Return of Surplus										-
Net Statutory Surplus (Deficit)	\$ 57,825	\$ 272,490	\$ (23,116)	\$ 362,149	\$ 63,460	\$ -	\$ (139,445)	\$ 342	\$ 15,638	\$ 609,343

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, 2023

	<u>Coverages and Other Accounts</u>								
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Environmental JIF</u>	<u>MEL</u>	<u>Public Officials & Employment Practices</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 468,785	\$ 413,752	\$ 44,262	\$ 1,275,000	\$ 115,716	\$ 628,742	\$ 311,365	\$ 626,545	\$ 3,884,167
Retrospective Premium				340,347					340,347
Total Income	468,785	413,752	44,262	1,615,347	115,716	628,742	311,365	626,545	4,224,514
Incurred Liabilities:									
Claims (Net of Recoveries)	193,657	278,110	11,760	1,788,043					2,271,570
Expenses	278,785				115,716	628,747	310,977	614,804	1,949,029
Total Liabilities	472,442	278,110	11,760	1,788,043	115,716	628,747	310,977	614,804	4,220,599
Underwriting Surplus (Deficit)	(3,657)	135,642	32,502	(172,696)	-	(5)	388	11,741	3,915
Adjustments:									
Investment Income	1,835	7,984	1,246	18,078	231	5,067	304	5,839	40,584
Transfers									-
(Surplus) Deficit Transfer to Closed Fund Year	1,822	(143,626)	(33,748)	154,618	(231)	(5,062)	(692)	(17,580)	(44,499)
Total Adjustments	3,657	(135,642)	(32,502)	172,696		5	(388)	(11,741)	(3,915)
Gross Statutory Surplus (Deficit)	-	-	-	-	-	-	-	-	-
Return of Surplus									-
Net Statutory Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<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)	\$ 144,217	\$ 56,565	\$ 11,456	\$ 382,010	\$ 594,248
Case Reserves	52,773	64,482	8,825	356,412	482,492
IBNR Reserves	1,000	227,953	44,835	862,528	1,136,316
Subtotal	<u>197,990</u>	<u>349,000</u>	<u>65,116</u>	<u>1,600,950</u>	<u>2,213,056</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 197,990</u>	<u>\$ 349,000</u>	<u>\$ 65,116</u>	<u>\$ 1,600,950</u>	<u>\$ 2,213,056</u>
Number of Claims	<u>26</u>	<u>45</u>	<u>12</u>	<u>75</u>	<u>158</u>
Average Cost per Claim	<u>\$ 7,615</u>	<u>\$ 7,756</u>	<u>\$ 5,426</u>	<u>\$ 21,346</u>	<u>\$ 14,007</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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)	\$ 187,627	\$ 113,963	\$ 18,903	\$ 523,567	\$ 844,060
Case Reserves	45,507	155,159	36,408	308,311	545,385
IBNR Reserves		135,470	35,811	294,279	465,560
Subtotal	<u>233,134</u>	<u>404,592</u>	<u>91,122</u>	<u>1,126,157</u>	<u>1,855,005</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 233,134</u>	<u>\$ 404,592</u>	<u>\$ 91,122</u>	<u>\$ 1,126,157</u>	<u>\$ 1,855,005</u>
Number of Claims	<u>29</u>	<u>71</u>	<u>18</u>	<u>75</u>	<u>193</u>
Average Cost per Claim	<u>\$ 8,039</u>	<u>\$ 5,698</u>	<u>\$ 5,062</u>	<u>\$ 15,015</u>	<u>\$ 9,611</u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<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)	\$ 213,806	\$ 61,154	\$ 34,599	\$ 610,072	\$ 919,631
Case Reserves	7	167,509		205,050	372,566
IBNR Reserves		56,922		129,702	186,624
Subtotal	<u>213,813</u>	<u>285,585</u>	<u>34,599</u>	<u>944,824</u>	<u>1,478,821</u>
Excess Insurance					
Received					-
Receivable					-
Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 213,813</u>	<u>\$ 285,585</u>	<u>\$ 34,599</u>	<u>\$ 944,824</u>	<u>\$ 1,478,821</u>
Number of Claims	<u>20</u>	<u>58</u>	<u>13</u>	<u>88</u>	<u>179</u>
Average Cost per Claim	<u>\$ 10,691</u>	<u>\$ 4,924</u>	<u>\$ 2,661</u>	<u>\$ 10,737</u>	<u>\$ 8,262</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, 2023

	<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)	\$ 114,352	\$ 76,134	\$ 37,248	\$ 878,536	\$ 1,106,270
Case Reserves	1	17,905	24,028	398,823	440,757
IBNR Reserves		13,058	8,554	53,190	74,802
Subtotal	114,353	107,097	69,830	1,330,549	1,621,829
Excess Insurance					
Received					-
Receivable					-
Recoverable				255,037	255,037
Subtotal	-	-	-	255,037	255,037
Limited Incurred Claims	\$ 114,353	\$ 107,097	\$ 69,830	\$ 1,075,512	\$ 1,366,792
Number of Claims	24	59	18	131	232
Average Cost per Claim	\$ 4,765	\$ 1,815	\$ 3,879	\$ 8,210	\$ 5,891

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Cyber Fund	\$ 53,892		\$ 53,892
Property Account-MEL	3,886		3,886
Municipal Excess Liability Fund	1,333,326		1,333,326
Environmental Account	113,391		113,391
Public Officials & Employment Practices	406,527		406,527
Subtotal Excess Insurance	1,911,022	-	1,911,022
Administrative Expenses:			
Actuary	42,532		42,532
Administrator	143,924		143,924
Attorney	22,367		22,367
Auditor		\$ 25,033	25,033
Claims Administrator	152,863		152,863
Internal Auditor	4,649		4,649
Litigation Management	19,052		19,052
Medical Management	94,560		94,560
Miscellaneous	13,309	54	13,363
Postage	593	52	645
Risk Management Consulting	48,819		48,819
Safety - Right to Know & Incentive		20,400	20,400
Safety Programs	50,583		50,583
Treasurer	19,333		19,333
Underwriter	6,468		6,468
Subtotal Administrative Expenses	619,052	45,539	664,591
Total Expenses	\$ 2,530,074	\$ 45,539	\$ 2,575,613

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2022 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 3,746		\$ 3,746
Municipal Excess Liability Fund	1,177,411		1,177,411
Environmental Account	113,342		113,342
Public Officials & Employment Practices	378,241		378,241
Subtotal Excess Insurance	1,672,740	-	1,672,740
Administrative Expenses:			
Actuary	41,698		41,698
Administrator	141,102		141,102
Attorney	21,928		21,928
Auditor	20,808	\$ 3,734	24,542
Claims Administrator	148,369		148,369
Internal Auditor	4,557		4,557
Litigation Management	18,678		18,678
Medical Management	92,675		92,675
Miscellaneous	11,502		11,502
Postage	519		519
Risk Management Consulting	80,795		80,795
Safety - Right to Know & Incentive	16,792	20,000	36,792
Safety Programs	44,074		44,074
Treasurer	18,954		18,954
Underwriter	6,341		6,341
Subtotal Administrative Expenses	668,792	23,734	692,526
Total Expenses	\$ 2,341,532	\$ 23,734	\$ 2,365,266

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2021 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
Excess Insurance Premiums			
Property Account-MEL	\$ 336,591		\$ 336,591
Municipal Excess Liability Fund	651,526		651,526
Environmental Account	112,197		112,197
Public Officials & Employment Practices	350,775		350,775
	<hr/>		
Subtotal Excess Insurance	1,451,089	-	1,451,089
	<hr/>		
Administrative Expenses:			
Actuary	40,880		40,880
Administrator	157,287		157,287
Attorney	21,498		21,498
Auditor	20,400		20,400
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	2,690		2,690
Postage	359		359
Risk Management Consulting	77,310		77,310
Safety Programs	24,095		24,095
Treasurer	18,582		18,582
Underwriter	6,217		6,217
	<hr/>		
Subtotal Administrative Expenses	626,117	-	626,117
	<hr/>		
Total Expenses	\$ 2,077,206	-	\$ 2,077,206
	<hr/> <hr/>		

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2020 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<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
Subtotal Excess Insurance	1,357,607	-	1,357,607
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
Subtotal Administrative Expenses	644,496	-	644,496
Total Expenses	\$ 2,002,103	-	\$ 2,002,103

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2023 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<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)	\$ 197,990	\$ 349,000	\$ 65,116	\$ 1,600,950
Administrative Expenses (1)	57,834	96,134	16,533	497,977
	<u>\$ 255,824</u>	<u>\$ 445,134</u>	<u>\$ 81,649</u>	<u>\$ 2,098,927</u>
Exposure Units	\$ 358,168,297 (Property Value)	120,050 (Population)	578 (Vehicles)	\$ 57,635,102 (Payroll)
Average Liability per Exposure Unit	\$0.71 (Per \$1,000)	\$3.71 (Per Capita)	\$141.26 (Per Vehicle)	\$36.42 (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 2022 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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)	\$ 233,134	\$ 404,592	\$ 91,122	\$ 1,126,157
Administrative Expenses (1)	64,824	106,828	20,723	503,897
	<u>\$ 297,958</u>	<u>\$ 511,420</u>	<u>\$ 111,845</u>	<u>\$ 1,630,054</u>
Exposure Units	\$ 346,434,886 (Property Value)	117,024 (Population)	591 (Vehicles)	\$ 56,338,659 (Payroll)
Average Liability per Exposure Unit	\$0.86 (Per \$1,000)	\$4.37 (Per Capita)	\$189.25 (Per Vehicle)	\$28.93 (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 2021 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<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)	\$ 213,813	\$ 285,585	\$ 34,599	\$ 944,824
Administrative Expenses (1)	393,794	113,403	17,974	437,537
	<u>\$ 607,607</u>	<u>\$ 398,988</u>	<u>\$ 52,573</u>	<u>\$ 1,382,361</u>
Exposure Units	\$ 330,392,121 (Property Value)	117,024 (Population)	605 (Vehicles)	\$ 57,153,985 (Payroll)
Average Liability per Exposure Unit	\$1.84 (Per \$1,000)	\$3.41 (Per Capita)	\$86.90 (Per Vehicle)	\$24.19 (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, 2023

	<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)	\$ 114,353	\$ 107,097	\$ 69,830	\$ 1,075,512
Administrative Expenses (1)	358,435	130,965	16,370	437,627
	<u>\$ 472,788</u>	<u>\$ 238,062</u>	<u>\$ 86,200</u>	<u>\$ 1,513,139</u>
Exposure Units	\$ 292,266,510 (Property Value)	117,024 (Population)	575 (Vehicles)	\$ 55,905,079 (Payroll)
Average Liability per Exposure Unit	\$1.62 (Per \$1,000)	\$2.03 (Per Capita)	\$149.91 (Per Vehicle)	\$27.07 (Per \$1,000)

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

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS--STATUTORY BASIS
AS OF DECEMBER 31, 2023

<u>Description</u>	<u>Amount</u>
Cash and Cash Equivalents:	
Citizens Bank:	
Administrative and Expense Account	\$ 1,238
Claims Account	100,616
Operating Account	<u>1,965,247</u>
Total Cash and Cash Equivalents	2,067,101
Investments:	
BNY Mellon:	
Joint Cash Management and Investment Program (JCMI)	<u>4,649,081</u>
Total Cash, Cash Equivalents, and Investments per Schedule A - Historical Balance Sheet--Statutory Basis	<u><u>\$ 6,716,182</u></u>
Total Cash and Cash Equivalents by Fund Year:	
2023	\$ 1,603,045
2022	1,025,130
2021	982,501
2020	830,685
Closed Years	<u>2,274,821</u>
	<u><u>\$ 6,716,182</u></u>

PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
SCHEDULE OF ACCRUED EXPENSES--STATUTORY BASIS
AS OF DECEMBER 31, 2023

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>	
Administrative Expenses:			
Auditor - Bowman & Company LLP	2023	\$ 25,033	
Miscellaneous Expenses	2023	54	
Postage	2023	52	
Safety - Right to Know & Incentive	2023	<u>20,400</u>	
Total Fund Year 2023			\$ 45,539
Administrative Expenses:			
Auditor - Bowman & Company LLP	2022	3,734	
Safety - Right to Know & Incentive	2022	<u>20,000</u>	
Total Fund Year 2022			<u>23,734</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet--Statutory Basis			<u><u>\$ 69,273</u></u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *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, requires.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS 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* 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.

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



Dennis J, Skalkowski
Certified Public Accountant

