SANTA CLARA COUNTY
SCHOOLS' INSURANCE GROUP

FINANCIAL STATEMENTS
June 30, 2025 and 2024

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FINANCIAL STATEMENTS
June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Members
Santa Clara County Schools' Insurance Group
San Jose, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Santa Clara County Schools' Insurance Group, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Santa Clara 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 Santa Clara County Schools' Insurance Group, as of June 30, 2025 and 2024, 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 Santa Clara 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 Santa Clara 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 Santa Clara 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 Santa Clara 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 13, the Reconciliation of Claims Liabilities by Type of Contract on pages 33 through 36, and the Claims Development Information on pages 37 through 40, the Schedule of the Group's Proportionate Share of the Net Pension Liability on page 41 and the Schedule of the Group's Contributions on page 42 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 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 Santa Clara 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 44 through 47 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 January 14, 2026 on our consideration of Santa Clara 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 Santa Clara 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 Santa Clara County Schools' Insurance Group's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

West Hartford, Connecticut
January 14, 2026

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2025

The following report reflects on the financial condition of Santa Clara County Schools' Insurance Group (SCCSIG) as of and for the fiscal years ended June 30, 2025, and 2024. It is provided in order to enhance the information in the independent financial audit, basic financial statements, and notes to the basic financial statements included in the financial audit report. Please read it in conjunction with the Group's financial statements, which immediately follow this section.

Introduction and Background:

Santa Clara County Schools' Insurance Group (SCCSIG) was established on October 1, 1978 by a Joint Powers Agreement to provide mutual risk management and insurance programs for member districts. Under such an agreement, two or more public agencies may jointly exercise any power common to the contracting parties. SCCSIG had 32 members participating in any number of individual programs/funds: Workers' Compensation, Property and Liability, Medical, Vision, and Dental. For financial reporting purposes, SCCSIG operates as a special-purpose government engaged in business type activities.

SCCSIG is governed by a seven-member Executive Committee, elected for two-year terms by the Board of Directors. The Executive Committee elects a President, Vice President, and Secretary/Treasurer for a one-year term from the members of the Executive Committee. The full Board of Directors is comprised of a representative and alternate from each member district, as designated by the district's superintendent.

The Executive Committee is responsible for the ongoing operations of SCCSIG and is empowered to implement and enforce all provisions of the Joint Powers Agreement, SCCSIG Bylaws, and all approved policies and procedures. The Executive Committee has delegated the responsibility of the daily operation of SCCSIG to the Executive Director and staff. The Executive Director provides reports on activities to the Executive Committee at regular Board meetings, which includes Treasury Reports and Financial Statements, with comparative analysis with the adopted budget and prior year audited financials throughout the year, as well as other reports and updates as necessary.

Mission Statement

The purpose of Santa Clara County Schools' Insurance Group is to provide to the members the long-term cost-effective benefit of self-insurance pooling and the joint purchase of insurance.

Program Overview:

SCCSIG's Dental, Vision, Medical, Workers' Compensation, and Property/Liability programs are comprised of Members from K-12 Schools Districts, Community Colleges, and Other Organizations, throughout the State of California. Membership varies by program.

Benefits:

- The benefit programs are comprised of Dental, Vision, and Medical. Rates for the self-insured Vision and Dental plans are calculated by their underwriters for all members, and rate changes are determined by SCCSIG Fringe Benefit Committee and approved by the Executive Committee. Benefit plans are on a calendar year basis.

Dental:

- Established July 1, 1986. The Dental program was a self-insured program with Delta Dental and administrated by Keenan & Associates through their California Dental Coalition.
- Effective January 1, 2018, it was moved from California Dental Coalition to SISC III.
- Effective January 1, 2024, SCCSIG introduced an additional Dental insurance coverage for its member districts through Personify Health (formerly HealthComp). Personify Health is a third-party administrator that offers dental claims processing as part of its full-service health benefits plans. To this end, SCCSIG utilizes Personify to administer its Dental Indemnity Plan.

Vision:

- Established October 1, 1985. The Vision program was a self-insured program with VSP and administrated by Keenan & Associates through their California Vision Coalition.
- Effective January 1, 2018, it moved from California Vision Coalition to SISC III.

Medical:

- The Medical fund was established in 2011/2012 with federal funds received through the Early Retiree Reinsurance Program, a component of the Patient Protection and Affordable Care Act of 2010. This program provides reimbursement of part of the cost of providing medical coverage to early retirees. Keenan & Associates was the administrator.
- These funds provided by the United States Department of Health and Human Services are restricted by the Code of Federal Regulations; 45 CFR Part 149 § 149.200, and will benefit SCCSIG's 13 Anthem Blue Cross plan members and 11 Kaiser plan members. Both plans are fully insured.
- The contract with Keenan & Associates applied funds through the Federal Early Retiree Reinsurance Program (ERRP), medical carriers would pay the $25,000 contract through additional service override compensation, collected through fully insured premiums. These fees were collected on their contracts between 2010 and 2012.

Workers' Compensation:

- Established October 1, 1978.
- SCCSIG was self-insured from October 1, 1978 through December 31, 1995, purchasing various levels of excess coverage from $100,000 to $250,000 through Fremont Insurance, ERC (Westport Ins. Corp), Safety Mutual/Safety National, and Schools Alliance for Workers' Compensation Excess (SAWXC II).
- From January 1, 1996 through June 30, 2003, the SCCSIG was fully insured through Fremont Insurance (1/1/1996 to 6/30/2000), then ACE Insurance Co. of North America (7/1/2000 to 6/30/2003).
- Since July 1, 2003, SCCSIG has been self-insured, participating in the Protected Insurance Program for Schools (PIPS), which provides excess coverage from the first dollar to statutory limits. Rates paid to PIPS is their base rate times an experience modification factor (x-mod), based on the SCCSIG individual loss history. The PIPS base rate has fluctuated each year, as has the experience modification factor. Costs initially increased 39% from $1.58 per $100 of payroll in 2002/2003, under a fully insured program with ACE. As of 2012/2013, the base rate has increased 39%, while the final rate has increased only 1.5%, since the SCCSIG's x-mod had decreased 21% over this time period. Net Position Equity in PIPS is vested at 10% per year, with full equity participation after 10 consecutive years, for each policy year of participation. In 2009/2010, SCCSIG gave PIPS notice of potential withdrawal, due to our request for proposal for the workers' compensation program. SCCSIG's Executive Committee elected to retain PIPS membership and continues membership.
- Deficit assessments between 2001/2002 and 2007/2008 by the Schools Alliance for Workers' Compensation Excess (SAWCX II) reduced assets by $2,462,529, with assessments on excess coverage at $150,000 from 1988/1989 through 1993/1994 and $250,000 from 1994/1995 through December 31, 1995.
- Revisions in the reserving practice for the Workers' Compensation's self-insured claims between 1979 through 1996 resulted in a deficit position for the program in 2004/2005. Therefore, a 6-year recovery plan was adopted beginning in 2005/2006 to resolve this deficit position. The Recovery Plan collected an additional $0.05 per $100 of payroll, for a total of $1.5 million over four years, when the plan had positive equity the plan was discontinued.
- The net effect of Claims paid and the Change in Claims Reserves for Workers' Compensation in 2024/2025 was a $23,930 increased expense for the self-insured claims from October 1, 1978 to December 31, 1995; these costs are recorded as liabilities when known and therefore no expense is budgeted in current years. Claims with incident dates of 1996 and subsequent do not have claims liabilities, being either fully-insured or insured from first dollar to statutory limits.
- SCCSIG has added two members and lost five members from the Workers' Compensation program, including the Santa Clara County Office of Education (SCCOE) who withdrew in July 1999 and was awarded a $1 million settlement, which was paid over seven years from 2002/2003 through 2008/2009.
- SCCSIG set a 15% cap on experience modification factors, as of July 1, 2009 to stabilize rates from wide fluctuations and ease the burden on districts, due to members' loss history.

- On April 17, 2025, the SCCSIG Board of Directors declared an equity rebate of $1,095,129. The rebate is classified as a declared rebate in the June 30, 2025 financial statements.

Property and Liability:

- Established July 1, 1980
- Historically, SCCSIG maintained $100,000 self-insured retention in both Property and Liability, with lower retained limits for special coverage for auto property, crime, and electronic data processing. Effective July 1, 2023, SCCSIG increased the self-insured retention in Property and Liability to $250,000.
- SCCSIG joined the Alliance of Schools for Cooperative Insurance Program (ASCIP), as of July 1, 2008, for excess property and liability coverage from SCCSIG retained limits to $500 million in property and $5 million in liability. ASCIP provides claims administration for all claims with loss dates after June 30, 2008; including those below our retention levels at no additional cost. The change in carriers resulted in a reduction of 30% in total excess insurance costs in the first year. Between 2007/2008 and 2012/2013, excess insurance costs have decreased 11%, including a 10% increase in premium in 2012/2013.
- SCCSIG rejoined Schools Excess Liability Fund (SELF) in July 1, 2008 for excess liability coverage from $5 million to $25 million. SCCSIG had withdrawn from SELF June 30, 2007.
- Equity of over $13 million has been returned to members, including $2.1 million in 2009/2010 and $1 million in 2010/2011 closing out program years through 2003/2004.
- An equity rebate of $1.9 million was declared in 2017/2018 and returned to Members in 2020/2021.
- In June 2021, the Board approved a revised Capital Target and Equity Return Policy.
- Based upon the revised policy, an equity rebate of $1.6 million was returned to the Members in 2020/2021.

Financial Highlights:

In 2024/2025, SCCSIG's total net position increased by $37 thousand to $22.911 million as of 06/30/2025. The total net position at 06/30/2024 was $22.874 million.

Workers' Compensation

The net position for the Worker's Compensation program decreased by $684 thousand during 2024/2025 to $3.697 million as of 06/30/2025. The net position at 06/30/2024 was $4.381. This decrease is due primarily to the declared rebate of $1.095 million as discussed above.

The net position of $3.7 million as of 06/30/2025 is $3.6 million greater than what is required to fund the designated Capital Target. The Capital Target is set at an actuarially determined 80% probability level, set using the estimated liability for the old tail claims, of $100 thousand.

Property/Liability

The Property Liability Program's net position increased by $479 thousand in 2024/2025. The net position as of 06/30/2025 is $5.1 million.

The $479 thousand increase in net position is primarily attributed to funding at an 80% actuarily determined confidence level, which provides a contingency margin against adverse claims development. And these additional factors, the change is attributed to actual claim cost development, more/less than, actuarial expected claim costs, and more/less than funding, based upon actuarial projections.

The net position of $5.1 million is $1.7 million greater than what is required to fund the designated Capital Target. The Capital Target is set at an actuarially determined 90% probability level of $1.4 million with an additional $2 million added, for a total of $3.4 million.

Dental

The Dental Program's net position increased by $245 thousand in 2024/2025 to $9.9 million as of 06/30/2025. The net position at 06/30/2024 was $9.7 million. This increase is due primarily to the decrease in the actuarily-determined dental reserves for Incurred but Not Reported (IBNR) claims based on the November 6, 2025 Actuarial study.

This increase is offset by SCCSIG funding at less than actual costs as SCCSIG continues to provide stable rates to its members. All liabilities are fully reserved in this program.

Vision

The Vision Program continues to perform positively, with an increase to the net position of $280 thousand from $3.6 million to $3.9 million as of 06/30/2024 and 06/30/2025, respectively.

This increase is primarily attributed to the decrease in the actuarily-determined vision reserves for IBNR claims based on the November 6, 2025 Actuarial study, as well as funding more than actual costs. All liabilities are fully reserved in this program.

Medical & Wellness

The Medical & Wellness Program's net position decreased by $284 thousand in 2024/2025 to $306 thousand as of 06/30/2025. The net position at 06/30/2024 was $591 thousand. This decrease is primarily attributed to the termination of the Employee Benefits Consulting Services agreement with CBIZ Benefits & Insurance Services, Inc. (CBIZ) during 2024/2025. Under this agreement, excess commission revenues received by CBIZ were used to offset SCCSIG Wellness program expenses. This decrease in net position is offset by an increase in funding due to receipt of other medical rebates.

The balance represents possible future expenditures to benefit the SCCSIG membership in the Wellness programs.

Financial Management and Control:

Effective 07/01/2023, SCCSIG contracts with SETECH (Service Enhancement Technologies), a division of Keenan, to assume responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The SETECH staff provides financial oversight and cash management. This includes budgeting, accounts receivable, accounts payable, and, at a minimum, quarterly financial updates. They also provide annual Financial Audit support and work closely with the Executive Director and SCCSIG staff who review and approve transactions.

SCCSIG has also contracted an independent actuarial to review their programs. These studies confirm the adequacy and reasonableness of the liabilities recorded as outstanding claim reserves for all program years. Bickmore Insurance Services - Actuarial Consultants review the Worker's Compensation and Property Liability programs. Actuaries provide estimates of outstanding liabilities (IBNR) for the Dental and Vision programs.

Crowe LLP is contracted to perform the annual independent audit examination of the financial statements in accordance with generally accepted auditing principles (GAAP).

SCCSIG does not contract with an investment advisor and did not hold any private investments. The majority of SCCSIG's funds are held in the Santa Clara County Treasury Pool, or with Local Agency Investment Fund(LAIF), the State investment pool, since the principal is 100% protected while yields are routinely higher than other comparable options available per SCCSIG's Investment Policy. Operating accounts, including two trust accounts, are held at US Bank. These accounts are funded monthly for expected operating expenses and balances are kept to the minimum.

SCCSIG was accredited by California Association of Joint Powers Authorities (CAJPA) with Excellence. Their accreditation is based on a model of professional standards for risk management pools. CAJPA standards require a Capital Reserve, which sets a safety reserve to safeguard against future financial uncertainty, and measures for financial stability.

SCCSIG obtained accreditation with the California Association of Joint Powers Authorities, as of November 1, 2005. As of 2009/2010, SCCSIG earned the distinction of Accreditation with Excellence. The CAJPA accreditation program is a national model of professional standards for risk management pools. To comply with standards for accreditation, in 2004/2005 SCCSIG established Capital Targets for each program. These are designated equity amounts held to provide a reserve to safeguard against future financial uncertainty. The standard Capital Targets for the Workers' Compensation and Property & Liability funds are both set at an Actuarial determined probability level of 80% which SCCSIG have exceeded. The Capital Targets for the Vision and Dental funds are set at approximately 2.5 months of monthly average claims expense. CAJPA reaccreditation is required every three years. SCCSIG was last accredited by CAJPA in 2020/2021 and SCCSIG is currently considering an alternative arrangement to accreditation.

Basic Financial Statements:

SCCSIG's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and necessarily include amounts based upon reliable estimates and judgments. The Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows are included.

The Statement of Net Position provides information on SCCSIG's program assets and liabilities, with the difference reported as Net Position. The Statement of Revenues, Expenses and Change in Net Position presents information showing total operating revenues versus operating expenses and the resulting effect on Net Position. The Statement of Cash Flows is presented to reflect the operation based on inflows and outflows of cash.

Statement of Net Position:

For comparative purposes, below is a consolidated summary of the Statement of Net Position as of 06/30/2023, 06/30/2024, and 06/30/2025, showing total assets versus total liabilities, with a percentage of change between program years.

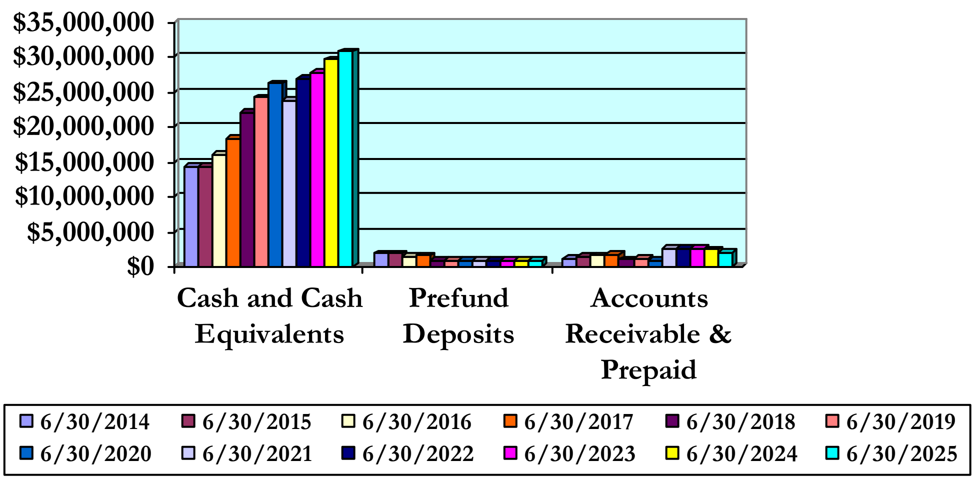
	As of		2023/2024		As of	2024/2025	
	06/30/2023	06/30/2024	Variance	%	06/30/2025	Variance	%
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 27,843,334	$ 29,690,852	$ 1,847,518	6.64 %	$ 30,825,901	$ 1,135,049	3.82 %
Prefunding deposits	780,000	780,000	- -	- -	780,000	- -	- -
Accounts Receivable & Prepaid Expenses	2,651,921	2,475,110	(176,811)	(6.67)	2,056,351	(418,759)	(16.92)
Total Assets	31,275,255	32,945,962	1,670,707	5.34	33,662,252	716,290	2.17
Deferred outflow of resources							
Deferred outflow of resources - pension	492,459	443,965	(48,494)	(9.85)	294,696	(149,269)	(33.62)
LIABILITIES							
Current Liabilities							
Accounts payable	1,466,637	1,491,927	25,290	1.72	2,489,613	997,686	66.87
Safety Credits payable	1,598,879	1,520,357	(78,522)	(4.91)	1,500,957	(19,400)	(1.28)
Insurance Premiums payable	1,806,227	1,798,362	(7,865)	- -	1,213,901	(584,461)	- -
Current portion of unpaid claims and claim adjustment expenses	1,013,060	1,568,737	555,677	54.85	2,139,313	570,576	36.37
Total current Liabilities	5,884,803	6,379,383	494,580	8.40	7,343,784	964,401	15.12
Net Pension liability	955,763	1,053,973	98,210	10.28	1,019,388	(34,585)	(3.28)
Noncurrent Liabilities - claim liability	2,226,329	2,986,999	760,670	34.17	2,585,077	(401,922)	(13.46)
Total Liabilities	9,066,895	10,420,355	1,353,460	14.93	10,948,249	527,894	5.07
Deferred inflow of resources							
Deferred inflow of resources - pension	96,767	95,246	(1,521)	(1.57)	97,380	2,134	2.24
NET POSITION	$ 22,604,052	$ 22,874,326	$ 270,274	1.20 %	$ 22,911,319	$ 36,993	0.16 %

Assets:

An increase in assets is mainly attributed to the retention and increase in cash. Cash variances are mainly attributed to receipt of member contributions, which are less, or greater than, claim payments, insurance premiums, and other operating expense. Investment income increases cash and cash equivalents. The payment of a Board elected Member rebate or Safety Credits can decrease cash within the program year. Also, a decrease in cash will occur if the prepaid expense balance increases.

In 2024/2025, the assets of SCCIG increased by $716 thousand, or 2.17%. In 2023/2024, the assets of SCCSIG increased by $1.7 million, or 5.34%. In 2022/2023, the assets of SCCSIG increased by 2.84% or $864 thousand.

Annual variance in assets can be seen below.



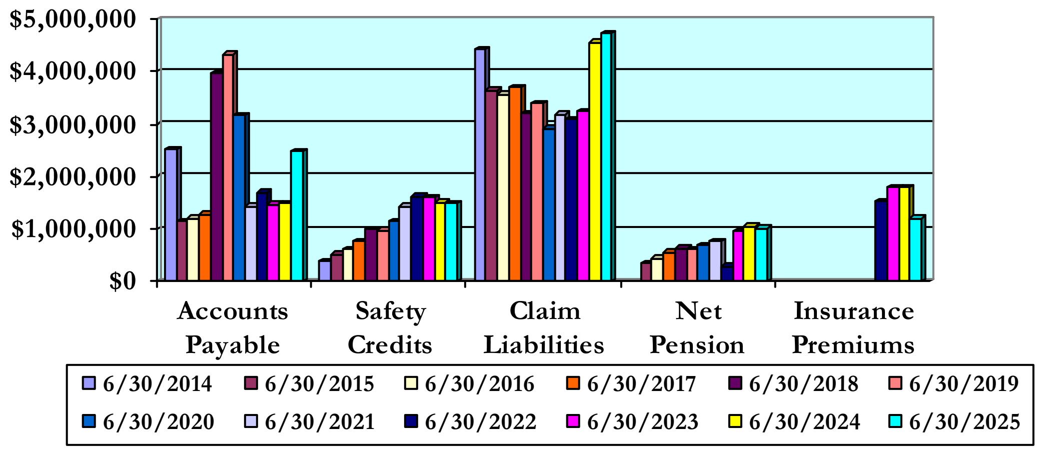
Liabilities:

In 2024/2025, the liabilities for SCCSIG increased by $528 thousand, or 5.07%. In 2023/2024, the liabilities for SCCSIG increased by $1.4 million, or 14.93%. In 2022/2023, the liabilities for SCCSIG increased by $718 thousand, or 8.60%.

These variances are mainly attributed to revisions in claim liabilities or accounts payable, which may include a dividend payable.

Other factors that influence the change in liabilities is the annual, independent actuary review claim liabilities are updated based upon these evaluations. The annual actuarial review and re-estimate of the ultimate cost associated with payment, for the life of the claim, on the self-insured retained program years, is an integral factor in keeping the financials relevant.

The annual variance in liabilities can be seen below.

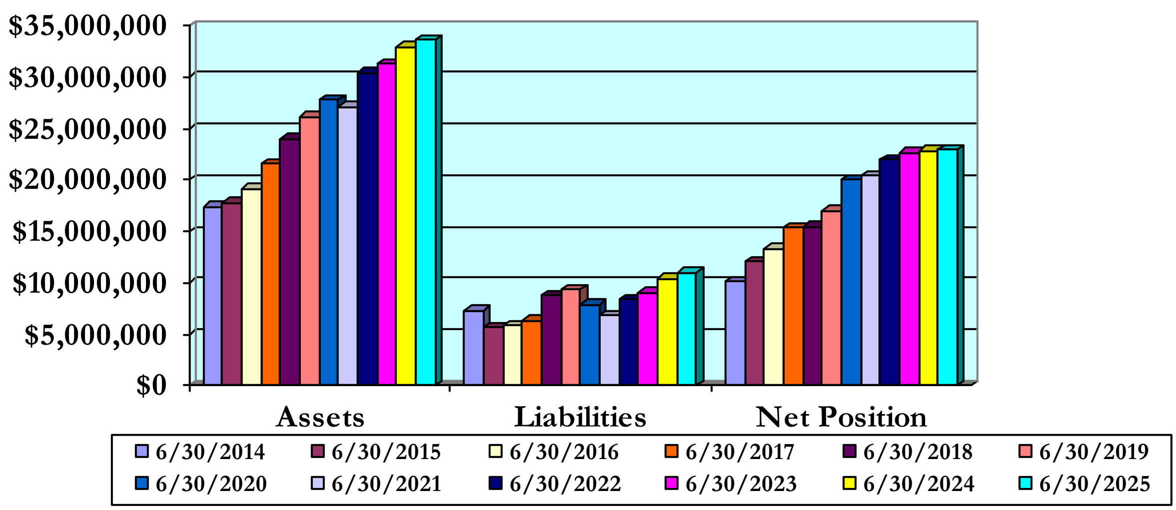


Net Position:

SCCSIG's ending Net Position as of 06/30/2025 is $22.91 million. This position reflects an increase to the prior year net position of $22.87 million, as of 06/30/2024, by 0.60% or $37 thousand. This was due to the following factors.

1) An increase in net assets from non-operating investment income of $1.1 million, offset by
2) A decrease in net assets from net operating losses, less than operating expenditures of $10 thousand.
3) A declared rebate of $1.095 million for the Workers' Compensation Program as discussed above.

Statement of Net Position year variances can be seen below.



Statements of Revenues, Expenses and Change in Net Position:

For comparative purposes below is the Condensed Statements of Revenues, Expenses, and Changes in Net Position for the most recent three years.

Details of these changes are shown below.

	Fiscal Year Ended		Increase/ (Decrease) 2023/2024		Fiscal Year Ended	Increase/(Decrease) 2024/2025	
	06/30/23	06/30/24	Variance	Percentage	06/30/25	Variance	Percentage
Operating Revenue:							
Member Contributions	$ 47,068,841	$ 51,297,663	$ 4,228,822	8.98 %	$ 53,312,653	$ 2,014,990	3.93 %
Safety Credits	421,016	414,445	(6,571)	(1.56)	466,110	51,665	12.47
Other	564,711	642,133	77,422	13.71	495,980	(146,153)	(22.76)
Total Operating Revenue	48,054,568	52,354,241	4,299,673	8.95	54,274,743	1,920,502	3.67
Operating Expenses:							
Claims and Claims Adj Expense	10,177,184	12,882,989	2,705,805	26.59	12,155,067	(727,922)	(5.65)
Insurance Premiums	34,419,226	37,249,965	2,830,739	8.22	38,672,159	1,422,194	3.82
Safety Credits	421,016	414,445	(6,571)	(1.56)	466,110	51,665	12.47
Claims administration	1,312,528	949,338	(363,190)	(27.67)	1,521,559	572,221	60.28
General and administrative expense	1,473,760	1,523,004	49,244	3.34	1,469,365	(53,639)	(3.52)
Total Operating Expenses	47,803,714	53,019,741	5,216,027	10.91	54,284,260	1,264,519	2.38
Net Operating Income/(loss)	250,854	(665,500)	(916,354)	(365.29)	(9,517)	655,983	(98.57)
Investment Income	432,633	935,774	503,141	116.30	1,141,639	205,865	22.00
Rebate received/(declared)	--	--	--	--	(1,095,129)	(1,095,129)	--
Non Operating Income/(Expense)	432,633	935,774	503,141	116.30	46,510	(889,264)	(95.03)
Change in Net Position	683,487	270,274	(413,213)	(60.46)	36,993	(233,281)	(86.31)
Beginning Net Position	21,920,565	22,604,052	683,487	3.12	22,874,326	270,274	1.20
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Ending Net Position	$ 22,604,052	$ 22,874,326	$ 270,274	1.20 %	$ 22,911,319	$ 36,993	0.16 %

In 2024/2025, operating revenues increased by $1.9 million, or 3.67%. In 2023/2024, operating revenues increased by $4.3 million, or 8.95%. In 2022/2023, operating revenues increased by $6.1 million, or 14.49%.

In 2024/2025 operating expenses increased $1.3 million, or 2.38%. In 2023/2024 operating expenses increased $5.2 million, or 10.91%. In 2022/2023, operating expenses increased by $7.2 million, or 17.69%.

The Statement of Revenues, Expenses & Change in Net Position shows the activity of SCCSIG fiscal year from July 1, through June 30. There are four basic parts to this statement: Operating Revenues, Program Expenses, General and Administration Expenses, and Non-operating Revenues and Expenses.

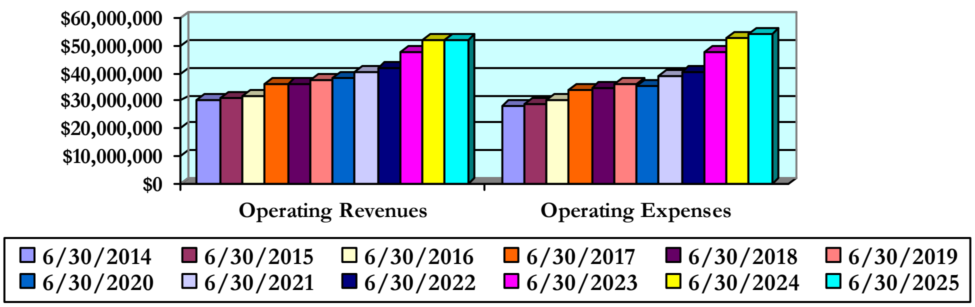
Operating Revenue is primarily the premiums or contribution by SCCSIG's members for financing pool-funding requirements. Adding new member to the programs will increase the contribution. Other factors, like changes in funding rates, coverage, payroll, ADA or TIV will also contribute to the fluctuation of contribution revenues.

Program Expenses are expenses directly related to the program's main function, such as claims and claim administration expenses for self-funded program years and insurance or excess insurance premiums for fully or partially insured program years. These are required costs of the fund that would be incurred by our members directly, even if the SCCSIG did not exist and account for 97% of all expenses. Claims and claim administration expenses and Insurance Premiums, including state self-insurance assessments.

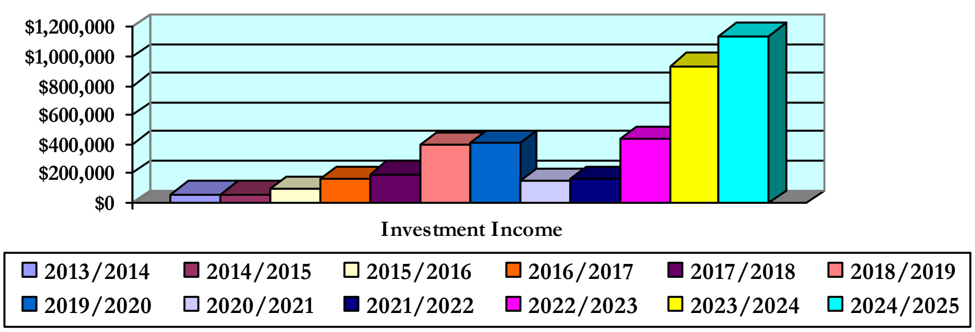
General and Administration Expenses are costs of SCCSIG to manage and maintain each program and indirect costs, such as actuarial reports, claims audits, and audit fees, which are required by law. SCCSIG varies the scheduling of required reports, as to minimize fluctuation in overhead from year to year.

Non-operating Revenues and Expenses are income and/or costs not directly related to the operation of the programs, including investment income or loss and dividends or other equity returns or assessments. They are reported in a separate section to comply with GASB 34, allowing financial statement users to see the true operating income or loss before any additional or non-typical items are included. In 2017/2018, SCCSIG declared $1.9 million dividend in the property & liability program. No dividends were declared in 2014/2015, 2015/2016, or 2016/2017. In 2020/2021, SCCSIG declared a $1.6 million dividend in the property & liability program. No rebates were declared from 2021/2022 through 2024/2025 for the property & liability program. In 2024/2025, SCCSIG declared a $1.095 million rebate in the workers' compensation program.

Below is a graph showing historical variances in the operating income and expense.



Below is a graph showing historical variances in the Investment Income.



Budget vs. Actual

SCCSIG operates as a pass-though organization, collecting premiums/contributions from members each fiscal year based on the necessary funding for the current year. The budget for current operations should always net to zero income/loss. The General & Administrative Expense budget for fiscal year is approved by the Executive Committee at the March meeting; the full budget is approved in May.

	Budget	Actual	Variance	Percentage
Operating Revenue:	$ 52,557,832	$ 54,274,743	$ 1,716,911	3.27 %
Program Expense	(50,981,126)	(52,814,895)	(1,833,769)	3.60
General & Adminitration expense	(1,501,397)	(1,469,365)	32,032	(2.13)
Net Operating Revenue/(loss)	75,309	(9,517)	(84,826)	(112.64)
Non-operating Revenue/(loss)	900,000	1,141,639	241,639	26.85
Dividend Expense/Rebate	--	(1,095,129)	(1,095,129)	100.00
Change in Net Position	$ 975,309	$ 36,993	$ (938,316)	(96.21) %

Actual amounts for the fiscal year versus the adopted budget and actual amounts versus the prior years audited financial statement amounts are included to show SCCSIG's financial performance in relation to the annual plan for the programs and on a continuing basis. Revenues were 3.27% over the adopted budget and program expense was 3.6% over budget. Non-operating revenue from investment income was over budget by 26.85%. General & Administration expense was under budget by 2.13%.

Description of Facts or Conditions that are expected to have a Significant Effect on Financial Position or Results of Operations:

SCCSIG's Executive Director and Board of Director's are continuing to evaluate the changing market environment, to explore for new opportunities to improve programs and save costs in all SCCSIG's programs.

The Workers' Compensation program, with PIPS, is performing at a more than 99% actuarial determined probability level, with all liabilities fully funded. SCCSIG's Board of Directors annually evaluates the potential to close out prior policy years and return equity to members. SCCSIG's policy allows a release of undesignated equity in excess of an 90% actuarially-determined confidence level for its self-funded years. During 2024/2025, SCCSIG's Board of Directors declared a rebate of $1.095 million, utilizing the audited financial position presented in the 06/30/2024 financial statements. Those members eligible for a return will receive the rebate in 2025/2026.

The Property & Liability program has been financially strong, as loss history continually remains below actuarial estimates. SCCSIG's policy allows close out of program years, with no open claims, older than six years. SCCSIG has been able to close prior policy years, returning over $9.8 million in equity to participating members. The last rebate declared was during the 2020/2021 program year. No rebates have been declared from 2021/2022 to 2024/2025 in the Property & Liability Program.

At present there are no known facts or conditions that are expected to have a significant effect on the financial position or results of operations for SCCSIG.

FINANCIAL STATEMENTS

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	$ 30,825,901	$ 29,690,852
Prefund deposits (Note 3)	780,000	780,000
Prepaid expenses	15,880	2,250
Receivable:		
Members	1,710,692	2,135,794
Interest	296,860	271,494
Excess insurance	4,251	21,654
Other	28,668	43,918
Total assets	33,662,252	32,945,962
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension (Note 6)	294,696	443,965
LIABILITIES		
Current liabilities:		
Accounts payable	1,286,121	1,284,275
Member dividend payable	1,095,129	85,803
Payroll payable	108,363	121,849
Safety credits (Note 4)	1,500,957	1,520,357
Insurance premium payable	1,213,901	1,798,362
Current portion of unpaid claims and claim adjustment expenses (Note 5)	2,139,313	1,568,737
Total current liabilities	7,343,784	6,379,383
Net pension liability (Note 6)	1,019,388	1,053,973
Unpaid claims and claim adjustment expenses, less current portion (Note 5)	2,585,077	2,986,999
Total liabilities	10,948,249	10,420,355
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	97,380	95,246
NET POSITION		
Net position - unrestricted	$ 22,911,319	$ 22,874,326

See notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

Years ended June 30, 2025 and 2024

	2025	2024
Operating revenues:		
Member contributions	$ 53,312,653	$ 51,297,663
Safety credits	466,110	414,445
Other	495,980	642,133
Total operating revenues	54,274,743	52,354,241
Operating expenses:		
Provision for claims and claim adjustment expenses (Note 5)	12,155,067	12,882,989
Excess insurance premiums	38,672,159	37,249,965
Safety credits	466,110	414,445
Claims administration	1,521,559	949,338
General administrative expenses (Notes 6, 7 and 8)	1,469,365	1,523,004
Total operating expenses	54,284,260	53,019,741
Operating loss	(9,517)	(665,500)
Non-operating revenues (expenses):		
Investment income	1,141,639	935,774
Dividend to Members	(1,095,129)	-
Total non-operating revenue	46,510	935,774
Change in net position	36,993	270,274
Net position, beginning of year	22,874,326	22,604,052
Net position, end of year	$ 22,911,319	$ 22,874,326

See notes to financial statements.

STATEMENTS OF CASH FLOWS
Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from members and others	$ 54,701,465	$ 52,602,399
Cash payments for claims	(11,986,413)	(11,566,642)
Cash payments for insurance premiums	(39,239,217)	(37,213,594)
Cash payments to members for safety program	(485,510)	(492,967)
Cash payments to employees for services and benefits	(995,803)	(945,545)
Cash payment to suppliers for goods and services	(1,889,943)	(1,358,334)
Net cash provided by operating activities	104,579	1,025,317
Cash flows from capital and related financing activities:		
Interest received	1,116,273	820,191
Dividends to members	(85,803)	2,010
Net cash provided by capital and related investing activities	1,030,470	822,201
Net change in cash and cash equivalents	1,135,049	1,847,518
Cash and cash equivalents, beginning of year	29,690,852	27,843,334
Cash and cash equivalents, end of year	$ 30,825,901	$ 29,690,852
Reconciliation of operating income to net cash provided by operating activities:		
Operating loss	$ (9,517)	$ (665,500)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Decrease (increase) in:		
Receivables:		
Members	425,102	145,148
Excess insurance	17,403	44,236
Other	15,250	105,260
Prepaid expenses	(13,630)	(2,250)
Deferred outflows	149,269	48,494
Increase (decrease) in:		
Accounts payable	1,846	(26,688)
Payroll payable	(13,486)	49,968
Insurance premiums payable	(584,461)	(7,865)
Net pension liability	(34,585)	98,210
Safety credits	(19,400)	(78,522)
Unpaid claims and claim adjustment expenses	168,654	1,316,347
Deferred inflows	2,134	(1,521)
Net cash provided by operating activities	$ 104,579	$ 1,025,317

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Santa Clara County Schools' Insurance Group (the "Group") was established by a Joint Powers Agreement on October 1, 1978, in accordance with Title I, Division 7, Chapter 5, Article I Sections 6500, et.seq. of the California Government Code. The purpose is for the operation of a common risk management and insurance program for member school districts related to workers' compensation, property/liability, medical, vision and dental benefits for member governmental agencies. The Group also purchases excess insurance and provides risk management services.

The Group is governed by an Executive Committee consisting of one representative from each member entity. Member entities and the programs that they participate in at June 30, 2025 were as follows:

	Workers' Compensation	Property/ Liability	Medical	Vision	Dental
• Berryessa Union School District	X			X	X
• Cambrian School District	X	X		X	X
• Cupertino Union School District	X				
• East Side Union High School District	X				
• East Valley Schools Transportation Agency (EVSTA)		X			
• Franklin-McKinley School District	X	X	X		
• Fremont Union High School District	X				
• Gilroy Unified School District	X	X			
• Lakeside Joint School District	X				X
• Loma Prieta Joint Union School District	X	X	X	X	X
• Los Altos Elementary School District	X				
• Los Gatos Union School District	X	X	X	X	X
• Los Gatos/Saratoga Joint Union High School District	X			X	X
• Los Gatos/Saratoga Department of Community Education & Recreation	X	X	X	X	X
• Luther Burbank School District	X	X	X		X
• Metropolitan Education District	X				
• Milpitas Unified School District	X		X	X	X
• Moreland School District	X	X		X	X
• Morgan Hill Unified School District	X	X			X
• Mount Pleasant School District	X	X	X	X	X
• Mountain View Whisman School District	X		X	X	X
• Mountain View - Los Altos Union High School District	X				
• Oak Grove School District	X	X			
• Orchard School District	X	X	X	X	X
• Santa Clara Unified School District	X				
• San Francisco		X			
• Saratoga Union School District	X	X			X
• Silicon Valley Schools Transportation JPA		X			
• South East Consortium for Special Education (SELPAs V&VI)		X			
• Sunnyvale School District	X	X	X	X	X
• Union School District	X	X		X	X
• West Valley Schools Transportation JPA		X			
	27	20	10	13	17

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Admission and Withdrawal of Members: Entities applying for membership must be approved by a two-thirds vote of the Executive Committee.

Entities may withdraw from any program after having completed three consecutive years as members upon written notification to the Executive Committee by the dates specified in the bylaws. The effect of withdrawal (or termination) from the pooling programs does not terminate the responsibility of the entity to continue paying its share of assessments or other financial obligations incurred by reason of its previous participation.

Reporting Entity: The reporting entity includes all activities considered to be part of the Group. This includes financial activity relating to all of the membership years of the Group.

In determining the reporting entity, the Group considered all governmental units that were members of the Group since inception. The criteria does not require the inclusion of these entities in the Group's financial statements principally because the Group does not exercise oversight responsibility over any members.

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 are recognized when the obligation is incurred.

Insurance Programs: The Group's insurance programs are described below. The general and administrative accounts of the Group are allocated to each program based on services provided.

1. Workers' Compensation Program: The Workers' Compensation Program was established on October 1, 1978 to account for the payment of workers' compensation claims and administrative costs. Funding is based on contributions established by the Executive Committee on behalf of the Joint Powers Board. Through December 31, 1995, the Workers' Compensation program was self-funded by the Group. As of January 1, 1996, the Group purchased commercial insurance from various commercial insurance companies for claims incurred between January 1, 1996 and June 30, 2003. Claims incurred prior to January 1, 1996 were administered by Claims Management, Inc. (CMI) until December 31, 1998, when the administration of the claims was turned over to Keenan & Associates. As of July 1, 2003, the Group became fully insured through the Protected Insurance Program for Schools Joint Powers Authority (PIPS).

2. Property/Liability Program: The self-insured Property/Liability Program was established on July 1, 1980. Funding is based on contributions established by the Executive Committee on behalf of the Joint Powers Board. Claims incurred prior to July 1, 2008 were administered by George Hills Company. Beginning July 1, 2008, the Group purchased excess insurance through Alliance of Schools for Cooperative Insurance Programs (ASCIP) for claims liabilities over $100,000. ASCIP also provides claims administration on self-insured claims up to $100,000.

3. Benefit Programs: The Benefit Programs account for the activity related to the Early Retiree Reinsurance Program and the payment of self-insured vision and dental claims as well as related administration costs. The consultant for the vision and dental programs is Keenan & Associates.

   a. *Medical Program* - The Medical Program was established as of September 29, 2011. This program was started with and handles the Federal funds received through the Early Retiree Reinsurance Program, a component of the Patient Protection and Affordable Care Act of 2010.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. *Vision Program* - The Vision Program was established as of October 1, 1985. This program handles the vision program for member agencies. Funding is accomplished through contributions established by the consultant based upon claims experience as approved by the Executive Committee. The claims are administered by Self-Insured Schools of California Health and Welfare Benefits Program (SISC III), which contracts with Vision Service Plan. In addition, the Group also contracts with Medical Eye Services for a fully-insured vision program for certain members.

c. *Dental Program* - The Dental Program was established as of July 1, 1986. This program handles the dental program for member agencies. Funding is accomplished through contributions established by the consultant based upon claims experience as approved by the Executive Committee. The claims are administered by Self-Insured Schools of California Health and Welfare Benefits Program (SISC III) which contracts with Delta Dental.

<u>Cash and Cash Equivalents</u>: For purposes of the statements of cash flows, the Group considers all highly liquid assets with a maturity of three months or less when purchased to be cash and cash equivalents.

<u>Prefund Deposits</u>: Prefund deposits represent amounts on deposit with the claims administrators which are to be used for the payment of claims to beneficiaries. These are classified as current assets.

<u>Provision for Unpaid Claims and Claim Adjustment Expenses</u>: The Group's policy is to establish claims liabilities 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 (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The Group increases the liability for allocated and unallocated claims adjustment expenses. Because actual claims costs depend on such complex factors as inflation, changes in doctrine of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed quarterly 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 charged or credited to expense in the period in which they are made. The portion of claims considered currently payable has been actuarially determined for the property/liability program.

The unpaid claims and claims adjustment expenses (claim reserves and IBNR) are recorded on the statement of net position at the expected 50% confidence level in accordance with accounting principles generally accepted in the United States of America. The Board of Directors has elected, however, to fund both the liability and workers' compensation pools at an 80% confidence level.

<u>Excess Insurance</u>: The Group enters into reinsurance agreements whereby it cedes various amounts of risk to other insurance companies. The Group and its member entities retain the first $100,000 of liability and $100,000 of property risk per incident with the member entities covering the first $1,000 to $10,000 of loss. The Group does not report excess insured risk as a liability unless it is probable that a risk will not be covered by excess insurers. Settlements have not exceeded insurance coverage in each of the past three years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Excess workers' compensation policies were purchased with the following retentions:

Fiscal Years	Retention
October 1978 - September 1979	$ 150,000
October 1979 - June 1983	$ 250,000
July 1983 - June 1985	$ 100,000
July 1985 - June 1986	$ 125,000
July 1986 - June 1987	$ 200,000
July 1987 - June 1988	$ 250,000
July 1988 - June 1994	$ 150,000
July 1994 - December 1995	$ 250,000
July 2003 - June 2025	$ -

The program was fully insured with no deductible for the period between January 1, 1996 and June 30, 2003.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statements of Net Position present a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods, 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 net pension liability reported in the Statements of Net Position.

In addition to liabilities, the Statements of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows or resources, represents an acquisition of net position that applies to future periods 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 net pension liability reported in the Statements of Net Position.

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% at 55 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. Certain investments held by CalPERS for pensions are reported at fair value.

Revenue Recognition: Contributions are recognized as revenue when earned based upon the coverage period of the related insurance. To the extent that allocated losses exceed contributions previously paid, interest and other income, the Group can assess its members' additional contributions. Supplemental assessments are recognized as income in the period assessed. Operating revenues and expenses include all activities necessary to achieve the objectives of the Group. Non-operating revenues and expenses include investment activities, dividends expense and other non-essential activity.

Designated Net Position: As of June 30, 2025 and 2024, the Group has designated net position of $5,828,042 and $4,954,670, respectively.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Designated net position consists of:

		2025		2024
Capital target	$	2,225,723	$	2,125,892
Confidence level funding to 80% WC, 90% plus $2,000,000 PL	$	3,462,635	$	2,689,094
Member grants	$	28,000	$	28,000
Early retiree reinsurance program	$	111,684	$	111,684

Dividends and Rate Stabilization: The Group's Executive Committee reviews the available net position and the appropriate actuarial information to determine if a contribution refund should be declared. Each members' pro rata share of the contributions refund shall be calculated in the same proportion as their contribution paid during the fiscal year for which the contribution refund is declared.

During the year ended June 30, 2025, the Executive Committee authorized a return of accumulated program surplus to eligible members based on audited net position and actuarial capital requirements. Because this distribution does not arise from current operating activities, it is reported as a non-operating expense. The total return for the fiscal year was $1,095,129.

The Group did not declare a dividend for the years ended June 30, 2024.

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 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.

Income Taxes: The Group is exempt from Federal income taxes under Internal Revenue Code Section 115, which excludes income derived from the exercise of any essential governmental function and accruing to a state political subdivision. As a public agency, the Group is also exempt from California state taxes. Accordingly, no provision for Federal or state income taxes has been made in the accompanying financial statements.

New Accounting Pronouncement: In June 2023, GASB issued Statement No. 102, Certain Risk Disclosures (GASB 102), which is effective for the Company for the fiscal year ending June 30, 2025. The Company adopted GASB 102 as of July 1, 2024. This statement requires entities to disclose information about certain concentrations, constraints, and vulnerabilities that could have a significant impact on financial position, results of operations, or cash flows. See Note 12 for disclosures related to GASB 102.

Subsequent Events: Subsequent events have been evaluated through January 14, 2026, which is the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 and 2024 are reported at amortized cost and consisted of the following:

	2025	2024
Cash and cash equivalents:		
Cash in bank	$ 167,140	$ 810,851
Cash in County Treasury	13,209,971	11,287,230
Local Agency Investment Fund	17,448,790	17,592,771
Total cash and cash equivalents	$ 30,825,901	$ 29,690,852

Custodial Credit Risk: The Group limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2025 and 2024, the carrying amount of the Group's accounts was $167,140 and $810,852, respectively. As of June 30, 2025, the bank balances of the Group's accounts totaled $167,140, all of which was fully insured. As of June 30, 2024, the bank balances of the Group's accounts totaled $810,852, of which $380,723 was fully insured.

Cash in County Treasury: The Group maintains substantially all of its cash in the interest-bearing Santa Clara County Treasurer's Pooled Investment Fund. The Group is considered to be an involuntary participant in an external investment pool. The fair value of the Group investment in the pool is reported in the financial statements at amounts based upon the Group's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. In accordance with applicable state laws, the Santa Clara County Treasurer may invest in derivative securities. However, at June 30, 2025 and 2024, the Santa Clara County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Local Agency Investment Fund: The Group is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State of California and invests the cash. The Group's investment in the pool is reported in the accompanying financial statements based upon the Group's pro-rata share of the amortized cost as provided by LAIF in proportion to the amortized cost of entire LAIF portfolio. The funds held in the pooled investments funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds may be withdrawn at any time up to the total amount on deposit with LAIF. Most withdrawals are accessible and transferable to the Group's master account on the same day as the request, except for amounts greater than $10,000,000, which require twenty-four hours' advance notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by Federal agencies, government-sponsored enterprises and corporations. LAIF is administered by the State Treasurer. As of June 30, 2025, this fund was yielding approximate interest rate of 4.40%, annually. LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814.

Investment Interest Rate Risk: The Group's investment policy limits investment maturities to 5 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk: The Group places limits on the amount it may invest in any one issuer, of 25% maximum by type (with no limits on U.S. Government Securities), no more than 10% in commercial paper and bankers' acceptances, and no more than 5% in medium term notes.

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Investment Credit Risk: The Group's investment policy limits investment choices to obligations of the United States Treasury, its agencies and instrumentalities, California state obligations, medium term notes that rate at least A or equivalent by a NRSRO, and prime commercial paper with maturities not exceeding 270 days with the highest ranking or of the highest letter and number rating as provided by a NRSRO, bankers' acceptances and repurchase agreements. As of June 30, 2025 and 2024, the Group did not hold any investments.

NOTE 3 - PREFUND DEPOSITS

This balance represents amounts on deposit with the claims administrators that are used for the payment of claims to beneficiaries. Balances as of June 30, 2025 and 2024 were as follows:

	2025	2024
Vision Service Plan	$ 80,000	$ 80,000
Delta Dental	700,000	700,000
Total prefund deposits	$ 780,000	$ 780,000

NOTE 4 - SAFETY CREDIT LIABILITY

Safety credits are treated as a liability to member entities. Participation in the program is optional. During the years ended June 30, 2025 and 2024, the Group maintained accounts for 14 member entities. The safety credit balance of the participating members as of June 30, 2025 and 2024 are as follows:

	2025	2024
Berryessa Union School District	$ 44,779	$ 55,802
Cambrian School District	102,463	86,020
Campbell Union School District	7,647	7,647
East Side Union High School District	219,991	293,924
Franklin-McKinley School District	60,194	25,115
Los Altos School District	240,860	218,230
Los Gatos-Saratoga Joint Union School District	47,249	109,738
Luther Burbank School District	57,502	55,182
Metropolitan Education District	(584)	(584)
Milpitas Unified School District	115	115
Moreland Elementary School District	286,843	254,588
Morgan Hill	(922)	(922)
Oak Grove School District	106,250	116,903
Sunnyvale School District	328,570	298,599
Total	$ 1,500,957	$ 1,520,357

(Continued)

NOTE 5 - UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

As discussed in Note 1, the Group establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities during the years ended June 30, 2025 and 2024:

	2025	2024
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 4,555,736	$ 3,239,389
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	11,553,732	12,078,956
Change in provision for unallocated loss adjustment expense	(4,816)	7,835
Change in provision for covered events of prior years	606,151	796,198
Total incurred claims and claim adjustment expenses	12,155,067	12,882,989
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	10,427,018	10,021,908
Claims and claim adjustment expenses attributable to covered events of prior years	1,559,395	1,544,734
Total payments	11,986,413	11,566,642
Total unpaid claims and claim adjustment expenses, end of fiscal year	$ 4,724,390	$ 4,555,736

The components of the Group's unpaid claims and claim adjustment expenses as of June 30, 2025 and 2024 were as follows:

	2025	2024
Claims reserves	$ 1,142,768	$ 990,418
Claims incurred but not reported (IBNR)	3,517,160	3,496,040
Unallocated loss adjustment expenses (ULAE)	64,462	69,278
	$ 4,724,390	$ 4,555,736

The current and long-term portions were $2,139,313 and $2,585,077, respectively, as of June 30, 2025 and were $1,568,737 and $2,986,999, respectively, as of June 30, 2024. These liabilities for the Workers' Compensation, Property and Liability programs were reported at their present value using a discount rate of 2% for the years ended June 30, 2025 and 2024, respectively. The undiscounted liabilities were $4,892,873 and $4,581,294 at June 30, 2025 and 2024, respectively.

See required supplementary information on pages 33 – 40.

NOTE 6 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND

General Information about the Public Employer's Retirement Fund

Plan Description: The Group contributes to the Miscellaneous 2% at 55 Risk Pool under the California Public Employees' Retirement System (CalPERS) California Employers Retirement Fund C (PERF C), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan ("the 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 are 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 financial report that can be obtained at https://www.calpers.ca.gov/documents/gasb-68-public-agency-schedules-2024.

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 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. The Group participates in the California Public Employees' Retirement System (CalPERS) through the Santa Clara County Schools Insurance Group, which provides retirement benefits under two cost-sharing multiple-employer defined benefit plans: the Miscellaneous (Classic) plan and the PEPRA Miscellaneous plan.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2025 were as follows:

Plan Members – The plan member contribution rate was 7.00% percent of applicable plan member earnings for the years ended June 30, 2025 and 2024.

Employers – For the Miscellaneous (Classic) plan, the employer contribution rates were 12.52% and 12.47% of applicable plan member earnings for the years ended June 30, 2025 and 2024, respectively. For the PEPRA Miscellaneous plan, the employer contribution rates were 7.87% for the year ended June 30, 2025.

For the years ended June 30, 2025 and 2024, the Group's annual pension cost and contributions to the Miscellaneous (Classic) plan were $91,425 and $82,321, respectively. Contributions to the PEPRA Miscellaneous plan were $6,272 for the year-ended June 30, 2025. All required contributions were made in full.

(Continued)

NOTE 6 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND (Continued)

Pension Liabilities, Pension Expense, and related Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, the Group reported a liability of $1,019,388 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The Group's proportion of the net pension liability was based on the Group's share of contributions to the pension plan relative to the contributions of all participating agencies, actuarially determined. At June 30, 2025, the Group's proportion was 0.021%, which was no change from its proportion measured as of June 30, 2024.

At June 30, 2024, the Group reported a liability of $1,053,973 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 the Group's share of contributions to the pension plan relative to the contributions of all participating agencies, actuarially determined. At June 30, 2024, the Group's proportion was 0.021%, which was an increase of 0.001% from its proportion measured as of June 30, 2023.

For the years ended June 30, 2025 and 2024, the Group recognized pension expense of $276,836 and $285,805, respectively.

At June 30, 2025, the Group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 84,697	$ -
Changes of assumptions	26,200	-
Net differences between projected and actual earnings on investments	58,685	-
Changes in proportion and differences between Group contributions and proportionate share of contributions	-	94,754
Changes in employer's proportion	33,689	2,626
Contributions made subsequent to measurement date	91,425	-
Total	$ 294,696	$ 97,380

(Continued)

NOTE 6 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND (Continued)

At June 30, 2025, $91,425 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:

2026	$	37,552
2027	$	101,910
2028	$	(13,460)
2029	$	(20,111)
2030	$	-

Differences between expected and actual experience, changes in proportion, and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 45,490	$ -
Changes of assumptions	63,633	-
Net differences between projected and actual earnings on investments	170,648	-
Changes in proportion and differences between Group Group contributions and proportionate share of contributions	81,873	95,246
Contributions made subsequent to measurement date	82,321	-
Total	$ 443,965	$ 95,246

(Continued)

NOTE 6 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND (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, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
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 2.3% 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, 2024 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	Expected 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 2.3% used for this period.

NOTE 6 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND (Continued)

Discount Rate: At June 30, 2025 and 2024, 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 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 pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ 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 for each fund. The expected rate of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Sensitivity of the Group's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: For the years ended June 30, 2025 and 2024, the following presents the Group's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Group'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:

	2025		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Group's proportionate share of the net pension liability	$ 1,683,500	$ 1,019,388	$ 472,727

	2024		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Group's proportionate share of the net pension liability	$ 1,707,400	$ 1,053,973	$ 516,146

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 - GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Salaries and benefits	$ 1,099,135	$ 1,140,696
Consultants	211,940	236,658
Travel/Conference/Meeting	62,098	49,945
Rent/Lease	57,312	75,420
Office expenses	14,106	11,310
Dues/Publications/Memberships	3,417	6,365
Loss control	21,357	2,610
Total	$ 1,469,365	$ 1,523,004

NOTE 8 - OPERATING LEASE

The Group has entered into an annual operating lease for the years ended June 30, 2025 and 2024. The Group pays office rent on a monthly basis. Total rent paid to Franklin-McKinley School District for the years ending June 30, 2025 and 2024 was $51,488 and $75,420, respectively. No amounts were due to Franklin-McKinley School District as of June 30, 2025 and 2024.

During March of 2025, the Group entered into a new lease agreement with Keenan & Associates. Rent under this agreement totaled $5,824 for the year ended June 20, 2025. No amounts were due to Keenan & Associated as of June 30, 2025.

The lease arrangements meet the definition of short-term or cancelable leases and are not reported as leased under GASB Statement No. 87. Rent expense is recognized as incurred.

NOTE 9 - JOINT POWERS AUTHORITIES

The Group is a member in three separate joint powers authorities (collectively, the "JPAs") under joint powers agreements with Protected Insurance Program for Schools Joint Powers Authority (PIPS), Alliance of Schools for Cooperative Insurance Programs (ASCIP) and Schools Excess Liability Fund (SELF). The relationship between the Group and the JPAs are such that the JPAs are not component units of the Group for financial reporting purposes.

PIPS arranges for and provides excess workers' compensation from $0 to $150,000,000. ASCIP arranges for and provides excess property/liability coverage from $100,000/100,000 to $500,000,000/5,000,000. SELF arranges for and provides excess liability coverage from $5,000,000 to $25,000,000. The JPAs are each governed by a board consisting of a representative from each of their respective member districts. These boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member pays a contribution commensurate with the level of coverage requested. There have been no significant reductions in insurance coverage, from the coverage provided in the prior year.

(Continued)

NOTE 9 - JOINT POWERS AUTHORITIES (Continued)

Condensed financial information for PIPS, ASCIP and SELF for the fiscal year ended June 30, 2024 (the latest information available) is presented below:

	PIPS	ASCIP	SELF
Total assets	$ 355,843,948	$ 550,695,288	$ 374,570,694
Total deferred outflows	-	2,545,556	636,320
Total liabilities	232,047,232	370,006,514	263,508,895
Total deferred inflows	-	29,912	57,023
Total net position	$ 123,796,716	$ 183,204,418	$ 111,641,096
Revenues	$ 434,574,777	$ 372,822,767	$ 218,911,380
Expenses	396,182,636	363,615,619	145,846,362
Change in net position	$ 38,392,141	$ 9,207,148	$ 73,065,018

NOTE 10 - CONTINGENCIES

The Group is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Group.

NOTE 11 - CERTAIN RISK DISCLOSURES

Concentrations

- Member Contribution Concentration

The Group's primary source of operating revenue is member contributions from school districts and education-related agencies located predominantly within Santa Clara County and surrounding regions. For the year ended June 30, 2025, member contributions totaled $53,312,653. Because the membership base is concentrated in a single geographic region and sector, adverse economic conditions, enrollment declines, changes in State education funding, or member withdrawals could have a significant effect on the Group's ability to generate contributions necessary to fund program costs.

- Investment Concentration

At June 30, 2025, substantially all of the Group's cash and cash equivalents were held in two external investment pools:

Santa Clara County Treasurer's Pooled Investment Fund (County Pool) – carrying amount $13,209,971; and

State of California Local Agency Investment Fund (LAIF) – carrying amount $17,448,790.

(Continued)

NOTE 11 - CERTAIN RISK DISCLOSURES (Continued)

The Group is exposed to liquidity, custodial and credit risks inherent in these pools. Significant changes in market conditions, credit quality, or the liquidity profile of either pool could affect the Group's ability to access funds or could result in declines in the fair value of pooled investments.

- Coverage and Reinsurance Concentration

The Group obtains significant excess and reinsurance protection for its Workers' Compensation, Property/Liability, Dental and Vision programs through joint powers authorities and pooled arrangements, including PIPS, ASCIP, and SELF (see Note 9). The Group is exposed to concentration risk should any of these excess pools be unable to meet their obligations in the event of unusually large or multiple catastrophic losses. A failure of an excess carrier or pool could expose the Group to additional claims costs beyond its planned retention levels.

Constraints

- Program Capital Targets and Net Position Designations

The Executive Committee has adopted capital target policies for each program in order to maintain financial stability and comply with California Association of Joint Powers Authorities (CAJPA) accreditation standards. These policies designate portions of net position as capital reserves for each program. While these designations do not legally restrict the resources, they represent governance-imposed constraints on the use of net position and are considered by management when evaluating dividends, assessments, or program changes. At June 30, 2025, program capital designations totaled $5,828,042 across all programs.

- Budgetary and Operational Constraints

The Group's ability to modify contribution rates, declare dividends, or reallocate program resources is subject to approval by its governing Board and is constrained by actuarial evaluations, program funding policies, and statutory requirements applicable to California joint powers authorities.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
WORKERS' COMPENSATION PROGRAM
Years ended June 30, 2025 and 2024

	2025	2024
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 438,391	$ 445,319
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	-	-
Change in provision for unallocated loss adjustment expense	(4,816)	7,835
Change in provision for covered events of prior years	28,746	8,862
Total incurred claims and claim adjustment expenses	23,930	16,697
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	-	-
Claims and claim adjustment expenses attributable to covered events of prior years	26,823	23,625
Total payments	26,823	23,625
Total unpaid claims and claim adjustment expenses, end of fiscal year	$ 435,498	$ 438,391

The components of the unpaid claims and claim adjustment expenses as of June 30, 2025 and 2024 were as follows:

	2025	2024
Claims reserves	$ 321,474	$ 311,080
Claims incurred but not reported (IBNR)	49,562	58,033
Unallocated loss adjustment expenses (ULAE)	64,462	69,278
	$ 435,498	$ 438,391

(Continued)

	2025	2024
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 2,548,608	$ 1,781,010
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	1,693,000	1,319,000
Change in provision for unallocated loss adjustment expense	-	-
Change in provision for covered events of prior years	577,405	787,336
Total incurred claims and claim adjustment expenses	2,270,405	2,106,336
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	257,090	308,127
Claims and claim adjustment expenses attributable to covered events of prior years	1,019,031	1,030,611
Total payments	1,276,121	1,338,738
Total unpaid claims and claim adjustment expenses, end of fiscal year	$ 3,542,892	$ 2,548,608

The components of the unpaid claims and claim adjustment expenses as of June 30, 2025 and 2024 were as follows:

	2025	2024
Claims reserves	$ 821,294	$ 679,338
Claims incurred but not reported (IBNR)	2,721,598	1,869,270
	$ 3,542,892	$ 2,548,608

(Continued)

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
VISION PROGRAM
Years ended June 30, 2025 and 2024

	2025	2024
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 126,723	$ 72,290
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	1,006,630	1,082,573
Change in provision for unallocated loss adjustment expense	-	-
Change in provision for covered events of prior years	-	-
Total incurred claims and claim adjustment expenses	1,006,630	1,082,573
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	1,021,704	974,129
Claims and claim adjustment expenses attributable to covered events of prior years	56,649	54,011
Total payments	1,078,353	1,028,140
Total unpaid claims and claim adjustment expenses, end of fiscal year	$ 55,000	$ 126,723

The components of the unpaid claims and claim adjustment expenses as of June 30, 2025 and 2024 were as follows:

	2025	2024
Claims incurred but not reported (IBNR)	$ 55,000	$ 126,723
Unallocated loss adjustment expenses (ULAE)	-	-
	$ 55,000	$ 126,723

(Continued)

	2025	2024
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 1,442,014	$ 940,770
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	8,854,102	9,677,383
Change in provision for unallocated loss adjustment expense	-	-
Change in provision for covered events of prior years	-	-
Total incurred claims and claim adjustment expenses	8,854,102	9,677,383
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	9,148,224	8,739,652
Claims and claim adjustment expenses attributable to covered events of prior years	456,892	436,487
Total payments	9,605,116	9,176,139
Total unpaid claims and claim adjustment expenses, end of fiscal year	$ 691,000	$ 1,442,014

The components of the unpaid claims and claim adjustment expenses as of June 30, 2025 and 2024 were as follows:

	2025	2024
Claims incurred but not reported (IBNR)	$ 691,000	$ 1,442,014
Unallocated loss adjustment expenses (ULAE)	-	-
	$ 691,000	$ 1,442,014

The tables that follow illustrate how the Group's earned revenues (net of excess insurance) and investment income compared 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 deposit and reported investment revenue, amounts of excess insurance premiums paid, and reported premiums (net of reinsurance) and reported investment revenue.

(2) Each fiscal year's other operating costs of the program, including overhead and loss adjustment expenses not allocable to individual claims.

(3) Program's gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called fiscal year).

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

(5) Latest reestimated amount of losses assumed by the excess insurers for each fiscal year.

(6) Each fiscal year's net incurred losses increases or decreases as of the end of successive years. This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.

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

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

(Continued)

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
PROPERTY/LIABILITY PROGRAM
June 30, 2025

	Fiscal and Policy Year Ended June 30, 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Premiums and investment revenue:										
Earned	$ 3,999,267	$ 4,171,044	$ 4,292,188	$ 4,813,917	$ 5,247,642	$ 6,241,866	$ 6,659,223	$ 10,476,376	$ 11,323,685	$ 13,018,574
Ceded	(2,740,585)	(2,869,033)	(2,993,101)	(3,320,869)	(3,795,482)	(4,629,739)	(5,066,063)	(8,626,169)	(8,522,464)	(9,713,625)
Net earned	$ 1,258,682	$ 1,302,011	$ 1,299,087	$ 1,493,048	$ 1,452,160	$ 1,612,127	$ 1,593,160	$ 1,850,207	$ 2,801,221	$ 3,304,949
2 Unallocated expenses	$ 373,713	$ 404,942	$ 442,998	$ 372,849	$ 487,678	$ 445,792	$ 290,280	$ 469,709	$ 588,241	$ 555,225
3 Estimated incurred claims and expenses, end of fiscal year:										
Incurred	$ 737,474	$ 713,561	$ 743,356	$ 739,000	$ 1,068,797	$ 867,000	$ 1,243,000	$ 1,094,000	$ 1,319,000	$ 1,693,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	$ 737,474	$ 713,561	$ 743,356	$ 739,000	$ 1,068,797	$ 867,000	$ 1,243,000	$ 1,094,000	$ 1,319,000	$ 1,693,000
4 Net paid (cumulative) as of:										
End of fiscal year	$ 203,115	$ 121,439	$ 247,950	$ 129,406	$ 291,041	$ 27,789	$ 171,792	$ 43,239	$ 308,127	$ 257,090
One year later	$ 372,047	$ 244,564	$ 522,665	$ 684,057	$ 520,134	$ 196,693	$ 600,487	$ 496,135	$ 590,834	
Two years later	$ 442,084	$ 261,238	$ 542,030	$ 725,190	$ 569,362	$ 179,640	$ 986,303	$ 1,333,191		
Three years later	$ 661,640	$ 271,502	$ 542,030	$ 733,951	$ 540,412	$ 242,338	$ 965,491			
Four years later	$ 791,640	$ 271,502	$ 626,151	$ 786,723	$ 546,357	$ 266,338				
Five years later	$ 791,640	$ 312,154	$ 639,882	$ 785,373	$ 540,412					
Six years later	$ 791,640	$ 296,349	$ 650,766	$ 783,617						
Seven years later	$ 833,103	$ 304,804	$ 641,331							
Eight years later	$ 819,361	$ 296,349								
Nine years later	$ 864,418									
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:										
End of fiscal year	$ 737,474	$ 713,561	$ 743,356	$ 739,000	$ 1,068,797	$ 867,000	$ 1,243,000	$ 1,094,000	$ 1,319,000	$ 1,693,000
One year later	$ 761,850	$ 520,144	$ 993,521	$ 1,078,000	$ 926,000	$ 447,000	$ 1,248,000	$ 1,711,000	$ 2,327,000	
Two years later	$ 727,573	$ 373,309	$ 780,767	$ 853,000	$ 750,166	$ 266,286	$ 1,235,000	$ 1,674,882		
Three years later	$ 850,217	$ 341,596	$ 725,318	$ 814,000	$ 540,412	$ 250,430	$ 1,024,636			
Four years later	$ 862,854	$ 326,596	$ 759,500	$ 786,723	$ 546,357	$ 341,338				
Five years later	$ 859,854	$ 317,992	$ 641,331	$ 785,373	$ 540,412					
Six years later	$ 889,982	$ 296,349	$ 652,800	$ 783,617						
Seven years later	$ 874,854	$ 304,804	$ 641,331							
Eight years later	$ 981,949	$ 296,349								
Nine years later	$ 864,419									
7 Increase (decrease) in estimated net incurred losses and expenses from end of fiscal year	$ 126,945	$ (417,212)	$ (102,025)	$ 44,617	$ (528,385)	$ (525,662)	$ (218,364)	$ 580,882	$ 1,008,000	$ -

(Continued)

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
VISION PROGRAM
June 30, 2025

	Fiscal and Policy Year Ended June 30, 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Premiums and investment revenue:										
Earned	$ 1,154,567	$ 1,185,976	$ 1,418,904	$ 1,634,500	$ 1,229,081	$ 1,223,259	$ 1,191,273	$ 1,249,152	$ 1,361,298	$ 1,473,928
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	$ 1,154,567	$ 1,185,976	$ 1,418,904	$ 1,634,500	$ 1,229,081	$ 1,223,259	$ 1,191,273	$ 1,249,152	$ 1,361,298	$ 1,473,928
2 Unallocated expenses	$ 159,494	$ 172,206	$ 218,601	$ 155,724	$ 206,133	$ 211,668	$ 170,055	$ 161,038	$ 194,877	$ 187,303
3 Estimated incurred claims and expenses, end of fiscal year:										
Incurred	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 839,528	$ 1,082,573	$ 1,006,630
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 839,528	$ 1,082,573	$ 1,006,630
4 Net paid (cumulative) as of:										
End of fiscal year	$ 797,262	$ 759,273	$ 772,050	$ 771,011	$ 613,951	$ 671,682	$ 613,975	$ 768,726	$ 974,129	$ 1,021,704
One year later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 825,375	$ 1,030,778	
Two years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 825,375		
Three years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975			
Four years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815				
Five years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991					
Six years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779						
Seven years later	$ 831,714	$ 804,516	$ 804,116							
Eight years later	$ 831,714	$ 804,516								
Nine years later	$ 831,714									
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:										
End of fiscal year	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 839,528	$ 1,082,573	$ 1,006,630
One year later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 839,528	$ 1,082,573	
Two years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975	$ 839,528		
Three years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815	$ 613,975			
Four years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991	$ 704,815				
Five years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779	$ 634,991					
Six years later	$ 831,714	$ 804,516	$ 804,116	$ 879,779						
Seven years later	$ 831,714	$ 804,516	$ 804,116							
Eight years later	$ 831,714	$ 804,516								
Nine years later	$ 831,714									
7 (Decrease) increase in estimated net incurred losses and expenses from end of fiscal year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
DENTAL PROGRAM
June 30, 2025

	Fiscal and Policy Year Ended June 30, 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Premiums and investment revenue:										
Earned	$ 8,939,311	$ 9,201,910	$ 9,056,838	$ 8,859,107	$ 8,914,346	$ 8,755,829	$ 8,461,587	$ 8,712,537	$ 9,652,796	$ 9,771,256
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	$ 8,939,311	$ 9,201,910	$ 9,056,838	$ 8,859,107	$ 8,914,346	$ 8,755,829	$ 8,461,587	$ 8,712,537	$ 9,652,796	$ 9,771,256
2 Unallocated expenses	$ 591,986	$ 606,687	$ 601,424	$ 474,801	$ 480,815	$ 595,092	$ 541,529	$ 542,857	$ 653,457	$ 671,518
3 Estimated incurred claims and expenses, end of fiscal year:										
Incurred	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,820,852	$ 9,677,383	$ 8,854,102
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,820,852	$ 9,677,383	$ 8,854,102
4 Net paid (cumulative) as of:										
End of fiscal year	$ 7,337,114	$ 7,107,735	$ 7,457,924	$ 7,610,609	$ 6,210,594	$ 7,482,487	$ 7,502,244	$ 8,154,176	$ 8,739,652	$ 9,148,224
One year later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 7,610,609	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,611,068	$ 9,196,544	
Two years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 7,774,131	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,611,068		
Three years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247			
Four years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209				
Five years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771					
Six years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357						
Seven years later	$ 7,857,330	$ 7,465,123	$ 7,704,211							
Eight years later	$ 7,857,330	$ 7,465,123								
Nine years later	$ 7,857,330									
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:										
End of fiscal year	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,820,852	$ 9,677,383	$ 8,854,102
One year later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,820,852	$ 9,677,383	
Two years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247	$ 8,820,852		
Three years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209	$ 7,845,247			
Four years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771	$ 8,058,209				
Five years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357	$ 6,420,771					
Six years later	$ 7,857,330	$ 7,465,123	$ 7,704,211	$ 8,193,357						
Seven years later	$ 7,857,330	$ 7,465,123	$ 7,704,211							
Eight years later	$ 7,857,330	$ 7,465,123								
Nine years later	$ 7,857,330									
7 (Decrease) increase in estimated net incurred losses and expenses from end of fiscal year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditor's report.

SCHEDULE OF THE GROUP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year ended June 30, 2025

Public Employer's Retirement Fund C
Last 10 Fiscal years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Group's proportion of the net pension liability	0.015%	0.015%	0.016%	0.016%	0.017%	0.018%	0.016%	0.020%	0.021%	0.021%
Group's proportionate share of the net pension liability	$ 447,432	$ 557,905	$ 631,376	$ 610,445	$ 689,317	$ 769,369	$ 302,522	$ 955,763	$ 1,053,973	$ 1,019,388
Group's covered payroll	$ 351,000	$ 335,000	$ 328,000	$ 392,000	$ 408,000	$ 607,000	$ 655,000	$ 979,000	$ 853,000	$ 660,000
Group's proportionate share of the net pension liability as a percentage of its covered payroll	127.47%	166.54%	192.49%	155.73%	168.95%	126.75%	46.19%	97.63%	123.56%	154.45%
Plan fiduciary net position as a percentage of the total pension liability	79.90%	75.90%	187.65%	77.70%	66.30%	75.10%	88.30%	78.19%	77.97%	79.91%

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

All years prior to 2016 are not required.

Public Employer's Retirement Fund C
Last 10 Fiscal years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 54,566	$ 63,750	$ 63,483	$ 81,731	$ 85,023	$ 95,746	$ 106,464	$ 92,743	$ 82,321	$ 91,425
Contributions in relation to the contractually required contribution	(54,566)	(63,750)	(63,483)	(81,731)	(85,023)	(95,746)	(106,464)	(92,743)	(82,321)	(91,425)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group's covered payroll	$ 335,000	$ 328,000	$ 392,000	$ 408,000	$ 607,000	$ 655,000	$ 979,000	$ 853,000	$ 660,000	$ 730,000
Contributions as a percentage of covered payroll	16.29%	19.44%	16.19%	20.03%	14.01%	14.62%	10.88%	10.87%	12.47%	12.52%

All years prior to 2016 are not required.

NOTE 1 - PURPOSE OF SCHEDULES

A - 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.

B - 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.

C - Changes of Benefit Terms:

There were no changes in benefit terms reported in the Required Supplementary Information.

D - Changes of Assumptions:

The discount rates for the Public Employer's Retirement Fund C were 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15, 6.90, 6.90, and 6.90 percent in the June 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 actuarial reports, respectively.

SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION
June 30, 2025
(Unaudited)

	Workers' Compensation Program	Property and Liability	Medical	Vision	Dental	2025 Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 7,000,440	$ 8,967,749	$ 197,507	$ 3,976,022	$ 10,684,183	$ 30,825,901
Prefund deposits	-	-	-	80,000	700,000	780,000
Prepaid expenses	7,940	7,940	-	-	-	15,880
Accounts receivable:						
Members	1,556,069	-	153,358	-	1,265	1,710,692
Interest	67,387	86,357	2,790	37,850	102,476	296,860
Excess Insurance	4,251	-	-	-	-	4,251
Other	-	28,668	-	-	-	28,668
Total assets	8,636,087	9,090,714	353,655	4,093,872	11,487,924	33,662,252
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow s of resources - pension	145,703	126,415	5,649	8,467	8,462	294,696
LIABILITIES						
Current liabilities:						
Accounts payable	244,598	82,862	24,218.00	107,513	826,930	1,286,121
Member dividend payable	1,095,129	-	-	-	-	1,095,129
Payroll payable	41,459	25,246	11,762	15,231	14,665	108,363
Safety credits	1,500,957	-	-	-	-	1,500,957
Insurance premium payable	1,213,901	-	-	-	-	1,213,901
Current portion of unpaid claims and claim adjustment expenses	82,313	1,311,000	-	55,000	691,000	2,139,313
Total current liabilities	4,178,357	1,419,108	35,980	177,744	1,532,595	7,343,784
Net pension liability	504,154	439,247	19,002	28,495	28,490	1,019,388
Unpaid claims and claim adjustment expenses, less current portion	353,185	2,231,892	-	-	-	2,585,077
Total liabilities	5,035,696	4,090,247	54,982	206,239	1,561,085	10,948,249
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow s of resources - pension	49,314	56,474	(2,101)	(3,151)	(3,156)	97,380
NET POSITION						
Net position - unrestricted	$ 3,696,780	$ 5,070,408	$ 306,423	$ 3,899,251	$ 9,938,457	$ 22,911,319

(Continued)

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION
June 30, 2024
(Unaudited)

	Workers' Compensation Program	Property and Liability	Medical	Vision	Dental	2024 Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 6,686,914	$ 7,466,428	$ 453,113	$ 3,749,452	$ 11,334,945	$ 29,690,852
Prefund deposits	-	-	-	80,000	700,000	780,000
Prepaid expenses	1,125	1,125	-	-	-	2,250
Accounts receivable:						
Members	1,980,611	-	153,768	-	1,415	2,135,794
Interest	61,168	68,226	4,154	34,317	103,629	271,494
Excess Insurance	21,654	-	-	-	-	21,654
Other	-	43,918	-	-	-	43,918
Total assets	8,751,472	7,579,697	611,035	3,863,769	12,139,989	32,945,962
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - pension	219,503	190,445	8,509	12,756	12,752	443,965
LIABILITIES						
Current liabilities:						
Accounts payable	215,610	-	-	90,191	978,474	1,284,275
Member dividend payable	-	85,803	-	-	-	85,803
Payroll payable	48,229	35,000	11,375	14,078	13,167	121,849
Safety credits	1,520,357	-	-	-	-	1,520,357
Insurance premium payable	1,798,362	-	-	-	-	1,798,362
Current portion of unpaid claims and claim adjustment expenses	-	-	-	126,723	1,442,014	1,568,737
Total current liabilities	3,582,558	120,803	11,375	230,992	2,433,655	6,379,383
Net pension liability	521,253	454,083	19,665	29,489	29,483	1,053,973
Unpaid claims and claim adjustment expenses, less current portion	438,391	2,548,608	-	-	-	2,986,999
Total liabilities	4,542,202	3,123,494	31,040	260,481	2,463,138	10,420,355
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension	48,259	55,559	(2,142)	(3,212)	(3,218)	95,246
NET POSITION						
Net position - unrestricted	$ 4,380,514	$ 4,591,089	$ 590,646	$ 3,619,256	$ 9,692,821	$ 22,874,326

See independent auditor's report.

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
Year ended June 30, 2025
(Unaudited)

	Workers' Compensation Program	Property and Liability	Medical	Vision	Dental	2025 Total
Operating revenues:						
Member contributions	$ 29,716,080	$ 12,686,432	$ 204,573	$ 1,328,352	$ 9,377,216	$ 53,312,653
Safety credits	466,110	-	-	-	-	466,110
Other	137,897	-	358,083	-	-	495,980
Total operating revenues	30,320,087	12,686,432	562,656	1,328,352	9,377,216	54,274,743
Expenses:						
Provision for claims and claim adjustment expenses	23,930	2,270,405	-	1,006,630	8,854,102	12,155,067
Excess insurance premiums	28,958,534	9,713,625	-	-	-	38,672,159
Safety credits	466,110	-	-	-	-	466,110
Claims administration	45,502	-	779,207	102,175	594,675	1,521,559
General administrative expenses	673,818	555,225	78,351	85,128	76,843	1,469,365
Total operating expenses	30,167,894	12,539,255	857,558	1,193,933	9,525,620	54,284,260
Operating (loss) income	152,193	147,177	(294,902)	134,419	(148,404)	(9,517)
Non-operating revenues (expenses):						
Investment income	259,202	332,142	10,679	145,576	394,040	1,141,639
Dividend to Members	(1,095,129)	-	-	-	-	(1,095,129)
Total non-operating Revenues	(835,927)	332,142	10,679	145,576	394,040	46,510
Change in net position	(683,734)	479,319	(284,223)	279,995	245,636	36,993
Net position, beginning of year	4,380,514	4,591,089	590,646	3,619,256	9,692,821	22,874,326
Net position, end of year	$ 3,696,780	$ 5,070,408	$ 306,423	$ 3,899,251	$ 9,938,457	$ 22,911,319

(Continued)

SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
Year ended June 30, 2024
(Unaudited)

	Workers' Compensation Program	Property and Liability	Medical	Vision	Dental	2024 Total
Operating revenues:						
Member contributions	$ 29,487,958	$ 11,014,647	$ 248,466	$ 1,267,175	$ 9,279,417	$ 51,297,663
Safety credits	414,445	-	-	-	-	414,445
Other	132,912	-	509,221	-	-	642,133
Total operating revenues	30,035,315	11,014,647	757,687	1,267,175	9,279,417	52,354,241
Expenses:						
Provision for claims and claim adjustment expenses	16,697	2,106,336	-	1,082,573	9,677,383	12,882,989
Excess insurance premiums	28,727,501	8,522,464	-	-	-	37,249,965
Safety credits	414,445	-	-	-	-	414,445
Claims administration	45,502	-	218,508	108,916	576,412	949,338
General administrative expenses	692,062	588,251	79,685	85,961	77,045	1,523,004
Total operating expenses	29,896,207	11,217,051	298,193	1,277,450	10,330,840	53,019,741
Operating (loss) income	139,108	(202,404)	459,494	(10,275)	(1,051,423)	(665,500)
Non-operating revenues:						
Investment income	145,976	309,038	13,258	94,123	373,379	935,774
Total non-operating Revenues	145,976	309,038	13,258	94,123	373,379	935,774
Change in net position	285,084	106,634	472,752	83,848	(678,044)	270,274
Net position, beginning of year	4,095,430	4,484,455	117,894	3,535,408	10,370,865	22,604,052
Net position, end of year	$ 4,380,514	$ 4,591,089	$ 590,646	$ 3,619,256	$ 9,692,821	$ 22,874,326

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
Santa Clara County Schools' Insurance Group
San Jose, 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 Santa Clara County Schools' Insurance Group as of and for the year then ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Santa Clara County Schools' Insurance Group's financial statements and have issued our report thereon January 14, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Clara County Schools' Insurance Group'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Clara County Schools' Insurance Group's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Clara 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 Santa Clara County Schools' Insurance Group'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.*

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

West Hartford, Connecticut
January 14, 2026