TRI-COUNTY SCHOOLS INSURANCE GROUP

FINANCIAL STATEMENTS
June 30, 2024 and 2023

TRI-COUNTY SCHOOLS INSURANCE GROUP
Yuba City, California

FINANCIAL STATEMENTS
June 30, 2024 and 2023

CONTENTS

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Members
Tri-County Schools Insurance Group
Yuba City, California

Opinion

We have audited the financial statements of the Tri-County Schools Insurance Group, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Tri-County Schools Insurance Group's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Tri-County Schools Insurance Group, as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the *State Controller's Minimum Audit Requirements for California Special Districts* and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tri-County Schools Insurance Group, 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.

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 Tri-County Schools Insurance Group'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.

(Continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Tri-County Schools Insurance Group'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 Tri-County Schools Insurance Group'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 on pages 4 through 11, the Reconciliation of Claims Liabilities by Type of Contract on page 28, the Claims Development Information on pages 29 through 34, the Schedule of the Group's Proportionate Share of the Net Pension Liability on page 35 and the Schedule of the Group's Contributions on page 36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise Tri-County Schools Insurance Group's basic financial statements. The Combining Statements of Net Position and Combining Statements of Revenues, Expenses and Change in Net Position are presented on pages 38 and 39 for purposes of additional analysis and are not a required part of the financial statements.

The information has not been subjected to the auditing procedures applied in audits of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of Tri-County Schools Insurance Group'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 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 Tri-County Schools Insurance Group'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 Tri-County Schools Insurance Group's internal control over financial reporting and compliance.

CROWE LLP

Crowe LLP

Boston, Massachusetts
December 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Group – An Overview

The Tri-County Schools Insurance Group (TCSIG), Joint Powers Authority (JPA), is a non-federal governmental self-insurance pool and has been a crucial entity since its establishment in 1983. In the face of the challenging public entity insurance market of the early '80s, TCSIG was born out of the collaborative efforts of educational leaders from Yuba, Colusa, and Sutter Counties.

The mission of TCSIG is clear – to pool risk and purchasing power of public entities, offering quality programs to participants while prioritizing effectiveness, customer satisfaction, stability, financial solvency, and cost efficiency. The range of programs encompasses Property & Liability, Workers' Compensation, and comprehensive health benefits of Medical, Dental, and Vision. Life Insurance benefits and Employee Assistance Programs (EAP) are thoughtfully integrated within the Medical program.

In the face of the ever-changing insurance landscape, TCSIG's philosophy of operating "Together" has proven successful. Initially serving three counties, it has now expanded its reach to eighteen counties, showcasing the strength of unity in negotiating coverage.

The current property and liability markets are experiencing familiar trends, but with TCSIG's steadfast commitment to collaborative action, we are poised to navigate and overcome challenges once again. By pooling our risk and standing united, we reinforce our ability to weather any storm in the insurance landscape.

TCSIG, as a public entity, operates in compliance with the Ralph M. Brown Act, ensuring transparency and accountability in its proceedings. The governance structure of TCSIG is designed to incorporate input from both member public entities and employees.

At the helm is the Board of Directors, composed of representatives from each member entity. The Employee Benefits Advisory Committee (EBAC) actively contributes employee perspectives in meetings held throughout the year. Notably, two EBAC representatives hold ex-officio positions to the seventeen-member Executive Committee. The Executive Committee plays a pivotal role, consisting of twelve members appointed from the largest contributors and five elected members. Within this committee, officers including the President, Vice President, and Secretary are elected to lead.

To oversee day-to-day operations, the Executive Committee appoints an Executive Director/Administrator/Consultant. This key role involves implementing policies outlined in the JPA Agreement, Bylaws, and directives from the Board of Directors and the Executive Committee. This structured approach ensures that TCSIG functions effectively, adhering to its guiding principles and serving the best interests of its members.

Description of Basic Financial Statements

In-house, TCSIG meticulously maintains individual program accounting, supplementing key financial statements with detailed program information. This supplementary data enhances the comprehensiveness of the Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows.

The Statement of Net Position offers insights into TCSIG's financial standing as of June 30, 2024, and 2023. Meanwhile, the Statement of Revenues, Expenses, and Change in Net Position comprehensively outlines the organization's operations for the years ending June 30, 2024, and 2023. The Statement of Cash Flows, presented in the direct method, provides a clear depiction of TCSIG's financial activities during the same periods, emphasizing cash inflows and outflows.

Additionally, the notes accompanying the financial statements delve into TCSIG's accounting policies. These include the development of estimates for incurred but not reported liabilities and the provision for claim adjustment expenses. These notes serve as a vital resource, offering a deeper understanding of the financial intricacies and the methodologies applied in TCSIG's financial reporting.

For inquiries or further details regarding the Management's Discussion and Analysis, please reach out to Mathew D. Evans at the following contact information:

Mathew D. Evans
400 Plumas Boulevard, Suite 230
Yuba City, CA 95991
Phone: (530) 822-5299

Feel free to contact Mr. Evans for any additional information or clarification you may require.

CONDENSED FINANCIAL INFORMATION
Statement of Net Position
June 30, 2024, 2023 and 2022

ASSETS	2024	2023	2022
Current assets	$ 26,695,214	$ 28,046,299	$ 33,707,757
Leases receivable – noncurrent	80,522	567,208	1,037,526
Capital assets, net	4,957,769	5,145,578	5,311,469
Total assets	31,733,505	33,759,085	40,056,752
DEFERRED OUTFLOWS			
Deferred Outflows of resources-pensions	371,071	444,458	178,032
LIABILITIES			
Current liabilities	12,414,089	11,534,718	11,141,128
Long-term liabilities	3,913,648	3,608,839	1,781,915
Total liabilities	16,327,737	15,143,557	12,923,043
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources – leases	570,935	1,043,338	1,499,787
Deferred inflows of resources-pensions	66,299	86,439	491,252
Total deferred inflows	637,234	1,129,777	1,991,039
NET POSITION			
Invested in capital assets, net	4,957,769	5,145,578	5,311,469
Unrestricted, designated	4,847,344	6,469,894	9,422,439
Unrestricted, undesignated	5,334,492	6,314,737	10,586,794
Total net position	$ 15,139,605	$ 17,930,209	$ 25,320,702

Statement of Revenues, Expenses and Change in Net Position
For the Years Ended June 30, 2024, 2023 and 2022

	2024	2023	2022
REVENUES			
Member contributions	$ 56,571,074	$ 51,441,327	$ 48,340,612
EXPENSES			
Operating expenses:			
Provision for claims and claim adjustment expenses	49,884,616	49,355,434	38,235,793
Insurance premiums	4,374,355	5,278,621	5,100,551
Contract services	3,567,877	3,122,599	2,663,415
General and administrative expenses	2,405,574	1,792,842	1,863,278
Total operating expenses	60,241,422	59,549,496	47,863,037
Operating (loss) income	(3,670,348)	(8,108,169)	477,575
OTHER INCOME			
Rental	358,692	361,329	145,776
Interest	521,052	356,347	137,347
Total other income	879,744	717,676	283,131
(Decrease) increase in net position	(2,790,604)	(7,390,493)	760,698
NET POSITION, beginning of year	17,930,209	25,320,702	24,560,004
NET POSITION, end of year	$ 15,139,605	$ 17,930,209	$ 25,320,702

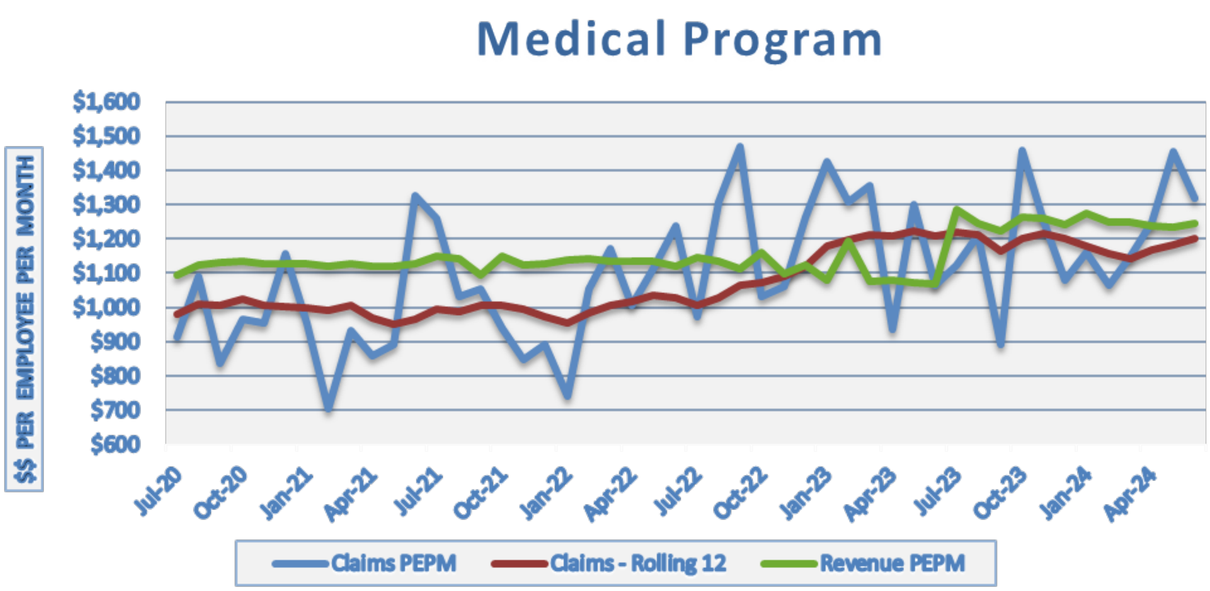
TRI-COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Analysis of Overall Financial Position and Results of Operations

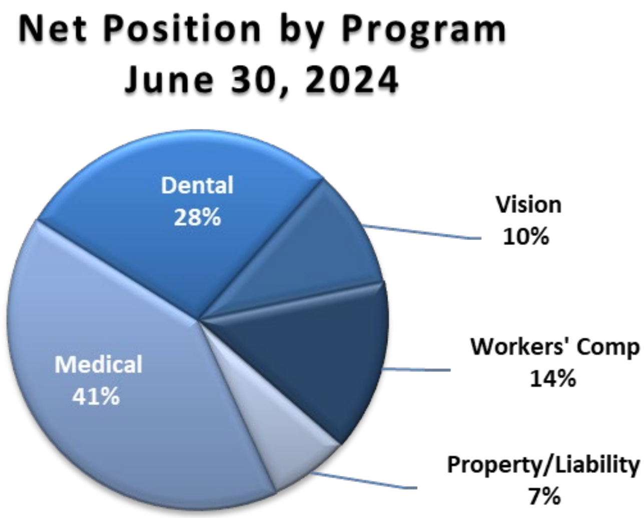
During the period from June 30, 2023, to June 30, 2024, there were notable shifts in TCSIG's financial landscape. Total assets experienced a decrease of $2 million, accompanied by a $1.2 million increase in total liabilities. Consequently, the total net position witnessed a decrease of $2.8 million over the same period.

The primary factor behind the decline in net position stems from challenges faced by the Medical program. After maintaining a 0% rate change for six consecutive years, the program implemented an 11% increase in medical rates for the 2023/24 fiscal year, anticipating the need for additional increases in the future. For the upcoming year, an 8.5% rate increase has been approved. To ease the impact of these changes, the Board decided to utilize a portion of the Rate Stabilization Reserve, aiming to smooth out the rate adjustments over several years. This approach was adopted to address shifting circumstances while remaining mindful of school district budgets. Despite the recent increases, the program has maintained an impressively low average annual trend of approximately 2.4% over the past eight years, a rarity in the medical industry. These financial measures reflect TCSIG's proactive strategy to navigate challenges and uphold its commitment to delivering quality programs to its participants.

The chart below highlights the Medical Program's revenue and claims on a per employee per month (PEPM) basis over the past four years. The blue line represents the monthly paid claims, which can fluctuate significantly from month to month based on actual claims processed. To provide a clearer trend, the red line depicts the rolling twelve-month average claims cost, smoothing out these fluctuations over time. The green line indicates the average monthly revenue PEPM. As shown by the red line, average claims gradually approached revenue levels, culminating in a sharp increase during the 2022/23 fiscal year, which necessitated a premium rate adjustment for the following year. In 2023/24, while revenue and paid claims remain closely aligned, additional funds are needed to support reserve build-up, contract services, premiums, and administrative costs.



The pie chart below breaks down Net Position among the programs. The Medical program takes the lead, making up 42% of the net position. Meanwhile, our newest addition, Workers' Compensation, has seen a boost from 9% to 15% of the net position.



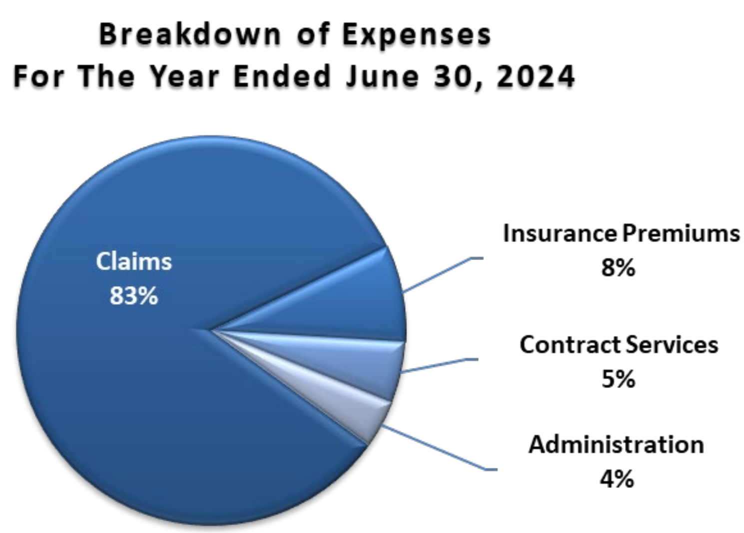
The Workers' Compensation program wrapped up its fifth successful year, contributing a positive boost in net position, leaving it with a balance of $2.2 million.

TCSIG's venture into a Workers' Compensation Program has proven highly successful. Launched in July 2019, the program recently completed its fifth year, saving member districts over $6 million in premiums. The emphasis on delivering a quality program in an effective manner, coupled with a focus on satisfaction, stability, financial solvency, and cost control, positions TCSIG as a leader in workers' compensation solutions.

A dedicated Risk Management Committee meets throughout the year to analyze and discuss various aspects, including loss trends, industry changes, legislative updates, program enhancements, and risk management practices. This proactive approach ensures that TCSIG stays ahead of the curve in managing and mitigating risks.

This pie chart provides a breakdown of costs across major categories. The largest portion of expenses is dedicated to directly covering the Group's claims. Insurance Premiums and Contract Services are also significant, accounting for a combined 13% of total costs, while administrative expenses make up just 4%, partially offset by interest and rental income.

On the topic of rental income, the "TCSIG Corner" building, located in downtown Yuba City, serves as a notable landmark, see photo on next page.



The continual upgrade of the "TCSIG Corner" Building in downtown Yuba City, makes it the

"Gem on the Corner" that is appreciated by prominent leaders in the medical community. The rental income from "TCSIG Corner" offsets costs in each of the programs, plus provides administrative offices for TCSIG and our very own Board Room.

For over four decades, TCSIG has been a reliable partner in providing cost-effective property and liability solutions to its member districts. Central to this commitment is the **Memorandum of Coverage (MOC)**, a comprehensive document that ensures competitive pricing while offering broad, flexible coverage. This approach guarantees support when it's needed most—at the time of loss.

TCSIG's dedication to superior property and liability coverage is reflected in the MOC's expansive language. Member districts benefit from minimal deductibles for vehicles and zero deductibles or drop-downs for other property and liability claims. Beyond catastrophic losses such as wildfires and hurricanes, excess insurance carriers now account for emerging risks, including financial exposure from legislation like A.B. 218. These developments have contributed to an extremely challenging market for securing excess coverage. Despite this, TCSIG remains steadfast in navigating these hard market conditions.

As TCSIG marks its 41st anniversary, its commitment to delivering cost-effective insurance solutions remains stronger than ever. From the robust protections of the Memorandum of Coverage to the success of its Workers' Compensation Program and the resilience of its Employee Benefit Programs, TCSIG continues to lead with stability and innovation. Its evolution from a "diamond in the rough" joint powers authority to a leader in risk management underscores a legacy of excellence and sets a strong foundation for the future.

Comparison of Budget to Actual
For the Year Ended June 30, 2024

	ACTUAL	BUDGET	DOLLAR VARIANCE	PERCENTAGE VARIANCE
REVENUES				
Contributions	$ 56,571,074	$ 55,396,000	$ 1,175,074	2.1%
Other Income	879,744	450,000	429,744	95.5%
Total Revenues	$ 57,450,818	$ 55,846,000	$ 1,604,818	2.9%
EXPENSES				
Provision for Claims And Claim Adjustment	$ 49,884,616	$ 47,731,000	$ 2,153,316	4.5%
Insurance Premiums	4,374,355	4,691,000	(316,654)	(6.8)%
Contract Services	3,576,877	2,505,500	1,071,377	42.8%
General and Administrative	2,405,574	2,033,000	372,574	18.3%
Total Expenses	60,241,422	56,960,500	3,280,922	5.8%
Change in net position	$ (2,790,604)	$ (1,114,500)	$ (1,676,104)	150.4%

The uptick in Contributions from budget to actual is primarily stemming from an increase in enrollment in the Employee Benefit programs.

The surge in Other Income from budget to actual is attributed to a higher-than-expected return on investment funds.

The rise in Provision for Claims and Claim Adjustment expense from budget to actual is driven by increased enrollment and utilization in the employee benefit programs, and an increase in expected claims in the workers' comp program.

The combined increase in Insurance Premiums and Contract Services from budget to actual mainly due to the adoption of more comprehensive risk management approaches along with increased enrollment.

The increase in General and Administrative expense from budget to actual is primarily due to an increase in legal fees from a contract dispute in the property/liability program.

Comparison of Budget to Actual
For the Year Ended June 30, 2023

	ACTUAL	BUDGET	DOLLAR VARIANCE	PERCENTAGE VARIANCE
REVENUES				
Contributions	$ 51,441,327	$ 50,684,000	$ 757,327	1.5%
Other Income	717,676	450,000	267,676	59.5%
Total Revenues	$ 52,159,003	$ 51,134,000	$ 1,025,003	2.0%
EXPENSES				
Provision for Claims And Claim Adjustment	$ 49,355,434	$ 39,587,000	$ 9,768,434	24.7%
Insurance Premiums	5,278,621	6,361,000	(1,082,379)	-17.0%
Contract Services	3,122,599	2,744,000	378,599	13.8%
General and Administrative	1,792,842	1,884,000	(91,158)	-4.8%
Total Expenses	59,549,496	50,576,000	8,973,496	17.7%
Change in net position	$ (7,390,493)	$ 558,000	$ (7,948,493)	-1424.5%

The uptick in Contributions from budget to actual is minimal, primarily stemming from a slight uptick in enrollment in the Employee Benefit programs provided.

The surge in Other Income from budget to actual is attributed to a higher-than-expected return on investment funds.

The rise in Provision for Claims and Claim Adjustment expense from budget to actual is driven by a couple of factors. Firstly, in the Property/Liability program, an anomaly occurred with a catastrophic event. Additionally, the Medical program experienced a backlog of unprocessed claims, processed in the 2022/23 year, alongside an unforeseen surge in utilization.

The dip in Insurance Premiums from budget to actual is predominantly a result of successfully negotiating a better-than-expected rate in the Property/Liability excess premium rates.

The spike in Contract Services from budget to actual is mainly due to the adoption of more comprehensive risk management approaches.

The decline in General and Administrative expense from budget to actual is primarily due to a smaller-than-anticipated pension liability adjustment.

FINANCIAL STATEMENTS

TRI-COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	$ 21,159,752	$ 22,371,876
Receivables (Note 3)	4,644,714	5,093,200
Vendor deposits	-	50,000
Leases receivable	490,413	476,128
Prepaid expenses	400,335	55,095
Total current assets	26,695,214	28,046,299
Noncurrent assets:		
Leases receivable	80,522	567,208
Non-depreciable capital assets (Note 4)	506,368	506,368
Depreciable capital assets, net of accumulated depreciation (Note 4)	4,451,401	4,639,210
Total assets	31,733,505	33,759,085
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pensions (Note 6)	371,071	444,458
LIABILITIES		
Current liabilities:		
Accounts payable	281,227	342,652
Claims payable	1,643,032	1,186,040
Unearned revenue	5,846	196,281
Current portion of unpaid claims and claim adjustment expenses (Note 5)	10,483,984	9,809,745
Total current liabilities	12,414,089	11,534,718
Noncurrent liabilities:		
Due to member districts	44,330	44,330
Net pension liability (Note 6)	1,069,924	1,046,703
Unpaid claims and claim adjustment expenses less current portion (Note 5)	2,799,394	2,517,806
Total noncurrent liabilities	3,913,648	3,608,839
Total liabilities	16,327,737	15,143,557
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - leases	570,935	1,043,338
Deferred inflows of resources - pensions (Note 6)	66,299	86,439
Total deferred inflows of resources	637,234	1,129,777
NET POSITION		
Net investment in capital assets	4,957,769	5,145,578
Unrestricted	10,181,836	12,784,631
Total net position	$ 15,139,605	$ 17,930,209

See accompanying notes to basic financial statements.

TRI-COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenue:		
Member contributions	$ 56,571,074	$ 51,441,327
Expenses		
Operating expenses:		
Provision for claims and claim adjustment expenses (Note 5)	49,884,616	49,355,434
Insurance premiums	4,374,355	5,278,621
Contract services	3,576,877	3,122,599
Total operating expenses	57,835,848	57,756,654
General and administrative expenses	2,405,574	1,792,842
Total expenses	60,241,422	59,549,496
Operating loss	(3,670,348)	(8,108,169)
Nonoperating revenue:		
Interest income	521,052	356,347
Rental income	358,692	361,329
Total nonoperating revenue	879,744	717,676
Change in net position	(2,790,604)	(7,390,493)
Net position, beginning of year	17,930,209	25,320,702
Net position, end of year	$ 15,139,605	$ 17,930,209

See accompanying notes to basic financial statements.

TRI-COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Cash received for member contributions	$ 56,883,131	$ 48,916,541
Cash paid for insurance claims	(48,471,797)	(47,526,319)
Cash paid for insurance premiums	(4,719,595)	(4,350,557)
Cash paid to employees, member districts and vendors	(5,729,600)	(5,003,389)
Net cash used in operating activities	(2,037,861)	(7,963,724)
Cash flows used in capital and related financing activities		
Purchase of capital assets	-	(20,527)
Cash flows from investing activities		
Interest received	467,045	429,448
Rental income	358,692	361,329
Net cash provided by investing activities	825,737	790,777
Net decrease in cash and cash equivalents	(1,212,124)	(7,193,474)
Cash and cash equivalents, beginning of year	22,371,876	29,565,350
Cash and cash equivalents, end of year	$ 21,159,752	$ 22,371,876
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (3,670,348)	$ (8,108,169)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	187,808	186,426
Decrease (increase) in receivables	502,492	(2,519,320)
Decrease in vendor deposits	50,000	-
(Increase) decrease in prepaid expenses	(345,240)	928,064
Decrease (increase) in deferred outflows of resources - pensions	73,387	(266,426)
Decrease in accounts payable	(61,425)	(149,948)
Increase (decrease) in claims payable	456,992	(2,060,731)
Decrease in unearned revenue	(190,435)	(5,466)
Increase in net pension liability	23,221	546,813
Increase in unpaid claims and claims adjustment expenses	955,827	3,889,846
Decrease in deferred inflows of resources - pensions	(20,140)	(404,813)
Net cash used in by operating activities	$ (2,037,861)	$ (7,963,724)

See accompanying notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Tri-County Schools Insurance Group (the "Group"), is a Joint Powers Authority (JPA) established by a Joint Powers Agreement in 1983 for the purpose of providing property, casualty and health benefits coverages (Program Coverages) to its members. Members are public entities including school districts, county offices of education and community colleges.

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and related liabilities are recognized when the obligation is incurred.

Program Accounting: The accounts of the Group are organized on the basis of programs, each of which is considered to be a separate accounting entity. These Proprietary funds have been combined for the presentation of the financial statements. The operations of each program are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. The general and administrative accounts of the Group are allocated to each program on a pro-rata basis. The five programs include:

1. *Property and Casualty* - The Property and Casualty Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. The current self-insured retention is $1,000,000 of loss and allocated loss adjustment expense per occurrence for liability and $100,000 for property. Claims administration services are provided by Thomas McGee Group. The Property and Casualty program is established and maintained for Member contributions, to be used for the payment of, but not limited to, the following: self-insured claim payments, insurance premiums, claims administration expenses, investigative costs, legal costs, expert witness fees, audit costs, broker fees, property appraisal fees and miscellaneous.

2. *Medical Program* - The Medical Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. The Medical program is established and maintained for Member contributions, to be used for the payment of, but not limited to, the following: self-insured claim payments, life and medical insurance premiums, claims administration expenses, investigative costs, legal costs, audit costs, and miscellaneous.

3. *Dental Program* - The Dental Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. The Dental program is established and maintained for Member contributions, to be used for the payment of, but not limited to, the following: self-insured claim payments, claims administration expenses, the Group operating expenses, eligibility expenses, and miscellaneous. District contribution rates are based on amounts that adequately cover anticipated claims and attendant expenses of the program.

4. *Vision* - The Vision Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. The Vision program is established and maintained for Member contributions, to be used for the payment of, but not limited to, the following: self-insured claim payments, insurance premiums, claims administration expenses, investigative costs, legal costs, audit costs, and miscellaneous.

5. *Workers' Compensation* - The Workers' Compensation Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. The Group retains the first $500,000 for fiscal years 2023-24 and 2022-23, of loss and allocated loss adjustment expense for workers' compensation coverage, amounts in excess of the retained limit are reinsured. The Workers' Compensation program is established and maintained for Member contributions, to be used for the payment of, but not limited to, the following: self-insured claim payments, insurance premiums, claims administration expenses, investigative costs, legal costs, audit costs, and miscellaneous.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of cash and investments readily convertible into known amounts of cash with original maturities at date of purchase of less than three months.

Vendor Deposits: During 2019-20, the Group entered into a contract with Acorn Health Group to manage the wellness center and provided a $50,000 deposit. As of June 30, 2024, the Group no longer holds the $50,000 deposit.

Prepaid Expenses: Insurance premiums paid for excess insurance policies are charged to expense over the policy period. Amounts related to the unexpired coverage period are reported with prepaid expenses. Other prepaid charges are deferred and charged to expense over the contract period.

Capital Assets: Capital assets purchased with an original cost of $5,000 or more are recorded at historical cost. Depreciation is computed on the straight-line method with useful lives of three to thirty-nine years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Leases: The Group is a lessor for leases of office space within the building they own. The Group recognizes a lease receivable and deferred income in the financial statements.

At the commencement of a lease, the Group initially measures the lease receivable and deferred inflows of resources at the present value of payments expected to be made during the lease term. The lease receivable and deferred inflows from resources are reduced by the monthly payments received as rental income. As of June 30, 2024 and 2023, the Group had 2 lease agreements in place, each for a 5 year term.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The Group has recognized a deferred outflow of resources related to the recognition of the pension liability reported in the statements of net position.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The Group has recognized a deferred inflow of resources related to the recognition of the pension liability and leases reported which is in the statements of net position.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for Unpaid Claims and Claim Adjustment Expenses: The Group's policy is to establish unpaid claims and claim adjustment expenses based on estimates of the ultimate cost of claims 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. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability. The Group increases the liability for allocated and unallocated claim adjustment expenses. Because actual claims costs depend on such complex factors as inflation, changes in the doctrine of legal liability, and damage awards, the process used in computing unpaid claims and claim adjustment expenses does not necessarily result in an exact amount, particularly for coverages such as general liability and workers' compensation. Unpaid claims and claim adjustment expenses are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, other economic and social factors and estimated payment dates. Adjustments to unpaid claims and claim adjustment expenses are charged or credited to expense in the period in which they are made. The current portion of unpaid claims and claim adjustment expenses is estimated based on current year payments and known claims information at the end of the period.

Excess Insurance: The Group purchases specific occurrence excess insurance from excess or reinsurance providers for the Medical, Property/Casualty and Workers' Compensation programs. For the years ended June 30, 2024 and 2023, the specific excess insurance for medical claims provides coverage on a claims-paid basis for policy year losses related to individual members over $600,000. The Group provides the property/casualty program with a self-insured retention of $100,000 for property and $1,000,000 for liability excess insurance from this level up to $55,000,000 per occurrence. The Group provides the workers' compensation program with a $500,000 per occurrence retention for fiscal years 2023-24 and 2022-23. Settlements have not exceeded insurance coverage in each of the past three years.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous 2.7% at 55 Risk Pool and a 2% at 62 Risk Pool under the California Public Employees' Retirement System (CalPERS) Public Employers Retirement Fund C and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Pool. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Member Contributions and Revenue Recognition: Member contributions are recognized as revenues in the period for which insurance protection is provided. Amounts not yet received from members are reported as contributions receivable and amounts received in advance as unearned revenue. If the Group's Board of Directors determines that the insurance funds for a program are insufficient to pay losses, the Group may impose a supplemental assessment on all participating members. Supplemental assessments are recognized as income in the period assessed. The contributions for the Group's Medical, Dental and Vision programs were based on an actuarial study which included estimated administrative expenses. The contributions for the Group's Property Casualty and Workers' Compensation programs were based on excess premiums negotiated in the market place and on actuarial studies which included estimated administrative expenses Operating revenues and expenses include all activities necessary to achieve the objectives of the Group. Non-operating revenues and expenses include investment activities and other non-essential activity.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Entities applying for membership must be approved by a majority vote of the Executive Committee members present and voting, and must pay an appropriate entry fee or charge as established by the Executive Committee. Members may withdraw from the Group upon advance written notice subject to the participation agreement of each program. The effect of withdrawal (or termination) for the pooling programs does not terminate the responsibility of the member to continue paying its share of assessments or other financial obligations incurred by reason of its previous participation.

Designated Net Position: The Board has designated a stabilization reserve at a 95% confidence interval for the Medical program and an amount not less than seven times the current specific stop loss of $1,000,000 for 2023-24 and 2022-23 in the Property and Casualty program. The stabilization reserve at June 30, 2024 and 2023 was $7,500,000 for the Medical program. The stabilization reserve at June 30, 2024 and 2023 was $562,110 and $1,013,756, respectively, for Property and Casualty. Any net position in the Dental, Vision, and Workers' Compensation programs are undesignated.

Income Taxes: The Group is an organization comprised of public agencies, and is exempt from Federal income and California franchise taxes. Accordingly, no provision for Federal or State income taxes has been made in the accompanying financial statements.

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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Material estimates that are particularly susceptible to significant changes in the near term relate to the determination of the unpaid claims and claim adjustment expenses.

Subsequent Events: The Group has reviewed all events occurring from June 30, 2024 through December 13, 2024, the date the financial statements were available to be issued. No subsequent events occurred requiring accrual or disclosure.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Cash in Yuba County Treasury	$ 20,077,158	$ 22,107,105
Cash on hand and in banks	1,082,594	264,771
Total cash and cash equivalents	$ 21,159,752	$ 22,371,876

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Cash in County Treasury: The Group maintains substantially all of its cash in the interest bearing Yuba County Treasurer's Pooled Investment Fund. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited monthly into participating funds. Any investment losses are proportionately shared by all funds in the pool. In accordance with applicable state laws, the Yuba County Treasury may invest in derivative securities with the State of California. However, at June 30, 2024 and 2023 the Yuba County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Because the Group's deposits are maintained in a recognized Pooled Investment Fund (Fund) under the care of a third party and the Group's share of the pool does not consist of specific, identifiable investment securities owned by the Group, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

The Group's deposits in the Fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds.

Custodial Credit Risk: Interest bearing and non-interest bearing cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and non-interest bearing cash balances held in banks are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the Group's accounts was $1,082,594 and the bank balances were $1,124,602, which was fully insured. At June 30, 2023, the carrying amount of the Group's accounts was $264,771 and the bank balances were $293,551, which was fully insured. The carrying value and the bank balance differ due to deposits in transit and outstanding checks.

Investment Interest Rate Risk: The Group has adopted the Yuba County Investment Pool policy which does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2024 and 2023, the Group had no significant interest rate risk related to cash and cash equivalents held.

Investment Credit Risk: The Group has adopted the Yuba County Investment Pool policy which does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Investment Credit Risk: The Group does not place limits on the amount it may invest in any one issuer. At June 30, 2024 and 2023, the Group had no material concentration of credit risk.

NOTE 3 - RECEIVABLES

Accounts receivable at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Contributions receivable	$ 1,346,679	$ 2,675,602
Interest receivable	158,317	104,311
Other receivable	3,139,718	2,313,287
	$ 4,644,714	$ 5,093,200

(Continued)

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the years ended June 30, 2024 and 2023, is shown below.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Non-depreciable:				
Land	$ 506,369	$ -	$ -	$ 506,369
Depreciable:				
Building	5,269,549	-	-	5,269,549
Equipment	150,162	-	-	150,162
Software	4,519	-	-	4,519
Totals, at cost	5,930,599	-	-	5,930,599
Less accumulated depreciation:				
Building	(689,474)	(169,180)	-	(858,654)
Equipment	(91,028)	(18,629)	-	(109,657)
Software	(4,519)	-	-	(4,519)
Total accumulated depreciation	(785,021)	(187,809)	-	(972,830)
Total capital assets	$ 5,145,578	$ (187,809)	$ -	$ 4,957,769

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Non-depreciable:				
Land	$ 506,369	$ -	$ -	$ 506,369
Depreciable:				
Building	5,269,549	-	-	5,269,549
Equipment	129,627	20,535	-	150,162
Software	4,519	-	-	4,519
Totals, at cost	5,910,064	20,535	-	5,930,599
Less accumulated depreciation:				
Building	(520,294)	(169,180)	-	(689,474)
Equipment	(73,782)	(17,246)	-	(91,028)
Software	(4,519)	-	-	(4,519)
Total accumulated depreciation	(598,595)	(186,426)	-	(785,021)
Total capital assets	$ 5,311,469	$ (165,891)	$ -	$ 5,145,578

(Continued)

NOTE 5 - UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

As discussed in Note 1, the Group established a liability for both reported and unreported insured events for the Program Coverages. The following represents changes in those aggregate liabilities during the years ended June 30, 2024, 2023 and 2022:

	2024	2023	2022
Unpaid claims and claim adjustment expenses, beginning of year	$ 12,327,551	$ 8,437,705	$ 8,204,761
Incurred claims and claim adjustment expenses:			
Provision for covered events of the current year	50,203,484	48,771,228	39,221,377
Change in provision for covered events of prior years	(318,868)	584,206	(985,584)
Total incurred claims and claim adjustment expenses	49,884,616	49,355,434	38,235,793
Payments:			
Claims and claim adjustment expenses attributable to covered events of the current year	43,576,201	42,487,110	33,183,037
Claims and claim adjustment expenses attributable to covered events of prior years	5,352,588	2,978,478	4,819,812
Total payments	48,928,789	45,465,588	38,002,849
Total unpaid claims and claim adjustment expenses, end of year	$ 13,283,378	$ 12,327,551	$ 8,437,705

The change related to prior years is generally the result of ongoing analysis of loss development trends as the program periods continue to increase. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

The components of the unpaid claims and claim adjustment expenses as of June 30, 2024 and 2023 were as follows:

	2024	2023
Claims incurred, but not reported (IBNR)	$ 9,720,229	$ 9,503,204
Unallocated loss adjustment expenses (ULAE)	763,755	621,149
Accrued claims reserves	2,799,394	2,203,198
Total unpaid claims and claim adjustment expenses	13,283,378	12,327,551
Current portion	(10,483,984)	(9,809,745)
Non-current portion	$ 2,799,394	$ 2,517,806

(Continued)

NOTE 6 - NET PENSION LIABILITY

Plan Description: The Group contributes to the Miscellaneous 2.7% at 55 Risk Pool Plan and a 2% at 62 Risk Pool Plan under the California Public Employees' Retirement System (CalPERS) Public Employers Retirement Fund C (PERF C) a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues a publicly available annual financial report that can be obtained at their website.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the Pool, are credited with a market value adjustment in determining contribution rates.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2024 were as follows:

Members – The member contribution rate for classic was 7% of applicable member earnings for fiscal years 2023-24 and 2022-23. The member contribution rate of California Public Employees' Pension Reform Act (PEPRA) was 8% for fiscal years 2023-24 and 2022-23.

Employers – The employer contribution rate for classic was 15.95% and 14.03% of applicable member earnings, for fiscal years 2023-24 and 2022-23, respectively. The employer contribution rate for California Public Employees' Pension Reform Act (PEPRA) was 7.68% and 7.47% of applicable member earnings, for fiscal years 2023-24 and 2022-23, respectively.

The Group's contributions to CalPERS for the fiscal years ending June 30, 2024 and 2023 were $122,040 and $116,060, respectively, and equal 100% of the required contributions for each year.

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

At June 30, 2024, the Group reported a liability of $1,069,923 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Group's proportion of the net pension liability was based on a projection of the Group's long-term share of contributions to the pension plan relative to the projected contributions of all participating JPAs, actuarially determined.

(Continued)

NOTE 6 – NET PENSION LIABILITY (Continued)

At June 30, 2023, the Group reported a liability of $1,046,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Group's proportion of the net pension liability was based on a projection of the Group's long-term share of contributions to the pension plan relative to the projected contributions of all participating JPAs, actuarially determined.

At June 30, 2024 the Group's proportion was 0.021%, which was an decrease of 0.001% from its proportion measured as of June 30, 2023. At June 30, 2023, the Group's proportion was 0.022%, which was an decrease of 0.004% from its proportion measured as of June 30, 2022.

For the years ended June 30, 2024 and 2023, the Group recognized pension expense (benefit) of $198,508 and $(8,367), respectively.

At June 30, 2024, the Group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 54,658	$ 8,478
Change of assumptions	64,596	-
Net differences between projected and actual earnings on investments	173,230	-
Changes in proportion and differences between Group contributions and proportionate share of contributions	4,166	57,821
Contributions made subsequent to measurement date	74,421	-
Total	$ 371,071	$ 66,299

NOTE 6 - NET PENSION LIABILITY (Continued)

At June 30, 2023, the Group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual expererience	$ 21,022	$ 14,077
Change of assumptions	107,256	-
Net differences between projected and actual earnings on investments	191,728	-
Changes in proportion and differences between Group contributions and proportionate share of contributions	8,392	72,362
Contributions made subsequent to measurement date	116,060	-
Total	$ 444,458	$ 86,439

At June 30, 2024, $371,070 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended June 30,	
2025	$ 59,419
2026	$ 40,541
2027	$ 125,419
2028	$ 4,971
2029	$ -

(Continued)

NOTE 6 - NET PENSION LIABILITY (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying updated procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Experience Study	1997 to 2015
Actuarial Cost Method	Varies by entry age and service
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies

The probabilities of mortality are based on the 2020 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global equity cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
investment grade companies	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)

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

NOTE 6 - NET PENSION LIABILITY (Continued)

Discount rate: At June 30, 2024 and 2023, the discount rate used to measure the total pension liability was 6.90%. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Sensitivity of the JPA's proportionate share of the net pension liability to changes in the discount rate. For the year ended June 30, 2024 and 2023, the following presents the JPA's proportionate share of the net pension liability calculated using the discount rate of 6.90,% as well as what the JPA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Group's proportionate share of the net pension liability	$ 1,580,020	$ 1,069,923	$ 650,070

	June 30, 2023		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Group's proportionate share of the net pension liability	$ 1,589,690	$ 1,046,703	$ 599,957

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

(Continued)

NOTE 7 - JOINT POWERS AGREEMENTS

Participation in Joint Powers Authorities: The Group participates in a joint venture under joint powers agreement (JPA) with Schools Excess Liability Fund (SELF). The relationship between the Group and the JPAs is such that the JPAs are not a component unit of the Group for financial reporting purposes.

The JPAs arrange for and provides the services and other items necessary and appropriate for the establishment, operation, and maintenance of workers' compensation, excess liability, other risk pooling and insured plans. Boards consisting of a representative from each member agency govern the JPAs. The Boards control the operations of the JPAs including approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member's agency pays a premium commensurate with the actuarial determination proportionate to their ADA. There have been no significant reductions in insurance coverage from coverage in the prior year.

The most recent condensed financial information as of the date of issuance for SELF is for the year ended June 30, 2024:

Total assets	$ 279,749,592
Deferred outflow of resources	706,136
Total liabilities	241,775,359
Deferred inflow of resources	104,291
Total net position	$ 38,576,078
Total revenues	$ 54,590,707
Total expenses	108,529,460
Change in net position	$ (53,938,753)

NOTE 8 - RENTAL INCOME

The Group owns an office building located at 1174 Live Oak Boulevard in Yuba City, California. The Group occupies a portion of this building with the remaining space available for lease to outside tenants.

Future minimum lease payments to be received under the leases in place as of June 30, 2024 are as follows:

Years Ended June 30,	
2025	$ 490,412
2026	82,134
Total	572,546
Less: Interest	1,611
Deferred inflows of resources - leases	$ 570,935

REQUIRED SUPPLEMENTARY INFORMATION

TRI-COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
For the Years Ended June 30, 2024 and 2023

	Property and Casualty		Medical Benefits		Dental Benefits		Vision Benefits		Workers' Compensation		Totals	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unpaid claims and claim adjustment expenses, beginning of year	$ 1,945,475	$ 631,070	$ 8,441,000	$ 6,378,000	$ 169,000	$ 157,000	$ 46,000	$ 45,000	$ 1,726,076	$ 1,226,635	$ 12,327,551	$ 8,437,705
Incurred claims and claim adjustment expenses:												
Provision for covered events of the current year	479,000	1,724,000	45,017,267	42,678,794	2,907,803	2,745,365	579,414	543,069	1,220,000	1,080,000	50,203,484	48,771,228
Change in provision for covered events of prior years	97,105	(295,162)	(546,329)	846,940	(32,788)	(48,571)	(46,000)	(45,000)	209,144	125,999	(318,868)	584,206
Total incurred claims and claim adjustment expenses	576,105	1,428,838	44,470,938	43,525,734	2,875,015	2,696,794	533,414	498,069	1,429,144	1,205,999	49,884,616	49,355,434
Payments:												
Claims and claim adjustment expenses attributable to covered events of the current year	70,168	186,710	39,982,579	38,966,887	2,729,803	2,576,365	506,644	497,069	287,007	260,079	43,576,201	42,487,110
Claims and claim adjustment expenses attributable to covered events of prior years	288,710	(72,277)	4,031,359	2,495,847	136,212	108,429	21,770	-	874,537	446,479	5,352,588	2,978,478
Total payments	358,878	114,433	44,013,938	41,462,734	2,866,015	2,684,794	528,414	497,069	1,161,544	706,558	48,928,789	45,465,588
Total unpaid claims and claim adjustment expenses, end of year	$ 2,162,702	$ 1,945,475	$ 8,898,000	$ 8,441,000	$ 178,000	$ 169,000	$ 51,000	$ 46,000	$ 1,993,676	$ 1,726,076	$ 13,283,378	$ 12,327,551
Claims incurred, but not reported (IBNR)	$ 42,707	$ 347,810	$ 8,273,000	$ 7,926,000	$ 145,000	$ 141,000	$ 23,000	$ 23,000	$ 1,236,522	$ 1,065,394	$ 9,720,229	$ 9,503,204
Unallocated loss adjustment expenses (ULAE)	45,755	23,149	625,000	515,000	33,000	28,000	28,000	23,000	32,000	32,000	763,755	621,149
Accrued claims reserves	2,074,240	1,574,516	-	-	-	-	-	-	725,154	628,682	2,799,394	2,203,198
Total unpaid claims and claim adjustment expenses	$ 2,162,702	$ 1,945,475	$ 8,898,000	$ 8,441,000	$ 178,000	$ 169,000	$ 51,000	$ 46,000	$ 1,993,676	$ 1,726,076	$ 13,283,378	$ 12,327,551

See Independent Auditor’s Report.

The tables that follow illustrate how the Group's earned revenues and investment income compare to related costs of loss and other expenses assumed by the Group as of the end of each of the previous ten years. The rows of the tables are defined as follows:

(1) Total of each fiscal year's gross earned contribution and investment revenues, contribution revenue ceded to reinsurers, and net earned contribution and investment revenues.

(2) Each fiscal year's other operating costs of the Group including overhead and claims expenses not allocable to individual claims (for the medical, dental and vision programs, unallocated loss adjustment expenses are included in lines 3 and 6).

(3) The Group's gross incurred claims and claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).

(4) Cumulative amounts paid as of the end of successive years for each policy year.

(5) The latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.

(6) Each policy year's net incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, re-evaluation of existing information on known claims, as well as emergence of new claims not previously known.

(7) Compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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

(Continued)

	Fiscal and Policy Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Required contributions and investment revenue:										
Earned	$ 1,693,848	$ 1,733,439	$ 2,064,990	$ 2,266,532	$ 1,553,266	$ 1,721,184	$ 2,600,791	$ 3,259,330	$ 4,463,354	$ 2,849,071
Ceded	(1,017,605)	(1,038,572)	(945,037)	(1,125,526)	(819,080)	(1,005,477)	(2,214,864)	(2,843,918)	(2,960,841)	(1,699,184)
Net earned	676,243	694,867	1,119,953	1,141,006	734,186	715,707	385,927	415,412	1,502,513	1,149,887
2. Unallocated expenses	82,502	49,412	207,100	246,493	241,305	251,248	578,436	772,887	696,784	1,129,987
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	828,092	898,555	1,318,499	1,025,001	576,414	483,000	424,000	474,000	1,724,000	479,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net	828,092	898,555	1,318,499	1,025,001	576,414	483,000	424,000	474,000	1,724,000	479,000
4. Paid (cumulative) as of:										
End of year	217,164	283,089	197,320	124,001	141,690	76,457	51,164	138,333	186,710	70,168
One year later	254,418	356,699	434,529	193,132	160,610	129,283	130,680	179,984	1,877,000	
Two years later	342,097	647,196	835,541	707,774	210,957	203,493	115,488	212,860		
Three years later	368,215	741,264	914,117	724,877	208,597	203,493	139,200			
Four years later	535,089	758,465	914,117	755,761	208,597	207,702				
Five years later	557,424	758,465	901,383	794,973	85,000					
Six years later	628,374	758,465	901,383	884,359						
Seven years later	628,374	758,465	901,383							
Eight years later	628,374	758,715								
Nine years later	628,374									
5. Reestimated ceded claims and expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated net incurred claims and expenses:										
End of year	828,092	898,555	1,318,499	1,025,001	576,414	483,000	424,000	474,000	1,724,000	479,000
One year later	760,897	869,578	1,302,928	971,109	419,000	353,000	210,000	234,000	1,774,000	
Two years later	761,526	713,056	1,129,836	947,359	262,400	218,702	122,711	211,489		
Three years later	482,519	757,811	982,461	872,359	220,363	209,702	120,711			
Four years later	652,285	774,516	947,461	911,359	216,363	207,702				
Five years later	635,034	758,465	901,383	865,359	214,363					
Six years later	628,374	758,465	901,383	861,359						
Seven years later	628,374	758,465	901,383							
Eight years later	628,374	758,715								
Nine years later	628,374									
7. (Decrease) increase in estimated incurred claims expenses from end of policy year	$ (199,718)	$ (140,090)	$ (417,116)	$ (159,642)	$ (360,051)	$ (273,298)	$ (301,289)	$ (240,000)	$ 50,000	$ -

(Continued)

TRI-COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
MEDICAL BENEFITS
June 30, 2024

	Fiscal and Policy Year Ended June 30,									
1. Required contributions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
and investment revenue:										
Earned	$ 59,652,397	$ 46,261,123	$ 37,386,751	$ 38,239,446	$ 38,668,600	$ 39,223,469	$ 38,603,711	$ 39,330,018	$ 40,783,833	$ 46,907,242
Ceded	(2,971,772)	(2,082,997)	(2,120,700)	(2,486,721)	(2,179,804)	(2,302,994)	(2,200,833)	(2,150,868)	(2,154,494)	(2,501,580)
Net earned	56,680,625	44,178,126	35,266,051	35,752,725	36,488,796	36,920,475	36,402,878	37,179,150	38,629,339	44,405,662
2. Unallocated expenses	5,163,063	4,215,653	3,024,294	2,783,182	3,360,398	3,287,055	2,759,361	2,746,254	3,203,962	3,711,615
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	55,711,049	39,690,639	31,483,857	31,460,157	31,727,681	36,626,815	36,274,107	34,967,734	42,678,794	45,017,267
Ceded	(744,718)	(1,262,933)	(1,114,212)	(687,949)	(615,622)	(666,992)	(551,542)	(1,447,923)	(1,335,819)	(3,238,313)
Net	54,966,331	38,427,706	30,369,645	30,772,208	31,112,059	35,959,823	35,722,565	33,519,811	41,342,975	41,778,954
4. Paid (cumulative) as of:										
End of year	47,491,331	32,192,706	25,174,645	25,677,208	26,985,059	30,424,823	30,230,107	30,037,658	38,966,887	39,982,579
One year later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814	34,709,942	39,931,389	43,877,191	
Two years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814	36,197,748	40,036,362		
Three years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814	36,837,740			
Four years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814				
Five years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958					
Six years later	53,964,652	36,665,398	30,960,063	30,348,564						
Seven years later	53,964,652	36,665,398	30,960,063							
Eight years later	53,964,652	36,665,398								
Nine years later	53,964,652									
5. Reestimated ceded claims and expenses	2,007,651	2,377,345	1,114,212	687,949	615,622	666,992	551,542	1,447,923	1,335,819	-
6. Reestimated net incurred claims and expenses:										
End of year	54,966,331	38,427,706	30,369,645	30,772,208	31,112,059	35,959,823	35,722,565	33,519,811	41,342,975	41,778,954
One year later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814	34,709,942	39,931,389	43,877,191	
Two years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814	36,197,748	40,036,362		
Three years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814	36,837,740			
Four years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958	31,091,814				
Five years later	53,964,652	36,665,398	30,960,063	30,348,564	28,174,958					
Six years later	53,964,652	36,665,398	30,960,063	30,348,564						
Seven years later	53,964,652	36,665,398	30,960,063							
Eight years later	53,964,652	36,665,398								
Nine years later	53,964,652									
7. (Decrease) increase in estimated incurred claims expenses from end of policy year	$ (1,001,679)	$ (1,762,308)	$ 590,418	$ (423,644)	$ (2,937,101)	$ (4,868,009)	$ 1,115,175	$ 6,516,551	$ 2,534,216	$ -

(Continued)

TRI-COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
DENTAL BENEFITS
June 30, 2024

	Fiscal and Policy Year Ended June 30,									
1. Required contributions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
and investment revenue:										
Earned	$ 3,564,258	$ 3,761,711	$ 2,947,151	$ 3,061,229	$ 3,129,869	$ 3,222,032	$ 3,198,491	$ 3,272,264	$ 3,452,986	$ 3,665,539
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	3,564,258	3,761,711	2,947,151	3,061,229	3,129,869	3,222,032	3,198,491	3,272,264	3,452,986	3,665,539
2. Unallocated expenses	280,445	255,200	214,054	217,367	219,441	184,973	239,052	236,949	258,253	283,054
3. Estimated incurred claims and expenses,										
end of policy year:										
Incurred	3,472,990	3,380,590	2,622,000	2,751,972	2,729,491	2,314,765	2,668,605	2,572,946	2,745,365	2,907,803
Ceded	-	-	-	-	-	-	-	-	-	-
Net	3,472,990	3,380,590	2,622,000	2,751,972	2,729,491	2,314,765	2,668,605	2,572,946	2,745,365	2,907,803
4. Paid (cumulative) as of:										
End of year	3,232,990	3,155,590	2,467,000	2,545,472	2,565,491	2,150,765	2,533,605	2,415,946	2,576,365	2,729,803
One year later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765	2,533,605	2,524,375	2,712,577	
Two years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765	2,533,605	2,524,375		
Three years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765	2,533,605			
Four years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765				
Five years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491					
Six years later	3,381,858	3,283,961	2,574,229	2,550,909						
Seven years later	3,381,858	3,283,961	2,574,229							
Eight years later	3,381,858	3,283,961								
Nine years later	3,381,858									
5. Reestimated ceded claims and expenses	-	-	-	-	-	-	-	-	-	
6. Reestimated net incurred claims and expenses:										
End of year	3,472,990	3,380,590	2,622,000	2,751,972	2,729,491	2,314,765	2,668,605	2,572,946	2,745,365	2,907,803
One year later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765	2,533,605	2,524,375	2,712,577	
Two years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765	2,533,605	2,524,375		
Three years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765	2,533,605			
Four years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491	2,150,765				
Five years later	3,381,858	3,283,961	2,574,229	2,550,909	2,565,491					
Six years later	3,381,858	3,283,961	2,574,229	2,550,909						
Seven years later	3,381,858	3,283,961	2,574,229							
Eight years later	3,381,858	3,283,961								
Nine years later	3,381,858									
7. (Decrease) increase in estimated incurred										
claims expenses from end of policy year	$ (91,132)	$ (96,629)	$ (47,771)	$ (201,063)	$ (164,000)	$ (164,000)	$ (135,000)	$ (48,571)	$ (32,788)	$ -

(Continued)

TRI-COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
VISION BENEFITS
June 30, 2024

	Fiscal and Policy Year Ended June 30,									
1. Required contributions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
and investment revenue:										
Earned	$ 777,723	$ 758,361	$ 640,353	$ 666,184	$ 692,544	$ 714,110	$ 708,602	$ 717,210	$ 759,334	$ 812,191
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	777,723	758,361	640,353	666,184	692,544	714,110	708,602	717,210	759,334	812,191
2. Unallocated expenses	101,896	98,090	80,978	88,115	101,576	120,668	122,778	127,247	139,260	155,952
3. Estimated incurred claims and expenses,										
end of policy year:										
Incurred	617,894	607,177	445,301	482,056	471,342	435,479	470,287	482,697	543,069	579,414
Ceded	-	-	-	-	-	-	-	-	-	-
Net	617,894	607,177	445,301	482,056	471,342	435,479	470,287	482,697	543,069	579,414
4. Paid (cumulative) as of:										
End of year	577,894	567,177	415,804	443,056	433,342	397,479	432,287	437,697	497,069	506,644
One year later	596,495	588,833	437,460	432,694	433,342	397,479	432,287	437,697	518,839	
Two years later	596,495	588,833	437,460	432,694	433,342	397,479	432,287	437,697		
Three years later	596,495	588,833	437,460	432,694	433,342	397,479	432,287			
Four years later	596,495	588,833	437,460	432,694	433,342	397,479				
Five years later	596,495	588,833	437,460	432,694	433,342					
Six years later	596,495	588,833	437,460	432,694						
Seven years later	596,495	588,833	437,460							
Eight years later	596,495	588,833								
Nine years later	596,495									
5. Reestimated ceded claims and expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated net incurred claims and expenses:										
End of year	617,894	607,177	445,301	482,056	471,342	435,479	470,287	482,697	543,069	579,414
One year later	596,495	588,833	437,460	432,694	433,342	397,479	432,287	437,697	518,839	
Two years later	596,495	588,833	437,460	432,694	433,342	397,479	432,287	437,697		
Three years later	596,495	588,833	437,460	432,694	433,342	397,479	432,287			
Four years later	596,495	588,833	437,460	432,694	433,342	397,479				
Five years later	596,495	588,833	437,460	432,694	433,342					
Six years later	596,495	588,833	437,460	432,694						
Seven years later	596,495	588,833	437,460							
Eight years later	596,495	588,833								
Nine years later	596,495									
7. (Decrease) increase in estimated incurred claims expenses from end of policy year	$ (21,399)	$ (18,344)	$ (7,841)	$ (49,362)	$ (38,000)	$ (38,000)	$ (38,000)	$ (45,000)	$ (24,230)	$ -

(Continued)

	Fiscal and Policy Year Ended June 30,			
1. Required contributions	2021	2022	2023	2024
and investment revenue:				
Earned	$ 1,856,566	$ 1,899,137	$ 2,338,167	$ 2,858,091
Ceded	(100,000)	(105,765)	(163,286)	(173,591)
Net earned	1,756,566	1,793,372	2,174,881	2,684,500
2. Unallocated expenses	472,365	606,561	617,182	701,843
3. Estimated incurred claims and expenses,				
end of policy year:				
Incurred	700,000	724,000	1,080,000	1,220,000
Ceded	-	-	-	-
Net	700,000	724,000	1,080,000	1,220,000
4. Paid (cumulative) as of:				
End of year	85,604	153,403	260,079	260,079
One year later	239,237	361,892	658,225	
Two years later	368,497	510,295		
Three years later	432,798			
5. Reestimated ceded claims and expenses	-	-	-	
6. Reestimated net incurred claims and expenses:				
End of year	700,000	724,000	1,080,000	1,220,000
One year later	570,000	750,000	1,250,000	
Two years later	600,000	750,000		
Three years later	630,000			
7. (Decrease) increase in estimated incurred claims expenses from end of policy year	$ (100,000)	$ 26,000	$ 170,000	$ -

See Independent Auditor's Report.

TRI-COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF THE GROUP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Years Ended June 30, 2024 and 2023

Public Employer's Retirement Fund
Last 9 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024
The Group's proportion of the net pension liability	0.018%	0.017%	0.019%	0.019%	0.020%	0.021%	0.026%	0.022%	0.021%
The Group's proportionate share of the net pension liability	$ 494,235	$ 580,486	$ 757,935	$ 741,937	$ 809,923	$ 879,983	$ 499,890	$1,046,702	$1,046,703
The Group's covered payroll	$ 415,000	$ 318,000	$ 282,000	$ 264,000	$ 277,000	$ 287,000	$ 307,000	$ 324,000	$ 370,443
The Group's proportionate share of the net pension liability as a percentage of its covered payroll	119.09%	182.54%	268.77%	281.04%	292.39%	306.61%	162.83%	323.06%	282.55%
Plan fiduciary net position as a percentage of the total pension liability	79.90%	75.90%	75.40%	75.26%	75.26%	75.10%	88.30%	76.20%	78.00%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2016 are not available.

TRI-COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF THE GROUP'S CONTRIBUTIONS
For the Years Ended June 30, 2024 and 2023

Public Employer's Retirement Fund
Last 9 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 57,338	$ 54,758	$ 64,969	$ 66,592	$ 78,518	$ 89,699	$ 101,610	$ 116,060	$ 122,040
Contributions in relation to the contractually required contribution	(57,338)	(54,758)	(64,969)	(66,592)	(78,518)	(89,699)	(101,610)	(116,060)	(122,040)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Group's covered payroll	$ 318,000	$ 282,000	$ 264,000	$ 277,000	$ 287,000	$ 307,000	$ 324,000	$ 370,443	$ 410,926
Contributions as a percentage of covered payroll	18.03%	19.42%	24.61%	24.04%	27.36%	29.22%	31.36%	31.33%	29.70%

All years prior to 2016 are not available.

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of the Group's Proportionate Share of the Net Pension Liability: The Schedule of the Group's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the Group's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Group's Contributions: The Schedule of the Group's Contributions is presented to illustrate the Group's required contributions relating to the pension. There is a requirement to show information for 10 years. However, until a full 10- year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rate for Public Employer's Retirement Fund C was 7.50%, 7.65%, 7.65%, 7.15%, 7.15%, 7.15%, 7.15%, 7.15% and 6.90% in the June 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021 actuarial reports, respectively.

SUPPLEMENTARY INFORMATION

TRI-COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Property and Casualty	Medical	Dental	Vision	Workers' Compensation	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 2,724,215	$ 9,182,947	$ 3,924,452	$ 1,383,486	$ 3,944,652	$ 21,159,752
Receivables	112,404	3,927,587	348,990	141,934	113,799	4,644,714
Leases receivable	24,521	426,659	24,521	14,712	-	490,413
Prepaid expenses	194,483	6,000	750	750	198,352	400,335
Total current assets	3,055,623	13,543,193	4,298,713	1,540,882	4,256,803	26,695,214
Leases receivable	4,026	70,054	4,026	2,416	-	80,522
Property and equipment, net	255,274	4,295,639	248,938	149,996	7,922	4,957,769
Total assets	3,314,923	17,908,886	4,551,677	1,693,294	4,264,725	31,733,505
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow s of resources - pensions	56,054	232,387	20,486	16,621	45,523	371,071
LIABILITIES						
Current liabilities:						
Accounts payable	30,362	208,358	4,590	4,581	33,336	281,227
Claims payable	-	1,499,118	93,539	50,375	-	1,643,032
Unearned revenue	292	5,087	292	175	-	5,846
Current portion of unpaid claims and claim adjustment expenses	88,462	8,898,000	178,000	51,000	1,268,522	10,483,984
Total current liabilities	119,116	10,610,563	276,421	106,131	1,301,858	12,414,089
Due to member districts	-	37,529	5,437	1,364	-	44,330
Net pension liability	113,595	779,882	61,595	45,397	69,455	1,069,924
Unpaid claims and claim adjustment expenses less current portion	2,074,240	-	-	-	725,154	2,799,394
Total noncurrent liabilities	2,187,835	817,411	67,032	46,761	794,609	3,913,648
Total liabilities	2,306,951	11,427,974	343,453	152,892	2,096,467	16,327,737
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow s of resources - leases	28,547	496,713	28,547	17,128	-	570,935
Deferred inflow s of resources - pensions	1,382	61,264	4,114	2,515	(2,976)	66,299
Total deferred inflow s of resources	29,929	557,977	32,661	19,643	(2,976)	637,234
NET POSITION						
Net investment in capital assets	255,274	4,295,639	248,938	149,996	7,922	4,957,769
Unrestricted	778,823	1,859,683	3,947,111	1,387,384	2,208,835	10,181,836
Total net position	$ 1,034,097	$ 6,155,322	$ 4,196,049	$ 1,537,380	$ 2,216,757	$ 15,139,605

See Independent Auditor’s Report.

TRI-COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2024

	Property and Casualty	Medical	Dental	Vision	Workers' Compensation	Total
Operating revenue:						
Member contributions	$ 2,783,149	$ 46,664,068	$ 3,575,799	$ 780,576	$ 2,767,482	$ 56,571,074
Expenses						
Operating expenses:						
Provision for claims and claim adjustment expenses	576,105	44,470,938	2,875,015	533,414	1,429,144	49,884,616
Insurance premiums	1,699,184	2,501,580	-	-	173,591	4,374,355
Contract services	228,050	2,803,607	184,109	60,768	300,343	3,576,877
Total operating expenses	2,503,339	49,776,125	3,059,124	594,182	1,903,078	57,835,848
General and administrative expenses	901,937	908,008	98,945	95,184	401,500	2,405,574
Total expenses	3,405,276	50,684,133	3,158,069	689,366	2,304,578	60,241,422
Operating loss	(622,127)	(4,020,065)	417,730	91,210	462,904	(3,670,348)
Nonoperating revenue:						
Interest income	65,926	243,166	89,739	31,614	90,607	521,052
Rental income	17,935	312,062	17,935	10,760	-	358,692
Total nonoperating revenue	83,861	555,228	107,674	42,374	90,607	879,744
Change in net position	(538,266)	(3,464,837)	525,404	133,584	553,511	(2,790,604)
Net position, beginning of year	1,572,363	9,620,159	3,670,645	1,403,796	1,663,246	17,930,209
Net position, end of year	$ 1,034,097	$ 6,155,322	$ 4,196,049	$ 1,537,380	$ 2,216,757	$ 15,139,605

See Independent Auditor's Report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE *STATE CONTROLLER'S MINIMUM AUDIT REQUIREMENTS FOR CALIFORNIA SPECIAL DISTRICTS* AND *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors and Members
Tri-County Schools Insurance Group
Yuba City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *State Controller's Minimum Audit Requirements for California Special Districts* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Schools Insurance Group as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Tri-County Schools Insurance Group's financial statements, and have issued our report thereon dated December 13, 2024.

Internal Control Over Financial Reporting

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

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 may exist that have not been identified.

(Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Schools Insurance Group's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CROWE LLP

Crowe LLP

Boston, Massachusetts
December 13, 2024