

**SAN MATEO COUNTY
SCHOOLS
INSURANCE GROUP**

AGENDA Packet

November 7, 2024

9:00 a.m.

JPA BOARD MEETING



**SAN MATEO COUNTY SCHOOLS
INSURANCE GROUP**

—A Public Entity—

1791 Broadway
Redwood City, CA 94063



This meeting agenda shall be posted at the address of the Zoom teleconference locations shown below with access for public via phone.

Bayshore Elementary School District
155 Oriente Street Daly City, CA 94014

Belmont-Redwood Shores School District
2960 Hallmark Dr. Belmont, CA 94002

Brisbane School District
1 Solano St. Brisbane, CA 94005

Burlingame School District
1825 Trousdale Dr. Burlingame, CA 94010

Cabrillo Unified School District
498 Kelly Ave. Half Moon Bay, CA 94019

Hillsborough City School District
300 El Cerrito Ave. Hillsborough, CA 94010

Jefferson Elementary School District
101 Lincoln Ave. Daly City, CA 94015

Jefferson Union High School District
699 Serramonte Blvd. Suite 100.
Daly City, CA 94015

La Honda-Pescadero Unified School District
360 Butano Cut Off. Pescadero, CA 94060

Las Lomas School District
1011 Altschul Ave. Menlo Park, CA 94025

Menlo Park City School District
181 Encinal Ave. Atherton, CA 94027

Millbrae School District
555 Richmond Dr. Millbrae, CA 94030

Pacifica School District
375 Reina Del Mar Ave. Pacifica, CA 94044

Portola Valley School District
4575 Alpine Road. Portola Valley, CA 94028

Ravenswood City School District
2120 Euclid Ave. East Palo Alto, CA 94303

Redwood City School District
750 Bradford St. Redwood City, CA 94063

San Bruno Park School District
500 Acacia Ave. San Bruno, CA 94066

San Carlos School District
1200 Industrial Rd. Suite 9
San Carlos, CA 94070

San Mateo-Foster City School District
1170 Chess Dr. Foster City, CA 94404

San Mateo Union High School District
650 N. Delaware St. San Mateo, CA 94401

Sequoia Union High School District
480 James Ave. Redwood City, CA 94062

Woodside Elementary School District
3195 Woodside Rd. Woodside, CA 94062

Alliant Insurance Services
2180 Harvard St, Suite 460
Sacramento, CA 95815

Intercare Insurance
Rocklin, CA

James Marta & Company
701 Howe Avenue, Suite E3
Sacramento, CA 95825



**SAN MATEO COUNTY SCHOOLS
INSURANCE GROUP
Redwood City, CA**

**AGENDA
November 7, 2024**

**JPA BOARD MEETING
9:00 a.m.-11:00 a.m.**

1791 Broadway Redwood City, CA 94080

<u>PUBLIC SESSION</u>	ITEM TYPE	PAGES
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A. Call to Order

B. Adoption of Agenda	Action	3-4
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C. Closed Session
Executive Director’s Evaluation

“THE BOARD OF DIRECTORS WILL NOW BE MOVING INTO CLOSED SESSION. MATTERS TO BE DISCUSSED ARE THOSE PERMITTED BY GOVERNMENT CODE SECTIONS 54956.9, 54956.95, 54987, AND 54957.6 – PERSONNEL & LITIGATION.”

D. Public Comments

At this time, members of the public may address the Board of Directors regarding any item within the subject matter jurisdiction of the Board, provided that NO action may be taken on off-agenda items unless authorized by law. Comments shall be limited to five minutes per person and twenty minutes for all comments, unless different time limits are set by the Chairperson and subject to the approval of the Board.

E. Approval of Minutes	Action	5-11
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F. Consent Agenda

The Consent Agenda includes routine items of business which, in the opinion of the administration, are either self-explanatory or routine enough not to require explanation by the administration or discussion by the JPA Board.

JPA Board members or the public wishing any items deleted from the Consent Agenda should so indicate at the time the Consent Agenda is adopted.

F.	Consent Agenda	ITEM TYPE	PAGES
1.	Ratification of P/L Check Register	Consent	12-13
2.	Ratification of Accounts Payable	Consent	14
3.	Deposit Permit Summary	Consent	15-16
4.	Quarterly Investment Report	Consent	17-84
5.	Quarterly Financial Report	Consent	85-101
6.	Investment Policy Review	Consent	102-146
7.	Policy Review	Consent	147-159
	<ul style="list-style-type: none"> • Capital Target Policy • Conflict of Code Policy • Underwriting Policy 		
G.	Executive Director Report	ITEM TYPE	PAGES
1.	Early Rate Indication	Information	160
2.	Workers Compensation/Loss Control Update	Information	161-169
	<ul style="list-style-type: none"> • <i>Update on Sentinel Report Cards</i> • <i>ESM Update</i> 		
3.	Property/Liability Update	Information	170
	<ul style="list-style-type: none"> • <i>Update on open SB 218 claims and litigated claims</i> 		
4.	Strategic Planning Retreat	Information	171
	<ul style="list-style-type: none"> • <i>We are looking at either February 10th or 12th.</i> 		
H.	Administration of the Organization	ITEM TYPE	PAGES
1.	Elections	Action	172
2.	Financial Audit	Action	173-241
3.	Strategic Reallocation of Funds	Action	242
4.	Contract with Alliant as Healthcare Consortium and Employee Benefits Broker	Action	243
5.	For the good of the order / Future agenda items	Information	244
6.	2024-2025 Meeting Calendar	Information	245
I.	Adjournment		



SAN MATEO COUNTY SCHOOLS
INSURANCE GROUP
—A Public Entity—

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
Minutes of May 16, 2024
SMCSIG Board Room/Zoom
Redwood City, CA

PUBLIC SESSION: - 10:00 a.m. to 11:00 a.m.

Present

Josie Peterson
Kevin Bultema
Valerie Miller
Marites Fermin
Amy Wooliever
Rick Edson
Roberta Zarea
Tina Van Raaphorst
Rui Bao
Ted O
Mei Chan
Will Eger

Absent

Others Present

Craig Schweikhard
Sharon Vishwa
Tom Ledda
Tasha Lane
Raya Estares

Guests

Ritesh Sharma
Jim Marta
Matt Gowan
Anthony Poston
Connie Ngo
Jennifer Baker
Patrick Foley

Roll call was taken.



SAN MATEO COUNTY SCHOOLS
INSURANCE GROUP
—A Public Entity—

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
MEETING MINUTES
May 16, 2024**

Adoption of the Agenda

Tina Van Raaphorst moved to adopt the Agenda. Kevin Bultema seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

Approval of Minutes

Valerie Miller moved to approve the minutes. Marites Fermin seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

Consent Agenda

Marites Fermin moved to approve the consent agenda. Josie Peterson seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

Elections- President Designation

Josie Peterson moved to approve the election of the following board members: Patrick Gaffney, Valerie Miller, Marites Fermin, Kevin Bultema, Tina Van Raaphorst, Rui Bao, and Roberta Zarea. Patrick Gaffney was also approved as Executive Committee President. Kevin Bultema seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

Elections- Vice President Designation

Valerie Miller moved to approve Kevin Bultema as Executive Committee President. Tina Van Raaphorst seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

Property/Liability Rates 2024/2025

Tina Van Raaphorst moved to approve the 2024/2025 Property/Liability rates. Valerie Miller seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

Workers Compensation Rates 2024/2025

Valerie Miller moved to approve the 2024/2025 Workers Compensation rates. Marites Fermin seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

2025 Dental Rates

Valerie Miller moved to approve the 2025 Dental Rates. Josie Peterson seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

2025 Vision Rates

Valerie Miller moved to approve the 2025 Vision rates. Josie Peterson seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

SMCSIG Budget 2024/2025

Tina Van Raaphorst moved to approve the 2024/2025 SMCSIG Budget. Valerie Miller seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

2024/2025 Meeting Calendar

Josie Peterson moved to approve the 2024/2025 Meeting Calendar. Tina Van Raaphorst seconded the motion.

Vote:	Josie Peterson	Aye
	Kevin Bultema	Aye
	Valerie Miller	Aye
	Marites Fermin	Aye
	Amy Wooliever	Aye
	Rick Edson	Aye
	Roberta Zarea	Aye
	Tina Van Raaphorst	Aye
	Rui Bao	Aye
	Ted O	Aye
	Mei Chan	Aye
	Will Eger	Aye

Motion passed.

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Consent Agenda

Action

Item Number: F1

Consent

Title: Ratification of Property/Liability
Check Register

Information

Attached is the Ratification of Property/Liability Check Register Report for September 2024.

Date	Vendor	Document no.	Amount
9/6/2024	VEN-1778--Carcione Henderson & Markowitz LLP	5356	\$ 17,500.00
9/6/2024	VEN-1777--First Legal Buyer Inc.	5374	1,365.90
9/9/2024	VEN-1679--CSAA Insurance Exchange	Voided - 5357	-2,374.19
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5372	44.00
9/9/2024	VEN-1261--Anlee D. Kuo, J.D., M.D.	5350	25,920.00
9/9/2024	VEN-1611--ADR Services, Inc.	5344	5,500.00
9/9/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5349	3,352.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5371	2,632.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5370	2,613.87
9/9/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5355	2,472.00
9/9/2024	VEN-1679--CSAA Insurance Exchange	5357	2,374.19
9/9/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5354	2,246.44
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5369	2,084.00
9/9/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5353	2,064.00
9/9/2024	VEN-1640--Edrington, Schirmer & Murphy LLP	5373	1,897.54
9/9/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5348	1,082.50
9/9/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5347	211.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5368	137.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5367	247.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5366	247.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5365	82.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5364	1,232.00
9/9/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5352	1,225.25
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5363	192.50
9/9/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5346	94.00
9/9/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5345	927.50
9/9/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5351	624.00
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5362	550.00
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5361	550.00
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5360	537.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5359	522.50
9/9/2024	VEN-1609--Davis Bengtson & Young, APLC	5358	110.00
9/10/2024	VEN-1679--CSAA Insurance Exchange	5376	2,374.19
9/10/2024	VEN-1679--CSAA Insurance Exchange	Voided - 5375	-2,374.19
9/10/2024	VEN-1679--CSAA Insurance Exchange	5375	2,374.19

Date	Vendor	Document no.	Amount
9/19/2024	VEN-1779--TLO Law, P.C.	5401	1,215.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5400	4,103.50
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5399	27.50
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5398	67.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5397	74.50
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5396	110.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5395	110.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5394	110.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5393	137.50
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5392	302.50
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5391	512.86
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5390	593.37
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5389	715.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5388	742.50
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5387	814.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5386	864.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5385	1,712.50
9/19/2024	VEN-1018--Belfor Property Restoration	5380	63,538.34
9/19/2024	VEN-1018--Belfor Property Restoration	5379	14,990.12
9/19/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5378	5,631.39
9/19/2024	VEN-1419--Allen, Glaessner, Hazelwood & Werth, LLP	5377	2,561.39
9/19/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5382	7,348.11
9/19/2024	VEN-1582--Bertrand, Fox, Elliot, Osman & Wenzel	5381	1,272.00
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5384	4,306.77
9/19/2024	VEN-1609--Davis Bengtson & Young, APLC	5383	3,421.00
Total			<u><u>\$195,922.04</u></u>

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Consent Agenda

Action

Item Number: F2

Consent

Title: Ratification of Accounts Payable

Information

Attached is the Ratification of Accounts Payable Check Register Report for September 2024.

Date	Vendor	Document no.	Amount
9/3/2024	VEN-1028--CA Schools Vision Coalition	121042880000146	\$ 100,780.00
9/3/2024	VEN-1027--CA Schools Dental Coalition	121042880000145	1,215,581.00
9/3/2024	VEN-1683--San Mateo County Schools Ins Grp - HCC	121042880000144	6,945.01
9/6/2024	VEN-1771--R.E. Powers & Company, LLC.	121042880000150	8,380.50
9/9/2024	VEN-1638--Konica Minolta		247.23
9/9/2024	VEN-1012--AT&T		362.50
9/9/2024	VEN-1097--PG&E		1,078.04
9/9/2024	VEN-1192--All Covered	121042880000149	804.92
9/9/2024	VEN-1355--Metropolitan Life Insurance Company	121042880000148	129.50
9/9/2024	VEN-1070--James Marta & Company	121042880000147	21,419.00
9/9/2024	VEN-1088--MC 2 Design Group, Inc.	5550	1,499.88
9/9/2024	VEN-1282--Thomas Ledda	5553	231.15
9/9/2024	VEN-1311--Principal Facility Group Inc.	5551	250.00
9/9/2024	VEN-1009--American Fidelity Assurance Co.	5549	433.32
9/9/2024	VEN-1342--Resource Solutions of SF Group, INC.	5552	76.89
9/9/2024	VEN-1680--Towne Communications, Inc.	5554	289.14
9/19/2024	VEN-1117--Sharon Vishwa	121042880000154	310.39
9/19/2024	VEN-1038--City of Redwood City		518.91
9/19/2024	VEN-1205--Clark Pest Control, Inc.		134.00
9/19/2024	VEN-1235--Optum	121042880000153	10,398.26
9/19/2024	VEN-1163--ESM INSITE	121042880000152	10,600.00
9/19/2024	VEN-1553--Intercare Holdings Insurance Services	121042880000151	67,133.33
9/19/2024	VEN-1645--Don Freeman	5555	222.31
9/19/2024	VEN-1311--Principal Facility Group Inc.	5557	250.00
9/19/2024	VEN-1075--Joe Kirley	5556	55.00
9/23/2024	VEN-1666--Sampson & Sampson LLP	121042880000155	4,500.00
9/28/2024	VEN-1147--First Bankcard - Sharon		417.50
9/28/2024	VEN-1299--First Bankcard - Thomas		109.68
Total			\$1,453,157.46

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Consent Agenda</u>	<input type="checkbox"/>	Action
Item Number: F3	<input checked="" type="checkbox"/>	Consent
Title: <u>Deposit Permit Summary</u>	<input type="checkbox"/>	Information

Attached is the Deposit Permit Summary Report for September 2024.

CODING STRUCTURE / JOB COST ACCO	Echo CODING STRUCTURE	Misc Cd	Receipt AR Reference	Pay	Bank Tax 1 Amount	Rec#
Amount	Description	Prep ID	Ref Dt PO Reference	Bank Slip	Tax 2 Amount	Hit
Customer ID	Name	Due Dt	Bill Dt Product ID	Dep Date	Duty Amount	A/R?
Cust Type ID	Format	Fee Code	Rel Code Quantity Pay Reference	Disc Amt	Charge Amount	
04904-2820			=====	=====	=====	=====
131,755.26	SMCSIG - Proper School Income	CK	CR590682 0	CK	CK	0.00 1
	PROPERTY/LIABILITY		AROSTEGC 09/27/24			0.00 Y
CRSMCOE	NONE	DX	SMCOE SAN MATEO CO OFFICE OF E			0.00
CK	DP	02				0.00

RFGLCRE590682 RETURN SAN MATEO COUNTY DEPOSIT FORM IN PONY VIA SMCOE
 TO SMCSIG, 1791 BROADWAY, REDWOOD CITY, CA.

System Total

Total for Check Pay Type CK 131,755.26
 Total for Coin Pay Type CN 0.00
 Total for Credit Card Pay CC 0.00
 Total for Currency Pay TP CU 0.00
 Total for Wire Transfer FT WT 0.00
 Total for Unspecified ' ' 0.00

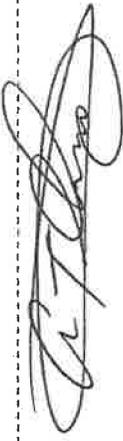
Set ID: DCA927F4 System Computed Total: 131,755.26 User Computed Total: 131,755.26 TOTALS MATCH

Total A/R Payments 131,755.26
 Total G/L Payments 131,755.26

GRAND TOTAL System Computed Total: 131,755.26 User Computed Total: 131,755.26 TOTALS MATCH

Total A/R Payments 131,755.26
 Total G/L Payments 131,755.26

Final Budget Check -----
 No Budget Errors -----



CA

SANDIE ARNOTT
 County Treasurer

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Consent Agenda</u>	<input type="checkbox"/>	Action
Item Number: F4	<input checked="" type="checkbox"/>	Consent
Title: <u>Quarterly Investment Report</u>	<input type="checkbox"/>	Information

**San Mateo County Schools Insurance Group
Investment Report
For the Quarter Ending September 30, 2024**

	Balance
Banks:	
Principal	\$ 11,996,697 *
Interest Rate	4.668%
Interest Accrued	44,510
Fiscal Year to Date Interest	123,181
LAIF:	
Principal	60,527
Interest Rate	4.58%
Interest Accrued	718
Fiscal Year to Date Interest	718
County Cash:	
Principal	18,518,536 **
Interest Rate	3.864%
Interest Accrued	220,165
Fiscal Year to Date Interest	220,165
Investments (Unrestricted):	
Chandler Investments	53,718,797
Rate of return for the quarter	3.43%
Annual rate of return	4.47%
Investment income year to date	542,053
Change in fair value year to date	1,237,002
Total Cash and Investments	\$ 84,294,557

* Bank balance is adjusted to reflect outstanding checks and includes Health Consortium reconciled bank balance.

** County Cash balance includes fair market value adjustment.

San Mateo County Schools Insurance Group holds certain amounts in prefunded trust accounts to be used for claims activity. Quarterly report is in accordance with Government Code §53646.

I hereby attest that our investment portfolio is in compliance with our investment policy and the JPA has the ability to meet the pool's expenditures for the next six (6) months.

James Manta

CFO

9/3/2024
Date

INVESTMENT REPORT

San Mateo County Schools Insurance Group | As of September 30, 2024

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

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San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

ECONOMIC UPDATE

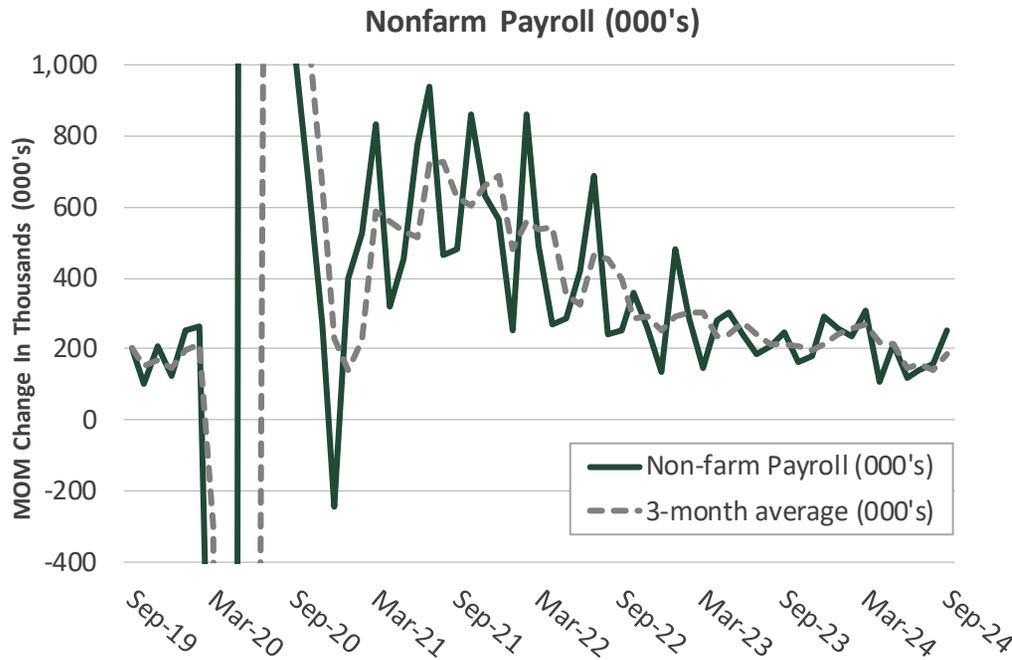
ACCOUNT PROFILE

PORTFOLIO HOLDINGS

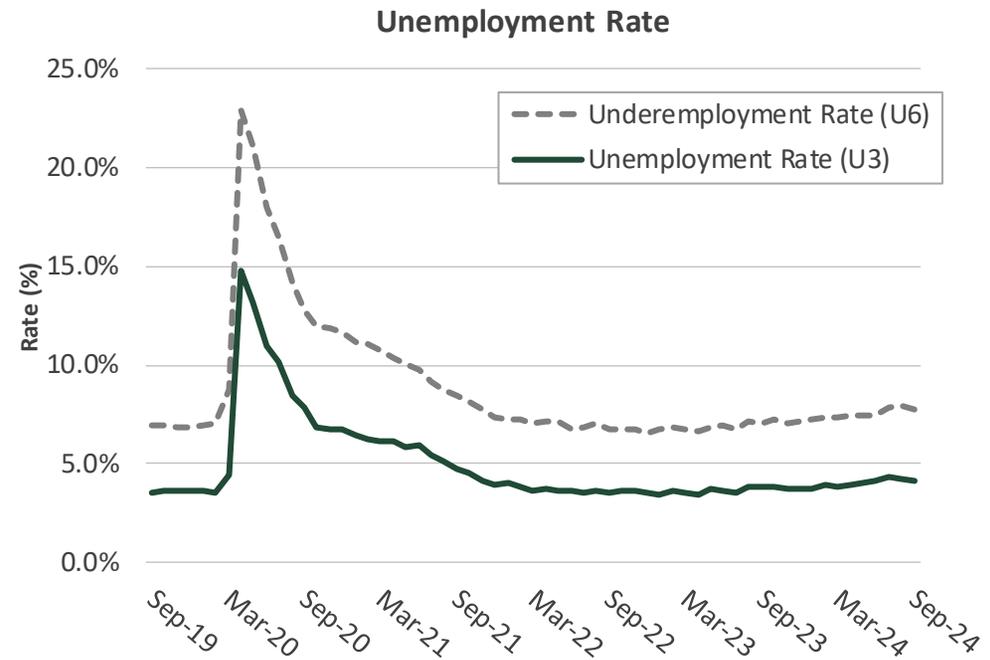
TRANSACTIONS

ECONOMIC UPDATE

- Recent economic data suggests positive but slower growth this year fueled by consumer spending. While the consumer has been resilient, declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market pose potential headwinds to future economic growth. Inflationary trends are subsiding, but core levels remain above the Fed's target. The labor market is showing signs of cooling, reflecting an improved balance between supply and demand for workers. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle with a 50 basis point cut at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 due to lower inflation expectations and a higher projected unemployment rate. We believe the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The US Treasury yield curve shifted lower in September following the 50 basis points rate cut by the FOMC mid-month. The 2-year Treasury yield fell 28 basis points to 3.64%, the 5-year Treasury dropped 15 basis points to 3.56%, and the 10-year Treasury yield declined 12 basis points to 3.78%. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -47 basis points. The inversion between 3-month and 10-year Treasuries ended the month of September at -85 basis points.



Source: US Department of Labor



Source: US Department of Labor

The U.S. economy added 254,000 jobs in September, well above expectations of 150,000. The three-month moving average and six-month moving average payrolls continued to trend weaker to 186,000 and 167,000 respectively. The unemployment rate declined to 4.1% in September, and the labor participation rate remained at 62.7%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 7.7% from 7.9%. Average hourly earnings rose 4.0% year-over-year in September. U.S. labor market data from September surprised to the upside, with strong job growth and a sharper-than-expected drop in unemployment, suggesting the economy may be more resilient than anticipated. The Federal Reserve’s view is that there has been “substantial” progress towards better balance in the labor market between demand and supply for workers.

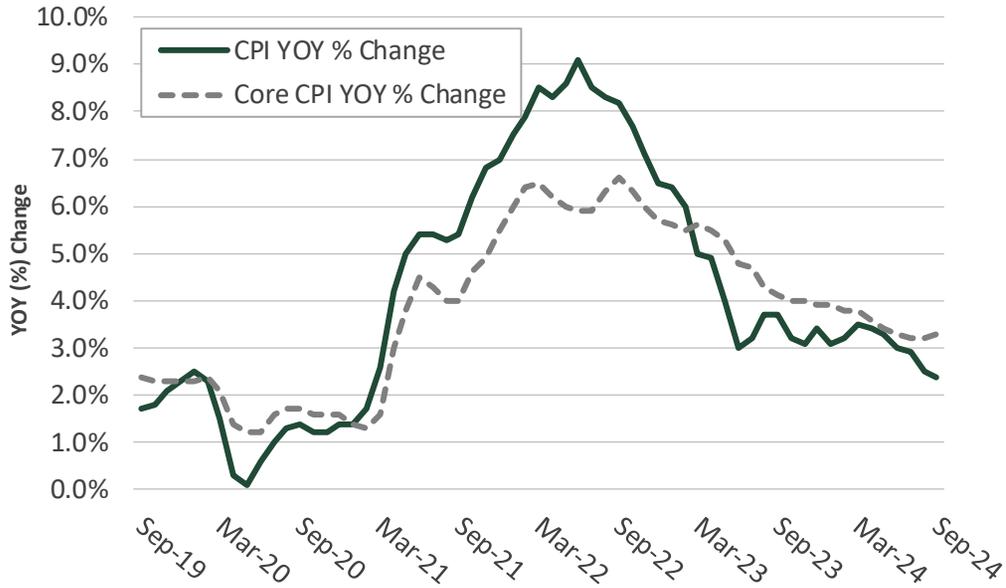
Job Openings



Source: US Department of Labor

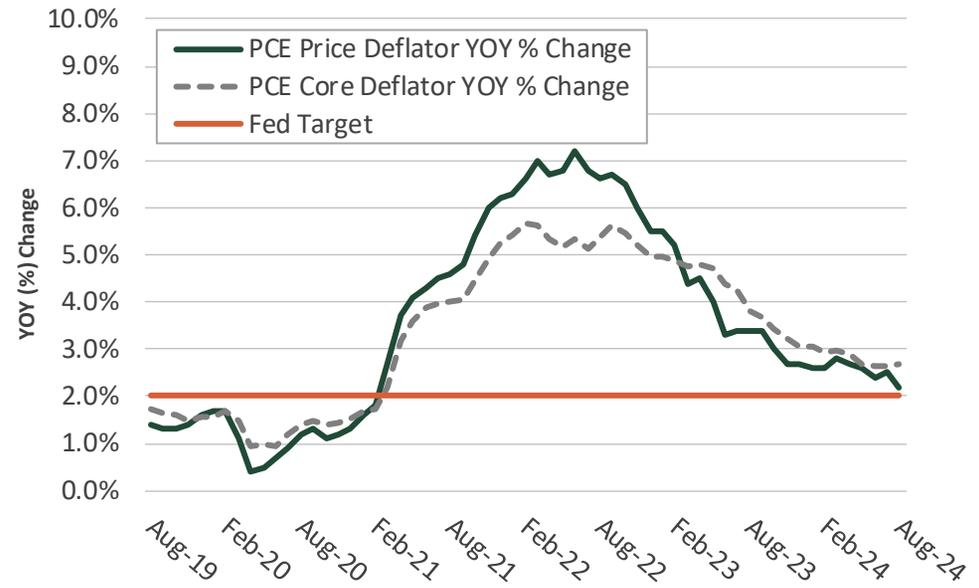
The Labor Department’s Job Openings and Labor Turnover Survey (JOLTS) increased to 8.04 million job openings in August from an upwardly revised 7.71 million in July. Job openings have increased to a ratio of 1.13 jobs for each unemployed individual. The quits rate, an indicator of job availability, declined to 1.9% from downwardly revised 2.0% in July. That is the lowest level since 2020. While the current level of job openings remains elevated from a historical perspective, the trend is decelerating.

Consumer Price Index (CPI)



Source: US Department of Labor

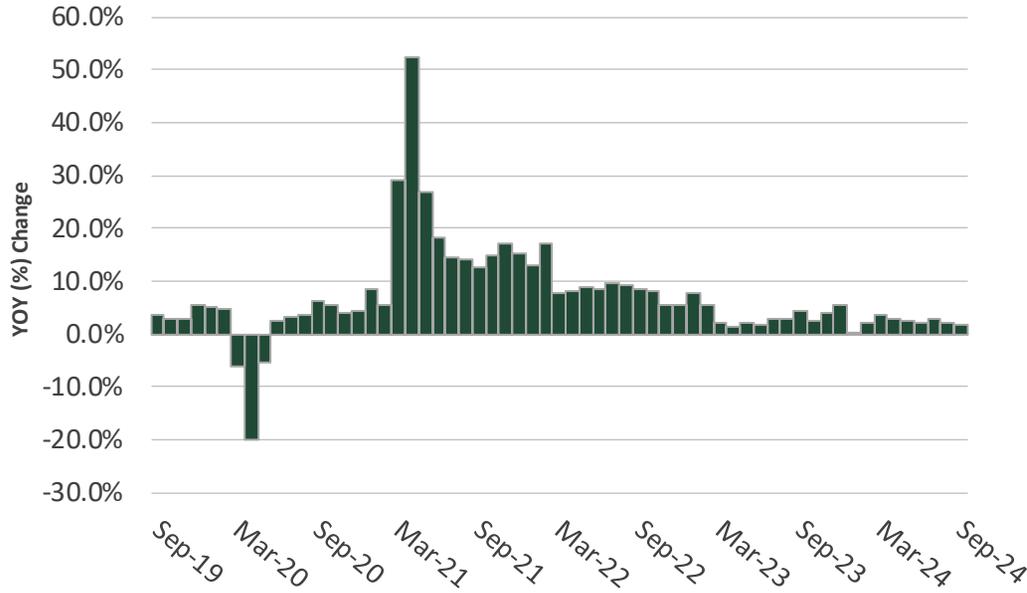
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

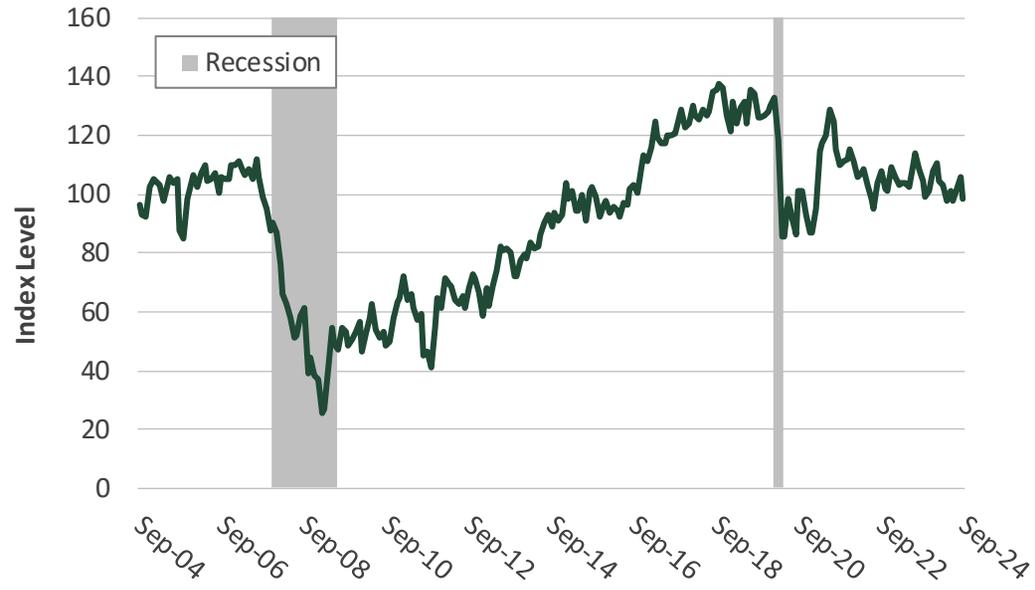
In September, the Consumer Price Index (CPI) rose 0.2% month-over-month and 2.4% year-over-year, down from 2.5% in August, but slightly higher than expected. The Core CPI, which excludes volatile food and energy components, rose by 0.3% month-over-month and 3.3% year-over-year, also exceeding consensus forecasts. The Personal Consumption Expenditures (PCE) Index rose 0.1% from the previous month and 2.2% year-over-year in August. The Core PCE deflator (the Fed’s preferred gauge) increased 0.1% month-over-month and 2.7% over the past year, still above the Fed’s 2% inflation target. Much of the lingering inflation has been driven by shelter costs and demand for services, but recent data provide confirmation that inflation is moderating.

Retail Sales YOY % Change



Source: US Department of Commerce

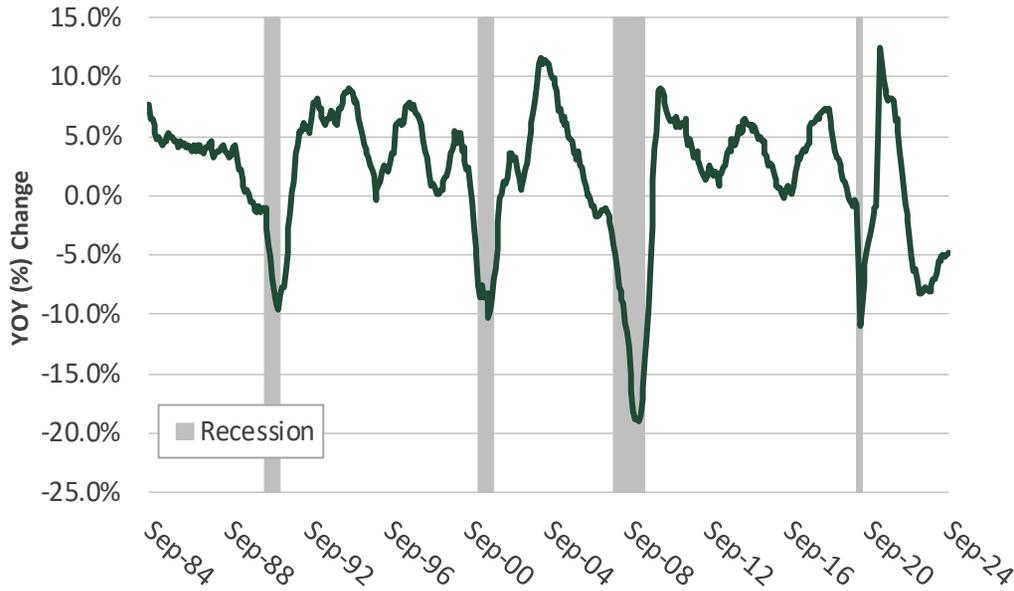
Consumer Confidence



Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

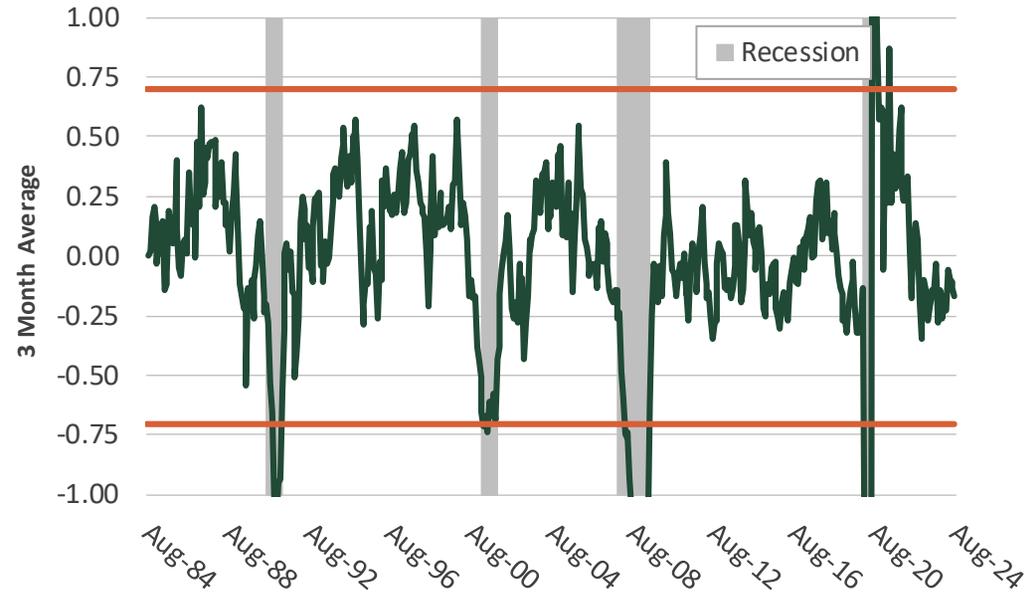
Retail Sales grew more than expected month-over-month in September at 0.4% after growth of 0.1% in August. On a year-over-year basis, Retail Sales grew 1.7% in September versus 2.2% in August. Control-group sales, which are used to calculate gross domestic product, rose 0.7% month-over-month in September after last month’s increase of 0.3%. Apparel, grocery stores, and miscellaneous store retailers led the advance, while gas station sales fell reflecting lower gas prices. The Conference Board’s Consumer Confidence Index for September came in below expectations, contracting to 98.7 after an upward revision to 105.6 in August. The decline reflects recent softening in labor market conditions, and less optimism about the job market and income growth. While the consumer has been resilient, declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market pose potential risks to future spending.

Leading Economic Indicators (LEI)



Source: The Conference Board

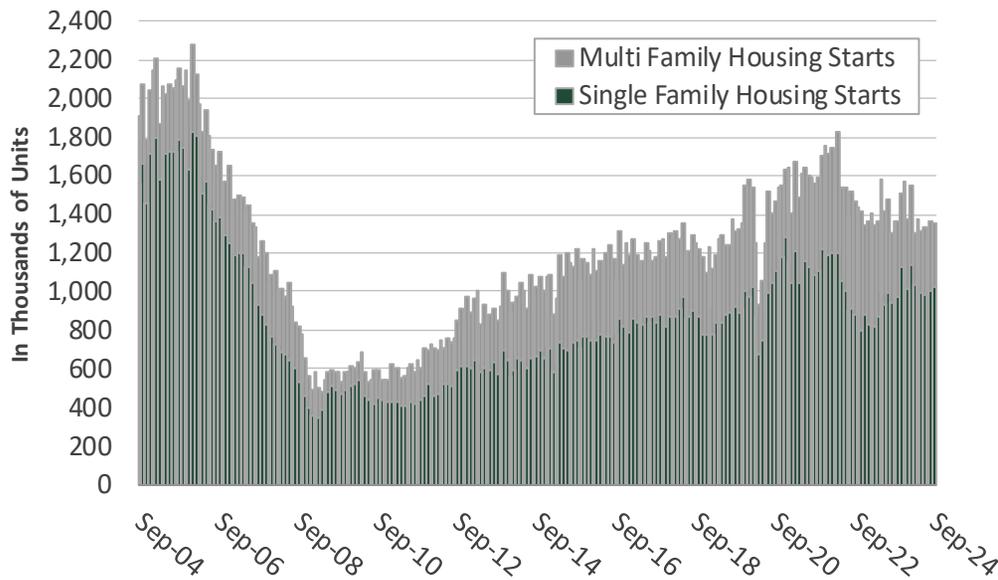
Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

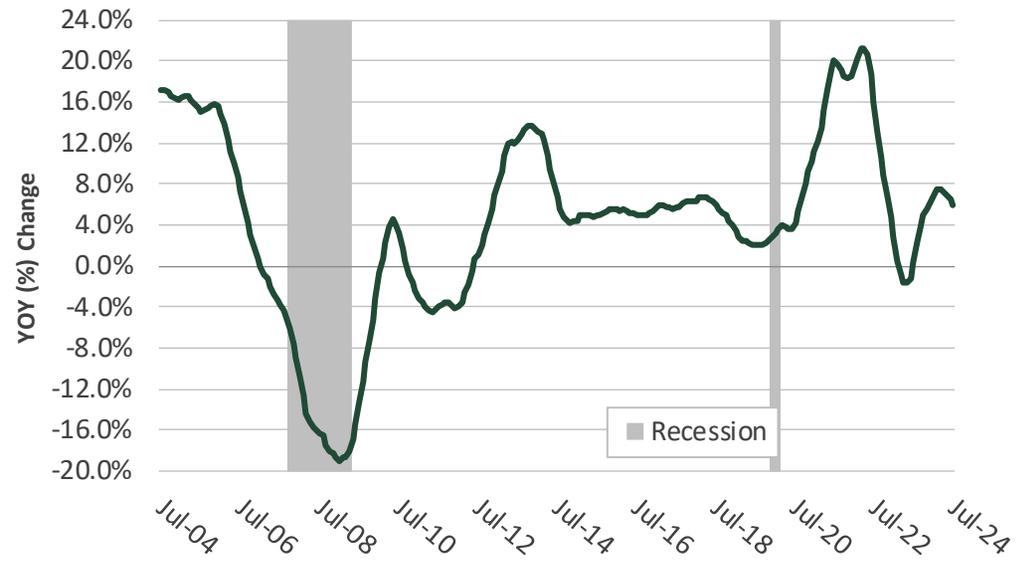
The Conference Board’s Leading Economic Index (LEI) remained in negative territory at -0.2% in August, improving from -0.6% in July. The index dropped 5.0% year-over-year. The improvement can be attributed to a decrease in the yield curve inversion, an increase in building permits, and stock market performance. The Chicago Fed National Activity Index (CFNAI) increased to 0.12 in August from a downwardly revised -0.42 in July, which was above consensus expectations. The three-month moving average fell to -0.17 in August from -0.13 in July, indicating below-trend growth expectations for the economy.

Annualized Housing Starts



Source: US Department of Commerce

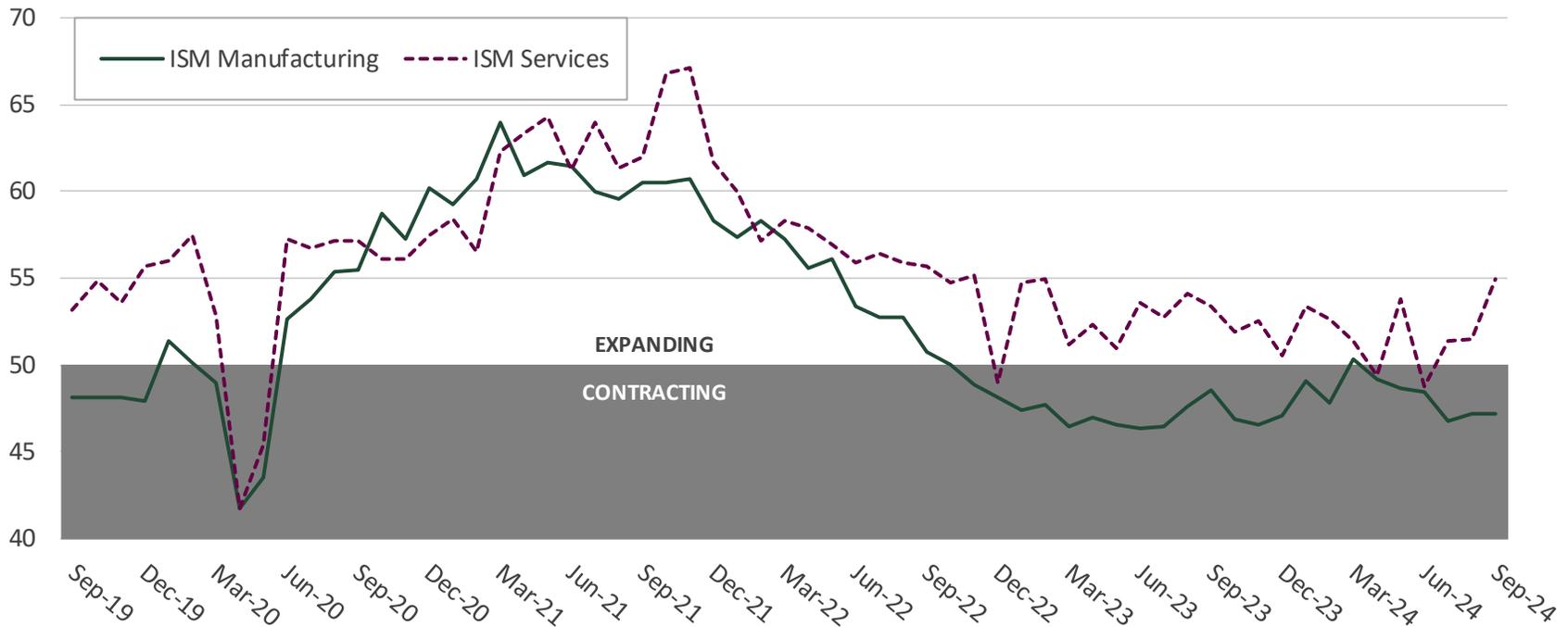
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

Housing starts surprised to the downside in September, declining -0.5% month-over-month to 1.354 million units after an increase of 7.8% in August. The decline can be attributed to a drop in multi-family housing projects. Total starts were down 0.7% year-over-year. The Freddie Mac average rate for a 30-year fixed mortgage dropped to 6.18% in September from 6.44% in August. According to the Case-Shiller 20-City Home Price Index, housing prices rose 5.9% year-over-year in July, decelerating from 6.5% reported in the previous month. Although the trend is gradually improving, tight inventories and higher mortgage rates continue to impact affordability.

Institute of Supply Management (ISM) Surveys



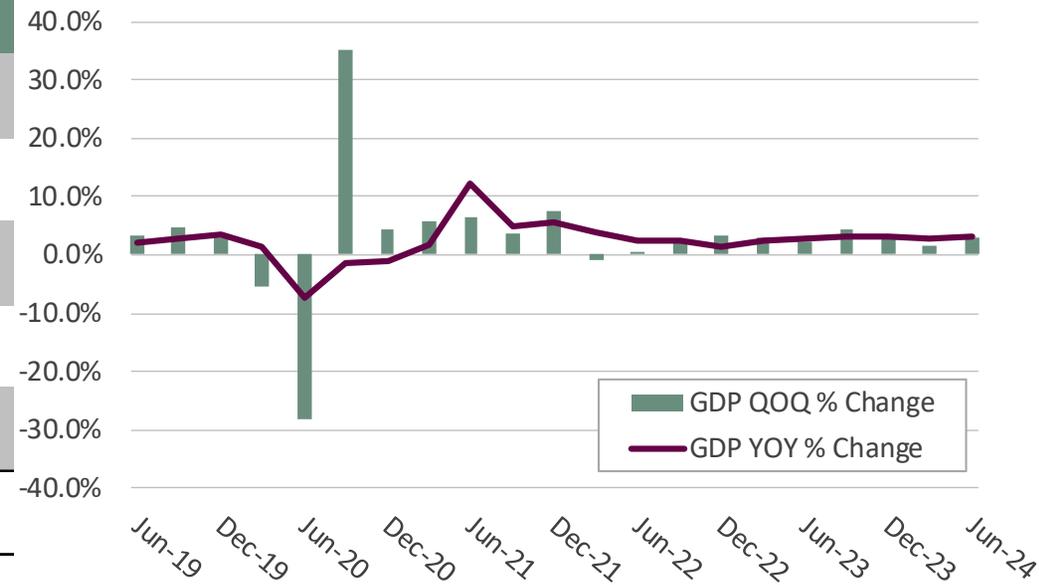
Source: Institute for Supply Management

The Institute for Supply Management (ISM) Manufacturing index contracted at a slower rate of 47.2 in September compared to 47.5 in August. Demand remains subdued and companies are continuing to reduce head counts through layoffs, attrition and hiring freezes. The ISM Services Index increased to 54.9 in September, increasing from 51.7 in August, due to stronger production and new orders. A reading over 50 indicates expansion, while a reading under 50 indicates contraction.

Components of GDP	9/23	12/23	3/24	6/24
Personal Consumption Expenditures	1.7%	2.3%	1.3%	1.9%
Gross Private Domestic Investment	1.8%	0.2%	0.6%	1.5%
Net Exports and Imports	-0.1%	0.1%	-0.6%	-0.9%
Federal Government Expenditures	0.3%	0.0%	0.0%	0.3%
State and Local (Consumption and Gross Investment)	0.6%	0.6%	0.3%	0.3%
Total	4.4%	3.2%	1.6%	3.0%

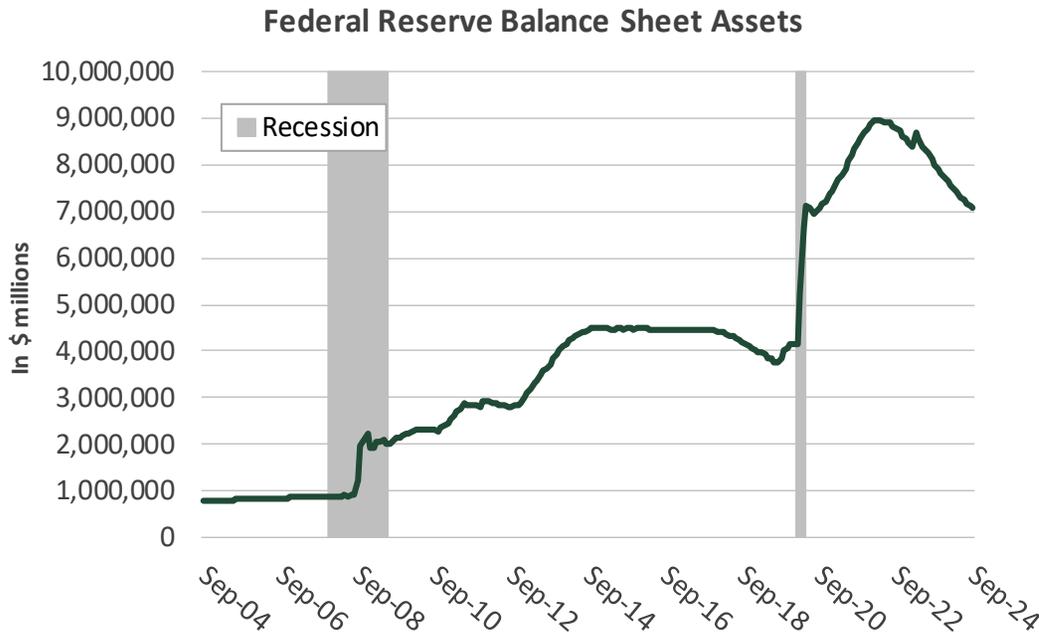
Source: US Department of Commerce

Gross Domestic Product (GDP)

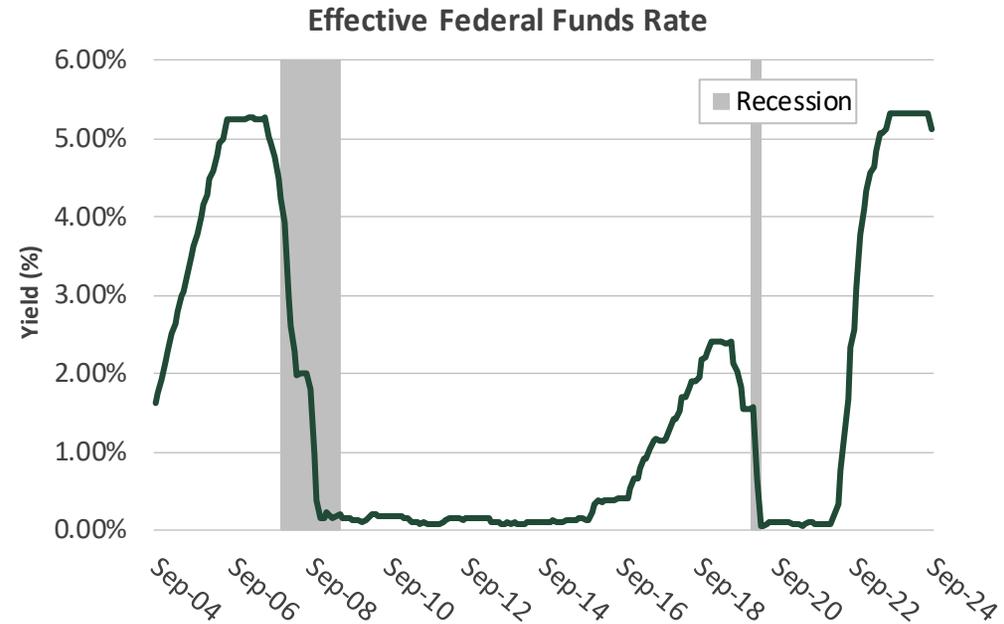


Source: US Department of Commerce

According to the third estimate, second quarter GDP increased at an annualized rate of 3.0%, unchanged from the prior estimate. Growth continues to be powered by personal consumption expenditures. Gross fixed investment, government consumption expenditures, and inventories also had positive contributions, with a negative offset by net exports. The consensus projection calls for 2.0% growth in the third quarter and 2.6% growth for the full year 2024.



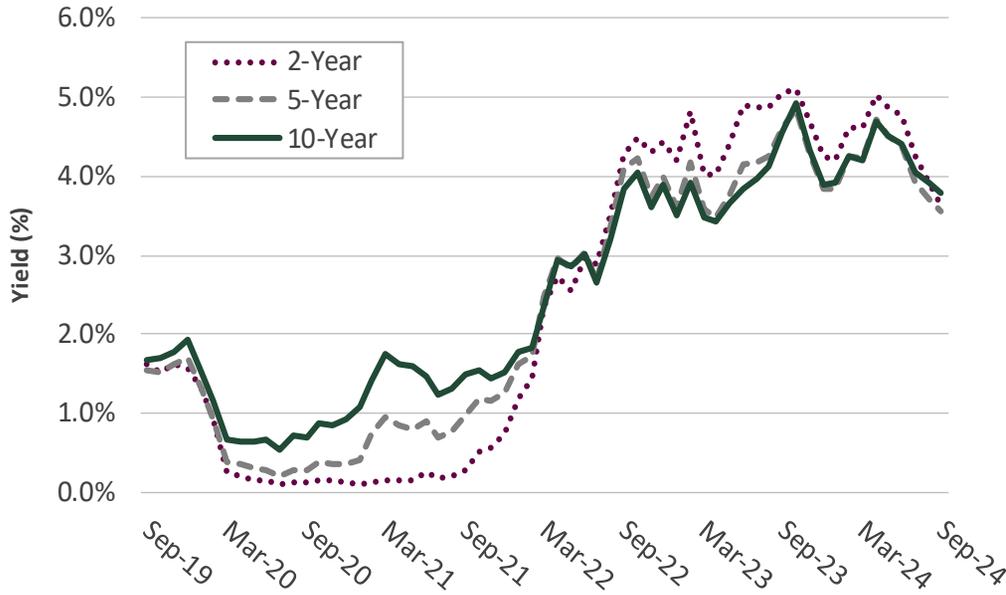
Source: Federal Reserve



Source: Bloomberg

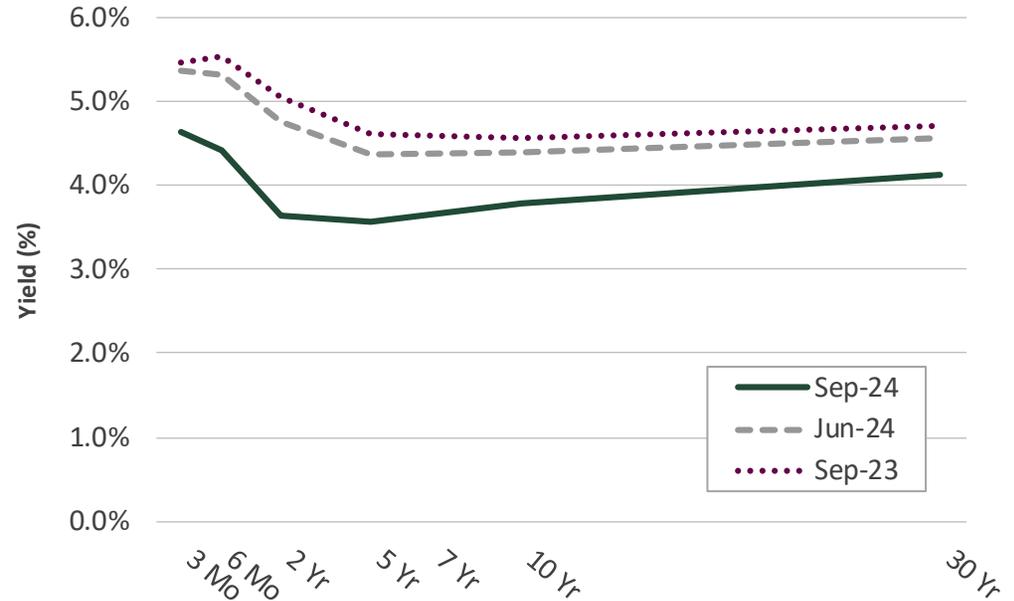
The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 to 3.1 – 3.6%. The Fed continues to reduce its holdings of U.S. Treasury securities and agency mortgage-backed securities as per its predefined schedule of \$25 billion and \$35 billion per month. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by approximately \$1.8T to approximately \$7.1T.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 140 basis points lower, and the 10-Year Treasury yield was 79 basis points lower, year-over-year. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2003) is about +110 basis points. The inversion between 3-month and 10-year Treasuries tightened to -85 basis points in September from -121 basis points in August.

ACCOUNT PROFILE

OBJECTIVES

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Investment Objectives

San Mateo County Schools Insurance Group's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the account is to achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

STATEMENT OF COMPLIANCE



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES (CMOS)				
Max % (MV)	100.0	6.2	Compliant	
Max Maturity (Years)	5.0	4.5	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	20.0	6.7	Compliant	
Max % Issuer (MV)	5.0	0.7	Compliant	
Max Maturity (Years)	5.0	4.5	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 & A- by 1)	0.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	26.0	Compliant	
Max % Issuer (MV)	5.0	1.4	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	5.0	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	19.5	Compliant	
Max % Issuer (MV)	25.0	8.7	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	4	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	1.1	Compliant	
Max % Issuer (MV)	20.0	1.1	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES, CMOS (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES				
Max % (MV)	30.0	1.2	Compliant	
Max % Issuer (MV)	5.0	1.0	Compliant	
Max Maturity (Years)	5.0	4.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	3.8	Compliant	
Max % Issuer (MV)	10.0	1.4	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	35.9	Compliant	
Max Maturity (Years)	5	4	Compliant	

PORTFOLIO CHARACTERISTICS



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

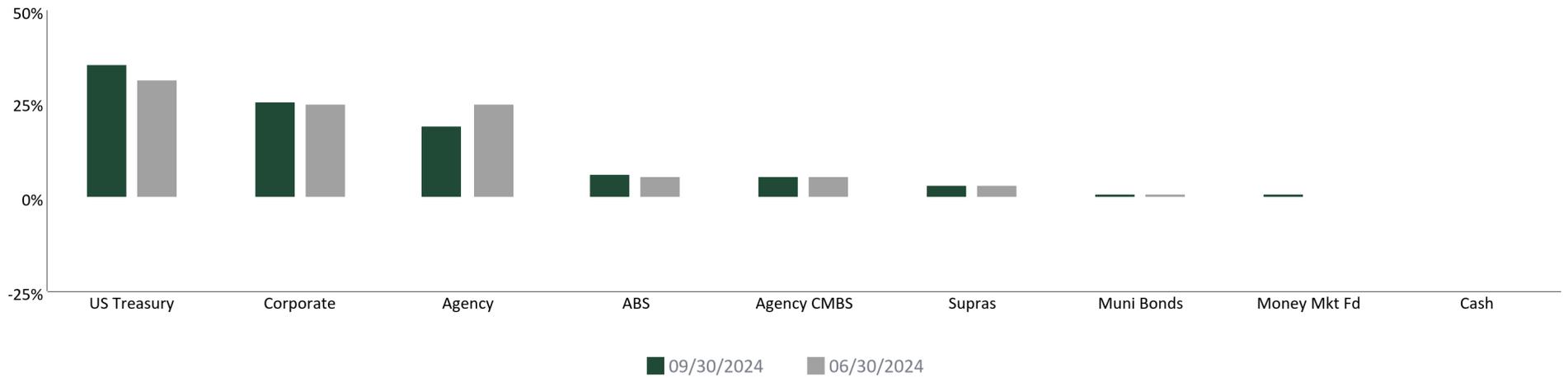
	Benchmark*	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	2.69	2.97	2.90
Average Modified Duration	2.52	2.61	2.55
Average Purchase Yield		3.81%	3.78%
Average Market Yield	3.66%	3.90%	4.84%
Average Quality**	AA+	AA	AA
Total Market Value		54,072,005	52,292,951

*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

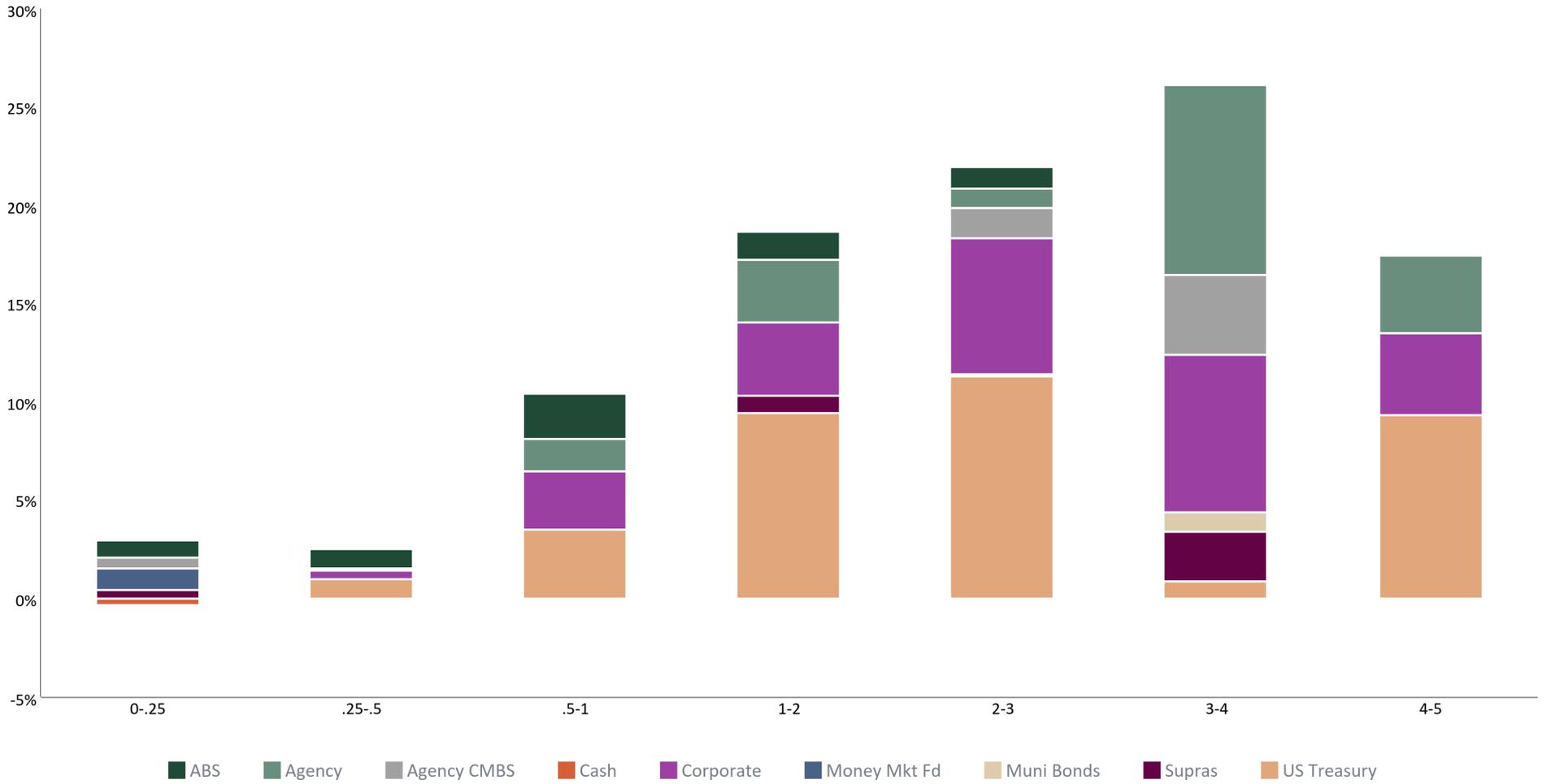


Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
US Treasury	35.90%	31.56%
Corporate	25.98%	25.54%
Agency	19.41%	25.43%
ABS	6.72%	6.27%
Agency CMBS	6.21%	5.99%
Supras	3.81%	3.83%
Muni Bonds	1.16%	1.16%
Money Mkt Fd	1.09%	0.14%
Cash	-0.27%	0.07%

DURATION ALLOCATION

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

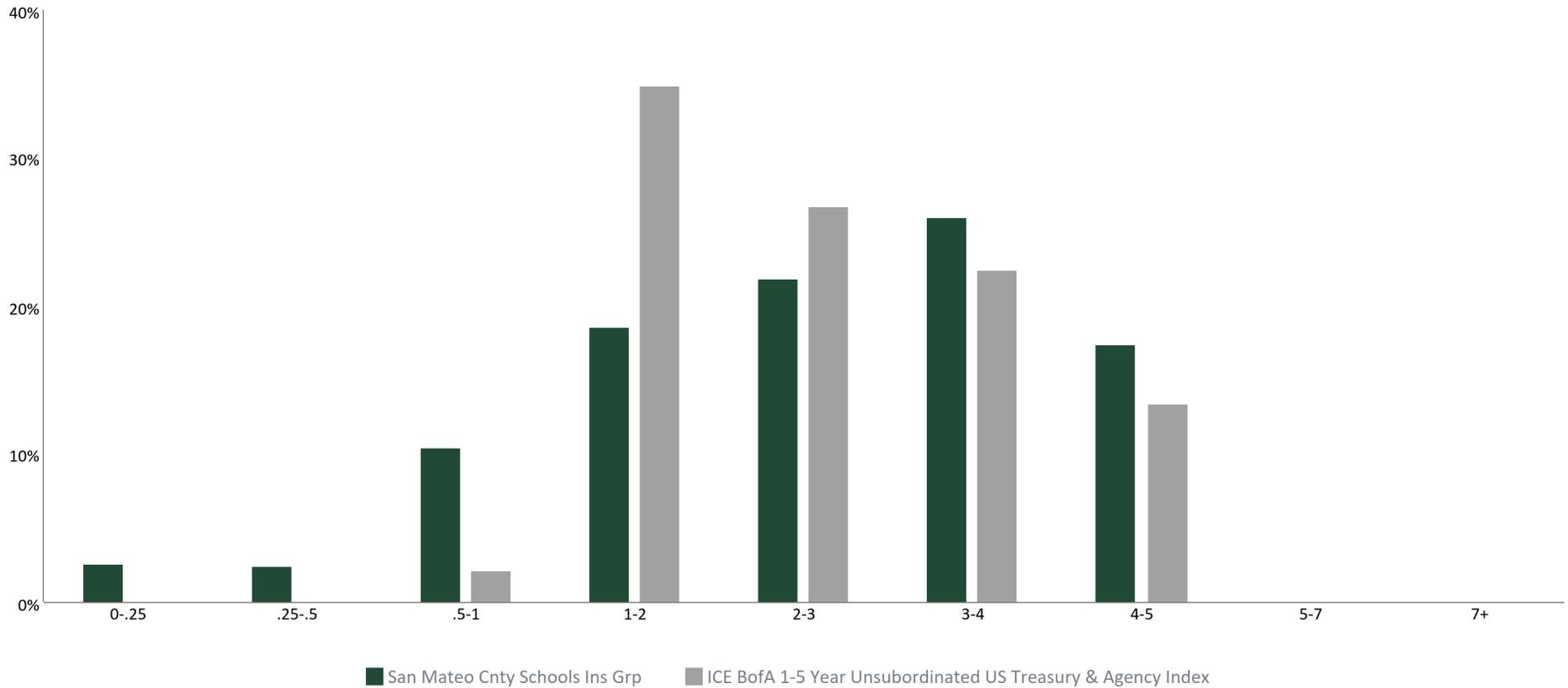


	0-25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
09/30/2024	2.7%	2.5%	10.5%	18.7%	22.0%	26.1%	17.5%	0.0%	0.0%

DURATION DISTRIBUTION

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Portfolio Compared to the Benchmark



	0-0.25	0.25-0.5	0.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	2.7%	2.5%	10.5%	18.7%	22.0%	26.1%	17.5%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.1%	0.1%	2.2%	34.9%	26.8%	22.5%	13.4%	0.0%	0.0%

ISSUERS

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
United States	US Treasury	35.90%
Federal Home Loan Banks	Agency	8.67%
Farm Credit System	Agency	8.56%
FHLMC	Agency CMBS	6.21%
FNMA	Agency	1.47%
PACCAR Inc	Corporate	1.41%
International Bank for Recon and Dev	Supras	1.38%
Deere & Company	Corporate	1.31%
Inter-American Development Bank	Supras	1.30%
Cisco Systems, Inc.	Corporate	1.25%
The Home Depot, Inc.	Corporate	1.25%
Caterpillar Inc.	Corporate	1.23%
Eli Lilly and Company	Corporate	1.20%
International Finance Corporation	Supras	1.13%
First American Govt Oblig fund	Money Mkt Fd	1.09%
State of California	Muni Bonds	0.99%
Toyota Motor Corporation	Corporate	0.97%
Bank of America Corporation	Corporate	0.96%
NextEra Energy, Inc.	Corporate	0.94%
Northern Trust Corporation	Corporate	0.93%
Chubb Limited	Corporate	0.92%
Public Service Enterprise Group Inco	Corporate	0.92%
Costco Wholesale Corporation	Corporate	0.91%
PepsiCo, Inc.	Corporate	0.91%
Honeywell International Inc.	Corporate	0.91%
Mastercard Incorporated	Corporate	0.87%
Duke Energy Corporation	Corporate	0.82%
UnitedHealth Group Incorporated	Corporate	0.76%
State Street Corporation	Corporate	0.75%
JPMorgan Chase & Co.	Corporate	0.74%

ISSUERS

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
American Express Credit Master Trust	ABS	0.74%
BMW Vehicle Owner Trust	ABS	0.73%
BlackRock, Inc.	Corporate	0.73%
John Deere Owner Trust	ABS	0.72%
FHLMC	Agency	0.70%
GM Financial Automobile Leasing Trus	ABS	0.67%
MERCEDES-BENZ AUTO RECEIVABLES TRUST	ABS	0.64%
Bank of Montreal	Corporate	0.64%
Royal Bank of Canada	Corporate	0.64%
Honda Auto Receivables 2024-3 Owner	ABS	0.62%
Merck & Co., Inc.	Corporate	0.61%
Prologis, Inc.	Corporate	0.57%
Walmart Inc.	Corporate	0.54%
Bank of America Credit Card Trust	ABS	0.50%
The Toronto-Dominion Bank	Corporate	0.46%
Amazon.com, Inc.	Corporate	0.46%
Honda Auto Receivables Owner Trust	ABS	0.44%
Mercedes-Benz Auto Lease Trust 2024-	ABS	0.40%
GM Financial Securitized Term	ABS	0.40%
The Procter & Gamble Company	Corporate	0.34%
Berkshire Hathaway Inc.	Corporate	0.32%
Chase Issuance Trust	ABS	0.31%
Gm Financial Automobile Leasing Trus	ABS	0.27%
Morgan Stanley	Corporate	0.25%
Pfizer Inc.	Corporate	0.18%
State of New York	Muni Bonds	0.18%
Toyota Auto Receivables Owner Trust	ABS	0.17%
Target Corporation	Corporate	0.16%
Hyundai Auto Receivables Trust	ABS	0.11%
The Charles Schwab Corporation	Corporate	0.11%

ISSUERS



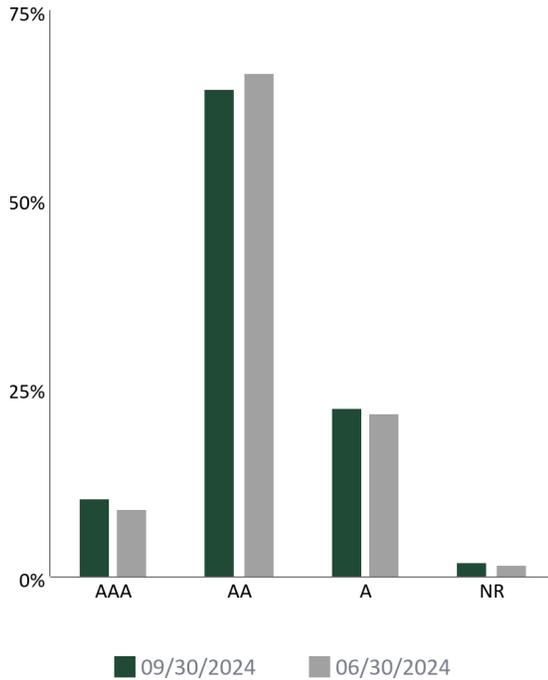
San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
Cash	Cash	-0.27%
TOTAL		100.00%

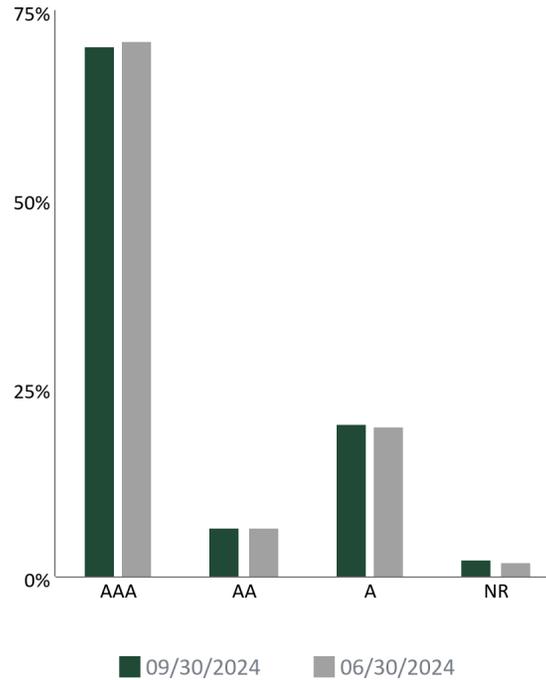
QUALITY DISTRIBUTION

San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

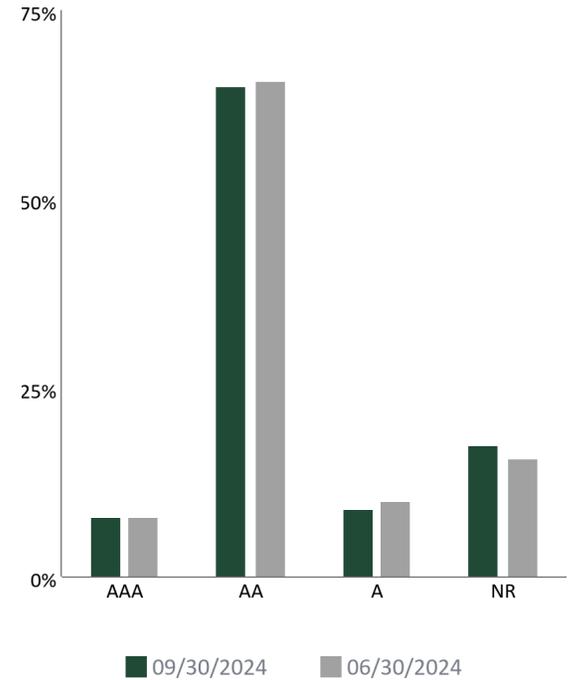
S&P Rating



Moody's Rating



Fitch Rating



Rating	09/30/2024	06/30/2024
AAA	10.7%	9.2%
AA	64.7%	67.0%
A	22.4%	21.9%
NR	2.2%	1.8%

Rating	09/30/2024	06/30/2024
AAA	70.4%	71.3%
AA	6.8%	6.8%
A	20.5%	19.9%
NR	2.4%	2.0%

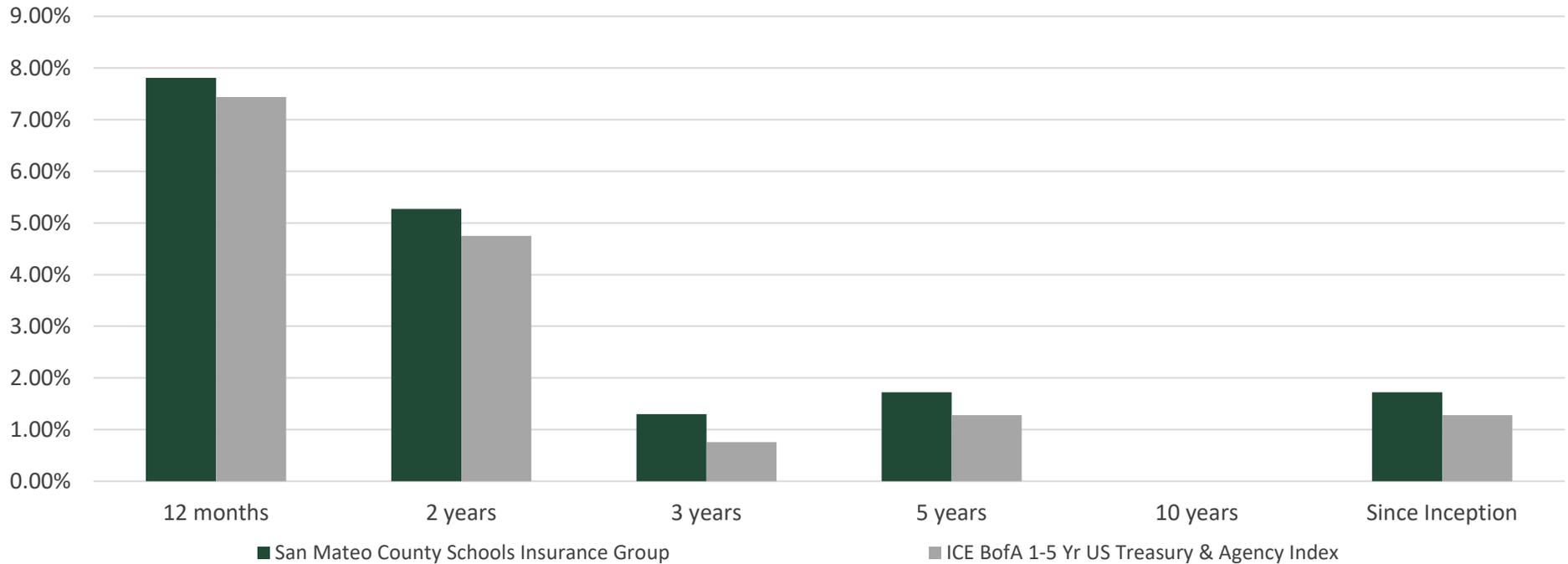
Rating	09/30/2024	06/30/2024
AAA	8.1%	7.9%
AA	65.0%	65.9%
A	9.1%	10.2%
NR	17.8%	16.0%

INVESTMENT PERFORMANCE



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Total Rate of Return : Inception | 10/01/2019



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN							
San Mateo Cnty Schools Ins Grp	3.43%	7.81%	5.27%	1.30%	1.72%		1.72%
Benchmark	3.37%	7.44%	4.75%	0.76%	1.28%		1.28%

*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio

PORTFOLIO HOLDINGS

HOLDINGS REPORT



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
47788UAC6	JDOT 2021 A3 0.36 09/15/2025	183.73	03/02/2021 0.37%	183.69 183.72	99.81 5.41%	183.37 0.03	0.00% (0.35)	Aaa/NA AAA	0.96 0.04
89190GAC1	TAOT 2021-B A3 0.26 11/17/2025	7,793.87	06/08/2021 0.27%	7,793.03 7,793.70	99.63 5.34%	7,765.13 0.90	0.01% (28.57)	NA/AAA AAA	1.13 0.07
43815EAC8	HAROT 2021-3 A3 0.41 11/18/2025	13,161.79	08/17/2021 0.33%	13,161.60 13,161.76	99.26 5.18%	13,064.18 1.95	0.02% (97.58)	NA/AAA AAA	1.13 0.15
43815GAC3	HAROT 2021-4 A3 0.88 01/21/2026	13,578.41	11/16/2021 0.89%	13,575.55 13,577.60	98.70 5.24%	13,401.62 3.32	0.02% (175.98)	Aaa/NA AAA	1.31 0.30
47789QAC4	JDOT 2021-B A3 0.52 03/16/2026	13,787.01	07/13/2021 0.52%	13,785.78 13,786.67	98.83 4.69%	13,625.49 3.19	0.03% (161.18)	Aaa/NA AAA	1.46 0.28
44935FAD6	HART 2021-C A3 0.74 05/15/2026	8,230.78	11/09/2021 0.75%	8,228.95 8,230.21	99.08 5.23%	8,154.99 2.71	0.02% (75.23)	NA/AAA AAA	1.62 0.20
43815PAC3	HAROT 2022-2 A3 3.73 07/20/2026	209,473.42	-- 4.67%	205,776.20 207,729.63	99.47 4.82%	208,354.18 282.15	0.39% 624.55	NA/AAA AAA	1.80 0.50
05602RAD3	BMWOT 2022-A A3 3.21 08/25/2026	294,964.57	-- 4.92%	286,051.75 290,682.16	99.33 4.75%	292,983.09 157.81	0.55% 2,300.92	Aaa/AAA NA	1.90 0.44
47787JAC2	JDOT 2022 A3 0.36 09/15/2026	25,578.18	03/10/2022 2.34%	25,572.53 25,575.88	98.85 4.69%	25,284.00 26.37	0.05% (291.88)	Aaa/NA AAA	1.96 0.49
89238FAD5	TAOT 2022-B A3 2.93 09/15/2026	81,953.68	06/03/2022 3.38%	81,210.98 81,633.64	99.18 4.65%	81,284.08 106.72	0.15% (349.56)	Aaa/AAA NA	1.96 0.48
362554AC1	GMCAR 2021-4 A3 0.68 09/16/2026	13,041.98	10/13/2021 0.68%	13,041.65 13,041.89	98.52 4.96%	12,849.30 3.70	0.02% (192.60)	Aaa/AAA NA	1.96 0.34
448977AD0	HART 2022-A A3 2.22 10/15/2026	51,885.84	03/09/2022 2.23%	51,883.85 51,885.17	98.90 4.95%	51,314.91 51.19	0.10% (570.26)	NA/AAA AAA	2.04 0.40
380146AC4	GMCAR 2022-1 A3 1.26 11/16/2026	13,981.11	01/11/2022 1.24%	13,979.90 13,980.73	98.64 4.79%	13,791.27 7.34	0.03% (189.46)	NA/AAA AAA	2.13 0.38
02582JIR2	AMXCA 2021-1 A 0.9 11/15/2024	400,000.00	06/10/2022 3.42%	376,562.50 397,798.01	99.50 5.07%	397,995.84 160.00	0.74% 197.83	Aaa/NA AAA	0.13 0.12
379929AD4	GMALT 2023-3 A3 5.38 11/20/2026	120,000.00	08/08/2023 5.38%	119,985.61 119,990.58	100.76 4.56%	120,910.99 197.27	0.23% 920.41	NA/AAA AAA	2.14 0.86
47800AAC4	JDOT 2022-B A3 3.74 02/16/2027	97,255.62	07/12/2022 3.77%	97,246.34 97,251.41	99.44 4.62%	96,713.25 161.66	0.18% (538.17)	Aaa/NA AAA	2.38 0.66

HOLDINGS REPORT



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
36269FAD8	GMALT 2024-1 A3 5.09 03/22/2027	235,000.00	02/08/2024 5.09%	234,970.63 234,976.58	101.00 4.40%	237,354.49 365.49	0.44% 2,377.91	NA/AAA AAA	2.47 1.34
36265WAD5	GMCAR 2022-3 A3 3.64 04/16/2027	70,018.84	07/06/2022 3.93%	70,018.36 70,018.62	99.46 4.67%	69,641.88 106.20	0.13% (376.74)	Aaa/NA AAA	2.54 0.54
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	251,545.52	10/12/2022 3.29%	251,525.99 251,534.81	100.44 4.58%	252,664.77 569.05	0.47% 1,129.96	Aaa/NA AAA	2.71 0.79
58768PAC8	MBART 2022-1 A3 5.21 08/16/2027	343,589.53	11/15/2022 5.27%	343,521.57 343,548.63	100.50 4.50%	345,312.02 795.60	0.64% 1,763.39	Aaa/AAA NA	2.88 0.65
161571HS6	CHAIT 2022-1 A 3.97 09/15/2027	165,000.00	10/31/2022 5.15%	160,017.77 162,049.86	99.68 4.35%	164,467.79 291.13	0.31% 2,417.93	NR/AAA AAA	2.96 0.92
38012QAD0	GMALT 243 A3 4.56 10/20/2027	145,000.00	09/24/2024 4.61%	144,982.85 144,982.85	99.99 4.25%	144,982.85 0.00	0.27% (0.00)	NA/AAA NA	3.05 1.74
58769GAD5	MBALT 2024-B A3 4.23 02/15/2028	215,000.00	09/17/2024 4.24%	214,963.82 214,964.00	99.87 4.34%	214,730.99 151.58	0.40% (233.00)	NA/AAA NA	3.38 1.76
05592XAD2	BMWOT 2023-A A3 5.47 02/25/2028	100,000.00	07/11/2023 5.47%	99,982.28 99,986.92	101.24 4.43%	101,239.51 91.17	0.19% 1,252.59	NA/AAA AAA	3.41 1.12
36267KAD9	GMCAR 2023-3 A3 5.45 06/16/2028	115,000.00	07/11/2023 5.66%	114,995.56 114,996.65	101.49 4.37%	116,716.43 261.15	0.22% 1,719.78	Aaa/AAA NA	3.71 1.30
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	330,000.00	08/09/2024 4.62%	329,948.16 329,949.43	100.97 4.15%	333,187.54 418.92	0.62% 3,238.11	Aaa/NA AAA	4.47 2.07
05522RDJ4	BACCT 2024-1 A 4.93 03/15/2029	265,000.00	06/06/2024 4.93%	264,985.13 264,986.07	102.32 4.03%	271,150.73 580.64	0.50% 6,164.66	Aaa/AAA NA	4.45 2.41
Total ABS		3,600,023.88	4.42%	3,557,952.00 3,588,297.19	100.26 4.53%	3,609,124.67 4,797.22	6.72% 20,827.48	Aaa/AAA AAA	2.63 1.03

AGENCY									
3135G0X24	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 01/07/2025	75,000.00	01/08/2020 1.69%	74,760.75 74,987.15	99.19 4.67%	74,395.04 284.38	0.14% (592.11)	Aaa/AA+ AA+	0.27 0.26
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	130,000.00	04/22/2020 0.67%	129,732.20 129,970.20	97.98 4.33%	127,371.86 358.85	0.24% (2,598.34)	Aaa/AA+ AA+	0.56 0.54
3135G04Z3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 06/17/2025	220,000.00	06/17/2020 0.54%	219,544.60 219,935.34	97.43 4.20%	214,352.77 317.78	0.40% (5,582.56)	Aaa/AA+ AA+	0.71 0.70

HOLDINGS REPORT



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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	220,000.00	-- 0.47%	218,969.40 219,833.60	97.12 4.04%	213,674.63 160.42	0.40% (6,158.97)	Aaa/AA+ AA+	0.80 0.79
3135G05X7	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.375 08/25/2025	200,000.00	12/10/2020 0.47%	199,126.00 199,833.14	96.87 3.95%	193,730.90 75.00	0.36% (6,102.24)	Aaa/AA+ AA+	0.90 0.88
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	170,000.00	09/23/2020 0.44%	169,488.30 169,899.85	96.53 4.03%	164,106.75 14.17	0.31% (5,793.10)	Aaa/AA+ AA+	0.98 0.96
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	185,000.00	11/09/2020 0.57%	184,337.70 184,853.79	96.23 4.04%	178,019.45 370.00	0.33% (6,834.34)	Aaa/AA+ AA+	1.10 1.07
3133EPPE9	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 07/06/2026	1,000,000.00	07/05/2023 4.67%	991,800.00 995,189.23	101.19 3.67%	1,011,858.13 10,329.86	1.88% 16,668.90	Aaa/AA+ AA+	1.76 1.67
3133EPSW6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 08/14/2026	500,000.00	08/25/2023 4.82%	495,665.00 497,267.59	101.54 3.64%	507,676.15 2,937.50	0.95% 10,408.56	Aaa/AA+ AA+	1.87 1.77
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	500,000.00	02/03/2023 3.75%	510,925.00 507,198.88	101.97 3.59%	509,861.25 6,552.08	0.95% 2,662.37	Aaa/AA+ AA+	3.19 2.93
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	1,000,000.00	09/07/2023 4.49%	994,885.00 995,974.07	102.73 3.62%	1,027,347.45 2,795.14	1.91% 31,373.38	Aaa/AA+ AA+	3.94 3.59
3133EPC45	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 11/13/2028	1,000,000.00	11/27/2023 4.52%	1,004,770.00 1,003,959.21	103.87 3.61%	1,038,662.82 17,729.17	1.93% 34,703.61	Aaa/AA+ AA+	4.12 3.67
3130AXQK7	FEDERAL HOME LOAN BANKS 4.75 12/08/2028	1,000,000.00	12/07/2023 4.22%	1,023,710.00 1,019,842.69	104.35 3.62%	1,043,459.75 14,909.72	1.94% 23,617.06	Aaa/AA+ AA+	4.19 3.73
3133EPW84	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 01/18/2029	1,000,000.00	02/05/2024 4.16%	987,170.00 988,858.90	100.97 3.63%	1,009,670.18 7,857.64	1.88% 20,811.28	Aaa/AA+ AA+	4.30 3.90
3130AVBD3	FEDERAL HOME LOAN BANKS 4.5 03/09/2029	1,000,000.00	04/26/2024 4.73%	989,930.00 990,809.35	103.58 3.62%	1,035,774.37 2,750.00	1.93% 44,965.02	Aaa/AA+ AA+	4.44 4.00
3133ERAK7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 04/10/2029	1,000,000.00	04/18/2024 4.73%	984,330.00 985,752.98	103.20 3.60%	1,031,957.25 20,781.25	1.92% 46,204.27	Aaa/AA+ AA+	4.53 4.01
3130B1BC0	FEDERAL HOME LOAN BANKS 4.625 06/08/2029	1,000,000.00	06/25/2024 4.32%	1,013,506.00 1,012,781.40	104.30 3.62%	1,042,976.28 19,013.89	1.94% 30,194.88	Aaa/AA+ AA+	4.69 4.13
Total Agency		10,200,000.00	4.03%	10,192,649.95 10,196,947.36	102.25 3.68%	10,424,895.03 107,236.84	19.41% 227,947.68	Aaa/AA+ AA+	3.50 3.16

AGENCY CMBS

HOLDINGS REPORT



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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137BFE98	FHMS K-041 A2 3.171 10/25/2024	162,791.75	10/21/2022 4.93%	157,348.40 162,791.75	99.66 3.17%	162,245.78 430.18	0.30% (545.97)	Aaa/AA+ AAA	0.07 0.23
3137BFXT3	FHMS K-042 A2 2.67 12/25/2024	178,408.74	08/19/2021 0.63%	189,392.02 178,968.92	99.51 4.67%	177,526.49 396.96	0.33% (1,442.43)	Aaa/AA+ AA+	0.24 0.16
3137F2LJ3	FHMS K-066 A2 3.117 06/25/2027	500,000.00	10/20/2022 4.80%	465,488.28 480,011.96	97.84 3.94%	489,182.90 1,298.75	0.91% 9,170.94	Aaa/AA+ AAA	2.73 2.45
3137FCLD4	FHMS K-071 A2 3.286 11/25/2027	350,000.00	04/13/2023 4.03%	338,898.44 342,460.58	98.17 3.87%	343,596.09 958.42	0.64% 1,135.51	Aaa/AA+ AAA	3.15 2.90
3137F4D41	FHMS K-074 A2 3.6 01/25/2028	400,000.00	03/16/2023 4.27%	388,140.63 391,942.15	99.01 3.88%	396,031.76 1,200.00	0.74% 4,089.61	Aaa/AA+ AAA	3.32 3.01
3137FG6X8	FHMS K-077 A2 3.85 05/25/2028	405,000.00	05/24/2023 4.24%	397,564.45 399,590.82	99.59 3.93%	403,319.78 1,299.38	0.75% 3,728.95	Aaa/AA+ AAA	3.65 3.28
3137FKUP9	FHMS K-087 A2 3.771 12/25/2028	400,000.00	01/03/2024 4.30%	390,484.38 391,904.54	99.26 3.93%	397,030.92 1,257.00	0.74% 5,126.38	Aaa/AAA AA+	4.24 3.76
3137FKZZ2	FHMS K-088 A2 3.69 01/25/2029	500,000.00	01/18/2024 4.43%	483,378.91 485,683.55	98.93 3.93%	494,670.10 1,537.50	0.92% 8,986.55	Aaa/AA+ AA+	4.32 3.86
3137FLN91	FHMS K-091 A2 3.505 03/25/2029	480,000.00	09/20/2024 3.80%	473,887.50 473,910.17	98.14 3.94%	471,071.62 1,402.00	0.88% (2,838.55)	Aaa/AAA AA+	4.48 3.98
Total Agency CMBS		3,376,200.49	4.12%	3,284,583.01 3,307,264.44	98.77 3.92%	3,334,675.42 9,780.18	6.21% 27,410.98	Aaa/AA+ AAA	3.36 3.01
CASH									
CCYUSD	Payable	(144,982.85)	-- 0.00%	(144,982.85) (144,982.85)	1.00 0.00%	(144,982.85) 0.00	(0.27%) 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	1,308.47	-- 0.00%	1,308.47 1,308.47	1.00 0.00%	1,308.47 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		(143,674.38)	0.00%	(143,674.38) (143,674.38)	1.00 0.00%	(143,674.38) 0.00	(0.27%) 0.00	Aaa/AAA AAA	0.00 0.00
CORPORATE									
24422EVY2	JOHN DEERE CAPITAL CORP 1.25 01/10/2025	200,000.00	01/26/2022 1.50%	198,534.00 199,862.65	99.02 4.86%	198,034.16 562.50	0.37% (1,828.49)	A1/A A+	0.28 0.27

HOLDINGS REPORT



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06367WB85	BANK OF MONTREAL 1.85 05/01/2025	350,000.00	-- 2.07%	349,654.00 349,621.69	98.41 4.64%	344,441.06 2,697.92	0.64% (5,180.63)	A2/A- AA-	0.58 0.57
717081EX7	PFIZER INC 0.8 05/28/2025	100,000.00	06/03/2020 0.82%	99,903.00 99,987.25	97.69 4.40%	97,689.09 273.33	0.18% (2,298.16)	A2/A WR	0.66 0.64
89115A2A9	TORONTO-DOMINION BANK 3.766 06/06/2025	250,000.00	06/06/2022 3.76%	250,057.50 250,013.03	99.45 4.59%	248,618.15 3,007.57	0.46% (1,394.88)	A1/A NA	0.68 0.66
78015K7H1	ROYAL BANK OF CANADA 1.15 06/10/2025	350,000.00	-- 2.43%	337,496.00 347,062.25	97.71 4.55%	341,984.26 1,241.04	0.64% (5,077.99)	A1/A AA-	0.69 0.67
46647PCZ7	JPMORGAN CHASE & CO 4.08 04/26/2026	400,000.00	10/28/2022 5.81%	383,840.00 392,733.08	99.50 5.75%	398,008.26 7,026.67	0.74% 5,275.18	A1/A- AA-	1.57 0.55
00440EAV9	CHUBB INA HOLDINGS LLC 3.35 05/03/2026	500,000.00	08/25/2023 5.22%	476,935.00 486,344.95	98.82 4.12%	494,115.30 6,886.11	0.92% 7,770.34	A3/A A	1.59 1.51
91324PEC2	UNITEDHEALTH GROUP INC 1.15 05/15/2026	35,000.00	-- 1.08%	35,113.75 35,036.18	95.60 3.97%	33,461.50 152.06	0.06% (1,574.68)	A2/A+ A	1.62 1.57
61747YET8	MORGAN STANLEY 4.679 07/17/2026	135,000.00	07/18/2022 4.68%	135,000.00 135,000.00	99.86 5.78%	134,809.64 1,298.42	0.25% (190.36)	A1/A- A+	1.79 0.76
06428CAA2	BANK OF AMERICA NA 5.526 08/18/2026	500,000.00	08/25/2023 5.49%	500,515.00 500,320.04	102.67 4.03%	513,372.28 3,300.25	0.96% 13,052.23	Aa1/A+ AA	1.88 1.69
931142ERO	WALMART INC 1.05 09/17/2026	40,000.00	09/08/2021 1.09%	39,924.40 39,970.36	94.97 3.74%	37,986.31 16.33	0.07% (1,984.05)	Aa2/AA AA	1.96 1.91
438516BL9	HONEYWELL INTERNATIONAL INC 2.5 11/01/2026	500,000.00	12/13/2022 4.24%	469,125.00 483,418.58	97.41 3.81%	487,035.36 5,208.33	0.91% 3,616.78	A2/A A	2.09 1.98
857477BX0	STATE STREET CORP 5.751 11/04/2026	400,000.00	11/03/2022 5.76%	399,628.00 399,805.07	101.33 5.29%	405,326.67 9,393.30	0.75% 5,521.60	A1/A AA-	2.10 1.03
87612EBM7	TARGET CORP 1.95 01/15/2027	90,000.00	01/19/2022 1.99%	89,847.00 89,929.61	96.06 3.76%	86,453.58 370.50	0.16% (3,476.03)	A2/A A	2.29 2.20
26444HAC5	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	450,000.00	10/17/2022 5.10%	417,649.50 432,540.34	98.35 3.96%	442,590.33 3,040.00	0.82% 10,050.00	A1/A WR	2.29 2.17
742718FV6	PROCTER & GAMBLE CO 1.9 02/01/2027	190,000.00	01/27/2022 1.93%	189,730.20 189,873.97	95.91 3.75%	182,228.90 601.67	0.34% (7,645.07)	Aa3/AA- NA	2.34 2.24
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	60,000.00	03/01/2022 2.47%	59,935.20 59,968.67	96.04 4.19%	57,622.88 114.33	0.11% (2,345.78)	A2/A- A	2.42 2.31
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	175,000.00	03/07/2022 2.30%	174,966.75 174,983.70	96.79 3.68%	169,383.65 178.89	0.32% (5,600.05)	Aa2/AA A+	2.45 2.35

HOLDINGS REPORT



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
09247XAN1	BLACKROCK INC 3.2 03/15/2027	400,000.00	06/06/2022 3.43%	395,936.00 397,910.81	98.55 3.82%	394,217.42 568.89	0.73% (3,693.40)	Aa3/AA- NA	2.45 2.33
023135CF1	AMAZON.COM INC 3.3 04/13/2027	250,000.00	06/14/2022 4.23%	239,865.00 244,685.17	98.72 3.83%	246,807.15 3,850.00	0.46% 2,121.98	A1/AA AA-	2.53 2.37
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	500,000.00	-- 4.34%	493,106.05 496,072.43	100.16 3.93%	500,813.51 7,833.33	0.93% 4,741.08	A2/A+ A+	2.61 2.34
91324PEG3	UNITEDHEALTH GROUP INC 3.7 05/15/2027	375,000.00	12/19/2022 4.28%	366,318.75 369,832.33	99.53 3.89%	373,237.48 5,241.67	0.69% 3,405.15	A2/A+ A	2.62 2.44
22160KAM7	COSTCO WHOLESALE CORP 3.0 05/18/2027	500,000.00	10/12/2022 4.64%	466,190.00 480,665.60	98.30 3.68%	491,494.41 5,541.67	0.91% 10,828.81	Aa3/A+ WR	2.63 2.48
14913R3A3	CATERPILLAR FINANCIAL SERVICES CORP 3.6 08/12/2027	250,000.00	08/25/2022 3.83%	247,370.00 248,480.74	99.38 3.83%	248,440.44 1,225.00	0.46% (40.30)	A2/A A+	2.87 2.68
931142EX7	WALMART INC 3.95 09/09/2027	250,000.00	09/08/2022 3.91%	250,402.50 250,234.04	100.69 3.70%	251,724.91 603.47	0.47% 1,490.87	Aa2/AA AA	2.94 2.67
24422EWK1	JOHN DEERE CAPITAL CORP 4.15 09/15/2027	225,000.00	01/26/2023 4.22%	224,352.00 224,586.03	100.75 3.88%	226,679.29 415.00	0.42% 2,093.25	A1/A A+	2.96 2.75
57636QAW4	MASTERCARD INC 4.875 03/09/2028	450,000.00	-- 4.62%	455,093.70 453,508.81	103.30 3.84%	464,860.83 1,340.63	0.87% 11,352.01	Aa3/A+ NA	3.44 3.07
74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028	500,000.00	06/30/2023 4.82%	476,235.00 482,358.33	98.71 4.09%	493,553.83 7,708.33	0.92% 11,195.49	A1/A WR	3.59 3.27
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	500,000.00	05/25/2023 4.73%	492,800.00 494,744.12	101.19 4.04%	505,963.57 8,311.11	0.94% 11,219.45	Aa2/A+ AA-	3.62 3.13
58933YBH7	MERCK & CO INC 4.05 05/17/2028	325,000.00	-- 4.07%	324,644.35 324,742.27	100.84 3.80%	327,735.72 4,899.38	0.61% 2,993.46	A1/A+ NA	3.63 3.23
74340XCG4	PROLOGIS LP 4.875 06/15/2028	300,000.00	06/27/2023 5.05%	297,726.00 298,302.97	102.61 4.11%	307,838.26 4,306.25	0.57% 9,535.30	A3/A NA	3.71 3.26
24422EXB0	JOHN DEERE CAPITAL CORP 4.95 07/14/2028	270,000.00	07/11/2023 4.98%	269,597.70 269,695.69	103.32 4.00%	278,960.06 2,858.63	0.52% 9,264.37	A1/A A+	3.79 3.40
69371RS64	PACCAR FINANCIAL CORP 4.95 08/10/2028	420,000.00	08/03/2023 4.99%	419,336.40 419,488.23	103.52 3.96%	434,779.35 2,945.25	0.81% 15,291.12	A1/A+ NA	3.86 3.47
532457CK2	ELI LILLY AND CO 4.5 02/09/2029	385,000.00	02/07/2024 4.51%	384,745.90 384,778.58	102.42 3.89%	394,309.27 2,502.50	0.73% 9,530.69	A1/A+ NA	4.36 3.84
17275RBR2	CISCO SYSTEMS INC 4.85 02/26/2029	650,000.00	03/13/2024 4.65%	655,635.50 655,001.59	103.42 3.99%	672,219.09 3,064.93	1.25% 17,217.51	A1/AA- NA	4.41 3.86

HOLDINGS REPORT



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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
14913UAJ9	CATERPILLAR FINANCIAL SERVICES CORP 4.85 02/27/2029	400,000.00	03/18/2024 4.84%	400,196.00 400,174.83	103.47 3.98%	413,879.42 1,832.22	0.77% 13,704.60	A2/A A+	4.41 3.93
89236TMF9	TOYOTA MOTOR CREDIT CORP 5.05 05/16/2029	500,000.00	05/21/2024 5.01%	500,845.00 500,784.15	103.74 4.15%	518,707.49 9,468.75	0.97% 17,923.34	A1/A+ A+	4.62 4.03
437076DC3	HOME DEPOT INC 4.75 06/25/2029	650,000.00	-- 4.83%	647,575.70 647,705.32	103.07 4.03%	669,963.07 8,233.33	1.25% 22,257.75	A2/A A	4.73 4.10
713448FX1	PEPSICO INC 4.5 07/17/2029	475,000.00	07/15/2024 4.53%	474,263.75 474,294.39	103.07 3.79%	489,562.61 4,393.75	0.91% 15,268.21	A1/A+ NA	4.79 4.19
532457CQ9	ELI LILLY AND CO 4.2 08/14/2029	250,000.00	08/27/2024 4.10%	251,107.50 251,086.36	100.96 3.98%	252,394.61 1,370.83	0.47% 1,308.25	A1/A+ NA	4.87 4.28
69371RT48	PACCAR FINANCIAL CORP 4.0 09/26/2029	325,000.00	09/23/2024 4.05%	324,330.50 324,332.33	99.75 4.06%	324,176.29 180.56	0.60% (156.04)	A1/A+ NA	4.99 4.48
Total Corporate		13,875,000.00	4.37%	13,665,527.60 13,759,936.52	100.63 4.11%	13,955,479.41 134,064.69	25.98% 195,542.89	A1/A+ A+	3.04 2.67
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	584,343.22	-- 4.54%	584,343.22 584,343.22	1.00 4.54%	584,343.22 0.00	1.09% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		584,343.22	4.54%	584,343.22 584,343.22	1.00 4.54%	584,343.22 0.00	1.09% 0.00	Aaa/AAAm AAA	0.00 0.00
MUNICIPAL BONDS									
649791RC6	NEW YORK ST 1.25 03/15/2027	100,000.00	06/01/2022 3.49%	90,085.00 94,917.57	94.35 3.68%	94,346.00 55.56	0.18% (571.57)	Aa1/AA+ AA+	2.45 2.38
13063D7D4	CALIFORNIA ST 5.5 10/01/2028	500,000.00	10/04/2023 5.12%	508,170.00 506,569.27	105.91 3.89%	529,555.00 13,750.00	0.99% 22,985.73	Aa2/AA- AA	4.00 3.59
Total Municipal Bonds		600,000.00	4.88%	598,255.00 601,486.84	104.16 3.86%	623,901.00 13,805.56	1.16% 22,414.16	Aa2/AA- AA	3.77 3.40
SUPRANATIONAL									
45950KCR9	INTERNATIONAL FINANCE CORP 1.375 10/16/2024	250,000.00	07/12/2021 0.54%	256,725.00 250,084.77	99.85 4.96%	249,625.81 1,575.52	0.46% (458.96)	Aaa/AAA NA	0.04 0.04

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	255,000.00	-- 0.63%	253,533.95 254,650.23	96.30 4.06%	245,554.09 541.88	0.46% (9,096.13)	Aaa/AAA NA	1.08 1.05
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	215,000.00	04/13/2021 0.97%	214,015.30 214,694.77	95.52 3.87%	205,378.01 841.34	0.38% (9,316.76)	Aaa/AAA NA	1.55 1.51
459058KT9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 07/12/2028	500,000.00	07/07/2023 4.49%	478,070.00 483,435.47	99.62 3.61%	498,092.90 3,840.28	0.93% 14,657.43	Aaa/AAA NA	3.78 3.48
45950KDD9	INTERNATIONAL FINANCE CORP 4.5 07/13/2028	345,000.00	07/06/2023 4.53%	344,617.05 344,710.53	103.31 3.56%	356,426.50 3,363.75	0.66% 11,715.97	Aaa/AAA NA	3.79 3.43
4581X0DC9	INTER-AMERICAN DEVELOPMENT BANK 3.125 09/18/2028	500,000.00	12/08/2023 4.38%	473,310.00 477,814.51	98.27 3.60%	491,352.91 564.24	0.91% 13,538.39	Aaa/AAA NA	3.97 3.69
Total Supranational		2,065,000.00	3.17%	2,020,271.30 2,025,390.28	99.16 3.84%	2,046,430.22 10,727.00	3.81% 21,039.93	Aaa/AAA NA	2.82 2.61

US TREASURY									
912828ZF0	UNITED STATES TREASURY 0.5 03/31/2025	600,000.00	-- 1.90%	577,291.02 596,001.63	98.11 4.38%	588,656.25 8.24	1.10% (7,345.38)	Aaa/AA+ AA+	0.50 0.49
912828ZL7	UNITED STATES TREASURY 0.375 04/30/2025	600,000.00	-- 1.96%	572,958.99 594,730.40	97.76 4.32%	586,542.19 941.58	1.09% (8,188.22)	Aaa/AA+ AA+	0.58 0.57
912828ZT0	UNITED STATES TREASURY 0.25 05/31/2025	600,000.00	-- 1.97%	569,470.71 593,437.06	97.42 4.23%	584,513.67 504.10	1.09% (8,923.39)	Aaa/AA+ AA+	0.67 0.65
9128285C0	UNITED STATES TREASURY 3.0 09/30/2025	750,000.00	10/12/2022 4.33%	722,343.75 740,704.64	99.04 3.99%	742,816.40 61.81	1.38% 2,111.76	Aaa/AA+ AA+	1.00 0.97
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	600,000.00	-- 2.03%	564,005.86 588,958.83	96.13 3.94%	576,773.44 627.72	1.07% (12,185.39)	Aaa/AA+ AA+	1.08 1.06
91282CBC4	UNITED STATES TREASURY 0.375 12/31/2025	600,000.00	-- 2.15%	563,710.94 587,397.76	95.81 3.85%	574,851.56 568.61	1.07% (12,546.20)	Aaa/AA+ AA+	1.25 1.22
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	600,000.00	-- 2.01%	565,185.56 587,552.15	95.57 3.82%	573,398.44 379.08	1.07% (14,153.72)	Aaa/AA+ AA+	1.34 1.30
91282CBQ3	UNITED STATES TREASURY 0.5 02/28/2026	600,000.00	-- 1.86%	569,988.29 589,031.60	95.52 3.79%	573,093.75 256.91	1.07% (15,937.85)	Aaa/AA+ AA+	1.41 1.38
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	600,000.00	-- 1.92%	574,101.56 590,060.57	95.64 3.77%	573,820.31 12.36	1.07% (16,240.26)	Aaa/AA+ AA+	1.50 1.46

HOLDINGS REPORT



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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	600,000.00	-- 1.94%	572,707.03 588,747.96	95.25 3.72%	571,476.56 1,512.30	1.06% (17,271.40)	Aaa/AA+ AA+	1.67 1.62
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	600,000.00	-- 1.86%	570,726.56 587,192.21	94.63 3.68%	567,773.44 631.79	1.06% (19,418.78)	Aaa/AA+ AA+	1.83 1.79
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	600,000.00	-- 2.11%	566,753.91 585,273.04	94.65 3.67%	567,914.06 385.36	1.06% (17,358.98)	Aaa/AA+ AA+	1.92 1.87
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	600,000.00	-- 2.28%	565,281.25 584,138.31	94.73 3.64%	568,359.37 14.42	1.06% (15,778.94)	Aaa/AA+ AA+	2.00 1.95
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	600,000.00	06/03/2022 2.95%	554,648.44 578,565.18	94.98 3.65%	569,882.81 2,824.73	1.06% (8,682.37)	Aaa/AA+ AA+	2.08 2.02
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	600,000.00	06/03/2022 2.95%	557,085.94 579,302.74	95.09 3.63%	570,562.50 2,520.49	1.06% (8,740.24)	Aaa/AA+ AA+	2.17 2.09
91282CDQ1	UNITED STATES TREASURY 1.25 12/31/2026	600,000.00	06/03/2022 2.96%	556,195.31 578,451.98	94.96 3.61%	569,742.19 1,895.38	1.06% (8,709.79)	Aaa/AA+ AA+	2.25 2.18
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	600,000.00	06/13/2022 3.42%	575,460.94 587,232.96	97.43 3.59%	584,578.13 41.21	1.09% (2,654.84)	Aaa/AA+ AA+	2.50 2.39
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	600,000.00	06/03/2022 2.95%	594,375.00 597,041.29	97.94 3.59%	587,648.44 6,904.89	1.09% (9,392.86)	Aaa/AA+ AA+	2.58 2.44
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	750,000.00	-- 4.11%	722,333.99 733,914.08	99.16 3.57%	743,671.88 6,159.99	1.38% 9,757.79	Aaa/AA+ AA+	2.75 2.58
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	750,000.00	-- 4.11%	717,556.64 730,678.05	98.76 3.58%	740,712.89 2,007.08	1.38% 10,034.84	Aaa/AA+ AA+	2.92 2.75
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	750,000.00	10/12/2022 4.14%	749,443.36 749,664.11	101.61 3.56%	762,041.02 84.99	1.42% 12,376.91	Aaa/AA+ AA+	3.00 2.80
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	1,000,000.00	06/29/2023 4.26%	920,625.00 943,409.94	96.10 3.58%	960,976.56 8,498.64	1.79% 17,566.62	Aaa/AA+ AA+	3.13 2.95
91282CHX2	UNITED STATES TREASURY 4.375 08/31/2028	500,000.00	09/27/2023 4.69%	493,183.59 494,581.73	102.89 3.58%	514,433.60 1,873.27	0.96% 19,851.86	Aaa/AA+ AA+	3.92 3.57
91282CES6	UNITED STATES TREASURY 2.75 05/31/2029	1,400,000.00	09/24/2024 3.51%	1,354,664.06 1,354,823.23	96.43 3.59%	1,350,070.32 12,938.52	2.51% (4,752.91)	Aaa/AA+ AA+	4.67 4.29
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	1,400,000.00	09/24/2024 3.51%	1,384,031.25 1,384,086.35	98.56 3.58%	1,379,820.32 11,498.64	2.57% (4,266.03)	Aaa/AA+ AA+	4.75 4.32
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	1,000,000.00	07/30/2024 4.06%	997,109.38 997,207.53	101.90 3.57%	1,018,984.38 6,739.13	1.90% 21,776.85	Aaa/AA+ AA+	4.83 4.34

HOLDINGS REPORT



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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
912828YB0	UNITED STATES TREASURY 1.625 08/15/2029	1,400,000.00	09/24/2024 3.48%	1,284,390.63 1,284,779.23	91.46 3.55%	1,280,507.82 2,905.57	2.38% (4,271.42)	Aaa/AA+ AA+	4.87 4.60
Total US Treasury		19,900,000.00	3.10%	19,015,628.96 19,406,964.59	96.97 3.71%	19,283,622.28 72,796.82	35.90% (123,342.31)	Aaa/AA+ AA+	2.70 2.53
Total Portfolio		54,056,893.21	3.81%	52,775,536.66 53,326,956.05	98.66 3.90%	53,718,796.87 353,208.30	100.00% 391,840.82	Aa2/AA- AA	2.97 2.61
Total Market Value + Accrued						54,072,005.17			

TRANSACTIONS

TRANSACTION LEDGER



San Mateo County Schools Insurance Group | Account #10671 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/17/2024	713448FX1	475,000.00	PEPSICO INC 4.5 07/17/2029	99.845	4.53%	(474,263.75)	0.00	(474,263.75)	0.00
Purchase	07/31/2024	91282CLC3	1,000,000.00	UNITED STATES TREASURY 4.0 07/31/2029	99.711	4.06%	(997,109.38)	0.00	(997,109.38)	0.00
Purchase	08/21/2024	43813YAC6	330,000.00	HAROT 2024-3 A3 4.57 03/21/2029	99.984	4.66%	(329,948.16)	0.00	(329,948.16)	0.00
Purchase	08/28/2024	532457CQ9	250,000.00	ELI LILLY AND CO 4.2 08/14/2029	100.443	4.10%	(251,107.50)	(408.33)	(251,515.83)	0.00
Purchase	09/25/2024	58769GAD5	215,000.00	MBALT 2024-B A3 4.23 02/15/2028	99.983	4.24%	(214,963.82)	0.00	(214,963.82)	0.00
Purchase	09/25/2024	3137FLN91	480,000.00	FHMS K-091 A2 3.505 03/25/2029	98.727	3.79%	(473,887.50)	(1,121.60)	(475,009.10)	0.00
Purchase	09/25/2024	912828YB0	1,400,000.00	UNITED STATES TREASURY 1.625 08/15/2029	91.742	3.48%	(1,284,390.63)	(2,534.65)	(1,286,925.28)	0.00
Purchase	09/25/2024	91282CES6	1,400,000.00	UNITED STATES TREASURY 2.75 05/31/2029	96.762	3.51%	(1,354,664.06)	(12,307.38)	(1,366,971.44)	0.00
Purchase	09/25/2024	91282CEV9	1,400,000.00	UNITED STATES TREASURY 3.25 06/30/2029	98.859	3.51%	(1,384,031.25)	(10,756.79)	(1,394,788.04)	0.00
Purchase	09/26/2024	69371RT48	325,000.00	PACCAR FINANCIAL CORP 4.0 09/26/2029	99.794	4.05%	(324,330.50)	0.00	(324,330.50)	0.00
Purchase	10/02/2024	38012QAD0	145,000.00	4.56 10/20/2027	99.988	4.61%	(144,982.85)	0.00	(144,982.85)	0.00
Total Purchase			7,420,000.00				(7,233,679.40)	(27,128.75)	(7,260,808.15)	0.00
TOTAL ACQUISITIONS			7,420,000.00				(7,233,679.40)	(27,128.75)	(7,260,808.15)	0.00
DISPOSITIONS										
Maturity	07/15/2024	79466LAG9	(30,000.00)	SALESFORCE INC 0.625 07/15/2024	100.000	0.63%	30,000.00	0.00	30,000.00	0.00
Maturity	08/09/2024	69371RR40	(35,000.00)	PACCAR FINANCIAL CORP 0.5 08/09/2024	100.000	0.50%	35,000.00	0.00	35,000.00	0.00
Maturity	08/15/2024	69371RQ25	(125,000.00)	PACCAR FINANCIAL CORP 2.15 08/15/2024	100.000	2.15%	125,000.00	0.00	125,000.00	0.00

TRANSACTION LEDGER



San Mateo County Schools Insurance Group | Account #10671 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	09/10/2024	02665WDD0	(125,000.00)	AMERICAN HONDA FINANCE CORP 2.15 09/10/2024	100.000	2.15%	125,000.00	0.00	125,000.00	0.00
Maturity	09/17/2024	3133EKP75	(200,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.6 09/17/2024	100.000	1.60%	200,000.00	0.00	200,000.00	0.00
Total Maturity			(515,000.00)				515,000.00	0.00	515,000.00	0.00
Sale	07/17/2024	912828Z52	(250,000.00)	UNITED STATES TREASURY 1.375 01/31/2025	97.992	2.88%	244,980.47	1,586.54	246,567.01	(4,365.77)
Sale	07/31/2024	3133ENS43	(500,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 10/17/2024	99.750	4.46%	498,750.00	6,319.44	505,069.44	(1,164.10)
Sale	07/31/2024	89236TKK0	(400,000.00)	TOYOTA MOTOR CREDIT CORP 5.4 11/10/2025	100.588	5.36%	402,352.00	4,860.00	407,212.00	2,188.38
Sale	09/25/2024	3130A4CH3	(200,000.00)	FEDERAL HOME LOAN BANKS 2.375 03/14/2025	99.025	1.20%	198,050.00	145.14	198,195.14	(3,029.22)
Sale	09/25/2024	3137EAEPO	(225,000.00)	FEDERAL HOME LOAN MORTGAGE CORP 1.5 02/12/2025	98.859	1.52%	222,432.75	403.13	222,835.88	(2,553.96)
Sale	09/25/2024	3130AWN63	(1,000,000.00)	FEDERAL HOME LOAN BANKS 4.0 06/30/2028	101.798	4.07%	1,017,980.00	9,444.44	1,027,424.44	20,431.94
Sale	09/25/2024	3130AWC24	(1,000,000.00)	FEDERAL HOME LOAN BANKS 4.0 06/09/2028	101.716	4.23%	1,017,160.00	11,777.78	1,028,937.78	24,666.68
Sale	09/25/2024	912828Z52	(350,000.00)	UNITED STATES TREASURY 1.375 01/31/2025	98.918	2.88%	346,212.89	732.34	346,945.23	(3,195.43)
Sale	09/25/2024	91282CGH8	(1,000,000.00)	UNITED STATES TREASURY 3.5 01/31/2028	100.070	4.21%	1,000,703.13	5,326.09	1,006,029.22	22,109.96
Sale	09/25/2024	9128283W8	(1,000,000.00)	UNITED STATES TREASURY 2.75 02/15/2028	97.641	4.46%	976,406.25	3,063.86	979,470.11	28,332.88
Total Sale			(5,925,000.00)				5,925,027.49	43,658.76	5,968,686.25	83,421.37
TOTAL DISPOSITIONS			(6,440,000.00)				6,440,027.49	43,658.76	6,483,686.25	83,421.37

IMPORTANT DISCLOSURES



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

2024 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc (“IDS”), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client’s Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody’s, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities (“MBS”) reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody’s and Fitch respectively.

BENCHMARK DISCLOSURES



San Mateo County Schools Insurance Group | Account #10671 | As of September 30, 2024

Benchmark	Disclosure
ICE BofA 1-5 Yr US Treasury & Agency Index	The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.



Account Information

Account Number Account Name
 001051005082 SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Income Cash		5.44%	2,929,231.4200	1.0000	30-Sep-24	2,929,231.42	-	-	-	-	-
					Asset Type Total	2,929,231.42	-	-	-	-	-
Principal Cash		-5.44%	-2,929,231.4200	1.0000	30-Sep-24	-2,929,231.42	-	-	-	-	-
					Asset Type Total	-2,929,231.42	-	-	-	-	-
					Asset Category Total	-	-	-	-	-	-
Cash & Cash Equivalents											
SHORT TERM FDS-TAXABLE (ACM)											
FIRST AM GOVT OB FD CL Y	31846V203	1.08%	584,343.2200	1.0000	30-Sep-24	584,343.22	584,343.22	-	26,346.28	4.51%	1,308.47
					Asset Type SHORT TERM FDS-TAXABLE (ACM) Total	584,343.22	584,343.22	-	26,346.28	4.51%	1,308.47
					Asset Category Cash & Cash Equivalents Total	584,343.22	584,343.22	-	26,346.28	4.51%	1,308.47
Fixed Income											
CORPORATE BONDS AND NOTES											
AMAZON COM 4/13/27	3.300% 023135CF1	0.46%	250,000.0000	98.7230	30-Sep-24	246,807.50	239,865.00	6,942.50	8,250.00	3.34%	3,850.00
					Asset Type CORPORATE BONDS AND NOTES Total	246,807.50	239,865.00	6,942.50	8,250.00	3.34%	3,850.00
CORPORATE BONDS AND NOTES											
BANK OF AMERICA NA 8/18/26	5.526% 06428CAA2	0.95%	500,000.0000	102.6750	30-Sep-24	513,375.00	500,515.00	12,860.00	27,630.00	5.38%	3,300.25
					Asset Type CORPORATE BONDS AND NOTES Total	513,375.00	500,515.00	12,860.00	27,630.00	5.38%	3,300.25



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE BONDS AND NOTES											
BERKSHIRE HATHAWAY 2.300% 3/15/27	084664CZ2	0.31%	175,000.0000	96.7910	30-Sep-24	169,384.25	174,966.75	-5,582.50	4,025.00	2.38%	178.89
Asset Type CORPORATE BONDS AND NOTES Total						169,384.25	174,966.75	-5,582.50	4,025.00	2.38%	178.89
CORPORATE BONDS AND NOTES											
BLACKROCK INC 3.200% 3/15/27	09247XAN1	0.73%	400,000.0000	98.5540	30-Sep-24	394,216.00	395,936.00	-1,720.00	12,800.00	3.25%	568.89
Asset Type CORPORATE BONDS AND NOTES Total						394,216.00	395,936.00	-1,720.00	12,800.00	3.25%	568.89
CORPORATE BONDS AND NOTES											
CATERPILLAR FINL MTN 3.600% 8/12/27	14913R3A3	0.46%	250,000.0000	99.3760	30-Sep-24	248,440.00	247,370.00	1,070.00	9,000.00	3.62%	1,225.00
Asset Type CORPORATE BONDS AND NOTES Total						248,440.00	247,370.00	1,070.00	9,000.00	3.62%	1,225.00
CORPORATE BONDS AND NOTES											
CATERPILLAR FINL MTN 4.850% 2/27/29	14913UAJ9	0.77%	400,000.0000	103.4700	30-Sep-24	413,880.00	400,196.00	13,684.00	19,400.00	4.69%	1,832.22
Asset Type CORPORATE BONDS AND NOTES Total						413,880.00	400,196.00	13,684.00	19,400.00	4.69%	1,832.22
CORPORATE BONDS AND NOTES											
CHARLES SCHWAB CORP 2.450% 3/03/27	808513BY0	0.11%	60,000.0000	96.0380	30-Sep-24	57,622.80	59,935.20	-2,312.40	1,470.00	2.55%	114.33
Asset Type CORPORATE BONDS AND NOTES Total						57,622.80	59,935.20	-2,312.40	1,470.00	2.55%	114.33
CORPORATE BONDS AND NOTES											
CHUBBS INA HOLDINGS 3.350% 5/03/26	00440EAV9	0.92%	500,000.0000	98.8230	30-Sep-24	494,115.00	476,935.00	17,180.00	16,750.00	3.39%	6,886.11
Asset Type CORPORATE BONDS AND NOTES Total						494,115.00	476,935.00	17,180.00	16,750.00	3.39%	6,886.11



Account Information

Account Number Account Name
 001051005082 SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE BONDS AND NOTES											
CISCO SYS INC	4.850% 2/26/29 17275RBR2	1.25%	650,000.0000	103.4180	30-Sep-24	672,217.00	655,635.50	16,581.50	31,525.00	4.69%	3,064.93
Asset Type CORPORATE BONDS AND NOTES Total						672,217.00	655,635.50	16,581.50	31,525.00	4.69%	3,064.93
CORPORATE BONDS AND NOTES											
COSTCO WHOLESALE	3.000% 22160KAM7	0.91%	500,000.0000	98.2990	30-Sep-24	491,495.00	466,190.00	25,305.00	15,000.00	3.05%	5,541.67
5/18/27											
Asset Type CORPORATE BONDS AND NOTES Total						491,495.00	466,190.00	25,305.00	15,000.00	3.05%	5,541.67
CORPORATE BONDS AND NOTES											
DEERE JOHN MTN	1.250% 24422EVY2	0.37%	200,000.0000	99.0170	30-Sep-24	198,034.00	198,534.00	-500.00	2,500.00	1.26%	562.50
1/10/25											
Asset Type CORPORATE BONDS AND NOTES Total						198,034.00	198,534.00	-500.00	2,500.00	1.26%	562.50
CORPORATE BONDS AND NOTES											
DEERE JOHN MTN	4.150% 24422EWK1	0.42%	225,000.0000	100.7460	30-Sep-24	226,678.50	224,352.00	2,326.50	9,337.50	4.12%	415.00
9/15/27											
Asset Type CORPORATE BONDS AND NOTES Total						226,678.50	224,352.00	2,326.50	9,337.50	4.12%	415.00
CORPORATE BONDS AND NOTES											
DUKE ENERGY FLORIDA	3.200% 26444HAC5	0.82%	450,000.0000	98.3530	30-Sep-24	442,588.50	417,649.50	24,939.00	14,400.00	3.25%	3,040.00
1/15/27											
Asset Type CORPORATE BONDS AND NOTES Total						442,588.50	417,649.50	24,939.00	14,400.00	3.25%	3,040.00
CORPORATE BONDS AND NOTES											
ELI LILLY CO	4.200% 8/14/29 532457CQ9	0.47%	250,000.0000	100.9580	30-Sep-24	252,395.00	251,107.50	1,287.50	10,500.00	4.16%	1,370.83
Asset Type CORPORATE BONDS AND NOTES Total						252,395.00	251,107.50	1,287.50	10,500.00	4.16%	1,370.83



Account Information

Account Number Account Name
 001051005082 SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE BONDS AND NOTES											
ELI LILLY CO	4.500% 2/09/29 532457CK2	0.73%	385,000.0000	102.4180	30-Sep-24	394,309.30	384,745.90	9,563.40	17,325.00	4.39%	2,502.50
Asset Type CORPORATE BONDS AND NOTES Total						394,309.30	384,745.90	9,563.40	17,325.00	4.39%	2,502.50
CORPORATE BONDS AND NOTES											
FLORIDA PWR LT CO	4.400% 341081GN1	0.94%	500,000.0000	101.1930	30-Sep-24	505,965.00	492,800.00	13,165.00	22,000.00	4.35%	8,311.11
5/15/28											
Asset Type CORPORATE BONDS AND NOTES Total						505,965.00	492,800.00	13,165.00	22,000.00	4.35%	8,311.11
CORPORATE BONDS AND NOTES											
HOME DEPOT INC	4.750% 437076DC3	1.24%	650,000.0000	103.0710	30-Sep-24	669,961.50	647,575.70	22,385.80	30,875.00	4.61%	8,233.33
6/25/29											
Asset Type CORPORATE BONDS AND NOTES Total						669,961.50	647,575.70	22,385.80	30,875.00	4.61%	8,233.33
CORPORATE BONDS AND NOTES											
HONEYWELL	2.500% 438516BL9	0.90%	500,000.0000	97.4070	30-Sep-24	487,035.00	469,125.00	17,910.00	12,500.00	2.57%	5,208.33
11/01/26											
Asset Type CORPORATE BONDS AND NOTES Total						487,035.00	469,125.00	17,910.00	12,500.00	2.57%	5,208.33
CORPORATE BONDS AND NOTES											
JOHN DEERE MTN	4.950% 24422EXB0	0.52%	270,000.0000	103.3190	30-Sep-24	278,961.30	269,597.70	9,363.60	13,365.00	4.79%	2,858.63
7/14/28											
Asset Type CORPORATE BONDS AND NOTES Total						278,961.30	269,597.70	9,363.60	13,365.00	4.79%	2,858.63
CORPORATE BONDS AND NOTES											
JPMORGAN CHASE CO	4.080% 46647PCZ7	0.74%	400,000.0000	99.5020	30-Sep-24	398,008.00	383,840.00	14,168.00	16,320.00	4.10%	7,026.67
4/26/26											
Asset Type CORPORATE BONDS AND NOTES Total						398,008.00	383,840.00	14,168.00	16,320.00	4.10%	7,026.67



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
CORPORATE BONDS AND NOTES												
MASTERCARD 3/09/28	4.875%	57636QAW4	0.86%	450,000.0000	103.3020	30-Sep-24	464,859.00	455,093.70	9,765.30	21,937.50	4.72%	1,340.63
						Asset Type CORPORATE BONDS AND NOTES Total	464,859.00	455,093.70	9,765.30	21,937.50	4.72%	1,340.63
CORPORATE BONDS AND NOTES												
MERCK CO INC 5/17/28	4.050%	58933YBH7	0.61%	325,000.0000	100.8420	30-Sep-24	327,736.50	324,644.35	3,092.15	13,162.50	4.02%	4,899.38
						Asset Type CORPORATE BONDS AND NOTES Total	327,736.50	324,644.35	3,092.15	13,162.50	4.02%	4,899.38
CORPORATE BONDS AND NOTES												
MORGAN STANLEY 7/17/26	4.679%	61747YET8	0.25%	135,000.0000	99.8590	30-Sep-24	134,809.65	135,000.00	-190.35	6,316.65	4.69%	1,298.42
						Asset Type CORPORATE BONDS AND NOTES Total	134,809.65	135,000.00	-190.35	6,316.65	4.69%	1,298.42
CORPORATE BONDS AND NOTES												
NORTHERN TR CORP SR 5/10/27	4.000%	665859AW4	0.93%	500,000.0000	100.1630	30-Sep-24	500,815.00	493,106.05	7,708.95	20,000.00	3.99%	7,833.33
						Asset Type CORPORATE BONDS AND NOTES Total	500,815.00	493,106.05	7,708.95	20,000.00	3.99%	7,833.33
CORPORATE BONDS AND NOTES												
PACCAR FINANCIAL MTN 8/10/28	4.950%	69371RS64	0.81%	420,000.0000	103.5190	30-Sep-24	434,779.80	419,336.40	15,443.40	20,790.00	4.78%	2,945.25
						Asset Type CORPORATE BONDS AND NOTES Total	434,779.80	419,336.40	15,443.40	20,790.00	4.78%	2,945.25
CORPORATE BONDS AND NOTES												
PACCAR MTN 9/26/29	0.00001%	69371RT48	0.60%	325,000.0000	99.7470	30-Sep-24	324,177.75	324,330.50	-152.75	0.03	0.00%	-
						Asset Type CORPORATE BONDS AND NOTES Total	324,177.75	324,330.50	-152.75	0.03	0.00%	-



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE BONDS AND NOTES											
PEPSICO INC SR 4.500% 7/17/29	713448FX1	0.91%	475,000.0000	103.0660	30-Sep-24	489,563.50	474,263.75	15,299.75	21,375.00	4.37%	4,393.75
Asset Type CORPORATE BONDS AND NOTES Total						489,563.50	474,263.75	15,299.75	21,375.00	4.37%	4,393.75
CORPORATE BONDS AND NOTES											
PFIZER INC SR GLBL 0.800% 5/28/25	717081EX7	0.18%	100,000.0000	97.6890	30-Sep-24	97,689.00	99,903.00	-2,214.00	800.00	0.82%	273.33
Asset Type CORPORATE BONDS AND NOTES Total						97,689.00	99,903.00	-2,214.00	800.00	0.82%	273.33
CORPORATE BONDS AND NOTES											
PROCTER GAMBLE CO 1.900% 2/01/27	742718FV6	0.34%	190,000.0000	95.9100	30-Sep-24	182,229.00	189,730.20	-7,501.20	3,610.00	1.98%	601.67
Asset Type CORPORATE BONDS AND NOTES Total						182,229.00	189,730.20	-7,501.20	3,610.00	1.98%	601.67
CORPORATE BONDS AND NOTES											
PROLOGIS L P 4.875% 6/15/28	74340XCG4	0.57%	300,000.0000	102.6130	30-Sep-24	307,839.00	297,726.00	10,113.00	14,625.00	4.75%	4,306.25
Asset Type CORPORATE BONDS AND NOTES Total						307,839.00	297,726.00	10,113.00	14,625.00	4.75%	4,306.25
CORPORATE BONDS AND NOTES											
PUBLIC SERVICE MTN 3.700% 5/01/28	74456QBU9	0.92%	500,000.0000	98.7110	30-Sep-24	493,555.00	476,235.00	17,320.00	18,500.00	3.75%	7,708.33
Asset Type CORPORATE BONDS AND NOTES Total						493,555.00	476,235.00	17,320.00	18,500.00	3.75%	7,708.33
CORPORATE BONDS AND NOTES											
STATE STREET CORP 5.751% 11/04/26	857477BX0	0.75%	400,000.0000	101.3320	30-Sep-24	405,328.00	399,628.00	5,700.00	23,004.00	5.68%	9,393.30
Asset Type CORPORATE BONDS AND NOTES Total						405,328.00	399,628.00	5,700.00	23,004.00	5.68%	9,393.30



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name		CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income												
CORPORATE BONDS AND NOTES												
TARGET CORP 1/15/27	1.950%	87612EBM7	0.16%	90,000.0000	96.0600	30-Sep-24	86,454.00	89,847.00	-3,393.00	1,755.00	2.03%	370.50
Asset Type CORPORATE BONDS AND NOTES Total							86,454.00	89,847.00	-3,393.00	1,755.00	2.03%	370.50
CORPORATE BONDS AND NOTES												
TOYOTA MTR CR MTN 5/16/29	5.050%	89236TMF9	0.96%	500,000.0000	103.7420	30-Sep-24	518,710.00	500,845.00	17,865.00	25,250.00	4.87%	9,468.75
Asset Type CORPORATE BONDS AND NOTES Total							518,710.00	500,845.00	17,865.00	25,250.00	4.87%	9,468.75
CORPORATE BONDS AND NOTES												
UNITEDHEALTH 5/15/26	1.150%	91324PEC2	0.06%	35,000.0000	95.6040	30-Sep-24	33,461.40	35,113.75	-1,652.35	402.50	1.20%	152.06
Asset Type CORPORATE BONDS AND NOTES Total							33,461.40	35,113.75	-1,652.35	402.50	1.20%	152.06
CORPORATE BONDS AND NOTES												
UNITEDHEALTH GROUP 5/15/27	3.700%	91324PEG3	0.69%	375,000.0000	99.5300	30-Sep-24	373,237.50	366,318.75	6,918.75	13,875.00	3.72%	5,241.67
Asset Type CORPORATE BONDS AND NOTES Total							373,237.50	366,318.75	6,918.75	13,875.00	3.72%	5,241.67
CORPORATE BONDS AND NOTES												
WALMART INC 9/17/26	1.050%	931142ERO	0.07%	40,000.0000	94.9660	30-Sep-24	37,986.40	39,924.40	-1,938.00	420.00	1.11%	16.33
Asset Type CORPORATE BONDS AND NOTES Total							37,986.40	39,924.40	-1,938.00	420.00	1.11%	16.33
CORPORATE BONDS AND NOTES												
WALMART INC 9/09/27	3.950%	931142EX7	0.47%	250,000.0000	100.6900	30-Sep-24	251,725.00	250,402.50	1,322.50	9,875.00	3.92%	603.47
Asset Type CORPORATE BONDS AND NOTES Total							251,725.00	250,402.50	1,322.50	9,875.00	3.92%	603.47



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE PAYDOWN SECURITIES											
AMERICAN EXPRESS CR 0.900% 11/16/26	02582JJR2	0.74%	400,000.0000	99.4990	30-Sep-24	397,996.00	376,562.50	21,433.50	3,600.00	0.90%	160.00
Asset Type CORPORATE PAYDOWN SECURITIES Total						397,996.00	376,562.50	21,433.50	3,600.00	0.90%	160.00
CORPORATE PAYDOWN SECURITIES											
BANK OF AMERICA 4.930% 5/15/29	05522RDJ4	0.50%	265,000.0000	102.3210	30-Sep-24	271,150.65	264,985.13	6,165.52	13,064.50	4.82%	580.64
Asset Type CORPORATE PAYDOWN SECURITIES Total						271,150.65	264,985.13	6,165.52	13,064.50	4.82%	580.64
CORPORATE PAYDOWN SECURITIES											
BMW VEH OWNER TR 3.210% 8/25/26	05602RAD3	0.54%	294,964.5600	99.3280	30-Sep-24	292,982.40	286,051.74	6,930.66	9,468.37	3.23%	157.81
Asset Type CORPORATE PAYDOWN SECURITIES Total						292,982.40	286,051.74	6,930.66	9,468.37	3.23%	157.81
CORPORATE PAYDOWN SECURITIES											
BMW VEH OWNER TR 5.470% 2/25/28	05592XAD2	0.19%	100,000.0000	101.2400	30-Sep-24	101,240.00	99,982.28	1,257.72	5,470.00	5.40%	91.17
Asset Type CORPORATE PAYDOWN SECURITIES Total						101,240.00	99,982.28	1,257.72	5,470.00	5.40%	91.17
CORPORATE PAYDOWN SECURITIES											
CHASE ISSUANCE 3.970% 9/15/27	161571HS6	0.31%	165,000.0000	99.6770	30-Sep-24	164,467.05	160,017.77	4,449.28	6,550.50	3.98%	291.13
Asset Type CORPORATE PAYDOWN SECURITIES Total						164,467.05	160,017.77	4,449.28	6,550.50	3.98%	291.13
CORPORATE PAYDOWN SECURITIES											
GM FIN CONS AUT REC 3.640% 4/16/27	36265WAD5	0.13%	70,018.8500	99.4620	30-Sep-24	69,642.15	70,018.37	-376.22	2,548.69	3.66%	106.20
Asset Type CORPORATE PAYDOWN SECURITIES Total						69,642.15	70,018.37	-376.22	2,548.69	3.66%	106.20



Account Information

Account Number	Account Name
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Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE PAYDOWN SECURITIES											
GM FIN CONS AUTO 0.680% 9/16/26	362554AC1	0.02%	13,041.9900	98.5230	30-Sep-24	12,849.36	13,041.66	-192.30	88.69	0.69%	3.70
Asset Type CORPORATE PAYDOWN SECURITIES Total						12,849.36	13,041.66	-192.30	88.69	0.69%	3.70
CORPORATE PAYDOWN SECURITIES											
GM FIN CONS AUTO 1.260% 11/16/26	380146AC4	0.03%	13,981.1100	98.6420	30-Sep-24	13,791.25	13,979.90	-188.65	176.16	1.28%	7.34
Asset Type CORPORATE PAYDOWN SECURITIES Total						13,791.25	13,979.90	-188.65	176.16	1.28%	7.34
CORPORATE PAYDOWN SECURITIES											
GM FINANCIAL 4.210% 10/20/27	38012QAD0	0.27%	145,000.0000	1.0000	30-Sep-24	145,000.00	-	145,000.00	-	-	-
Asset Type CORPORATE PAYDOWN SECURITIES Total						145,000.00	-	145,000.00	-	-	-
CORPORATE PAYDOWN SECURITIES											
GM FINANCIAL 5.090% 3/22/27	36269FAD8	0.44%	235,000.0000	101.0020	30-Sep-24	237,354.70	234,970.63	2,384.07	11,961.50	5.04%	365.49
Asset Type CORPORATE PAYDOWN SECURITIES Total						237,354.70	234,970.63	2,384.07	11,961.50	5.04%	365.49
CORPORATE PAYDOWN SECURITIES											
GM FINL AUTO LEASING 5.920% 11/20/26	379929AD4	0.22%	120,000.0000	100.7590	30-Sep-24	120,910.80	119,985.61	925.19	7,104.00	5.88%	217.07
Asset Type CORPORATE PAYDOWN SECURITIES Total						120,910.80	119,985.61	925.19	7,104.00	5.88%	217.07
CORPORATE PAYDOWN SECURITIES											
GM FINL CON AUT REC V 5.450% 6/16/28	36267KAD9	0.22%	115,000.0000	101.4930	30-Sep-24	116,716.95	114,995.56	1,721.39	6,267.50	5.37%	261.15
Asset Type CORPORATE PAYDOWN SECURITIES Total						116,716.95	114,995.56	1,721.39	6,267.50	5.37%	261.15



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
CORPORATE PAYDOWN SECURITIES												
HONDA AUTO 3/21/29	43813YAC6	4.570%	0.62%	330,000.0000	100.9660	30-Sep-24	333,187.80	329,948.16	3,239.64	15,081.00	4.53%	418.92
						Asset Type CORPORATE PAYDOWN SECURITIES Total	333,187.80	329,948.16	3,239.64	15,081.00	4.53%	418.92
CORPORATE PAYDOWN SECURITIES												
HONDA AUTO REC 1/21/26	43815GAC3	0.880%	0.02%	13,578.4100	98.6980	30-Sep-24	13,401.62	13,575.55	-173.93	119.49	0.89%	3.32
						Asset Type CORPORATE PAYDOWN SECURITIES Total	13,401.62	13,575.55	-173.93	119.49	0.89%	3.32
CORPORATE PAYDOWN SECURITIES												
HONDA AUTO REC OWN 11/18/25	43815EAC8	0.410%	0.02%	13,161.7800	99.2580	30-Sep-24	13,064.12	13,161.59	-97.47	53.96	0.41%	1.95
						Asset Type CORPORATE PAYDOWN SECURITIES Total	13,064.12	13,161.59	-97.47	53.96	0.41%	1.95
CORPORATE PAYDOWN SECURITIES												
HONDA AUTO REC OWN 7/20/26	43815PAC3	3.730%	0.39%	209,473.4100	99.4660	30-Sep-24	208,354.82	205,776.18	2,578.64	7,813.36	3.75%	282.15
						Asset Type CORPORATE PAYDOWN SECURITIES Total	208,354.82	205,776.18	2,578.64	7,813.36	3.75%	282.15
CORPORATE PAYDOWN SECURITIES												
HYUNDAI AUTO REC 10/15/26	448977AD0	2.220%	0.10%	51,885.8300	98.9000	30-Sep-24	51,315.09	51,883.83	-568.74	1,151.86	2.24%	51.19
						Asset Type CORPORATE PAYDOWN SECURITIES Total	51,315.09	51,883.83	-568.74	1,151.86	2.24%	51.19
CORPORATE PAYDOWN SECURITIES												
HYUNDAI AUTO REC TR 5/15/26	44935FAD6	0.740%	0.02%	8,230.7900	99.0790	30-Sep-24	8,154.98	8,228.95	-73.97	60.91	0.75%	2.71
						Asset Type CORPORATE PAYDOWN SECURITIES Total	8,154.98	8,228.95	-73.97	60.91	0.75%	2.71



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE PAYDOWN SECURITIES											
JOHN DEERE OWN 3/16/26	0.520% 47789QAC4	0.03%	13,787.0200	98.8290	30-Sep-24	13,625.57	13,785.80	-160.23	71.69	0.53%	3.19
Asset Type CORPORATE PAYDOWN SECURITIES Total						13,625.57	13,785.80	-160.23	71.69	0.53%	3.19
CORPORATE PAYDOWN SECURITIES											
JOHN DEERE OWNER 9/15/25	0.360% 47788UAC6	0.00%	183.7100	99.8060	30-Sep-24	183.35	183.67	-0.32	0.66	0.36%	0.03
Asset Type CORPORATE PAYDOWN SECURITIES Total						183.35	183.67	-0.32	0.66	0.36%	0.03
CORPORATE PAYDOWN SECURITIES											
JOHN DEERE OWNER 9/15/26	2.320% 47787JAC2	0.05%	25,578.1800	98.8500	30-Sep-24	25,284.03	25,572.51	-288.48	593.41	2.35%	26.37
Asset Type CORPORATE PAYDOWN SECURITIES Total						25,284.03	25,572.51	-288.48	593.41	2.35%	26.37
CORPORATE PAYDOWN SECURITIES											
JOHN DEERE OWNER 6/15/27	5.090% 47800BAC2	0.47%	251,545.5100	100.4450	30-Sep-24	252,664.89	251,525.98	1,138.91	12,803.67	5.07%	569.05
Asset Type CORPORATE PAYDOWN SECURITIES Total						252,664.89	251,525.98	1,138.91	12,803.67	5.07%	569.05
CORPORATE PAYDOWN SECURITIES											
JOHN DEERE OWNR TR 2/16/27	3.740% 47800AAC4	0.18%	97,255.6200	99.4420	30-Sep-24	96,712.93	97,246.35	-533.42	3,637.36	3.76%	161.66
Asset Type CORPORATE PAYDOWN SECURITIES Total						96,712.93	97,246.35	-533.42	3,637.36	3.76%	161.66
CORPORATE PAYDOWN SECURITIES											
MERCEDES BENZ AUTO 2/15/28	4.230% 58769GAD5	0.40%	215,000.0000	99.8750	30-Sep-24	214,731.25	214,963.82	-232.57	9,094.50	4.24%	151.58
Asset Type CORPORATE PAYDOWN SECURITIES Total						214,731.25	214,963.82	-232.57	9,094.50	4.24%	151.58



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Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
CORPORATE PAYDOWN SECURITIES											
MERCEDES BENZ AUTO 5.210% 8/16/27	58768PAC8	0.64%	343,589.5300	100.5010	30-Sep-24	345,310.91	343,521.57	1,789.34	17,901.01	5.18%	795.60
Asset Type CORPORATE PAYDOWN SECURITIES Total						345,310.91	343,521.57	1,789.34	17,901.01	5.18%	795.60
CORPORATE PAYDOWN SECURITIES											
TOYOTA AT REC OWN 2.930% 9/15/26	89238FAD5	0.15%	81,953.6900	99.1830	30-Sep-24	81,284.13	81,210.99	73.14	2,401.24	2.95%	106.72
Asset Type CORPORATE PAYDOWN SECURITIES Total						81,284.13	81,210.99	73.14	2,401.24	2.95%	106.72
CORPORATE PAYDOWN SECURITIES											
TOYOTA AUTO 0.260% 11/17/25	89190GAC1	0.01%	7,793.8900	99.6310	30-Sep-24	7,765.13	7,793.05	-27.92	20.26	0.26%	0.90
Asset Type CORPORATE PAYDOWN SECURITIES Total						7,765.13	7,793.05	-27.92	20.26	0.26%	0.90
FOREIGN GOVERNMENT BONDS											
IFC M T N 1.375% 10/16/24	45950KCR9	0.46%	250,000.0000	99.8500	30-Sep-24	249,625.00	256,725.00	-7,100.00	3,437.50	1.38%	1,575.52
Asset Type FOREIGN GOVERNMENT BONDS Total						249,625.00	256,725.00	-7,100.00	3,437.50	1.38%	1,575.52
FOREIGN GOVERNMENT BONDS											
IFC M T N 4.500% 7/13/28	45950KDD9	0.66%	345,000.0000	103.3120	30-Sep-24	356,426.40	344,617.05	11,809.35	15,525.00	4.36%	3,363.75
Asset Type FOREIGN GOVERNMENT BONDS Total						356,426.40	344,617.05	11,809.35	15,525.00	4.36%	3,363.75
FOREIGN GOVERNMENT BONDS											
INTER AMER BK M T N 0.875% 4/20/26	4581X0DV7	0.38%	215,000.0000	95.5250	30-Sep-24	205,378.75	214,015.30	-8,636.55	1,881.25	0.92%	841.34
Asset Type FOREIGN GOVERNMENT BONDS Total						205,378.75	214,015.30	-8,636.55	1,881.25	0.92%	841.34



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Account Number	Account Name
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Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
FOREIGN GOVERNMENT BONDS												
INTER AMER DEV BK 3.125% 9/18/28	4581X0DC9	0.91%	500,000.0000	98.2710	30-Sep-24	491,355.00	473,310.00	18,045.00	15,625.00	3.18%	564.24	
						Asset Type FOREIGN GOVERNMENT BONDS Total	491,355.00	473,310.00	18,045.00	15,625.00	3.18%	564.24
FOREIGN GOVERNMENT BONDS												
INTL BK M T N 0.500% 10/28/25	459058JL8	0.46%	255,000.0000	96.2960	30-Sep-24	245,554.80	253,533.95	-7,979.15	1,275.00	0.52%	541.88	
						Asset Type FOREIGN GOVERNMENT BONDS Total	245,554.80	253,533.95	-7,979.15	1,275.00	0.52%	541.88
FOREIGN GOVERNMENT BONDS												
INTL BK M T N 3.500% 7/12/28	459058KT9	0.92%	500,000.0000	99.6190	30-Sep-24	498,095.00	478,070.00	20,025.00	17,500.00	3.51%	3,840.28	
						Asset Type FOREIGN GOVERNMENT BONDS Total	498,095.00	478,070.00	20,025.00	17,500.00	3.51%	3,840.28
MUNI BDS-FIXED TAXABLE												
CALIFORNIA ST 5.500% 10/01/28	13063D7D4	0.98%	500,000.0000	105.9110	30-Sep-24	529,555.00	508,170.00	21,385.00	27,500.00	5.19%	13,750.00	
						Asset Type MUNI BDS-FIXED TAXABLE Total	529,555.00	508,170.00	21,385.00	27,500.00	5.19%	13,750.00
MUNI BDS-FIXED TAXABLE												
NEW YORK ST GO BDS 1.250% 3/15/27	649791RC6	0.18%	100,000.0000	94.3460	30-Sep-24	94,346.00	90,085.00	4,261.00	1,250.00	1.32%	55.56	
						Asset Type MUNI BDS-FIXED TAXABLE Total	94,346.00	90,085.00	4,261.00	1,250.00	1.32%	55.56
OTHER FOREIGN CORPORATE BONDS												
BANK OF MONTREAL MTN 1.850% 5/01/25	06367WB85	0.64%	350,000.0000	98.4120	30-Sep-24	344,442.00	349,654.00	-5,212.00	6,475.00	1.88%	2,697.92	
						Asset Type OTHER FOREIGN CORPORATE BONDS Total	344,442.00	349,654.00	-5,212.00	6,475.00	1.88%	2,697.92



Account Information

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Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
OTHER FOREIGN CORPORATE BONDS											
ROYAL BANK OF MTN 6/10/25	1.150% 78015K7H1	0.63%	350,000.0000	97.7100	30-Sep-24	341,985.00	337,496.00	4,489.00	4,025.00	1.18%	1,241.04
Asset Type OTHER FOREIGN CORPORATE BONDS Total						341,985.00	337,496.00	4,489.00	4,025.00	1.18%	1,241.04
OTHER FOREIGN CORPORATE BONDS											
TORONTO M T N 6/06/25	3.766% 89115A2A9	0.46%	250,000.0000	99.4470	30-Sep-24	248,617.50	250,057.50	-1,440.00	9,415.00	3.79%	3,007.57
Asset Type OTHER FOREIGN CORPORATE BONDS Total						248,617.50	250,057.50	-1,440.00	9,415.00	3.79%	3,007.57
REMICS AND OTHER GOVT PAYDOWNS											
F H L B GTD REMIC 10/25/24	3.171% 3137BFE98	0.30%	162,791.7400	99.6650	30-Sep-24	162,246.39	157,348.39	4,898.00	5,162.13	3.18%	430.18
Asset Type REMICS AND OTHER GOVT PAYDOWNS Total						162,246.39	157,348.39	4,898.00	5,162.13	3.18%	430.18
REMICS AND OTHER GOVT PAYDOWNS											
F H L M C MLTCL MT 3/25/29	3.505% 3137FLN91	0.87%	480,000.0000	98.1400	30-Sep-24	471,072.00	473,887.50	-2,815.50	16,824.00	3.57%	1,402.00
Asset Type REMICS AND OTHER GOVT PAYDOWNS Total						471,072.00	473,887.50	-2,815.50	16,824.00	3.57%	1,402.00
REMICS AND OTHER GOVT PAYDOWNS											
F H L M C MLTCL MT 1/25/28	3.600% 3137F4D41	0.74%	400,000.0000	99.0080	30-Sep-24	396,032.00	388,140.63	7,891.37	14,400.00	3.64%	1,200.00
Asset Type REMICS AND OTHER GOVT PAYDOWNS Total						396,032.00	388,140.63	7,891.37	14,400.00	3.64%	1,200.00
REMICS AND OTHER GOVT PAYDOWNS											
F H L M C MLTCL MT 5/25/28	3.850% 3137FG6X8	0.75%	405,000.0000	99.5850	30-Sep-24	403,319.25	397,564.45	5,754.80	15,592.50	3.87%	1,299.37
Asset Type REMICS AND OTHER GOVT PAYDOWNS Total						403,319.25	397,564.45	5,754.80	15,592.50	3.87%	1,299.37



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Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
REMICS AND OTHER GOVT PAYDOWNS												
F H L M C MLTCL MT 3.69004% 1/25/29	3137FKZZ2	0.92%	500,000.0000	98.9340	30-Sep-24	494,670.00	483,378.91	11,291.09	18,450.20	3.73%	1,537.52	
						Asset Type REMICS AND OTHER GOVT PAYDOWNS Total	494,670.00	483,378.91	11,291.09	18,450.20	3.73%	1,537.52
REMICS AND OTHER GOVT PAYDOWNS												
F H L M C MLTCL MT 3.77156% 12/25/28	3137FKUP9	0.74%	400,000.0000	99.2580	30-Sep-24	397,032.00	390,484.38	6,547.62	15,086.24	3.80%	1,257.19	
						Asset Type REMICS AND OTHER GOVT PAYDOWNS Total	397,032.00	390,484.38	6,547.62	15,086.24	3.80%	1,257.19
REMICS AND OTHER GOVT PAYDOWNS												
F H L M C MLTCL MTG 2.670% 12/25/24	3137BXT3	0.33%	178,408.7300	99.5050	30-Sep-24	177,525.61	189,392.02	-11,866.41	4,763.51	2.68%	396.96	
						Asset Type REMICS AND OTHER GOVT PAYDOWNS Total	177,525.61	189,392.02	-11,866.41	4,763.51	2.68%	396.96
REMICS AND OTHER GOVT PAYDOWNS												
F H L M C MLTCL MTG 3.117% 6/25/27	3137F2LJ3	0.91%	500,000.0000	97.8370	30-Sep-24	489,185.00	465,488.28	23,696.72	15,585.00	3.19%	1,298.75	
						Asset Type REMICS AND OTHER GOVT PAYDOWNS Total	489,185.00	465,488.28	23,696.72	15,585.00	3.19%	1,298.75
REMICS AND OTHER GOVT PAYDOWNS												
F H L M C MLTCL MTG 3.286% 11/25/27	3137FCLD4	0.64%	350,000.0000	98.1700	30-Sep-24	343,595.00	338,898.44	4,696.56	11,501.00	3.35%	958.42	
						Asset Type REMICS AND OTHER GOVT PAYDOWNS Total	343,595.00	338,898.44	4,696.56	11,501.00	3.35%	958.42
US AGENCIES												
F F C B DEB 3.875% 1/18/29	3133EPW84	1.87%	1,000,000.0000	100.9670	30-Sep-24	1,009,670.00	987,170.00	22,500.00	38,750.00	3.84%	7,857.64	
						Asset Type US AGENCIES Total	1,009,670.00	987,170.00	22,500.00	38,750.00	3.84%	7,857.64



Account Information

Account Number Account Name
 001051005082 SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
US AGENCIES												
F F C B DEB	4.375% 4/10/29	3133ERAK7	1.92%	1,000,000.0000	103.1960	30-Sep-24	1,031,960.00	984,330.00	47,630.00	43,750.00	4.24%	20,781.25
						Asset Type US AGENCIES Total	1,031,960.00	984,330.00	47,630.00	43,750.00	4.24%	20,781.25
US AGENCIES												
F F C B DEB	4.375% 7/06/26	3133EPPE9	1.88%	1,000,000.0000	101.1860	30-Sep-24	1,011,860.00	991,800.00	20,060.00	43,750.00	4.32%	10,329.86
						Asset Type US AGENCIES Total	1,011,860.00	991,800.00	20,060.00	43,750.00	4.32%	10,329.86
US AGENCIES												
F F C B DEB	4.500% 8/14/26	3133EPSW6	0.94%	500,000.0000	101.5350	30-Sep-24	507,675.00	495,665.00	12,010.00	22,500.00	4.43%	2,937.50
						Asset Type US AGENCIES Total	507,675.00	495,665.00	12,010.00	22,500.00	4.43%	2,937.50
US AGENCIES												
F F C B DEB	4.625% 11/13/28	3133EPC45	1.93%	1,000,000.0000	103.8660	30-Sep-24	1,038,660.00	1,004,770.00	33,890.00	46,250.00	4.45%	17,729.17
						Asset Type US AGENCIES Total	1,038,660.00	1,004,770.00	33,890.00	46,250.00	4.45%	17,729.17
US AGENCIES												
F H L B DEB	4.250% 12/10/27	3130ATUS4	0.95%	500,000.0000	101.9720	30-Sep-24	509,860.00	510,925.00	-1,065.00	21,250.00	4.17%	6,552.08
						Asset Type US AGENCIES Total	509,860.00	510,925.00	-1,065.00	21,250.00	4.17%	6,552.08
US AGENCIES												
F H L B DEB	4.375% 9/08/28	3130AWTR1	1.91%	1,000,000.0000	102.7350	30-Sep-24	1,027,350.00	994,885.00	32,465.00	43,750.00	4.26%	2,795.14
						Asset Type US AGENCIES Total	1,027,350.00	994,885.00	32,465.00	43,750.00	4.26%	2,795.14
US AGENCIES												
F H L B DEB	4.500% 3/09/29	3130AVBD3	1.92%	1,000,000.0000	103.5770	30-Sep-24	1,035,770.00	989,930.00	45,840.00	45,000.00	4.34%	2,750.00
						Asset Type US AGENCIES Total	1,035,770.00	989,930.00	45,840.00	45,000.00	4.34%	2,750.00



Account Information

Account Number Account Name
 001051005082 SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
US AGENCIES												
F H L B DEB	4.625% 6/08/29 3130B1BC0	1.94%	1,000,000.0000	104.2980	30-Sep-24	1,042,980.00	1,013,506.00	29,474.00	46,250.00	4.43%	14,517.36	
						Asset Type US AGENCIES Total	1,042,980.00	1,013,506.00	29,474.00	46,250.00	4.43%	14,517.36
US AGENCIES												
F H L B DEB	4.750% 12/08/28 3130AXQK7	1.94%	1,000,000.0000	104.3460	30-Sep-24	1,043,460.00	1,023,710.00	19,750.00	47,500.00	4.55%	14,909.72	
						Asset Type US AGENCIES Total	1,043,460.00	1,023,710.00	19,750.00	47,500.00	4.55%	14,909.72
US AGENCIES												
F H L M C M T N	0.375% 3137EAEU9	0.40%	220,000.0000	97.1250	30-Sep-24	213,675.00	218,969.40	-5,294.40	825.00	0.39%	160.42	
7/21/25												
						Asset Type US AGENCIES Total	213,675.00	218,969.40	-5,294.40	825.00	0.39%	160.42
US AGENCIES												
F H L M C M T N	0.375% 3137EAEX3	0.30%	170,000.0000	96.5330	30-Sep-24	164,106.10	169,488.30	-5,382.20	637.50	0.39%	14.17	
9/23/25												
						Asset Type US AGENCIES Total	164,106.10	169,488.30	-5,382.20	637.50	0.39%	14.17
US AGENCIES												
F N M A	0.375% 8/25/25 3135G05X7	0.36%	200,000.0000	96.8650	30-Sep-24	193,730.00	199,126.00	-5,396.00	750.00	0.39%	75.00	
						Asset Type US AGENCIES Total	193,730.00	199,126.00	-5,396.00	750.00	0.39%	75.00
US AGENCIES												
F N M A	0.500% 6/17/25 3135G04Z3	0.40%	220,000.0000	97.4330	30-Sep-24	214,352.60	219,544.60	-5,192.00	1,100.00	0.51%	317.78	
						Asset Type US AGENCIES Total	214,352.60	219,544.60	-5,192.00	1,100.00	0.51%	317.78



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
US AGENCIES												
F N M A	0.500% 11/07/25	3135G06G3	0.33%	185,000.0000	96.2270	30-Sep-24	178,019.95	184,337.70	-6,317.75	925.00	0.52%	370.00
						Asset Type US AGENCIES Total	178,019.95	184,337.70	-6,317.75	925.00	0.52%	370.00
US AGENCIES												
F N M A	1.625% 1/07/25	3135G0X24	0.14%	75,000.0000	99.1930	30-Sep-24	74,394.75	74,760.75	-366.00	1,218.75	1.64%	284.38
						Asset Type US AGENCIES Total	74,394.75	74,760.75	-366.00	1,218.75	1.64%	284.38
US AGENCIES												
F N M A DEB	0.625% 4/22/25	3135G03U5	0.24%	130,000.0000	97.9780	30-Sep-24	127,371.40	129,732.20	-2,360.80	812.50	0.64%	358.85
						Asset Type US AGENCIES Total	127,371.40	129,732.20	-2,360.80	812.50	0.64%	358.85
US TREASURY BONDS & NOTES												
U S TREASURY NT 5/31/25	0.250%	912828ZT0	1.09%	600,000.0000	97.4190	30-Sep-24	584,514.00	569,470.71	15,043.29	1,500.00	0.26%	504.10
						Asset Type US TREASURY BONDS & NOTES Total	584,514.00	569,470.71	15,043.29	1,500.00	0.26%	504.10
US TREASURY BONDS & NOTES												
U S TREASURY NT 10/31/25	0.250%	91282CAT8	1.07%	600,000.0000	96.1290	30-Sep-24	576,774.00	564,005.86	12,768.14	1,500.00	0.26%	627.72
						Asset Type US TREASURY BONDS & NOTES Total	576,774.00	564,005.86	12,768.14	1,500.00	0.26%	627.72
US TREASURY BONDS & NOTES												
U S TREASURY NT 1/31/26	0.375%	91282CBH3	1.06%	600,000.0000	95.5660	30-Sep-24	573,396.00	565,185.56	8,210.44	2,250.00	0.39%	379.08
						Asset Type US TREASURY BONDS & NOTES Total	573,396.00	565,185.56	8,210.44	2,250.00	0.39%	379.08



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
US TREASURY BONDS & NOTES												
U S TREASURY NT 4/30/25	0.375% 912828ZL7	1.09%	600,000.0000	97.7570	30-Sep-24	586,542.00	572,958.99	13,583.01	2,250.00	0.38%	946.72	
						Asset Type US TREASURY BONDS & NOTES Total	586,542.00	572,958.99	13,583.01	2,250.00	0.38%	946.72
US TREASURY BONDS & NOTES												
U S TREASURY NT 12/31/25	0.375% 91282CBC4	1.07%	600,000.0000	95.8090	30-Sep-24	574,854.00	563,710.94	11,143.06	2,250.00	0.39%	568.61	
						Asset Type US TREASURY BONDS & NOTES Total	574,854.00	563,710.94	11,143.06	2,250.00	0.39%	568.61
US TREASURY BONDS & NOTES												
U S TREASURY NT 2/28/26	0.500% 91282CBQ3	1.06%	600,000.0000	95.5160	30-Sep-24	573,096.00	569,988.29	3,107.71	3,000.00	0.52%	256.91	
						Asset Type US TREASURY BONDS & NOTES Total	573,096.00	569,988.29	3,107.71	3,000.00	0.52%	256.91
US TREASURY BONDS & NOTES												
U S TREASURY NT 3/31/25	0.500% 91282ZF0	1.09%	600,000.0000	98.1090	30-Sep-24	588,654.00	577,291.02	11,362.98	3,000.00	0.51%	8.24	
						Asset Type US TREASURY BONDS & NOTES Total	588,654.00	577,291.02	11,362.98	3,000.00	0.51%	8.24
US TREASURY BONDS & NOTES												
U S TREASURY NT 7/31/26	0.625% 91282CCP4	1.05%	600,000.0000	94.6290	30-Sep-24	567,774.00	570,726.56	-2,952.56	3,750.00	0.66%	631.79	
						Asset Type US TREASURY BONDS & NOTES Total	567,774.00	570,726.56	-2,952.56	3,750.00	0.66%	631.79
US TREASURY BONDS & NOTES												
U S TREASURY NT 3/31/26	0.750% 91282CBT7	1.07%	600,000.0000	95.6370	30-Sep-24	573,822.00	574,101.56	-279.56	4,500.00	0.78%	12.43	
						Asset Type US TREASURY BONDS & NOTES Total	573,822.00	574,101.56	-279.56	4,500.00	0.78%	12.43



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
US TREASURY BONDS & NOTES												
U S TREASURY NT 5/31/26	0.750%	91282CCF6	1.06%	600,000.0000	95.2460	30-Sep-24	571,476.00	572,707.03	-1,231.03	4,500.00	0.79%	1,512.30
						Asset Type US TREASURY BONDS & NOTES Total	571,476.00	572,707.03	-1,231.03	4,500.00	0.79%	1,512.30
US TREASURY BONDS & NOTES												
U S TREASURY NT 8/31/26	0.750%	91282CCW9	1.05%	600,000.0000	94.6520	30-Sep-24	567,912.00	566,753.91	1,158.09	4,500.00	0.79%	415.76
						Asset Type US TREASURY BONDS & NOTES Total	567,912.00	566,753.91	1,158.09	4,500.00	0.79%	415.76
US TREASURY BONDS & NOTES												
U S TREASURY NT 9/30/26	0.875%	91282CCZ2	1.06%	600,000.0000	94.7270	30-Sep-24	568,362.00	565,281.25	3,080.75	5,250.00	0.92%	14.42
						Asset Type US TREASURY BONDS & NOTES Total	568,362.00	565,281.25	3,080.75	5,250.00	0.92%	14.42
US TREASURY BONDS & NOTES												
U S TREASURY NT 10/31/26	1.125%	91282CDG3	1.06%	600,000.0000	94.9810	30-Sep-24	569,886.00	554,648.44	15,237.56	6,750.00	1.18%	2,824.73
						Asset Type US TREASURY BONDS & NOTES Total	569,886.00	554,648.44	15,237.56	6,750.00	1.18%	2,824.73
US TREASURY BONDS & NOTES												
U S TREASURY NT 11/30/26	1.250%	91282CDK4	1.06%	600,000.0000	95.0940	30-Sep-24	570,564.00	557,085.94	13,478.06	7,500.00	1.31%	2,520.49
						Asset Type US TREASURY BONDS & NOTES Total	570,564.00	557,085.94	13,478.06	7,500.00	1.31%	2,520.49
US TREASURY BONDS & NOTES												
U S TREASURY NT 12/31/26	1.250%	91282CDQ1	1.06%	600,000.0000	94.9570	30-Sep-24	569,742.00	556,195.31	13,546.69	7,500.00	1.32%	1,895.38
						Asset Type US TREASURY BONDS & NOTES Total	569,742.00	556,195.31	13,546.69	7,500.00	1.32%	1,895.38



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income	
Fixed Income												
US TREASURY BONDS & NOTES												
U S TREASURY NT 8/15/29	1.625%	912828YB0	2.38%	1,400,000.0000	91.4650	30-Sep-24	1,280,510.00	1,284,390.63	-3,880.63	22,750.00	1.78%	2,905.57
						Asset Type US TREASURY BONDS & NOTES Total	1,280,510.00	1,284,390.63	-3,880.63	22,750.00	1.78%	2,905.57
US TREASURY BONDS & NOTES												
U S TREASURY NT 11/15/27	2.250%	9128283F5	1.78%	1,000,000.0000	96.0980	30-Sep-24	960,980.00	920,625.00	40,355.00	22,500.00	2.34%	8,498.64
						Asset Type US TREASURY BONDS & NOTES Total	960,980.00	920,625.00	40,355.00	22,500.00	2.34%	8,498.64
US TREASURY BONDS & NOTES												
U S TREASURY NT 3/31/27	2.500%	91282CEF4	1.09%	600,000.0000	97.4300	30-Sep-24	584,580.00	575,460.94	9,119.06	15,000.00	2.57%	41.21
						Asset Type US TREASURY BONDS & NOTES Total	584,580.00	575,460.94	9,119.06	15,000.00	2.57%	41.21
US TREASURY BONDS & NOTES												
U S TREASURY NT 4/30/27	2.750%	91282CEN7	1.09%	600,000.0000	97.9410	30-Sep-24	587,646.00	594,375.00	-6,729.00	16,500.00	2.81%	6,904.89
						Asset Type US TREASURY BONDS & NOTES Total	587,646.00	594,375.00	-6,729.00	16,500.00	2.81%	6,904.89
US TREASURY BONDS & NOTES												
U S TREASURY NT 5/31/29	2.750%	91282CES6	2.51%	1,400,000.0000	96.4340	30-Sep-24	1,350,076.00	1,354,664.06	-4,588.06	38,500.00	2.85%	12,938.52
						Asset Type US TREASURY BONDS & NOTES Total	1,350,076.00	1,354,664.06	-4,588.06	38,500.00	2.85%	12,938.52
US TREASURY BONDS & NOTES												
U S TREASURY NT 9/30/25	3.000%	9128285C0	1.38%	750,000.0000	99.0420	30-Sep-24	742,815.00	722,343.75	20,471.25	22,500.00	3.03%	61.81
						Asset Type US TREASURY BONDS & NOTES Total	742,815.00	722,343.75	20,471.25	22,500.00	3.03%	61.81



Account Information

Account Number	Account Name
001051005082	SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
US TREASURY BONDS & NOTES											
U S TREASURY NT 8/31/27	3.125% 91282CFH9	1.38%	750,000.0000	98.7620	30-Sep-24	740,715.00	717,556.64	23,158.36	23,437.50	3.16%	2,007.08
Asset Type US TREASURY BONDS & NOTES Total						740,715.00	717,556.64	23,158.36	23,437.50	3.16%	2,007.08
US TREASURY BONDS & NOTES											
U S TREASURY NT 6/30/27	3.250% 91282CEW7	1.38%	750,000.0000	99.1560	30-Sep-24	743,670.00	722,333.99	21,336.01	24,375.00	3.28%	6,159.99
Asset Type US TREASURY BONDS & NOTES Total						743,670.00	722,333.99	21,336.01	24,375.00	3.28%	6,159.99
US TREASURY BONDS & NOTES											
U S TREASURY NT 6/30/29	3.250% 91282CEV9	2.56%	1,400,000.0000	98.5590	30-Sep-24	1,379,826.00	1,384,031.25	-4,205.25	45,500.00	3.30%	11,498.64
Asset Type US TREASURY BONDS & NOTES Total						1,379,826.00	1,384,031.25	-4,205.25	45,500.00	3.30%	11,498.64
US TREASURY BONDS & NOTES											
U S TREASURY NT 7/31/29	4.000% 91282CLC3	1.89%	1,000,000.0000	101.8980	30-Sep-24	1,018,980.00	997,109.38	21,870.62	40,000.00	3.93%	6,739.13
Asset Type US TREASURY BONDS & NOTES Total						1,018,980.00	997,109.38	21,870.62	40,000.00	3.93%	6,739.13
US TREASURY BONDS & NOTES											
U S TREASURY NT 9/30/27	4.125% 91282CFM8	1.41%	750,000.0000	101.6060	30-Sep-24	762,045.00	749,443.36	12,601.64	30,937.50	4.06%	84.99
Asset Type US TREASURY BONDS & NOTES Total						762,045.00	749,443.36	12,601.64	30,937.50	4.06%	84.99



Account Information

Account Number Account Name
 001051005082 SAN MATEO COUNTY SCHOOLS INS GROUP

Investment Detail

Asset Name	CUSIP	Current Allocation	Units	Price	Date Priced	Market Value	Cost	Unrealized Gain/Loss	Est. Annual Income	Yield	Accrued Income
Fixed Income											
US TREASURY BONDS & NOTES											
U S TREASURY NT 8/31/28	4.375% 91282CHX2	0.96%	500,000.0000	102.8870	30-Sep-24	514,435.00	493,183.59	21,251.41	21,875.00	4.25%	1,873.27
Asset Type US TREASURY BONDS & NOTES Total						514,435.00	493,183.59	21,251.41	21,875.00	4.25%	1,873.27
Asset Category Fixed Income Total						53,278,184.58	52,189,884.96	1,088,299.62	1,657,942.06	3.11%	348,586.88
Account 001051005082 Total						53,862,527.80	52,774,228.18	1,088,299.62	1,684,288.34	3.13%	349,895.35
Grand Total						53,862,527.80	52,774,228.18	1,088,299.62	1,684,288.34	3.13%	349,895.35

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Consent Agenda</u>	<input type="checkbox"/>	Action
Item Number: F5	<input checked="" type="checkbox"/>	Consent
Title: <u>Quarterly Financial Report</u>	<input type="checkbox"/>	Information

Recommendation

The attached Quarterly Financial Report summarizes the pools financial performance for the fiscal years ended September 30, 2024 and 2023. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred.

The combined change in net position for the pool showed an increase of \$2,138,337 since the start of the current fiscal year.

- Workers Compensation program showed an increase of \$1M; increase due to investment earnings.
- Property Casualty program showed an increase of \$845K
- Dental program showed an increase of \$205K
- Unemployment showed an increase of \$2.5K.
- Vision program showed an increase of \$44K.
- Health Consortium showed an increase of \$29.8K

Budget vs Actual Comparison

The fiscal year 2024-25 is complete and the primary differences are:

- Contributions are slightly above budget due to Health Consortium premiums.
- Investment income is over budget based on market performance and interest earnings.
- Insurance premiums expense is above budget due to Health Consortium premium.
- Investment advisor fee was not budgeted but it is netted against investment income on the financial statements.

Attachment: Quarterly Financial Report as of September 30, 2024 and 2023.

Fiscal Impact: None

Recommendation

It is recommended that the JPA Board accept the attached Quarterly Financials as of September 30, 2024 and 2023.



FINANCIAL REPORT

**SEPTEMBER 30, 2024 AND 2023
AND FOR THE THREE MONTHS THEN ENDED**

**SAN MATEO COUNTY SCHOOLS
INSURANCE GROUP**

— *Governmental Joint Powers Authority* —

**Executive Director
Tom Ledda**

**Chief Finance Officer
James P. Marta, CPA, CGMA, ARPM
and
Ritesh Sharma**

1791 Broadway
Redwood City, CA 94063
(650) 365-9180
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**San Mateo County Schools Self Insurance Group
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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

ACCOUNTANT'S REPORT

Board of Directors
San Mateo County Schools Insurance Group
1791 Broadway
Redwood City, CA 94063

Management is responsible for the accompanying financial statements of San Mateo County Schools Insurance Group (SMCSIG), which comprise the statement of net positions as of September 30, 2024 and 2023 and the related statements of revenues, expenses and changes net position, and statements of cash flows for the three months then ended. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The supplementary information on pages 5 through 12 as listed in the table of contents are presented for purposes of additional analysis and are not required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Note that the prior year figures did not include the Health Consortium activity. Accordingly, it may not be comparable to the current period.

We are not independent with respect to San Mateo County Schools Insurance Group as of and during the quarter ended September 30, 2024 and 2023 since we provide accounting, financial and management services.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
October 30, 2024

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Statement of Net Position
September 30, 2024 and 2023**

			Variance	
	<u>2024</u>	<u>2023</u>	<u>\$</u>	<u>%</u>
Assets				
Current Assets				
Cash and Equivalents	\$ 30,575,760	\$ 21,273,221	\$ 9,302,539	44%
Accounts Receivable	7,803,011	1,564,347	6,238,664	399%
Prefund Deposit	1,469,051	1,656,937	(187,886)	-11%
Prepaid Expense	13,171,526	11,181,444	1,990,082	18%
Total Current Assets	<u>53,019,348</u>	<u>35,675,949</u>	<u>17,343,399</u>	<u>49%</u>
Non-Current Assets				
Investments*	53,718,797	49,919,861	3,798,936	8%
Fixed Assets (net of depreciation)	318,612	310,328	8,284	3%
Total Non-Current Assets	<u>54,037,409</u>	<u>50,230,189</u>	<u>3,807,220</u>	<u>8%</u>
Total Assets	<u>107,056,757</u>	<u>85,906,138</u>	<u>21,150,619</u>	<u>25%</u>
Deferred Outflow of Resources				
Deferred Outflow on Pensions	902,465	1,292,496	-390,031	-30%
Deferred Outflow on OPEB	12,914	18,720	-5,806	-31%
Total Deferred Outflow of	<u>915,379</u>	<u>1,311,216</u>	<u>(395,837)</u>	<u>-30%</u>
Liabilities				
Current Liabilities				
Accounts Payable	1,741,927	1,103,987	637,940	58%
Leave Accrual	381,689	160,403	221,286	138%
OPEB Liability	46,423	53,136	(6,713)	-13%
Unearned Revenue	16,885,429	14,677,924	2,207,505	15%
Total Current Liabilities	<u>19,055,468</u>	<u>15,995,450</u>	<u>3,060,018</u>	<u>19%</u>
Non-Current Liabilities				
Pension Liability	336,591	336,243	348	0%
Claim Liabilities*	38,281,466	33,443,167	4,838,299	14%
Total Non-Current Liabilities	<u>38,618,057</u>	<u>33,779,410</u>	<u>4,838,647</u>	<u>14%</u>
Total Liabilities	<u>57,673,525</u>	<u>49,774,860</u>	<u>7,898,665</u>	<u>16%</u>
Deferred Inflow of Resources				
Deferred Inflow on Pensions	1,145,440	1,568,877	(423,437)	-27%
Deferred Inflow on OPEB	22,200	17,180	5,020	29%
Total Deferred Inflow of Resources	<u>1,167,640</u>	<u>1,586,057</u>	<u>(418,417)</u>	<u>-26%</u>
Net Position	<u>\$ 49,130,971</u>	<u>\$ 35,856,437</u>	<u>\$ 13,274,534</u>	<u>37%</u>

*For internal reporting purposes, all investments and claim liabilities are classified as non-current.

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Statement of Revenues, Expenses and Changes in Net Position
For the Three Months Ended September 30, 2024 and 2023**

			Variance	
	2024	2023	\$	%
Operating Income				
Contributions	\$ 21,549,640	\$ 20,020,984	\$ 1,528,656	8%
Other Income	1,605	-	1,605	0%
Total Operating Income	<u>21,551,245</u>	<u>20,020,984</u>	<u>1,530,261</u>	<u>8%</u>
Operating Expenses				
Claims Expense	8,181,608	7,791,395	390,213	5%
Insurance Expense	12,671,366	11,116,160	1,555,206	14%
Fraud Assessment Expense	-	-	-	0%
Professional Services	641,597	566,320	75,277	13%
Payroll Expense	258,981	279,030	(20,049)	-7%
General and Administrative	48,688	66,190	(17,502)	-26%
Total Operating Expenses	<u>21,802,240</u>	<u>19,819,095</u>	<u>1,983,145</u>	<u>10%</u>
Operating Income (Loss)	(250,995)	201,889	(452,884)	-224%
Non-Operating Income (Expense)				
Earned Investment Income	897,280	663,388	233,892	35%
Unrealized Gain (Losses)	1,492,052	(411,905)	1,903,957	-462%
Total Non-Operating Income	<u>2,389,332</u>	<u>251,483</u>	<u>2,137,849</u>	<u>850%</u>
Change in Net Position	2,138,337	453,372	1,684,965	372%
Beginning Net Position	<u>46,992,634</u>	<u>35,403,065</u>	<u>11,589,569</u>	<u>33%</u>
Ending Net Position	<u>\$ 49,130,971</u>	<u>\$ 35,856,437</u>	<u>\$ 13,274,534</u>	<u>37%</u>

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Statement of Cash Flows
For the Three Months Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Contributions Received	\$ 36,669,305	\$ 32,710,620
Claims Expenses Paid	(7,810,259)	(5,908,519)
General and Administrative Expenses Paid	(106,609)	(67,366)
Payroll Expenses Paid	(325,007)	(316,843)
Consulting Services Paid	(280,019)	(225,326)
Insurance Premiums Paid	(25,892,364)	(22,305,614)
Claims Administration Expenses Paid	(49,173)	(56,380)
Building Expenses Paid	(838)	(562)
Other Income	1,605	-
Net Cash Flows Provided by Operating Activities	<u>2,206,641</u>	<u>3,830,010</u>
Cash Flows From Investing Activities		
Purchase of investments	(2,361,096)	(7,725,830)
Sale of investments	2,069,690	7,244,907
Investment Earnings Received	836,869	621,595
Net Cash Flows Provided by Investing Activities	<u>545,463</u>	<u>140,672</u>
Net Increase in Cash	2,752,104	3,970,682
Beginning Cash and Equivalents	27,823,656	17,302,539
Ending Cash and Equivalents	<u>\$ 30,575,760</u>	<u>\$ 21,273,221</u>
Reconciliation of Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Net Income (Loss)	\$ (250,995)	\$ 201,889
Adjustments to Reconcile Net Income (Loss) to Net Cash Depreciation Expense	1,176	1,176
Provided (Used) by Operations		
(Increase) Decrease in:		
Accounts Receivable	(3,870,189)	(781,162)
Deposits	65,403	218,654
Prepaid Expenses	(13,084,392)	(11,124,249)
Deferred Outflows	(18,191)	-
Increase (Decrease) in:		
Accounts Payable	(73,876)	22,279
Accrued Liabilities	857,623	225,744
Leave Accrual	3,676	624
OPEB Liabilities	700	841
Unearned Revenue	15,727,668	(669,687)
Unpaid Claims and Claims Adjustment Expenses	2,848,038	15,733,901
Net Cash Provided by Operating Activities	<u>\$ 2,206,641</u>	<u>\$ 3,830,010</u>
Unrealized Gain/(Loss)	<u>1,492,052</u>	<u>(411,905)</u>

See Accompanying Accountant's Report

SUPPLEMENTARY INFORMATION

*Selected Information
Substantially All Disclosures Required by Generally Accepted
Accounting Principles Are Not Included*

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Combining Statement of Net Position
September 30, 2024**

	Workers' Compensation	Property Casualty	Dental	Unemployment	Vision	Health Consortium	Total
Assets							
Current Assets							
Cash and Equivalents	\$ 18,932,434	\$ 4,486,910	\$ 5,294,567	\$ 57,337	\$ 742,250	\$ 1,062,262	\$ 30,575,760
Accounts Receivable	917,287	6,042,501	70,540	2,106	12,857	757,720	7,803,011
Prefund Deposit	-	-	1,217,200	-	251,851	-	1,469,051
Prepaid Expense	2,092,724	11,078,802	-	-	-	-	13,171,526
Total Current Assets	21,942,445	21,608,213	6,582,307	59,443	1,006,958	1,819,982	53,019,348
Non-Current Assets							
Investments*	39,656,588	7,895,066	4,985,426	210,457	971,260	-	53,718,797
Fixed Assets (net of depreciation)	281,420	23,909	10,627	-	2,656	-	318,612
Total Non-Current Assets	39,938,008	7,918,975	4,996,053	210,457	973,916	-	54,037,409
Total Assets	61,880,453	29,527,188	11,578,360	269,900	1,980,874	1,819,982	107,056,757
Deferred Outflow of Resources							
Deferred Outflow on Pensions	270,502	406,135	180,663	-	45,165	-	902,465
Deferred Outflow on OPEB	3,874	5,811	2,583	-	646	-	12,914
Total Deferred Outflow of Resources	274,376	411,946	183,246	-	45,811	-	915,379
Liabilities							
Current Liabilities							
Accounts Payable	435,478	21,790	7,350	-	1,732	1,275,577	1,741,927
Leave Accrual	156,624	161,805	50,613	-	12,647	-	381,689
OPEB Liability	13,922	20,905	9,282	-	2,314	-	46,423
Unearned Revenue	-	15,534,865	1,122,070	-	92,860	135,634	16,885,429
Total Current Liabilities	606,024	15,739,365	1,189,315	-	109,553	1,411,211	19,055,468
Non-Current Liabilities							
Pension Liability	100,975	151,471	67,317	-	16,828	-	336,591
Claim Liabilities*	27,764,964	9,640,502	801,000	-	75,000	-	38,281,466
Total Non-Current Liabilities	27,865,939	9,791,973	868,317	-	91,828	-	38,618,057
Total Liabilities	28,471,963	25,531,338	2,057,632	-	201,381	1,411,211	57,673,525
Deferred Inflow of Resources							
Deferred Inflow on Pensions	343,636	515,442	229,091	-	57,271	-	1,145,440
Deferred Inflow on OPEB	6,660	9,990	4,440	-	1,110	-	22,200
Total Deferred Inflow of Resources	350,296	525,432	233,531	-	58,381	-	1,167,640
Net Position	\$ 33,332,571	\$ 3,882,364	\$ 9,470,443	\$ 269,900	\$ 1,766,923	\$ 408,771	\$ 49,130,971

*For internal reporting purposes, all investments and claim liabilities are classified as non-current.

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Three Months Ended September 30, 2024**

	Workers' Compensation	Property Casualty	Dental	Unemployment	Vision	Health Consortium	Total
Operating Income							
Contributions	\$ 3,961,950	\$ 5,178,119	\$ 3,678,564	\$ -	\$ 333,223	\$ 8,397,784	\$ 21,549,640
Other Income	-	1,605	-	-	-	-	1,605
Total Operating Income	<u>3,961,950</u>	<u>5,179,724</u>	<u>3,678,564</u>	<u>-</u>	<u>333,223</u>	<u>8,397,784</u>	<u>21,551,245</u>
Operating Expenses							
Claims Expense	3,520,242	905,745	3,474,276	-	281,345	-	8,181,608
Insurance Expense	697,570	3,574,303	31,195	-	-	8,368,298	12,671,366
Fraud Assessment	-	-	-	-	-	-	-
Professional Services	268,665	84,934	233,966	4,730	49,302	-	641,597
Payroll Expense	125,654	107,204	20,899	-	5,224	-	258,981
General and Administrative	13,353	24,104	8,790	-	2,198	243	48,688
Dividend Expense	-	-	-	-	-	-	-
Total Operating Expenses	<u>4,625,484</u>	<u>4,696,290</u>	<u>3,769,126</u>	<u>4,730</u>	<u>338,069</u>	<u>8,368,541</u>	<u>21,802,240</u>
Operating Income (Loss)	(663,534)	483,434	(90,562)	(4,730)	(4,846)	29,243	(250,995)
Non-Operating Income (Expense)							
Earned Investment Income	606,448	161,373	108,829	2,504	17,559	567	897,280
Unrealized Gain (Losses)	1,069,915	200,012	186,535	4,677	30,913	-	1,492,052
Total Non-Operating Income	<u>1,676,363</u>	<u>361,385</u>	<u>295,364</u>	<u>7,181</u>	<u>48,472</u>	<u>567</u>	<u>2,389,332</u>
Change in Net Position	1,012,830	844,819	204,802	2,451	43,626	29,810	2,138,337
Beginning Net Position	<u>32,319,741</u>	<u>3,037,545</u>	<u>9,265,641</u>	<u>267,449</u>	<u>1,723,297</u>	<u>378,961</u>	<u>46,992,634</u>
Ending Net Position	<u>\$ 33,332,571</u>	<u>\$ 3,882,364</u>	<u>\$ 9,470,443</u>	<u>\$ 269,900</u>	<u>\$ 1,766,923</u>	<u>\$ 408,771</u>	<u>\$ 49,130,971</u>

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Combining Statement of Cash Flows
For the Three Months Ended September 30, 2024**

	Workers' Compensation	Property Casualty	Dental	Unemployment	Vision	Health Consortium	Total
Cash Flows From Operating Activities							
Contributions Received	\$ 3,961,950	\$ 20,712,984	\$ 3,775,941	\$ 23,908	\$ 358,418	\$ 7,836,104	\$ 36,669,305
Claims Expenses Paid	(1,437,697)	(3,459,564)	(3,474,276)	-	(281,345)	842,623	(7,810,259)
General and Administrative Expenses Paid	(66,289)	(29,522)	(8,550)	-	(2,005)	(243)	(106,609)
Payroll Expenses Paid	(140,044)	(135,876)	(42,939)	-	(6,148)	-	(325,007)
Consulting Services Paid	(211,788)	(46,618)	(31,754)	-	(4,859)	15,000	(280,019)
Insurance Premiums Paid	(2,734,166)	(14,575,371)	(214,529)	-	-	(8,368,298)	(25,892,364)
Claims Administration Expenses Paid	-	-	-	(4,730)	(44,443)	-	(49,173)
Building Expenses Paid	(838)	-	-	-	-	-	(838)
Other Income	-	1,605	-	-	-	-	1,605
Net Cash Flows Provided (Used) by Operating	<u>(628,872)</u>	<u>2,467,638</u>	<u>3,893</u>	<u>19,178</u>	<u>19,618</u>	<u>325,186</u>	<u>2,206,641</u>
Cash Flows From Investing Activities							
Investment Purchases	(1,680,346)	(330,474)	(293,940)	(7,495)	(48,841)	-	(2,361,096)
Investment Sales	1,472,958	289,687	257,662	6,570	42,813	-	2,069,690
Investment Earnings Received	602,276	102,691	111,141	2,436	17,758	567	836,869
Net Cash Flows Provided by Investing Activities	<u>394,888</u>	<u>61,904</u>	<u>74,863</u>	<u>1,511</u>	<u>11,730</u>	<u>567</u>	<u>545,463</u>
Net Increase (Decrease) in Cash	(233,984)	2,529,542	78,756	20,689	31,348	325,753	2,752,104
Beginning Cash and Equivalents	19,166,418	1,957,368	5,215,811	36,648	710,902	736,509	27,823,656
Ending Cash and Equivalents	<u>\$ 18,932,434</u>	<u>\$ 4,486,910</u>	<u>\$ 5,294,567</u>	<u>\$ 57,337</u>	<u>\$ 742,250</u>	<u>\$ 1,062,262</u>	<u>\$ 30,575,760</u>
Reconciliation of Net Income (Loss) to Net Cash Provided (Used) by Operating							
Net Income (Loss)	\$ (663,534)	\$ 483,434	\$ (90,562)	\$ (4,730)	\$ (4,846)	\$ 29,243	\$ (250,995)
Net Cash							
Depreciation Expense	353	529	235	-	59	-	1,176
Provided (Used) by Operations							
(Increase) Decrease in:							
Accounts Receivable	(18,347)	(3,178,436)	-	23,908	-	(697,314)	(3,870,189)
Deposits	-	-	41,974	-	23,429	-	65,403
Prepaid Expenses	(2,092,724)	(10,991,668)	-	-	-	-	(13,084,392)
Deferred Outflows	(5,457)	(8,186)	(3,638)	-	(910)	-	(18,191)
Increase (Decrease) in:							
Accounts Payable	(69,366)	(5,209)	537	-	162	-	(73,876)
Accrued Liabilities	-	-	-	-	-	857,623	857,623
Leave Accrual	1,991	1,783	(56)	-	(42)	-	3,676
OPEB Liabilities	-	700	-	-	-	-	700
Unearned Revenues	-	15,534,865	55,403	-	1,766	135,634	15,727,668
Unpaid Claims and Claims Adjustment	2,218,212	629,826	-	-	-	-	2,848,038
Net Cash Provided (Used) by Operating Activities	<u>\$ (628,872)</u>	<u>\$ 2,467,638</u>	<u>\$ 3,893</u>	<u>\$ 19,178</u>	<u>\$ 19,618</u>	<u>\$ 325,186</u>	<u>\$ 2,206,641</u>
Unrealized Gain/(Loss)	<u>\$ 1,069,915</u>	<u>\$ 200,012</u>	<u>\$ 186,535</u>	<u>\$ 4,677</u>	<u>\$ 30,913</u>	<u>\$ -</u>	<u>\$ 1,492,052</u>

See Accompanying Accountant's Report

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Budget to Actual Comparison
As of September 30, 2024**

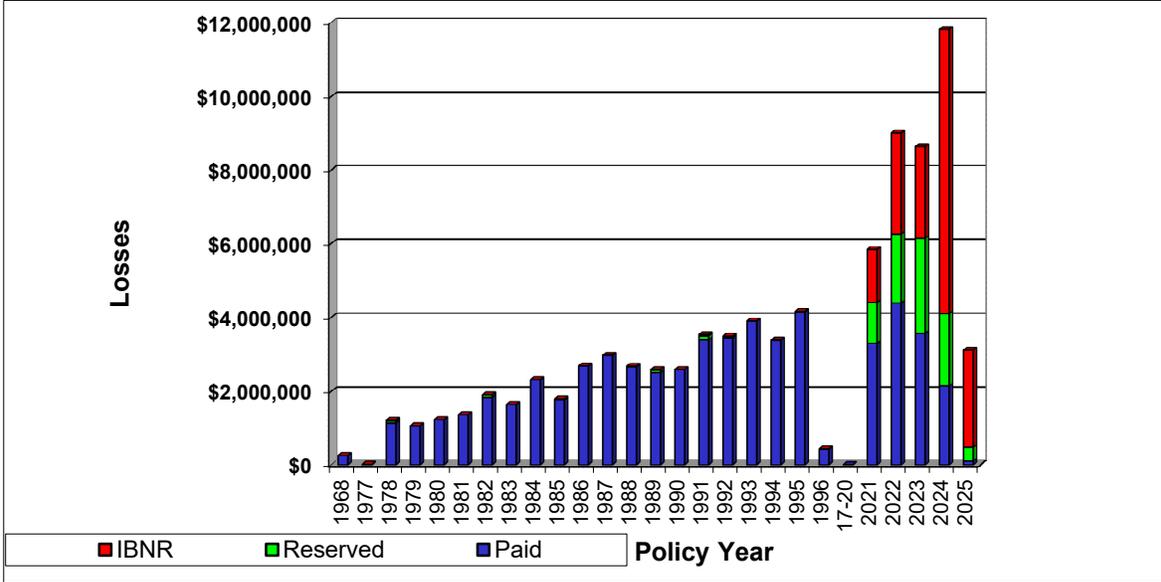
Account Code	Account Title	Original Budget	September 2024		Variance		Ref	Percent Used of Total Budget	Analysis Explanation
			Budget (3 Mos)	Actual	Favorable (Unfavorable)	(Under) Over Percent			
Revenues									
40000	Contributions	\$ 85,103,274	\$ 21,275,819	\$ 21,546,307	\$ 270,489	1.3%	A	25.3%	A Contributions are slightly above budget due to Health Consortium premium received during the 1st quarter.
62000	Investment Income	800,000	200,000	2,401,075	2,201,075	1100.5%	B	300.1%	
63000	Other Income	-	-	1,605	1,605	0.0%		0.0%	
	<i>Total Revenues</i>	<u>85,903,274</u>	<u>21,475,819</u>	<u>23,948,987</u>	<u>2,473,169</u>	<u>11.5%</u>		<u>27.9%</u>	B Investment income is above budget due to market value changes and interest earnings. Earned investment earnings is about \$897K.
Expenses									
50000	Claims Expense	32,128,000	8,032,000	8,181,608	(149,608)	1.9%	C	25.5%	C Increase due to development in the property program (\$85K) and increase in dental claim payments.
52010	Insurance Premiums Expense	48,914,485	12,228,621	12,664,095	(435,474)	3.6%	D	25.9%	
53010	Claims Admin Fees & Incidentals	2,002,048	500,512	465,626	34,886	-7.0%		23.3%	
54025	DIR Fraud Assessment	400,000	100,000	-	100,000	-100.0%		0.0%	
	<i>Subtotal</i>	<u>83,444,533</u>	<u>20,861,133</u>	<u>21,311,329</u>	<u>(450,196)</u>	<u>2.2%</u>		<u>25.5%</u>	D Insurance premiums expense is above budget due to Health Consortium premiums paid out in the 1st quarter.
54010	Risk Management	105,000	26,250	47,000	(20,750)	79.0%	E	44.8%	E Increase due to Praesidium subscription fee paid for the whole year. This will even out by year end.
54020	Loss Control Allocation	543,059	135,765	117,882	17,883	-13.2%		21.7%	
54030	Professional Services	306,000	76,500	64,713	11,787	-15.4%		21.1%	
54040	Financial Accounting Services	273,025	68,256	68,195	61	-0.1%		25.0%	
55010	Salary Expense and Benefits	851,334	212,834	141,099	71,735	-33.7%		16.6%	
56010	Travel, Conference & Development	41,500	10,375	7,101	3,274	-31.6%		17.1%	
56020	Bank Fees	20,000	5,000	18,622	(13,622)	272.4%	F	93.1%	F We are maximizing earnings with the monies in Wells Fargo. While the bank fees have increased, we have earned \$133,000 in interest earnings for the first quarter.
56030	Depreciation Expense	25,000	6,250	1,176	5,074	-81.2%		4.7%	
56040	Office Supplies	25,300	6,325	2,226	4,099	-64.8%		8.8%	
56050	Postage	1,650	413	29	384	-93.0%		1.8%	
56060	Reference Materials & Membership	8,905	2,226	-	2,226	-100.0%		0.0%	G Investment advisor fee was not budgeted for but is netted against investment income on the full financial statements.
56070	Office Equipment	25,500	6,375	2,416	3,959	-62.1%		9.5%	
56075	Internet & Technology	51,300	12,825	8,295	4,530	-35.3%		16.2%	
56081	Utilities	35,000	8,750	6,026	2,724	-31.1%		17.2%	
56083	Building Maintenance & Repairs	103,000	25,750	2,794	22,956	-89.1%		2.7%	
56085	Rental Expense	35,000	8,750	-	8,750	-100.0%		0.0%	
58000	Miscellaneous Expense	1,500	375	4	371	-98.9%		0.3%	
62000	Investment Advisor Fees	-	-	11,743	(11,743)	0.0%	G	0.0%	
	<i>Subtotal</i>	<u>2,452,073</u>	<u>613,018</u>	<u>499,321</u>	<u>113,697</u>	<u>-18.5%</u>		<u>20.4%</u>	
	<i>Total Expenses</i>	<u>85,896,606</u>	<u>21,474,152</u>	<u>21,810,650</u>	<u>(336,499)</u>	<u>1.6%</u>		<u>25.4%</u>	
	Net Income (Loss)	<u>\$ 6,668</u>	<u>\$ 1,667</u>	<u>\$ 2,138,337</u>	<u>\$ 1,686,474</u>	<u>-101168.2%</u>		<u>32068.6%</u>	

**San Mateo County Schools Insurance Group
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program
As of September 30, 2024 and 2023**

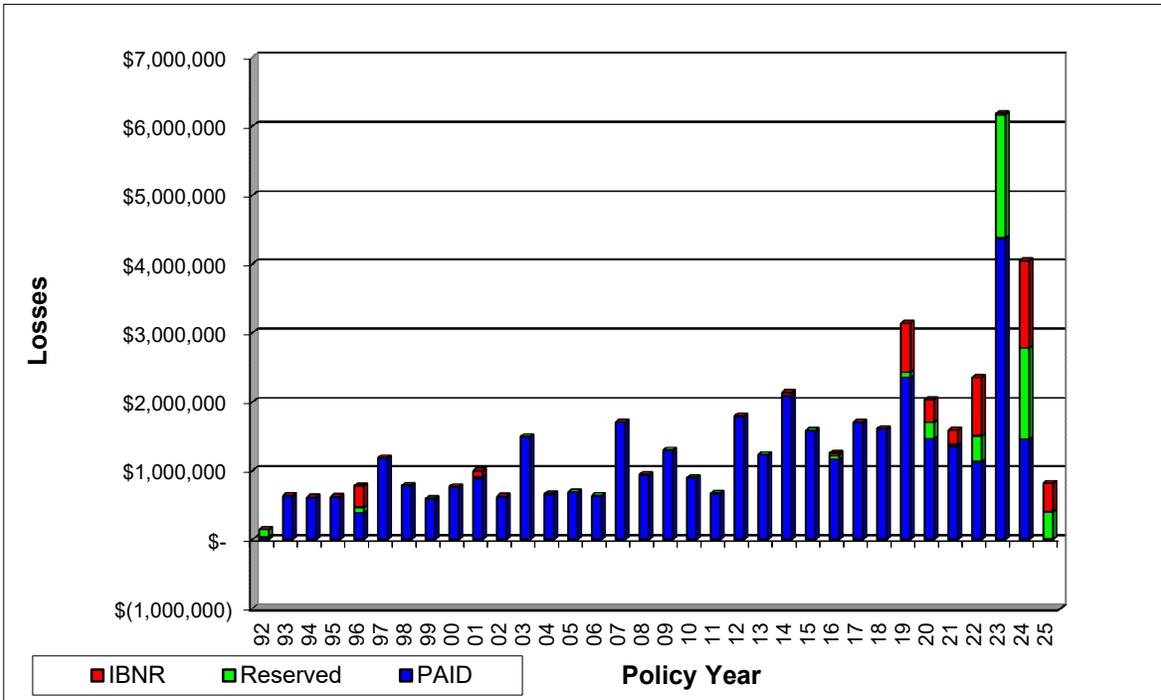
	Workers' Compensation		Property/Liability		Dental		Vision		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unpaid Claims and Claim Adjustment Expense at Beginning of Year	\$ 25,546,752	\$ 21,463,650	\$ 9,010,676	\$ 8,763,941	\$ 801,000	\$ 801,000	\$ 75,000	\$ 75,000	\$ 35,433,428	\$ 31,103,591
Incurred Claims and Claim Adjustment Expenses:										
Provision for Insured Events of the Current Year	3,528,750	3,507,750	820,000	803,000	3,474,276	3,201,917	281,345	278,966	8,104,371	7,791,633
Increase (Decrease) in Provision for Insured Events of the prior year	(8,508)	556	85,745	(794)	-	-	-	-	77,237	(238)
Total Incurred Claims and Claim Adjustment Expenses	3,520,242	3,508,306	905,745	802,206	3,474,276	3,201,917	281,345	278,966	8,181,608	7,791,395
Payments:										
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Current Year	97,879	96,769	7,787	-	3,474,276	3,201,917	281,345	278,966	3,861,287	3,577,652
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Prior Years	1,204,151	981,979	268,132	892,188	-	-	-	-	1,472,283	1,874,167
Total Payments	1,302,030	1,078,748	275,919	892,188	3,474,276	3,201,917	281,345	278,966	5,333,570	5,451,819
Total Unpaid Claims and Claims Adjustment Expenses	\$ 27,764,964	\$ 23,893,208	\$ 9,640,502	\$ 8,673,959	\$ 801,000	\$ 801,000	\$ 75,000	\$ 75,000	\$ 38,281,466	\$ 33,443,167
Current Portion	\$ 3,500,000	\$ 2,000,000	\$ 3,000,000	\$ 2,000,000	\$ 801,000	\$ 801,000	\$ 75,000	\$ 75,000	\$ 7,376,000	\$ 4,876,000
Noncurrent Portion	24,264,964	21,893,208	6,640,502	6,673,959	-	-	-	-	30,905,466	28,567,167
Total	\$ 27,764,964	\$ 23,893,208	\$ 9,640,502	\$ 8,673,959	\$ 801,000	\$ 801,000	\$ 75,000	\$ 75,000	\$ 38,281,466	\$ 33,443,167

**San Mateo County Schools Insurance Group
Graphical Summary of Claims
As of September 30, 2024**

Summary of Workers' Compensation Claims



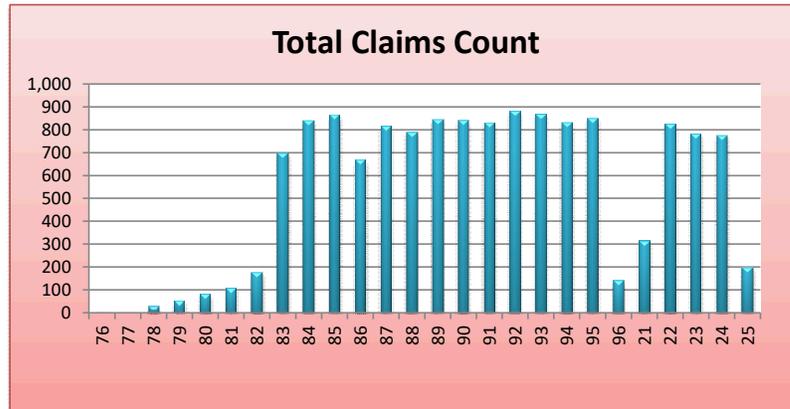
Property and Liability Claims



See Accompanying Accountant's Report

**San Mateo County Schools Insurance Group
Claims Count
As of September 30, 2024**

Policy Year	SIR	Workers' Compensation Program			Net Paid	Outstanding Loss
		Open	Closed	Total		
1975-1976	\$ 250,000	0	1	1	\$250,000	\$0
1976-1977	\$ 250,000	0	1	1	10,635	0
1977-1978	\$ 250,000	0	28	28	1,138,719	66,060
1978-1979	\$ 250,000	0	52	52	1,067,567	0
1979-1980	\$ 250,000	0	82	82	1,221,550	0
1980-1981	\$ 250,000	0	107	107	1,355,326	0
1981-1982	\$ 250,000	1	173	174	1,833,064	79,712
1982-1983	\$ 250,000	0	699	699	1,637,681	0
1983-1984	\$ 250,000	0	843	843	2,307,883	0
1984-1985	\$ 125,000	1	865	866	1,760,598	32,457
1985-1986	\$ 250,000	0	667	667	2,682,873	0
1986-1987	\$ 250,000	1	814	815	2,977,270	428
1987-1988	\$ 250,000	0	790	790	2,659,423	17,898
1988-1989	\$ 250,000	1	845	846	2,503,698	80,948
1989-1990	\$ 250,000	0	839	839	2,584,198	1,285
1990-1991	\$ 250,000	1	828	829	3,402,814	123,646
1991-1992	\$ 250,000	0	882	882	3,446,421	40,084
1992-1993	\$ 250,000	1	868	869	3,906,008	19
1993-1994	\$ 250,000	0	830	830	3,390,909	4,215
1994-1995	\$ 250,000	0	852	852	4,154,553	8,572
1995-1996	\$ 250,000	0	140	140	430,263	1,547
2020-2021	\$ 250,000	31	283	314	3,309,370	2,531,760
2021-2022	\$ 250,000	59	766	825	4,400,795	4,617,205
2022-2023	\$ 250,000	95	688	783	3,561,286	5,077,714
2023-2024	\$ 250,000	163	614	777	2,147,894	9,664,106
2024-2025	\$ 250,000	100	99	199	97,879	3,022,871
Total		454	13,656	14,110	\$58,238,677	25,370,526
					ULAE	2,394,438
					Total Outstanding	\$27,764,964

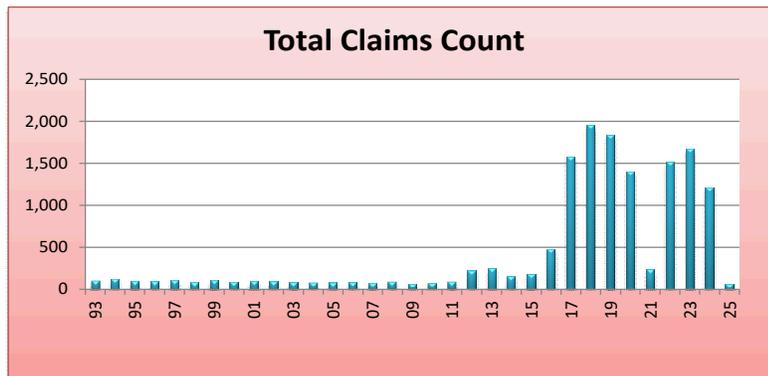


See Accompanying Accountant's Report

**San Mateo County Schools Insurance Group
Claims Count
As of September 30, 2024**

Policy Year	Liability & Property Program					Net Paid	Outstanding Loss
	SIR		Open	Closed	Total		
	Liability	Property					
1992-1993	\$ 100,000	\$ 50,000	0	96	96	\$ 636,369	\$ -
1993-1994	\$ 100,000	\$ 75,000	0	121	121	616,984	0
1994-1995	\$ 100,000	\$ 100,000	0	94	94	622,273	0
1995-1996	\$ 100,000	\$ 100,000	1	88	89	387,756	393,846
1996-1997	\$ 100,000	\$ 100,000	0	102	102	1,189,352	0
1997-1998	\$ 100,000	\$ 100,000	0	80	80	785,424	0
1998-1999	\$ 100,000	\$ 100,000	0	102	102	600,001	0
1999-2000	\$ 100,000	\$ 100,000	0	87	87	768,568	0
2000-2001	\$ 100,000	\$ 100,000	1	94	95	896,580	99,704
2001-2002	\$ 100,000	\$ 100,000	0	90	90	626,370	0
2002-2003	\$ 200,000	\$ 200,000	0	82	82	1,493,779	0
2003-2004	\$ 200,000	\$ 200,000	0	73	73	661,254	0
2004-2005	\$ 200,000	\$ 200,000	0	79	79	686,092	0
2005-2006	\$ 250,000	\$ 250,000	0	84	84	636,972	0
2006-2007	\$ 250,000	\$ 250,000	0	72	72	1,710,716	0
2007-2008	\$ 250,000	\$ 250,000	0	83	83	950,366	0
2008-2009	\$ 250,000	\$ 250,000	0	62	62	1,303,897	0
2009-2010	\$ 250,000	\$ 250,000	0	71	71	904,699	0
2010-2011	\$ 250,000	\$ 250,000	0	83	83	667,986	0
2011-2012	\$ 250,000	\$ 250,000	0	219	219	1,792,372	0
2012-2013	\$ 250,000	\$ 250,000	1	247	248	1,236,413	0
2013-2014	\$ 250,000	\$ 250,000	1	145	146	2,093,724	39,276
2014-2015	\$ 250,000	\$ 250,000	0	181	181	1,586,283	0
2015-2016	\$ 250,000	\$ 250,000	1	473	474	1,166,703	93,297
2016-2017	\$ 250,000	\$ 250,000	0	1,580	1,580	1,706,306	2,723
2017-2018	\$ 250,000	\$ 250,000	0	1,948	1,948	1,614,354	0
2018-2019	\$ 250,000	\$ 250,000	2	1,830	1,832	2,358,732	785,268
2019-2020	\$ 250,000	\$ 250,000	4	1,395	1,399	1,462,942	576,058
2020-2021	\$ 250,000	\$ 250,000	0	231	231	1,362,017	226,983
2021-2022	\$ 250,000	\$ 250,000	7	1,507	1,514	1,131,361	1,224,639
2022-2023	\$ 250,000	\$ 250,000	39	1,633	1,672	4,375,019	1,813,981
2023-2024	\$ 250,000	\$ 250,000	42	1,163	1,205	1,453,873	2,589,127
2024-2025	\$ 250,000	\$ 250,000	13	52	65	7,787	812,213
Total			112	14,247	14,359	\$39,493,323	8,657,115
						ULAE	457,000
						Total Outstanding	\$9,114,115

⚠️ Claim counts have been filtered to exclude claims/incidents with \$0 total incurred value and SAM claims from older years.



See Accompanying Accountant's Report

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Consent Agenda</u>	<input type="checkbox"/>	Action
Item Number: F6	<input checked="" type="checkbox"/>	Consent
Title: <u>Investment Policy Review</u>	<input type="checkbox"/>	Information

Background

Investment policy is reviewed on an annual basis. Below are the recommended changes by our investment advisor, Chandler Asset Management.

Senate Bill 1489 updated California Government Code (CGC) with:

- An investment's remaining term or remaining maturity is measured from trade settlement date to final maturity,
- The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is now prohibited, and
- An entity now has 45 days following the quarter end to submit a quarterly report to the legislative body of the agency.

Senate Bill 882 updated CGC to clarify the differences between pass-through securities backed by Treasuries or Agencies and those backed by private/corporate securities.

For Agency Securities, we recommend increasing this limit to 30% to match industry best practices.

The Glossary was updated to add terms used within the policy and removed ones not used in the policy.

Attached you'll find the following:

- Written article highlighting changes to the California Government Code
- Redlined copy of the investment policy showing changes
- Revised copy of the investment policy.

Recommendation

It is recommended that the JPA Board review and approve the SMCSIG Investment Policy

Investment Policy Statements for California Entities: Updates for 2024 Policies

An Investment Policy Statement (IPS) is the foundation for a local government’s investment program and provides the procedures and parameters of the program to staff, governing boards, and external partners. An important practice for any entity is to review its IPS on an annual basis to ensure it continues to align with California Government Code (CGC) and industry best practices.

Periodically, an “omnibus bill” is passed through the state legislature that, in addition to changes in other parts of CGC, includes clarifications for or changes to portions of CGC that pertain to the investments of local government programs. The Local Government Omnibus Act of 2023 will have a change that may impact an IPS.

Effective January 1, 2024, from Senate Bill 882, Local Government Omnibus Act of 2023

- Pass-through securities backed by Treasuries (subdivision (b) of CGC) or Federal Agencies (subdivision (f) of CGC) will be exempt from the limitations otherwise imposed on those backed by private/corporate securities so long as they meet the specified limitations.¹

The change will pertain to section 53601, subdivision (o) with the bill stating:

This bill would exempt from those limitations imposed on investment in mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond forms of investment those securities issued or guaranteed by specified federal agencies or issuers.²

This change makes a clear distinction in CGC between requirements for pass through securities as described in subdivision (o) that are “issued or guaranteed by an agency or issuer identified in subdivision (b) [which includes US Treasury securities] or (f) [which includes Federal Agency or Government Sponsored Enterprise (GSE) securities]” and those that are not.

Prior changes to CGC which should also be considered at the next review include:

Effective January 1, 2021, from Senate Bill 998³ (summed up in a prior Chandler whitepaper from 2020⁴)

- For Local Agencies with more than \$100,000,000 of investable assets under management concentrations of commercial paper may exceed 25%, and total up to 40%;
- Local Agencies’ (other than a county or a city & county) investments in combined commercial paper and medium-term notes or any single issuer may not exceed 10% of the total portfolio;
- Federally recognized California Indian Tribes may invest in joint powers investment pools; and
- Local Agencies are authorized to invest in securities issued by, or backed by, the United States Government that could result in zero or negative interest accrual if held to maturity (This sunsets January 1, 2026).

Effective January 1, 2023, from Senate Bill 1489⁵

- An investment’s remaining term or remaining maturity is measured from trade settlement date to final maturity;
- The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is now prohibited; and
- An entity now has 45 days following the quarter end to submit a quarterly report to the legislative body of the agency.

In addition to these CGC changes, the Securities and Exchange Commission (SEC) refined their definition of a Qualified Institutional Buyer (QIB) in 2020, “The amendments also add to the list any institutional investors included in the accredited investor definition that are not otherwise enumerated in the definition of ‘qualified institutional buyer,’ provided they satisfy the \$100 million threshold.”⁶ Local governments that meet this threshold now qualify as QIBs and are able to participate in 144a offerings, also known as private placement securities, which provides access to more securities for further diversification opportunities for these entities.

While mirroring CGC as closely as possible is ideal, it is a common practice for local governments to adopt investment policies more restrictive than CGC by incorporating industry best practices and recommendations offered by California Debt and Investment Advisory Commission (CDIAC), Government Finance Officers Association (GFOA), Association of Public Treasurers (APT) and California Municipal Treasurers Association (CMTA). The IPS should not only include specific language within CGC guidelines, but also reflect risk tolerance levels and values of your entity.

Inclusion of other items in an IPS that are important to an entity may include the formulation and description of a Treasury Oversight Committee, as well as incorporating Environmental, Social, Governance (ESG) and/or Sustainably Responsible Investing (SRI) language. If this is something that the governing body would like included, it is pertinent to understand that ESG generally refers to inclusionary practices while SRI generally references an exclusionary approach.

With the many changes to CGC in the last few years, Chandler recommends local governments review their IPS at least annually. The annual review of an IPS is typically completed by staff and presented to the governing body for review and approval. Most professional investment advisors typically review the IPS as part of their regular services to local governments. A well written IPS is perhaps the most important component of your investment program. The document serves as a communication tool for staff, elected officials, the public, rating agencies, and bondholders. Per GFOA best practices, an investment policy statement enhances the quality of decision making and demonstrates a commitment to the fiduciary care of public funds.

Sources:

¹ Senate Committee on Governance and Finance Bill Analysis,

https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202320240SB882

² Local Government Omnibus Act of 2023, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB882

³ Senate Bill 998, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB998

⁴ Senate Bill No. 998: Updates and Clarification to California Government Code effective January 1st, 2021 by Christopher McCarry of Chandler Asset Management

⁵ Local Government Omnibus Act of 2022, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1489

⁶ SEC Modernizes the Accredited Investor Definition, <https://www.sec.gov/news/press-release/2020-191>



Kara Hooks
Associate Portfolio
Strategist

Questions? Please contact Chandler at info@chandlerasset.com, or toll free at 800-317-4747 with any questions or to learn about investment management solutions for public entity investment programs.

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San Mateo County Schools Insurance Group

INVESTMENT POLICY

Adopted: May 23, 2019
Reviewed: November 4, 2021
Reviewed: November 9, 2022

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

INVESTMENT POLICY ADOPTED May 23, 2019

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I. INTRODUCTION

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the San Mateo County Schools Insurance Group's objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the Group's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

This investment policy was endorsed and adopted by the Group's Governing Body and is Effective as of the 23 day of May 2019 and replaces any previous versions.

II. SCOPE

This policy covers all funds and investment activities under the direct authority of the Group, as set forth in the State Government Code, Sections 53600 *et seq.*, with the following exceptions:

- Proceeds of debt issuance shall be invested in accordance with the Group's general investment philosophy as set forth in this policy; however, such proceeds are to be invested pursuant to the permitted investment provisions of their specific bond indentures.
- Any other funds specifically exempted by the Governing Body.

POOLING OF FUNDS

Except for cash in certain restricted and special funds, the Group will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. PRUDENCE

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Group are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this

chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Treasurer and other authorized persons responsible for managing Group funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith. Deviations from expectations of a security’s credit or market risk should be reported to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

IV. OBJECTIVES

The Group’s overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

- **SAFETY.** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the Group will diversify its investments by investing funds among a variety of securities with independent returns.
- **LIQUIDITY.** The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- **RETURN ON INVESTMENTS.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

V. DELEGATION OF AUTHORITY

Authority to manage the Group’s investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.*

The Governing Body is responsible for the management of the Group’s funds, including the administration of this investment policy. Management responsibility for the cash management of the Group’s funds is hereby delegated to the Treasurer.

The Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

The Group may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the Group's investment portfolio in a manner consistent with the Group's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The Group's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Group recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the Group.

VI. ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the Executive Director any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

VII. INTERNAL CONTROLS

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the Agency and/or the Governing Body, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

VIII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The Group's Treasurer will determine which financial institutions are authorized to provide investment services to the Group. It shall be the Group's policy to purchase securities only from authorized institutions and firms.

The Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the Group. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the Group are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the Group include:

- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the Group, except where the Group utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq.* and the Group's investment policy. The Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the Group will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing

original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

IX. AUTHORIZED INVESTMENTS

The Group's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the Group seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit requirements listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution issuer to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. MUNICIPAL SECURITIES include obligations of the Group, the State of California and any local agency within the State of California, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- No more than 5% of the total portfolio may be invested in any single issuer.
- No more than 30% of the total portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

2. MUNICIPAL SECURITIES (REGISTERED TREASURY NOTES OR BONDS) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

- The securities are rated in a rating category of "A" or its equivalent or better by at least one ~~nationally recognized statistical rating organization ("NRSRO")~~.
- No more than 5% of the total portfolio may be invested in any single issuer.
- No more than 30% of the total portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

3. U.S. TREASURIES and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the Group may invest in U.S. Treasuries, provided that:

- The maximum maturity is five (5) years.

4. FEDERAL AGENCIES or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Group may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

- No more than 2530% of the total portfolio may be invested in any single Agency/GSE issuer.
- The maximum maturity does not exceed five (5) years.
- The maximum percent of agency-callable agency securities in the portfolio will be 20%.

5. BANKER'S ACCEPTANCES, provided that:

- They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 40% of the total portfolio may be invested in Banker's Acceptances.
- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

6. COMMERCIAL PAPER, provided that:

- The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million.
- The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
- They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- Group may purchase no more than 10% of the outstanding commercial paper of any single issuer.
- No more than 25% of the total portfolio may be invested in Commercial Paper.
- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

7. NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDS), issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).

- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

8. FEDERALLY INSURED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the total portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

9. COLLATERALIZED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the total portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

10. CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS), provided that:

- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
- The maximum maturity does not exceed five (5) years.

11. COLLATERALIZED BANK DEPOSITS. Group's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the Group may invest in collateralized bank deposits.

12. REPURCHASE AGREEMENTS collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the Group may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the Group and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF), provided that:

- The Group may invest up to the maximum amount permitted by LAIF.

- LAIF's investments in instruments prohibited by or not specified in the Group's policy do not exclude the investment in LAIF itself from the Group's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. LOCAL GOVERNMENT INVESTMENT POOLS

- Local Agency Investment Fund (LAIF)
- There is no issuer limitation for Local Government Investment Pools

15. CORPORATE MEDIUM-TERM NOTES (MTNS), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

16. ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS FROM ISSUERS NOT DEFINED IN SECTIONS 3 AND 4 OF THE AUTHORIZED INVESTMENTS SECTION OF THIS POLICY, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the total portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.
- The maximum ~~legal final~~ maturity does not exceed five (5) years.

17. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

- a. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - (i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.

- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- b. **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
- (i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.
- c. No more than 20% of the total portfolio may be invested in these securities.

18. SUPRANATIONALS, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

X. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.
- The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

The Group shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how ~~is it~~ is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XII. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The Group shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The Group shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The Group requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The Group shall receive monthly statements of collateral.

XIII. DELIVERY, SAFEKEEPING AND CUSTODY

DELIVERY-VERSUS-PAYMENT (DVP). All investment transactions shall be conducted on a delivery-versus-payment basis.

SAFEKEEPING AND CUSTODY. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the Group's portfolio shall be held in safekeeping in the Group's name by a third party custodian, acting as agent for the Group under the terms of a custody agreement executed by the bank and the Group. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the Group from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

XIV. MAXIMUM MATURITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The Group will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Governing Body has by resolution granted authority to make such an investment.

XV. RISK MANAGEMENT AND DIVERSIFICATION

MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Group will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy is designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The Group may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or Group's risk preferences.
- If the credit ratings of any security owned by the Group are downgraded to a level below the quality required by this investment policy, it will be the Group's policy to

review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

- If a security is downgraded, the Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Governing Body.

MITIGATING MARKET RISK IN THE PORTFOLIO

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The Group recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Group will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The Group further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Group, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The Group will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the Group based on the Group's investment objectives, constraints and risk tolerances.

XVI. REVIEW OF INVESTMENT PORTFOLIO

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Governing Body.

XVII. PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Group's risk

constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. Benchmarks may change over time based on changes in market conditions or cash flow requirements.

XVIII. REPORTING

MONTHLY REPORTS

Monthly transaction reports will be submitted by the Treasurer to the Governing Body ~~within 30 days of the end of the reporting period~~ in accordance with California Government Code Section 53607.

QUARTERLY REPORTS

The Treasurer will submit a quarterly investment report to the Governing Body which provides full disclosure of the Group's investment activities within ~~30~~⁴⁵ days after the end of the quarter. These reports will disclose, at a minimum, the following information about the Group's portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date, interest rate and interest rate.
2. Transactions for the period.
3. A description of the funds, investments and programs (including lending programs) managed by contracted parties (i.e. LAIF; investment pools, outside money managers and securities lending agents)
4. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Percentage of the portfolio represented by each investment category;
 - d. Average portfolio credit quality; and,
 - e. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the Group's market benchmark returns for the same periods;
5. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
6. A statement that the Group has adequate funds to meet its cash flow requirements for the next six months.

ANNUAL REPORTS

A comprehensive annual report will be presented to the Governing Board. This report will include comparisons of the Group's return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

XIX. REVIEW OF INVESTMENT POLICY

The investment policy will be reviewed and adopted at least annually within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the Governing Body for their consideration and adoption.

Prepared by:

Chandler Asset Management

Approved:

<Name>, Attorney at Law
Group Attorney

Approved:

San Mateo County Schools Insurance Group Executive Committee

Date: May 23, 2019

GLOSSARY OF INVESTMENT TERMS

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT. A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT. Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

~~**DEBENTURE.** A bond secured only by the general credit of the issuer.~~

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

~~**DERIVATIVE.** Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.~~

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERALLY INSURED TIME DEPOSIT. A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

FIDUCIARY. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in the other's best interests.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURITY. The final date upon which the principal of a security becomes due and payable. The investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND. A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments

of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD). A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PAYDOWN. A reduction in the principal amount owed on a bond, loan, or other debt.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR (PRUDENT PERSON) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

SECURITIES AND EXCHANGE COMMISSION (SEC). The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION SEC) RULE 15C3-1. A SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten- year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

San Mateo County Schools Insurance Group

INVESTMENT POLICY

Adopted: May 23, 2019
Reviewed: November 4, 2021
Reviewed: November 9, 2022
Reviewed: November 7, 2024

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

INVESTMENT POLICY ADOPTED May 23, 2019

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I. INTRODUCTION

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the San Mateo County Schools Insurance Group's objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the Group's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

This investment policy was endorsed and adopted by the Group's Governing Body and is Effective as of the 23 day of May 2019 and replaces any previous versions.

II. SCOPE

This policy covers all funds and investment activities under the direct authority of the Group, as set forth in the State Government Code, Sections 53600 *et seq.*, with the following exceptions:

- Proceeds of debt issuance shall be invested in accordance with the Group's general investment philosophy as set forth in this policy; however, such proceeds are to be invested pursuant to the permitted investment provisions of their specific bond indentures.
- Any other funds specifically exempted by the Governing Body.

POOLING OF FUNDS

Except for cash in certain restricted and special funds, the Group will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. PRUDENCE

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Group are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this

chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Treasurer and other authorized persons responsible for managing Group funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith. Deviations from expectations of a security’s credit or market risk should be reported to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

IV. OBJECTIVES

The Group’s overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

- **SAFETY.** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the Group will diversify its investments by investing funds among a variety of securities with independent returns.
- **LIQUIDITY.** The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- **RETURN ON INVESTMENTS.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

V. DELEGATION OF AUTHORITY

Authority to manage the Group’s investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.*

The Governing Body is responsible for the management of the Group’s funds, including the administration of this investment policy. Management responsibility for the cash management of the Group’s funds is hereby delegated to the Treasurer.

The Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

The Group may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the Group's investment portfolio in a manner consistent with the Group's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The Group's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Group recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the Group.

VI. ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the Executive Director any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

VII. INTERNAL CONTROLS

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the Agency and/or the Governing Body, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

VIII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The Group's Treasurer will determine which financial institutions are authorized to provide investment services to the Group. It shall be the Group's policy to purchase securities only from authorized institutions and firms.

The Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the Group. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the Group are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the Group include:

- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the Group, except where the Group utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq.* and the Group's investment policy. The Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the Group will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing

original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

IX. AUTHORIZED INVESTMENTS

The Group's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the Group seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit requirements listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and issuer to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. MUNICIPAL SECURITIES include obligations of the Group, the State of California and any local agency within the State of California, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- No more than 5% of the total portfolio may be invested in any single issuer.
- No more than 30% of the total portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

2. MUNICIPAL SECURITIES (REGISTERED TREASURY NOTES OR BONDS) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 5% of the total portfolio may be invested in any single issuer.
- No more than 30% of the total portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

3. U.S. TREASURIES and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the Group may invest in U.S. Treasuries, provided that:

- The maximum maturity is five (5) years.

4. FEDERAL AGENCIES or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Group may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

- No more than 30% of the total portfolio may be invested in any single Agency/GSE issuer.
- The maximum maturity does not exceed five (5) years.
- The maximum percent of callable agency securities in the portfolio will be 20%.

5. BANKER'S ACCEPTANCES, provided that:

- They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 40% of the total portfolio may be invested in Banker's Acceptances.
- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

6. COMMERCIAL PAPER, provided that:

- The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million.
- The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
- They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- Group may purchase no more than 10% of the outstanding commercial paper of any single issuer.
- No more than 25% of the total portfolio may be invested in Commercial Paper.
- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

7. NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDS), issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
- No more than 5% of the total portfolio may be invested in any single issuer.

- The maximum maturity does not exceed five (5) years.

8. FEDERALLY INSURED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the total portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

9. COLLATERALIZED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the total portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

10. CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS), provided that:

- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
- The maximum maturity does not exceed five (5) years.

11. COLLATERALIZED BANK DEPOSITS. Group's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the Group may invest in collateralized bank deposits.

12. REPURCHASE AGREEMENTS collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the Group may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the Group and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF), provided that:

- The Group may invest up to the maximum amount permitted by LAIF.

- LAIF's investments in instruments prohibited by or not specified in the Group's policy do not exclude the investment in LAIF itself from the Group's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. LOCAL GOVERNMENT INVESTMENT POOLS

- Local Agency Investment Fund (LAIF)
- There is no issuer limitation for Local Government Investment Pools

15. CORPORATE MEDIUM-TERM NOTES (MTNS), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

16. ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS FROM ISSUERS NOT DEFINED IN SECTIONS 3 AND 4 OF THE AUTHORIZED INVESTMENTS SECTION OF THIS POLICY, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the total portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.
- The maximum maturity does not exceed five (5) years.

17. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

- a. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - (i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.

- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- b. **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
- (i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.
- c. No more than 20% of the total portfolio may be invested in these securities.

18. SUPRANATIONALS, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the total portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

X. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.
- The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

The Group shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XII. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The Group shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The Group shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The Group requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The Group shall receive monthly statements of collateral.

XIII. DELIVERY, SAFEKEEPING AND CUSTODY

DELIVERY-VERSUS-PAYMENT (DVP). All investment transactions shall be conducted on a delivery-versus-payment basis.

SAFEKEEPING AND CUSTODY. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the Group's portfolio shall be held in safekeeping in the Group's name by a third party custodian, acting as agent for the Group under the terms of a custody agreement executed by the bank and the Group. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the Group from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

XIV. MAXIMUM MATURITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The Group will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Governing Body has by resolution granted authority to make such an investment.

XV. RISK MANAGEMENT AND DIVERSIFICATION

MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Group will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy is designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The Group may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or Group's risk preferences.
- If the credit ratings of any security owned by the Group are downgraded to a level below the quality required by this investment policy, it will be the Group's policy to

review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

- If a security is downgraded, the Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Governing Body.

MITIGATING MARKET RISK IN THE PORTFOLIO

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The Group recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Group will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The Group further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Group, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The Group will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the Group based on the Group's investment objectives, constraints and risk tolerances.

XVI. REVIEW OF INVESTMENT PORTFOLIO

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Governing Body.

XVII. PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Group's risk

constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. Benchmarks may change over time based on changes in market conditions or cash flow requirements.

XVIII. REPORTING

MONTHLY REPORTS

Monthly transaction reports will be submitted by the Treasurer to the Governing Body in accordance with California Government Code Section 53607.

QUARTERLY REPORTS

The Treasurer will submit a quarterly investment report to the Governing Body which provides full disclosure of the Group's investment activities within 45 days after the end of the quarter. These reports will disclose, at a minimum, the following information about the Group's portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date, interest rate and interest rate.
2. Transactions for the period.
3. A description of the funds, investments and programs (including lending programs) managed by contracted parties (i.e. LAIF; investment pools, outside money managers and securities lending agents)
4. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Percentage of the portfolio represented by each investment category;
 - d. Average portfolio credit quality; and,
 - e. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the Group's market benchmark returns for the same periods;
5. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
6. A statement that the Group has adequate funds to meet its cash flow requirements for the next six months.

ANNUAL REPORTS

A comprehensive annual report will be presented to the Governing Board. This report will include comparisons of the Group's return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

XIX. REVIEW OF INVESTMENT POLICY

The investment policy will be reviewed and adopted at least annually within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the Governing Body for their consideration and adoption.

Prepared by:

Chandler Asset Management

Approved:

<Name>, Attorney at Law
Group Attorney

Approved:

San Mateo County Schools Insurance Group Executive Committee

Date: May 23, 2019

GLOSSARY OF INVESTMENT TERMS

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT. A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT. Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERALLY INSURED TIME DEPOSIT. A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

FIDUCIARY. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in the other's best interests.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to

government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURITY. The final date upon which the principal of a security becomes due and payable. The investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND. A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD). A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor

(investor).

PAYDOWN. A reduction in the principal amount owed on a bond, loan, or other debt.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT INVESTOR (PRUDENT PERSON) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

SECURITIES AND EXCHANGE COMMISSION (SEC). The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION SEC) RULE 15C3-1. A SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten- year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The

Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Consent Agenda

Action

Item Number: F7

Consent

Title: Policy Review

Information

Background

Per CAJPA Accreditation requirements, the following policies need to be reviewed and approved:

- Capital Target Policy
- Conflict of Code Policy Review
- Underwriting Policy

Recommendation

It is recommended that the JPA board review and approve the Capital Target Policy, Conflict of Code Policy, and Underwriting Policy.

San Mateo County Schools Insurance Group

CAPITAL TARGET POLICY

Adopted: November 15, 1996

Revised: March 26, 1999

Revised: May 17, 2002

Revised: April 25, 2003

Revised: January 28, 2021

Revised: November 1, 2023

CAPITAL TARGET STATEMENT

The primary goal of the San Mateo County Schools Insurance Group (Group) is stability of insurance rates. This goal is achieved by planning ahead and effectively utilizing resources to maintain stable insurance rates over the long term in good and bad markets. The insurance industry is dynamic with adverse losses and market rates changing from year to year. In an attempt to stabilize rates over the long term, it is necessary and appropriate to set a capital target for each program. This target would specify what minimum positive equity balance the JPA would like to maintain in each program. The positive net position balance would provide contingency funds to mitigate and offset future increases that are inevitable when an inordinate amount of losses occurs or the insurance market hardens or both items occur simultaneously. In an insurance pool, a contingency is critical because a cluster of catastrophic losses can happen. Therefore, it is prudent to maintain a contingency in the form of net position over and above yearly projected losses to mitigate a string of catastrophic losses and their effect on JPA rates and member districts. Finally, market and claim issues may require different insurance structures that may put more demands on capital; changes in self-insured retention, sub limits on certain losses or annual aggregates. These create a need for capital to meet the demands of future structural changes.

Workers Compensation

An annual actuarial analysis will be performed each year to determine the expected outstanding liabilities at year ending June 30. This expected number equates to a central estimate (50%-60% confidence level) that will be recorded on the financials. The expected level is used because the accounting requirements don't want a pool to over or under estimate the liabilities. The expected level would cause the JPA to record the most likely outcome. To provide a contingency over and above the expected losses, we will set a minimum target of 80% confidence level for rate setting. The capital target will be a minimum of the 90% confidence level and five times the Self-Insured Retention (SIR) In this manner the JPA will provide for the contingencies of unfavorable loss development or other unexpected expenses. Our long-term capital target will be the 1:200 test as provided by the actuary 99.5% confidence level. Since it will be likely in the future that the self-insured retention or program structure may change, management will provide annually additional solvency benchmarks to monitor the strength of the pool and the ability to withstand changes.

Property/Liability

To provide a contingency over and above the expected losses, we will set a minimum target of 80% confidence level for rate setting, *and a parallel exposure measure will be the Property/Liability Program should maintain positive equity over and above expected losses equal to or greater than seven (7) times the SIR.* An annual actuarial analysis will be performed each year to determine the expected outstanding liabilities at year ending June 30. This expected level equates to a central estimate (50% -60% confidence level) that will be recorded on the financials. Our contingency should be greater than the expected level by a minimum 7 times our SIR. . Our long-term capital target will be the 1:200 test as provided by the actuary 99.5% confidence level. Since it will be likely in the future that the self-insured retention or program structure may change, management will provide annually additional solvency benchmarks to monitor the strength of the pool and the ability to withstand changes.

Delta Dental

This program is self-funded with no stop-loss coverage. The rates for this program are dependent on claims experience and utilization which can vary from year to year. The claim lag or runout for dental is roughly two (2) to five (5) months. This is the time between dates of service and payment by Delta Dental. A capital target of five (5) months of paid claims will be maintained. The figure will be noted on the financials at the year ending June 30 and will be based on the average of the previous twelve (12) months of claims. In addition, we will target equity at 25% of the annual contributions as a measurement benchmark of capital to cover variability these two benchmarks will be added together for a capital target.

Vision Service Plan

This program is self-funded with no stop-loss coverage. The rates for this program are dependent on claims experience and utilization which can vary from year to year. The claim lag or runout for vision is roughly two (2) to five (5) months. This is the time between dates of service and payment by VSP. In addition, we will target equity at 25% of the annual contributions as a measurement benchmark of capital to cover variability these two benchmarks will be added together for a capital target.

Health Consortium

This is a pass-through group purchase program. No target equity is established for this program.

Unemployment Program

This program is self-funded with no stop-loss coverage. The school districts pay into the Unemployment Insurance Fund (School Employees Fund) via a tax rate which is merit rate based on their experience. The Group contracts with an outside company to provide administration services. The administration fee is around \$22,000 annually. There is no contingency reserved for this program.

FUNDING BENCHMARKS

In addition to the programs maintaining contingency fund as stated above, other benchmark ratios will be utilized to ensure prudent funding levels be maintained. The programs will endeavor to meet the following target ratios:

- **Equity to SIR**

Target $\geq 5:1$

This ratio is a measure of the maximum amount equity could decline due to a single full limit loss. A high ratio is desirable.

- **Net Premium to Equity**

Target $\leq 2:1$

This ratio measures whether adverse loss development can be absorbed by new premium. (Net premium equals premium received by the Group, less premium paid by the Group to others.)

- **Claims Liabilities to Equity**

Target $\leq 3.5:1$

This ratio is a measure of how equity is leveraged against total reserves. A low ratio is desirable.

- **Capital higher than confidence level minimum**

Target $\geq 90\%$

This ratio measures funding above contingency level as required by board.

Long-term monitoring benchmarks for the Workers' Compensation Program and the Property/Liability Program will be 1:50, 1:100 and 1:200 event benchmarks. These benchmarks will be monitored and reported to the board annually.

San Mateo County Schools

Insurance Group

CONFLICT OF INTERESTS POLICY

*San Mateo County Schools
Insurance Group*

Conflict of Interest Code

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code.

Designated employees of the San Mateo County Schools Insurance Group (SMCSIG) and Members and Alternates of the JPA Board shall file annual statements of economic interests pursuant to Government Code Section 87200.

Content of Annual Statements

Annual statements shall disclose any reportable investment, interests in real property, income and business positions held or received during the previous calendar year. The statement (Form 700) shall cover the period January 1 through December 31 and shall be filed with the San Mateo County Schools Insurance Group by April 1 of the following year. The statement of economic interests is meant to provide notice of any SMCSIG employee or Members and Alternates of the JPA Board that has economic interest in any vendor or business utilized by SMCSIG. The annual statements shall be retained at the SMCSIG office and are available for public inspection and/or disclosure.

Designated Positions

All Members and Alternates of the JPA Board shall file an annual statement of economic interests (Form 700) and any SMCSIG employee that has economic interest in any vendor or business utilized by SMCSIG. The following employees of SMCSIG shall file an annual Form 700:

- Executive Director
- Controller
- Property/Liability Claims Manager

Pursuant to Section 4 of the standard code, designated employees shall file statements of economic interests with the SMCSIG. Upon receipt of the statement of the members of the full Board, the members of the Executive Committee, and the Executive Director, Controller and Property/Liability Claims Manager, SMCSIG shall make and retain a copy and forward the original of these statements to the Clerk of the Board for the San Mateo County Board of Supervisors.

Disclosure Category 1

Persons designated in this category must disclose business entities in which they have an investment or hold a business position, or which are sources of income to them if such entities or sources of income filed claims, or have such claims pending, against any member jurisdiction of the San Mateo County Schools Insurance Group during the reporting period.

Disclosure Category 2

Persons designated in this category must disclose business entities in which they have an investment or hold a business position, or which are sources of income to them if such business entities are of the type in which the San Mateo County Schools Insurance Group is empowered to invest its funds.

Disclosure Category 3

Persons designated in this category must disclose business entities in which they have an investment or hold a business position, or which are sources of income to them if the business entities are of the type that contract with the San Mateo County Schools Insurance Group, or its managing agency, to supply goods, services, materials, supplies or leased space.

Disclosure Category 4

Persons designated in this category must disclose investments in business entities in which they have an investment or hold a business position, or which are sources of income that are insurance companies, carriers, holding companies, underwriters, agents, solicitors, or brokers.

San Mateo County Schools Insurance Group

-APPENDIX-

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members of the JPA Board	1, 2, 3, 4
Members of the Executive Committee	1, 2, 3, 4
Executive Director	1, 2, 3, 4
Controller	1, 2, 3, 4
Property/Liability Claims Manager	1, 2, 3, 4
Consultants	1, 2, 3, 4

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

UNDERWRITING POLICY

Adopted: January 14, 2016
Revised: January 17, 2017
Revised: May 21, 2020

SMCSIG UNDERWRITING POLICY

Objective

San Mateo County Schools Insurance Group (SMCSIG) has established underwriting criteria for the purpose of marketing to prospective members. Underwriting information is also used for rate making/premium calculation, measuring member performance, and calculating dividends or assessments based upon equity levels. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, By-Laws and MPA Policies. This Underwriting Policy provides a summary and highlights much of the criteria utilized to complete the underwriting process.

Underwriting Function/Mission

Establishing underwriting criteria ensures that all SMCSIG coverage programs are analyzed for risk exposures, funding requirements, dividend and assessment calculations, risk retention levels, compatibility between members and serviceability by staff. Adherence to these Board approved standards and guidelines guarantees the continued financial viability and security of SMCSIG.

New Members

The guidelines for admittance of new members to SMCSIG are set forth in the Joint Powers Agreement and By-Laws (Article 1 Membership). Membership eligibility requires the public entity be domiciled in San Mateo County.

Approval by two-thirds of all members Joint Powers Authority Board is required. The applicant agrees to participate as a member for a minimum of three consecutive years.

Application Process

An applicant for membership must complete SMCSIG's "risk questionnaire". It solicits specific information to assess the applicants risk exposures. Included is the following financial information:

- a. Underwriting data for the current year, including payroll, audited financial statements, budget, ADA, and other financial data as requested;
- b. Payrolls for the previous five years;
- c. Loss history for the previous five years;
- d. Any recent claim or actuarial studies completed for the applicant on the coverage programs the applicant wishes to join.

In addition, the applicant must submit to an actuarial study in the format required by SMCSIG. The applicant will pay for any actuarial study completed for the underwriting process.

Underwriting Guidelines

Any prospective member, including existing members not participating in a program, must meet the following minimum underwriting guidelines:

- a. Have a loss rate calculated for the past three years that does not exceed the average loss rate of the current members;
- b. Demonstrate a commitment to support risk management and safety programs to control or prevent claims;
- c. Accept a minimum deductible of \$1,500 if joining the liability program, \$5,000 for the property program.

The Executive Director, with the concurrence of two-thirds of the Board, may waive any of these guidelines if circumstances so warrant.

Rate Setting/Funding Requirements

The Liability and Workers Compensation programs will be fully funded each year after completion of an independent actuarial study. Rates are established based upon multiple factors, including:

- Payroll exposure
- Loss rates, experience modification factors
- Excess rates
- Administrative expense
- ADA
- Total Insured Values (TIV)
- Considers the pool financial position and targeted equity

Workers' Compensation Formula:

By member

- 3 years of incurred loss data (Column A in Worker's Compensation rate sheet) divided by
- 3 years of paid contribution (Column B in Worker's Compensation rate sheet)
- Results in Member ratio
- Divide the total of all members' paid losses by the total of all members' contributions results in the SMCSIG Ratio.
- The Raw Experience Modification Factor (EMF) for each member is the amount of the member ratio (Column C) divided by the SMCSIG ratio (Column D).

We then compare the Raw EMF calculated above to the prior year EMF and cap the total or change as follows; Change cannot be greater than .20.

No member may have a lower EMF than .70 nor a higher EMF that 2.00. *(This modification of the floor will be phased in over a maximum of three years beginning with the 2020-21 policy year with a member floor increased a maximum of .20 per year)*

The EMF arrived at is then multiplied times the pool rate (established each policy year by the PIPS program) to calculate the base rate.

The base rate is adjusted to ensure that the total targeted funding is achieved.

Property / Liability Formula

By member:

SMCSIG's Actuary provides the loss funding amount based upon estimation of claims development over prior years.

Liability inputs:

- Prior year ADA is received from the CDE Lottery Report
- ADA is totaled for the prior 3 years and averaged
- Incurred losses over the past three full years are totaled and limited to \$50,000 per incident

Property inputs:

- Total Insured Values for the prior year
- Total Insured Values for the prior 3 years and averaged

- Members' incurred losses are added together for the last three full years. Each claim is limited to \$50,000 for underwriting purposes.
- **Calculation Liability Program:**
 1. Each Member's 3 years ADA is compared to the total SMCSIG 3 years of ADA. This then calculates the member's ratio, or the exposure ratio
 2. Members Incurred losses are limited to \$50,000 for any claim occurring in the prior three full years. This is then compared to the total SMCSIG limited losses for the same period.
 3. The differential between the member exposure ratio and the member percent of losses to the total is compared to create an indicated differential.
 4. Credibility factor = the member 3 year ADA / (the member 3 year ADA+25,000)
 5. Credibility weighted differential = indicated differential x credibility factor+(1+credibility factor)
 6. Member liability experience factor = member credibility factor/ sum(all members credibility weighted differential)
 7. Total JPA for the program are allocated based on; pure premium rate x liability experience modification factor x member ADA
 8. Member rate factor is calculated by dividing the JPA costs calculated in 7 above by the total costs for all members as calculated for 7 above. This is the rate per ADA charged to a member.
 9. Member deductible per claim is \$1,500. Members may elect a higher deductible with a rate factor on the retained layer portion of the premium as follows:
 - a. \$3,500 .94
 - b. \$5,000 .91
 - c. \$10,000 .84

Calculation Property Program:

1. Member 3 years Total Insured Value (TIV) is compared to the total membership 3 years of TIV to calculate the member ratio = exposure ratio
2. Members Incurred losses limited to \$50,000 for the prior three years; beginning prior to the current year is compared to the total member limited losses for the same period.
3. The differential between the member exposure ratio and the member percent of losses to the total is compared to create an indicated differential.
4. Credibility factor = the member 3 year TIV / (the member 3 year TIV+750,000)
5. Credibility weighted differential = indicated differential x credibility factor+(1+credibility factor)
6. Member property experience factor = member credibility factor/ sum(all members credibility weighted differential)
7. Total JPA for the program are allocated based on; pure premium rate x liability experience modification factor x member TIV
8. Member deductible per claim is \$5,000. Members may elect a higher deductible with a rate factor on the retained layer portion of the premium as follows:
 - a. \$7,500 .91
 - b. \$10,000 .83
 - c. \$15,000 .71

Although SMCSIG's coverage programs are based upon risk sharing among its members, to encourage accountability for losses, premiums are adjusted after the application of an experience modification factor calculated by the actuary. These factors will take into account losses that have occurred within the last three full policy years.

Periodic Review

This Underwriting Policy is hereby established as set forth above, and will be periodically reviewed by the Board at least once every three years. Under this review the board or committee will consider

- a. Is the process adequately measuring the risks?
- b. Is the process adequately allocating costs?

The Board may delegate the underwriting function as outlined in this Policy to the Executive Committee, for the sole purpose of addressing underwriting issues.

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Executive Director Report

Action

Item Number: G1

Consent

Title: Early Rate Indication

Information

Background

Matt Gowan from Alliant will be presenting an update.

Recommendation

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Executive Director Report **Action**
Item Number: G2 **Consent**
Title: Workers Compensation/Loss Control Update **Information**

Background

SMCSIG and InterCare, our TPA for Workers' Compensation, hold bi-weekly meetings to review claims utilization. InterCare has added two new Claims Administrators to its team. Members assigned a new Claims Administrator will receive an introductory call with their contact information.

Sentinel Occupational Software continues to enhance the management of workers' compensation claims, offering:

- Comprehensive comparison of open claims against a national database for insights into claim duration and cost.
- The "Return to Work Advisor" feature has reduced Paid Lost Days by 55%, saving 2,238 days.

- Attached is an ESM Insite site inspection update.

Recommendation

SMCSIG

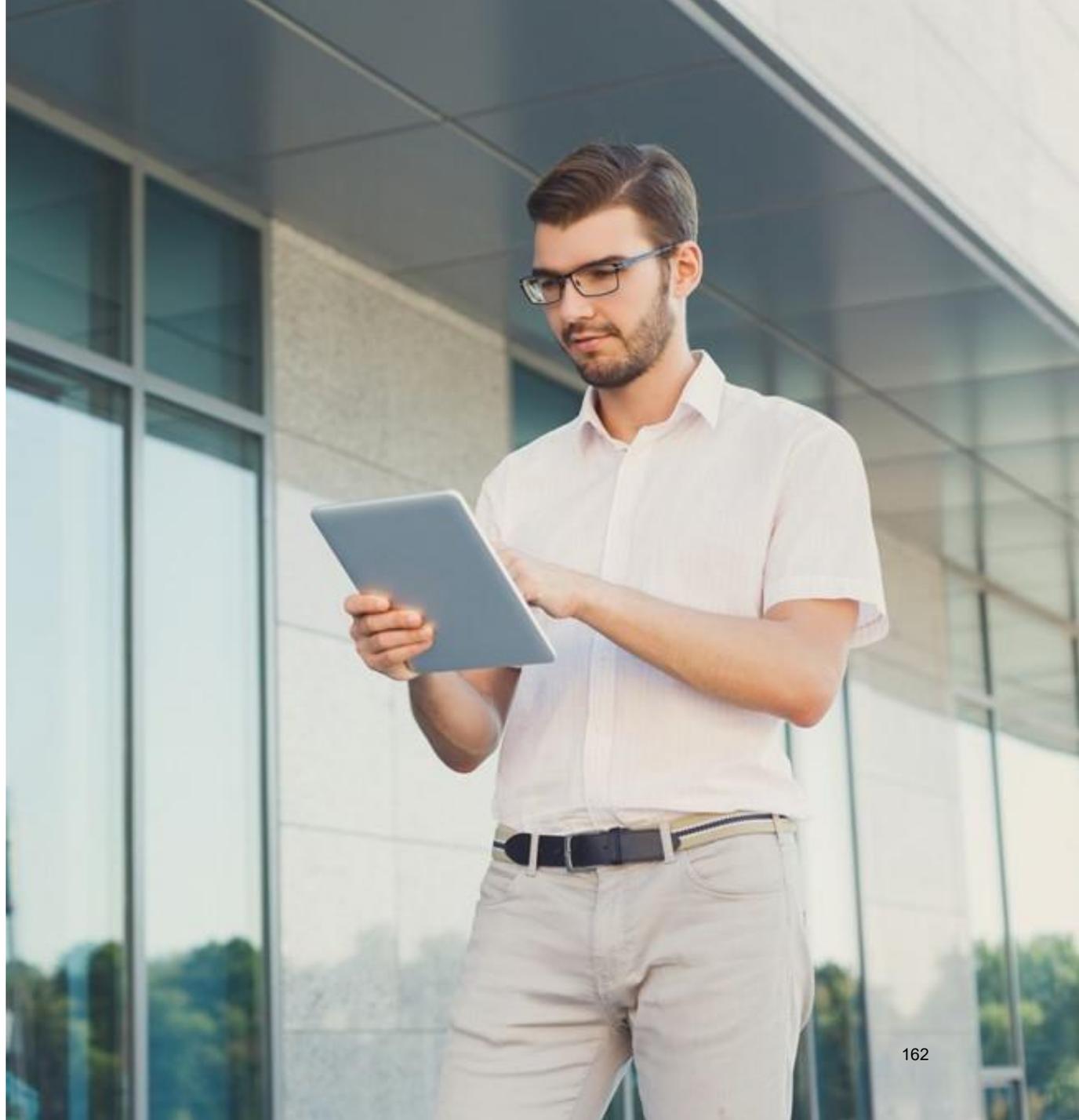


2024-26 Interior & Exterior
Property/Liability/CPTED
Inspection Project

Update: November 2024

Presented by:

Tom Ledda & Anthony Poston (ESM)



Audit Status



District	# Sites	Sites Scheduled	Sites Completed Exterior	Sites Completed Interior	% Complete	Interior	Exterior
BAYSHORE ELEMENTARY SCHOOL DISTRICT	1	1	1	1	100%	X	X
BELMONT-REDWOOD SHORES ELEMENTARY SCHOOL DISTRICT	8				0%		
BRISBANE ELEMENTARY SCHOOL DISTRICT	4	4	4	4	100%	X	X
BURLINGAME ELEMENTARY SCHOOL DISTRICT	8				0%		
CABRILLO UNIFIED SCHOOL DISTRICT	7				0%		
HILLSBOROUGH CITY SCHOOL DISTRICT	5				0%		
JEFFERSON ELEMENTARY SCHOOL DISTRICT	17				0%		
JEFFERSON UNION HIGH SCHOOL DISTRICT	9				0%		
LA HONDA PESCADERO UNIFIED SCHOOL DISTRICT	4				0%		
LAS LOMITAS ELEMENTARY SCHOOL DISTRICT	5				0%		
MENLO PARK CITY ELEMENTARY SCHOOL DISTRICT	4	4			0%		
MILLBRAE ELEMENTARY SCHOOL DISTRICT	8	8	8	8	100%	X	X
PACIFICA SCHOOL DISTRICT	9	9			0%		
PORTOLA VALLEY ELEMENTARY SCHOOL DISTRICT	3	3	3	3	100%	X	X
RAVENSWOOD CITY ELEMENTARY SCHOOL DISTRICT	7				0%		
REDWOOD CITY SCHOOL DISTRICT	15				0%		
SAN BRUNO PARK ELEMENTARY SCHOOL DISTRICT	10				0%		
SAN CARLOS SCHOOL DISTRICT	9	9	9	0	50%		X
SAN MATEO COUNTY OFFICE OF EDUCATION	6				0%		
SAN MATEO COUNTY SCHOOLS INSURANCE GROUP	1				0%		
SAN MATEO UNION HIGH SCHOOL DISTRICT	12				0%		
SAN MATEO-FOSTER CITY SCHOOL DISTRICT	23	23			0%		
SEQUOIA UNION HIGH SCHOOL DISTRICT	13				0%		
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT	18				0%		
WOODSIDE ELEMENTARY SCHOOL DISTRICT	1	1	1	1	100%	X	X
Grand Total	207	62	26	17	8%		

San Mateo County School Insurance Group Inspection Summary Dashboard

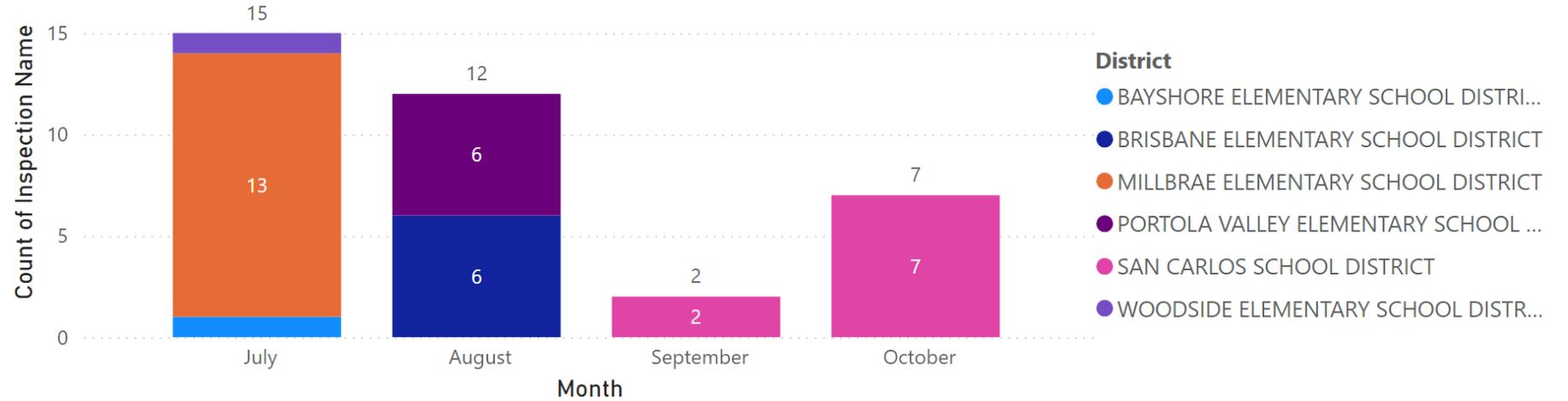
Updated: 10/11/24



Inspections Completed YTD

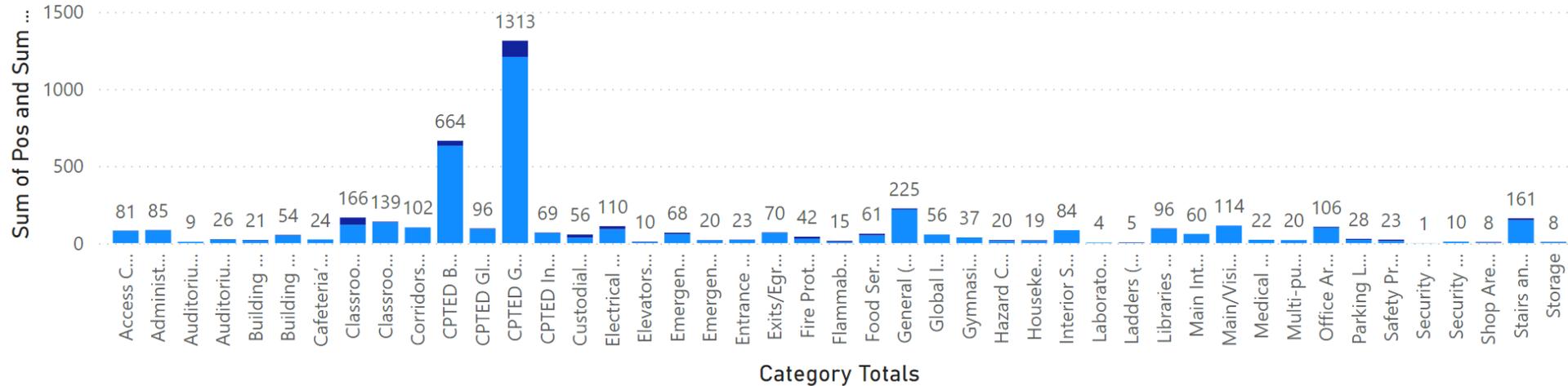
36

Inspections per Month



Observations by Inspection Category

Sum of Pos Sum of Neg



Total Positive Observations

4069

Total Negative Observations

362

164

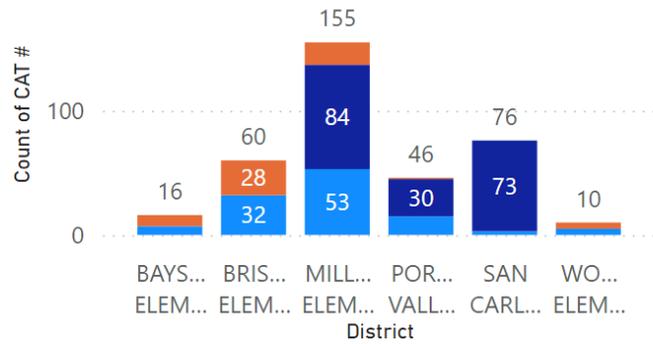
San Mateo County School Insurance Group Corrective Action Tracking

Updated: 10/11/24



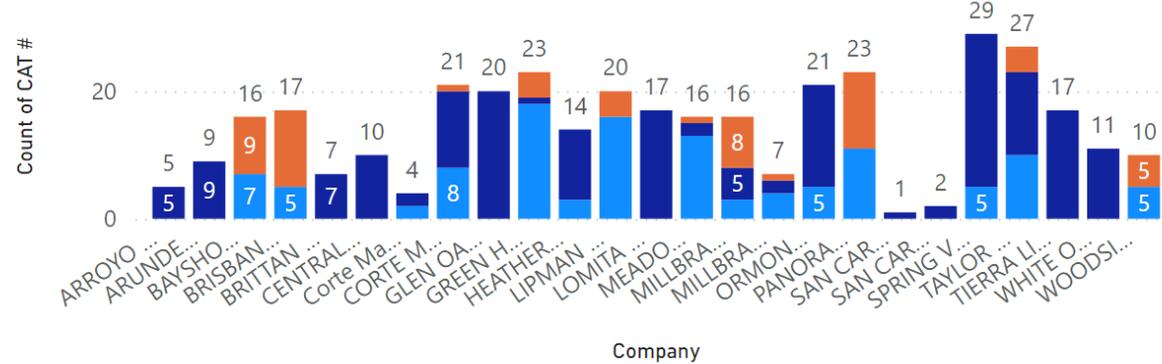
Count of CAT # by District and Status

Status ● Closed ● Open ● Pending



Count of CAT # by Location and Status

Status ● Closed ● Open ● Pending



Total Open CATs

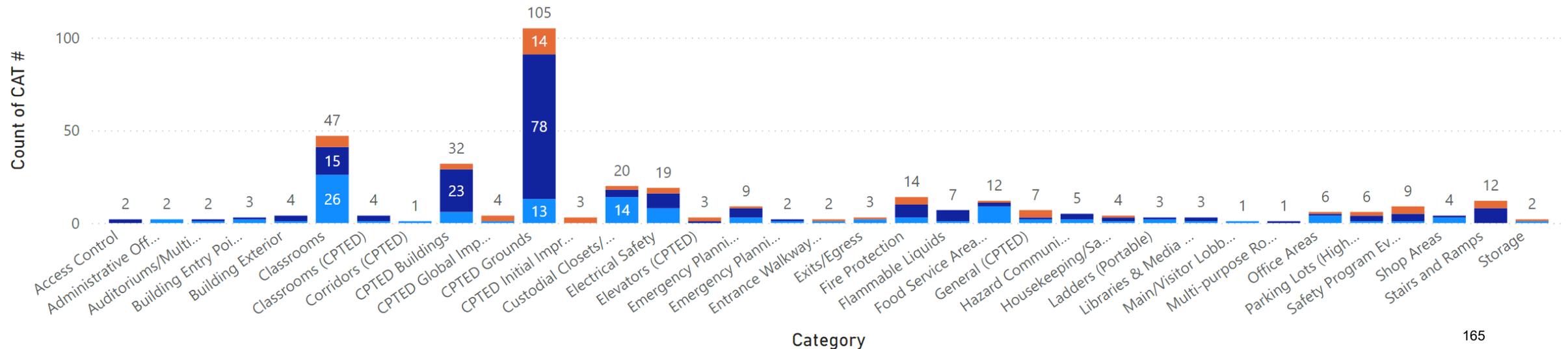
187

Total Closed CATs

115

Count of CAT # by Category and Status

Status ● Closed ● Open ● Pending

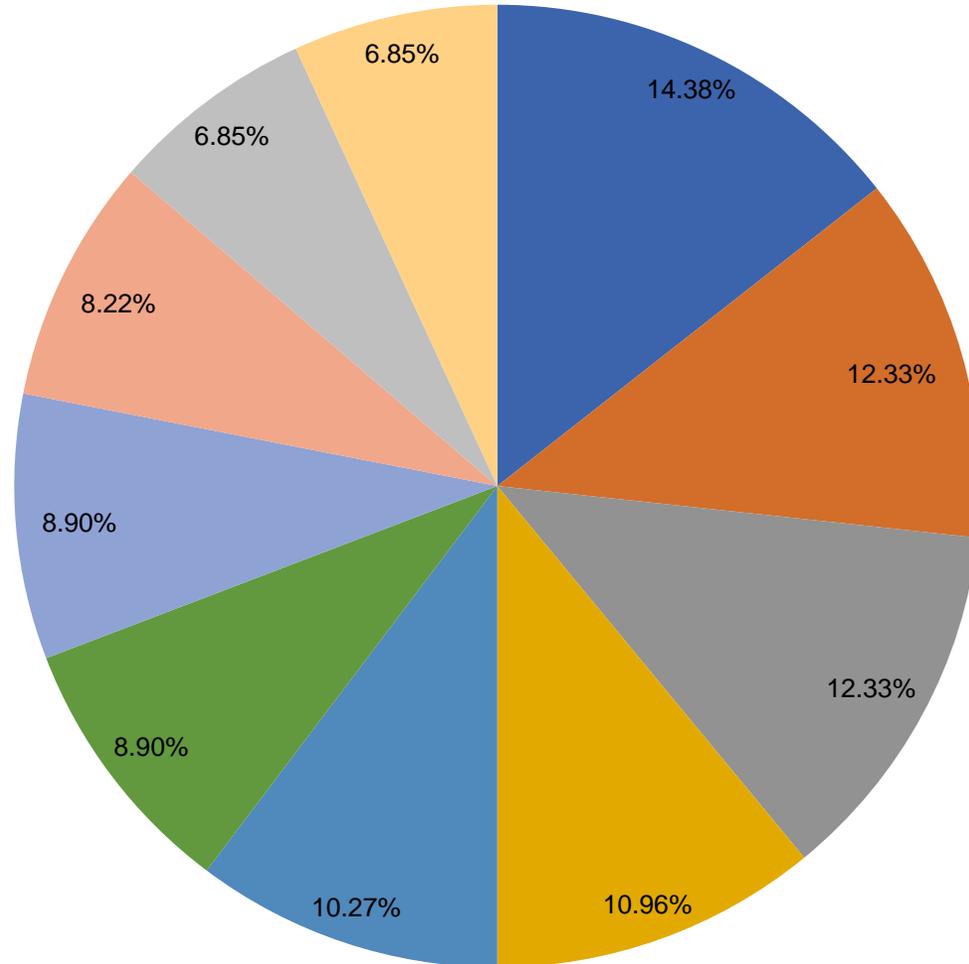




Analytics - Interior

Top 10 Negative

Top 10 Negative Observations

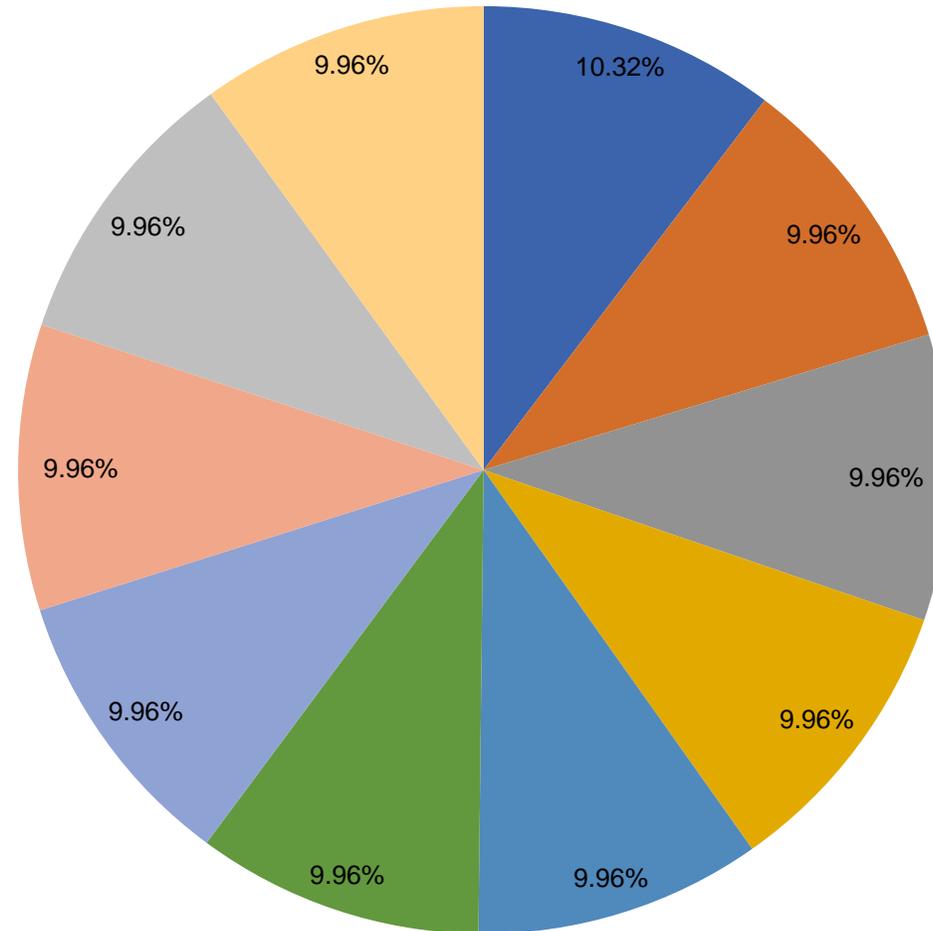


- Electrical panels have 36 inches of clearance
- Fire extinguishers maintained and noted on inspection tag? 6151(e)(1 thru 3)
- Fire extinguishers are inspected and initialed monthly
- Material Safety Data Sheets and maintained and updated on an annual basis
- Storage racks and shelving are built for the load and secured to floor or wall
- Classrooms have less than 50% of the walls covered with paper/student artwork (fire prevention)
- Emergency evacuation plans posted and assembly areas are designated
- Electrical/mechanical closets are not used for excess storage
- Furniture (e.g., upholstered couches, chairs, bean bags, etc.) are in good condition and labeled as flame retardant (SB 1019).
- Ceiling tiles do not have indication of potential roof leak (stained, discolored)



Analytics - Interior

Top 10 **Positive** Top 10 Positive Observations



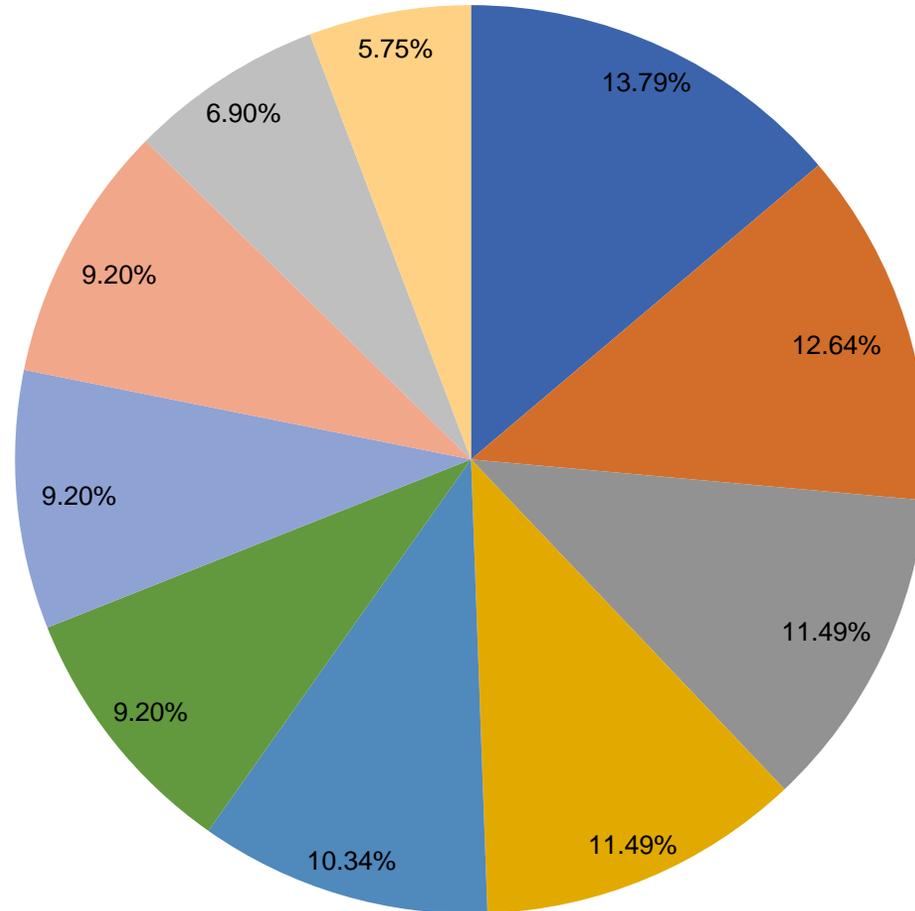
- Interior spaces are well lit.
- There is an abundance of natural light within interior spaces.
- Interior spaces are attractive and cheerful.
- Interior light fixtures are in good condition.
- The school is inviting.
- The school interior is attractive.
- The school interior is cheerful.
- The atmosphere on the interior is uplifting.
- Emergency supplies are inspected and replenished as necessary
- Evacuation routes kept clean and routes in buildings have emergency lighting.



Analytics - Exterior

Top 10 Negative

Top 10 Negative Observations



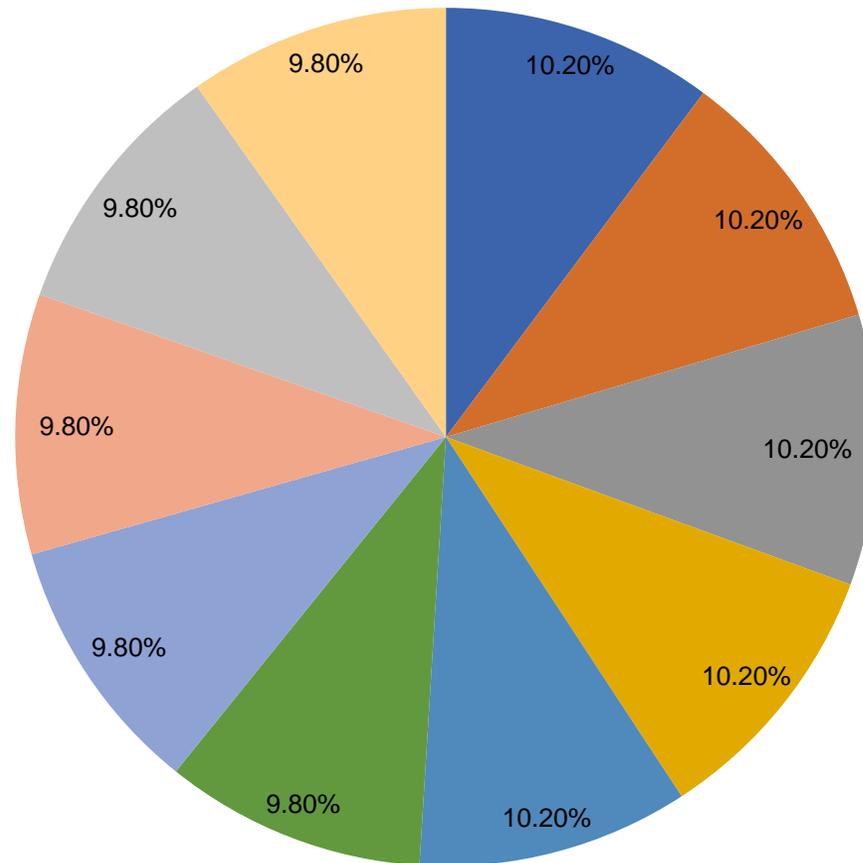
- Stairs have appropriate visual cues (color difference or other enhancement)?
- Vehicular travel routes clearly marked?
- Heavy pedestrian walkways free from inadvertent trip hazards (e.g., tree roots uprooting sidewalks)?
- Building mounted security devices (cameras and window grates, etc.) unimposing?
- Security devices unimposing?
- Surfaces level & free from trip hazards such as misaligned concrete or bricks
- Perimeter secured in areas not easily monitored?
- School grounds in good condition?
- Pedestrian pathways on school property in good condition?
- All parking spaces clearly marked?



Analytics - Exterior

Top 10 Positive

Top 10 Positive Observations



- Exterior waiting areas well lit?
- The school is inviting?
- The school is attractive?
- The school is cheerful?
- The atmosphere is uplifting?
- Parking lots well lit?
- Grounds free from signs of vandalism?
- Initial impressions of the school grounds positive?
- Initial impressions of the school buildings positive?
- Initial impressions of the school interiors positive?

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Executive Directors Report

Action

Item Number: G4

Consent

Title: Strategic Planning Retreat

Information

Background

- Tentative dates: February 10th or 12th.

Recommendation

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Administration of The Organization</u>	<input checked="" type="checkbox"/>	Action
Item Number: H1	<input type="checkbox"/>	Consent
Title: <u>Executive Committee Election</u>	<input type="checkbox"/>	Information

Background

Pursuant to the San Mateo County Schools Insurance Group (SMCSIG) Bylaws, Article III Executive Committee, Section C.3. it states:

The eight-member Executive Committee shall be elected by the JPA Board. There is one vacant position up for election for the term until 6/30/2026.

The election of the Executive Committee and Committee Positions is reserved exclusively to the full JPA Board. In order to vote, the designated representative to the full JPA Board must be present at the meeting.

Recommendation

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Administration of the Organization</u>	<input checked="" type="checkbox"/>	Action
Item Number: H2	<input type="checkbox"/>	Consent
Title: <u>Financial Audit Approval</u>	<input type="checkbox"/>	Information

Background

Pursuant to Section 26909 of the Government Code, SMCSIG is required to conduct a financial audit each year and file it with the State Controller’s office and with the San Mateo County Auditor on an annual basis.

The June 30, 2024 and 2023 financial audit has been completed by Sampson & Sampson, LLP. There were no audit findings. Max Leung will be presenting the result of the audit.

Recommendation

It is recommended that the JPA Board approve the financial audit for fiscal year June 30, 2024 and 2023 conducted by Sampson & Sampson, LLP.

Once the audit is approved by the JPA Board, it will be filed with the State Controller’s office and with the San Mateo County Auditor.

Draft
10/25/24

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

REPORT ON AUDITED
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Governing Board
San Mateo County Schools Insurance Group
Redwood City, California

Report on the Audit of the Financial Statements

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SMCSIG as of June 30, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's office and state regulations governing special districts.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. 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 SMCSIG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, SMCSIG has adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 SMCSIG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statement

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 generally accepted auditing standards, the *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, the *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts, 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 SMCSIG'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 SMCSIG'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, claims development information, schedule of the SMCSIG's proportionate share of the net pension liability, schedule of contributions, and schedule of changes in SMCSIG's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on SMCSIG's basic financial statements. The combining statements of net position and combining statement of revenues expenses and change in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated , 2024 on our consideration of SMCSIG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 SMCSIG'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 SMCSIG's internal control over financial reporting and compliance.

Clovis, California
, 2024

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Draft
10/25/24

Background

The San Mateo County Schools Insurance Group (SMCSIG) is governed by a JPA Board comprised of one representative from each member school district. Each district is entitled to one vote on the Board. The Board elects from its members a President, Vice President and six other members to comprise the Executive Committee.

The day-to-day operations of SMCSIG are conducted by the Executive Director who is responsible for administration of policies set forth by the Joint Powers Agreement, Bylaws and JPA Board.

Membership

The San Mateo County Schools Insurance Group (SMCSIG) is a Joint Powers Authority (JPA) made up of 23 school districts, the San Mateo County Office of Education and the San Mateo Community College District. This JPA serves the school districts and other agencies by providing insurance related services such as workers' compensation, property and liability, dental, vision, employee assistance program, and unemployment coverage to the various members. As each of our programs and services are designed to reduce the risk of loss to our schools, our primary goal is for the safety, health and welfare of our students, employees and communities.

Within San Mateo County there are 23 separate school districts and the San Mateo County Office of Education providing education to students grades K-12. These school districts contain roughly 175 school sites serving approximately 90,000 students utilizing some 13,100 employees. Most districts belong to at least one SMCSIG program and the majority belongs to all.

As the JPA is made up of member districts, each district has an appointed position to what is referred to as the Joint Powers Board. This Board is responsible for the overall operation of SMCSIG and meets twice per year. From this Board eight (8) members are elected to the Executive Committee.

The Executive Committee is responsible for the ongoing operation of SMCSIG and usually meets no less than quarterly with its Executive Director. It is the responsibility of the Executive Committee to implement and enforce the bylaws, policies and regulations of the Joint Powers Board.

Financial Highlights, FYE June 30, 2024

- In 2023-24, total member contributions were \$87.5M, an increase of 35%. The largest driver of the increase was the health care consortium program which saw \$17M increase. The liability program had a 23.12% increase primarily due to total insured values (TIV) increasing 19% due to property additions and appraisal. The workers compensation program had a 9.7% increase due to increase in payroll.
- In 2022-23, total member contributions were \$65M, an increase of 36% from prior year. The driver of the increases were the addition of SMCSIG Health Consortium, which saw additional revenues of \$14.3M and the property program which saw a 12% increase along with changes in the total insured value. The liability program had a 20% increase due to the excess layer. The workers compensation program revenues 4.9% increase due to payroll increase.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Draft
10/25/24

Financial Management and Control

SMCSIG management is 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.

SMCSIG has adopted a conservative investment policy according to state guidelines designed to optimize the rate of return on available assets not required for current operations, while still keeping these assets readily available. A small amount of these funds are invested in the Local Agency Investment Fund (LAIF) in Sacramento administered by the State Treasurer's Office. The balance is split between the San Mateo County Treasurer in a County fund pool with other districts, money market funds with Wells Fargo or in a higher yield investment pool managed by Chandler Asset Management. These pooled funds are readily accessible for the day-to-day operations of SMCSIG.

Budgetary control is provided by verification of budgeted amounts prior to expenditures and quarterly analysis of all account totals compared to budgeted amounts.

Description of the Basic Financial Statements

SMCSIG's financial statements are prepared in conformity with generally accepted accounting principles and include amounts based upon reliable estimates and judgments. The *Statement of Net Position*, *Statement of Revenues, Expenses and Changes in Net Position*, and the *Statement of Cash Flows* are included along with Notes to Financial Statements to clarify unique accounting policies and financial information.

The *Statement of Net Position* provides information on all the SMCSIG's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as Net Position. Net Position may be an indicator of the overall pool financial status. The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing total revenue and expense and the resulting effect on Net Position

The *Statement of Cash Flows* presents information about the cash receipts and cash payments during the year. The *Notes to Financial Statements* provides additional information that is essential to the full understanding of the data provided in the financial statements.

SMCSIG's accounting system is organized so that each program can be accounted for and evaluated independently. Separate governmental enterprise funds are operated for five insurance funds: Workers' Compensation, Property/Liability, Dental, Vision, Unemployment and Health Consortium.

SMCSIG contracted James P. Marta & Company, LLP to provide accounting and controllership services. Sampson & Sampson LLP has performed an independent audit examination of our financial statements in accordance with generally accepted auditing standards. Their opinion is included in the Financial Section of this report. Bickmore Actuarial Consultants provides an independent actuarial review of the Workers' Compensation and Property/Liability Programs which confirm the adequacy and reasonableness of the liabilities recorded as outstanding claim reserves for those programs.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Draft
10/25/24

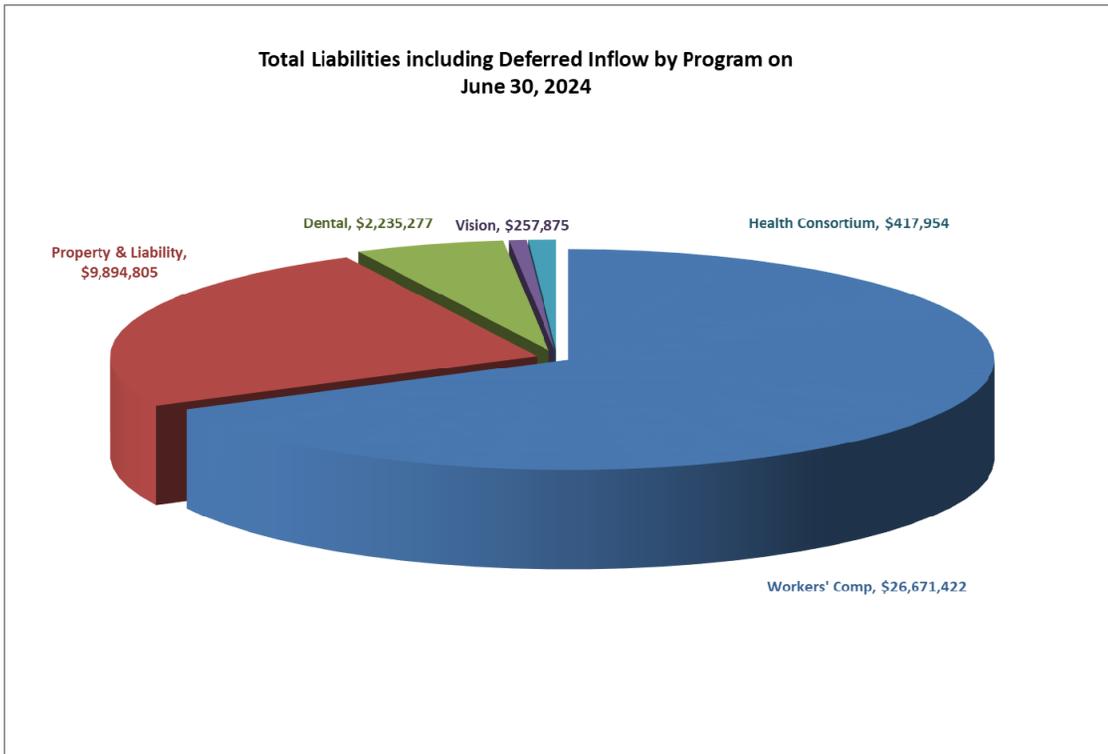
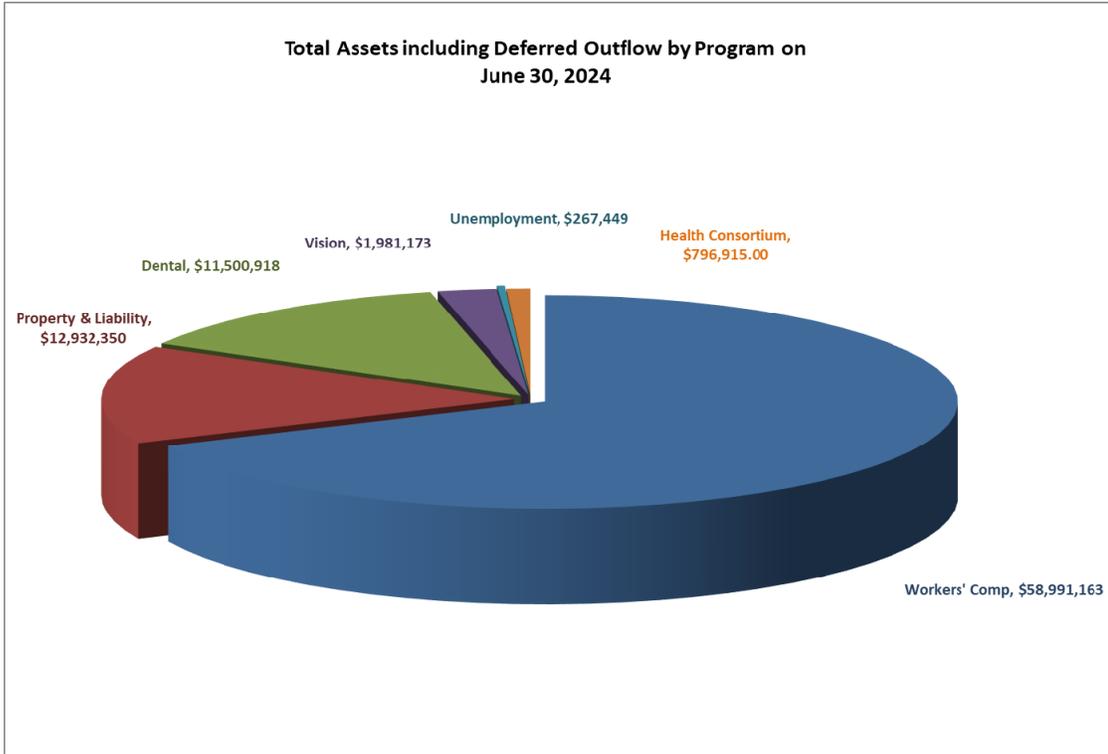
Condensed Statement of Net Position

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>% Change June 30, 2023 to June 30, 2024</u>	<u>June 30, 2022</u>	<u>% Change June 30, 2022 to June 30, 2023</u>
ASSETS					
Current and Other Assets	\$ 85,252,992	\$ 69,827,558	22.09%	\$ 54,264,056	28.68%
Fixed Assets, Net	319,788	311,505	2.66%	316,209	-1.49%
Total Assets	<u>85,572,780</u>	<u>70,139,063</u>	<u>22.00%</u>	<u>54,580,265</u>	<u>28.51%</u>
DEFERRED OUTFLOW OF RESOURCES					
Total Deferred Outflow	<u>897,187</u>	<u>1,311,216</u>	<u>-31.58%</u>	<u>1,973,601</u>	<u>-33.56%</u>
LIABILITIES					
Current Liabilities	12,844,252	13,570,691	-5.35%	10,051,409	35.01%
Long Term Liabilities	<u>25,465,441</u>	<u>21,086,971</u>	<u>20.76%</u>	<u>16,729,324</u>	<u>26.05%</u>
Total Liabilities	<u>38,309,693</u>	<u>34,657,662</u>	<u>10.54%</u>	<u>26,780,733</u>	<u>29.41%</u>
DEFERRED INFLOW OF RESOURCES					
Total Deferred Inflow	<u>1,167,640</u>	<u>1,586,055</u>	<u>-26.38%</u>	<u>861,645</u>	<u>84.07%</u>
NET POSITION					
Net Investment in					
Capital Assets	319,788	311,505	2.66%	316,209	-1.49%
Unrestricted	<u>46,672,846</u>	<u>34,895,057</u>	<u>33.75%</u>	<u>28,595,279</u>	<u>22.03%</u>
Total Net Position	<u>\$ 46,992,634</u>	<u>\$ 35,206,562</u>	<u>33.48%</u>	<u>\$ 28,911,488</u>	<u>21.77%</u>

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Draft
10/25/24



SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS

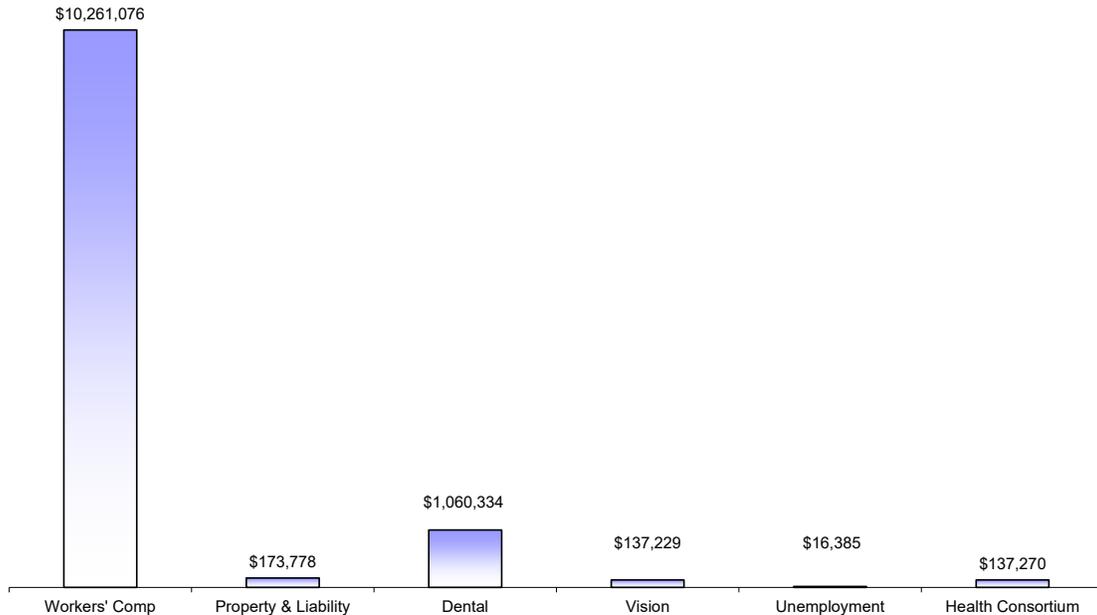
Draft
10/25/24

JUNE 30, 2024

Condensed Statement of Revenues, Expenses & Changes in Net Position

	2023-24	2022-23	Change June 30, 2023 to June 30, 2024	2021-22	Change June 30, 2022 to June 30, 2023
REVENUE					
Member Contributions	\$ 87,531,388	\$ 64,948,314	34.77%	\$ 47,598,864	36.45%
Investment Income	3,281,123	1,168,495	180.80%	(1,051,225)	0.00%
Other Income	803	235,394	-99.66%	431,851	-45.49%
Total Revenues	90,813,314	66,352,203	36.87%	46,979,490	41.24%
EXPENSES					
Claims Expense	28,731,504	28,875,104	-0.50%	24,714,835	16.83%
Insurance Expense	46,498,151	26,341,743	76.52%	12,469,655	111.25%
Fraud Assessment Expense	223,020	353,881	-36.98%	306,048	15.63%
Professional Services	2,193,129	2,281,815	-3.89%	1,873,730	21.78%
Payroll Expense	1,213,551	1,952,451	-37.84%	1,131,577	72.54%
General Administration	167,887	85,790	95.70%	89,821	-4.49%
Dividend Expense	-	-	0.00%	1,000,000	-100.00%
Total Expenses	79,027,242	59,890,784	31.95%	41,585,666	44.02%
Change in net position	11,786,072	6,461,419	82.41%	5,393,824	19.79%
Beginning Net Position	35,206,562	28,911,488		23,517,664	
Cumulative effect on prior years of retroactive restatement for accounting changes		(166,345)			
Beginning Net Position, as restated		28,745,143			
Net Position end of year	\$ 46,992,634	\$ 35,206,562	33.48%	\$ 28,911,488	21.77%

Revenues minus Expenses in 2023-2024



SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Draft
10/25/24

Analysis of Overall Financial Position & Results of Operations

Cash and Investments increased \$12.6M in 2023-24 in total.

Prefund deposits occur in the Dental and Vision funds. SMCSIG deposits payments into Union Bank accounts for these programs. Keenan & Associates draws on the accounts to make claim payments. These accounts decreased \$341K during 2023-24.

Member contributions/premiums in 2023-24 were the following: \$22M for Workers' Compensation; \$17.9M for Property/Liability; \$15M for the Dental program; \$1.3M for Vision; \$23.9K for Unemployment and \$31.3M for Health Care Consortium. In 2023-24, total member contributions were \$87.5M, an increase of 35%. The largest driver of the increase was the health consortium program which saw \$17M increase. The liability program had a 23.12% increase primarily due to total insured values (TIV) increasing 19% due to property additions and appraisal. The workers compensation program had a 9.7% increase due to increase in payroll.

Investment income included the County of San Mateo pooled funds, the State LAIF, money market in Wells Fargo and Chandler Asset Management. SMCISG gained \$3.3M in investment income for 2023-24 of which \$2.75M was earned investment income and \$500K for unrealized gains.

In the Dental and Vision Programs, the expense for the administration of claims is directly proportional to the amount paid for claims. Since the dental and vision programs experienced consistent claim payments, the Claims Administration expense was also consistent.

The Health Care Consortium program had \$31.3M in revenues and \$31.1M in insurance payments.

Analysis of Balances & Transactions of Individual Funds

Workers Compensation Program

The workers compensation program moved to be self-insured for 2020-21 going forward. This program is funded at the 80% confidence level. Based on this funding and favorable loss estimates the net position increased by \$10.2M to \$32.3M. These funds are maintained to cover future workers compensation claims and exposures.

Property & Liability Program

The program increased the contribution charges to members by \$2M due to increased insured values. This was offset by increase in insurance expense of \$3M. The overall operations of the fund resulted in net income of \$90K and the net position at \$3M.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024

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Dental Program

The dental program’s net position increased this year by \$1.06M to a balance of \$9.27M.

Unemployment Program

Net position increased this year by \$16.4K to a balance of \$267K.

Vision Program

The vision program’s net position increased \$137K to a balance of \$1.7M.

Health Care Consortium

The consortium, which acts as a passthrough for discounted health coverages, experienced net income of \$137K resulting in net position of \$379K.

Services and Programs

SMCSIG has been able to reduce member insurance costs by utilizing the combined purchasing power and financial size of the group.

Member districts, through SMCSIG, have established various group coverage programs such as: workers compensation, property/liability, dental, vision and unemployment. A Health Care Consortium was also established to help 7 members (not members of CalPERS) purchase group discounted health coverage.

SMCSIG is well recognized in the JPA community. The California Association of Joint Powers Authority (CAJPA) has set forth rigorous accreditation standards as a model of how a well-run Joint Powers Insurance Authority should operate. SMCSIG has been awarded CAJPA’s highest award – “Accreditation with Excellence” since 1998.

Expanded Services and Programs

SMCSIG and its members continue to explore new areas that might benefit from pooling of resources and/or group purchase arrangements. Such services include: Employee Assistance Programs, property appraisals, claim services, safety services, playground inspections, Epipens and ADA compliance services. SMCSIG provides ongoing safety and loss prevention services to its members throughout San Mateo County.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Draft
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Workers' Compensation Program

The Workers' Compensation Program began in 1977 as a self-insured program. Claims were administered by a Third Party Administrator (TPA) until 1989 when claims became self-administered by SMCSIG staff.

On July 1, 2003, SMCSIG joined the Protected Insurance Program for Schools (PIPS). The PIPS Program provides first dollar insurance coverage and the claims are administered by Keenan & Associates. Keenan & Associates is a private company who rents office space from SMCSIG and administers our workers' compensation claims on a contract basis.

Even though the Group is fully-insured, the workers' compensation rates charged to members in the Program are determined by the JPA Board. The base rate is established by May of each year. Individual district rates are higher or lower than the base rate and are determined by utilizing an experience modification formula.

Effective July 1, 2020 SMCSIG has left the PIPS program and has gone self-insured for workers compensation with a \$250,000 retention and excess insurance through PRISM JPA. The claims are being administrated by Intercare.

Property/Liability Program

The Property/Liability Program began in 1979 as a self-insured Program. Claims were administered by a Third Party Administrator (TPA) until 1986 when claims became self-administered by SMCSIG staff.

The Group purchases excess property insurance through the Schools Insurance Property Program (SIPP). SIPP is a joint-purchase program consisting of over 6,000 public entities in 35 states. SMCSIG maintains a \$250,000 Self-Insured Retention (SIR) for each loss.

Excess general liability coverage is purchased through PRISM. PRISM is a risk sharing pool of California public entities including Counties, Cities and School Districts. Coverage is to \$5 million per occurrence with a \$250,000 SIR. Additional excess general liability coverage to \$55 million per occurrence is purchased through the Schools Excess Liability Fund (SELF). SELF is a risk-sharing pool of California School Districts.

The member districts are charged a variable deductible per occurrence by SMCSIG. The property deductible is \$5,000 to \$15,000 and the liability deductible is \$1,500 to \$10,000. Districts are allowed to choose the deductible which best suits their situation at the beginning of each premium year.

Dental Program

The Dental Program began in 1980 and covers all school employees (except Sequoia High School District and Cabrillo) for dental coverage. The claims are administered by Delta Dental who pays the bills out of their San Francisco office. Keenan & Associates is the Group's dental consultant and oversees the eligibility and billing process.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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Unemployment Program

The schools have their own unemployment insurance fund (School Employees Fund). Our Unemployment Program provides an expert company, the TALX Corporation, to provide administrative assistance to members in relation to unemployment claims by former employees.

Vision Program

The Vision Program began in 2000 and covers various member school districts for vision coverage. The claims are administered by Vision Service Plan (VSP) who pays the bills out of their San Francisco office. Keenan & Associates oversees the eligibility and billing process.

Health Care Consortium

The Health Care Consortium provides health insurance via passthrough for SMCSIG members and other California educational public agencies that are not members of SMCSIG. Keenan & Associates (SETECH) oversees billing and payment process.

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

The property casualty market has been hardening, meaning increased claims and costs have caused carriers to raise and reconsider program structures and coverages. Carriers for schools have experienced increased claims and exposure from molestation claims, other liability, wildfires, and mold claims. These pressures may necessitate changes in the SMCSIG program structures and influence future rates.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

STATEMENTS OF NET POSITION

Draft
10/25/24

	June 30,	
	<u>2024</u>	<u>2023</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 27,936,004	\$ 23,447,072
Investments	6,276,875	4,345,259
Receivables:		
Accounts	108,006	9,397
Interest	558,233	409,973
Excess insurance	3,206,171	322,020
Deposits and other assets	1,534,454	1,875,591
Prepaid expenses	<u>87,134</u>	<u>57,195</u>
Total current assets	<u>39,706,877</u>	<u>30,466,507</u>
Non-current assets:		
Investments	45,546,115	39,361,051
Capital assets, net	<u>319,788</u>	<u>311,505</u>
Total non-current assets	<u>45,865,903</u>	<u>39,672,556</u>
TOTAL ASSETS	<u>85,572,780</u>	<u>70,139,063</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions	884,274	1,292,496
Related to OPEB	<u>12,913</u>	<u>18,720</u>
Total deferred outflows of resources	<u>897,187</u>	<u>1,311,216</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	967,065	856,787
Compensated absences	368,426	354,617
Unearned revenue	1,157,761	1,953,287
Unpaid claims and claim adjustment expenses	<u>10,351,000</u>	<u>10,406,000</u>
Total current liabilities	<u>12,844,252</u>	<u>13,570,691</u>
Non-current liabilities:		
Net pension liability	336,591	336,243
OPEB liability	46,422	53,136
Unpaid claims and claim adjustment expenses	<u>25,082,428</u>	<u>20,697,592</u>
Total non-current liabilities	<u>25,465,441</u>	<u>21,086,971</u>
TOTAL LIABILITIES	<u>38,309,693</u>	<u>34,657,662</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	1,145,440	1,568,876
Related to OPEB	<u>22,200</u>	<u>17,179</u>
Total deferred inflows of resources	<u>1,167,640</u>	<u>1,586,055</u>
NET POSITION:		
Net investments in capital assets	319,788	311,505
Unrestricted	<u>46,672,846</u>	<u>34,895,057</u>
Total net position	<u>\$ 46,992,634</u>	<u>\$ 35,206,562</u>

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

STATEMENTS OF CASH FLOWS

Draft
10/25/24

	Years Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members and others	\$ 86,637,253	\$ 65,767,588
Cash paid for claims	(27,285,819)	(19,564,168)
Cash paid to suppliers for goods, services and insurance premiums	(48,656,007)	(30,803,697)
Cash paid to an on-behalf of employees for services	<u>(1,210,494)</u>	<u>(1,068,297)</u>
Net cash provided by operating activities	<u>9,484,933</u>	<u>14,331,426</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Commission received		231,859
Payment of member credit	<u> </u>	<u>(870,919)</u>
Net cash used by capital and related financing activities	<u> </u>	<u>(639,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of assets	(12,987)	
Securities purchased	(26,595,775)	(23,586,143)
Securities sold and matured	18,986,635	3,292,105
Interest and other income	<u>2,626,126</u>	<u>4,839,065</u>
Net cash used by investing activities	<u>(4,996,001)</u>	<u>(15,454,973)</u>
Net increase (decrease) in cash and cash equivalents	4,488,932	(1,762,607)
Cash and cash equivalents, beginning of year	<u>23,447,072</u>	<u>25,209,679</u>
Cash and cash equivalents, end of year	<u>\$ 27,936,004</u>	<u>\$ 23,447,072</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 8,504,146	\$ 5,057,530
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation, net of leased portion	4,704	4,703
(Increase) decrease in:		
Excess insurance recoverable	(2,884,151)	(135,082)
Accounts receivable	(98,609)	(9,397)
Deposits and other assets	341,137	(499,252)
Prepaid expenses	(29,939)	(55,374)
Deferred outflows of resources	414,029	662,385
Increase (decrease) in:		
Accounts payable	110,278	662,535
Compensated absences	13,809	63,099
Unearned revenue	(795,526)	828,671
Net pension liability	348	(558,576)
Excess insurance assessment		(1,853,080)
OPEB liability	(6,714)	(7,164)
Unpaid claims and claim adjustment expenses	4,329,836	9,446,018
Deferred inflows of resources	<u>(418,415)</u>	<u>724,410</u>
Total adjustments	<u>980,787</u>	<u>9,273,896</u>
Net cash provided by operating activities	<u>\$ 9,484,933</u>	<u>\$ 14,331,426</u>
Unrealized gain (loss) on investments	<u>\$ 519,658</u>	<u>\$ (302,533)</u>

See independent auditors' report and notes to financial statements

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Organization

The San Mateo County Schools Insurance Group (SMCSIG) was established by a Joint Powers Agreement in 1977 in accordance with Title I, Division 7, Chapter 5, Article I, Section 6500 of the California Government Code for the purpose of providing Workers' Compensation, and subsequently added Property, Liability, Health Benefits, and Unemployment.

B. Membership

As of June 30, 2024, membership of the various programs is as follows:

<u>Members</u>	<u>Workers' Compensation</u>	<u>Property/ Liability</u>	<u>Dental</u>	<u>Vision</u>	<u>Unemployment</u>
Bayshore	X	X	X	X	X
Belmont-Redwood Shores	X	X	X	X	X
Brisbane	X	X	X	X	X
Burlingame	X	X	X	X	X
Cabrillo	X	X			X
Hillsborough	X	X	X	X	X
Jefferson Elementary	X	X	X		X
Jefferson Union High	X	X	X	X	X
La Honda-Pescadero	X	X	X	X	X
Las Lomas	X	X	X	X	X
Menlo Park	X	X	X	X	X
Millbrae	X	X	X	X	X
Pacifica	X	X	X	X	X
Portola Valley	X	X	X	X	X
Ravenswood		X	X		X
Redwood City	X	X	X	X	X
San Bruno Park	X	X	X	X	X
San Carlos	X	X	X	X	X
San Mateo-Foster City	X	X	X	X	X
SMC Community College			X	X	
SMC Office of Education	X	X	X	X	X
San Mateo Union High	X	X	X	X	X
Sequoia	X	X			X
South San Francisco	X	X	X	X	X
Woodside	X	X	X	X	X

C. ADMISSION AND WITHDRAWAL OF MEMBERS

Admission

Entities applying for membership must be approved by a majority vote of the Executive Board Members present and voting, and by paying an appropriate entry fee or charge as established by the Board of Directors.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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Withdrawal

Members may withdraw from SMCSIG upon advance written notice subject to the participation agreement of each program. The effect of withdrawal (or termination), for the pooling programs, does not terminate the responsibility of the member to continue paying its share of assessments of other financial obligations incurred by reason of its previous participation. No refund or repayment shall be given to any withdrawing member. SMCSIG shall be responsible for claims of members that have withdrawn, which were incurred while a member of SMCSIG.

D. REPORTING ENTITY AND WITHDRAWAL OF MEMBERS

The SMCSIG reporting entity includes all activities (operations of its administrative staff, officers, executive committee and board of directors) as they relate to SMCSIG. This includes financial activity relating to all of the membership years.

SMCSIG has developed criteria to determine whether other entities with activities that benefit SMCSIG should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationship.

SMCSIG has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in these financial statements. In addition, SMCSIG is not aware of any entity that would exercise such oversight responsibility that would result in SMCSIG being considered a component unit of that entity.

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

E. BASIS OF ACCOUNTING

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues from contributions and interest are recognized when earned and expenses are recognized when goods or services have been received, except when a premium deficiency exists where unearned premiums are recognized currently in accordance with GASB pronouncements.

F. PROGRAM ACCOUNTING

The accounts of SMCSIG are organized on the basis of programs, each of which is considered to be a separate accounting entity. SMCSIG programs have been combined for the presentation of the financial statements. The operations of each program are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, net position, revenues and expenses. SMCSIG maintains five programs, which are considered a single proprietary-enterprise fund

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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G. DESCRIPTION OF PROGRAMS

Worker's Compensation

The Workers' Compensation Program was established in 1977 to account for the payment of workers' compensation claims and administrative costs. Funding is based upon rates established by the Joint Powers Board. The Board contracted with a third-party administrator, Keenan & Associates, to pay claims on behalf of participating members.

Self-Insured coverage from 1977 to September 30, 1995:

SMCSIG's SIR:	\$250,000
Schools Excess Liability Fund (SELF)	\$250,000 to statutory limits

As of October 1, 1995, SMCSIG purchased first dollar coverage from commercial carriers with administration of claims performed by Keenan & Associates. Effective July 1, 2003 SMCSIG joined Protected Insurance Program for Schools JPA (PIPS). As discussed further in Note 8, PIPS is a risk sharing joint powers authority.

SMCSIG became self-insured beginning July 1, 2020. The Board contracted with a third-party administrator, Intercare, to process claims on behalf of participating members.

Self-Insured coverage July 1, 2020 to June 30, 2024:

SMCSIG's SIR:	\$250,000
Public Risk Innovation, Solutions, and Management (PRISM)	\$250,000 to statutory limits

Liability

The Liability Program was established in 1979 to account for the payment of liability claims and administrative costs. Funding is based upon rates established by the Joint Powers Board. Applied deductible amounts are variable, depending on the member.

Member Deductible:	\$1,500 to \$10,000 per occurrence
SMCSIG's SIR:	\$250,000 per occurrence
PRISM:	\$250,000 to \$5 million per occurrence
SELF:	\$5 million - \$20 million per occurrence
SELF Optional Excess	\$20 million - \$55 million per occurrence

Property

The Property Program was established in 1979 to account for the payment of property claims and administrative costs. Funding is based upon rates established by the Joint Powers Board (the Board). Applied deductible amounts are variable, depending on the member.

Member Deductible:	\$5,000 to \$15,000 per occurrence
SMCSIG's SIR:	\$250,000 per occurrence
Public Entity Property Insurance Program:	\$250,000 to \$800,000,000

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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Dental

The Dental Program was established in 1980 for the payment of dental claims and administrative costs. Funding is based upon rates established by the consultant, Keenan & Associates. The Board has contracted with a third-party administrator, Delta Dental, to pay claims on behalf of participating members.

Vision

The Vision Program was established in 2000 for the payment of vision claims and administrative costs. Funding is based upon rates established by the consultant, Keenan & Associates. The Board has contracted with a third-party administrator, Vision Service Plan, to pay claims on behalf of participating members.

Unemployment

The Unemployment Program began in 1980 to provide administration of unemployment claims. SMCSIG contracts with an outside company to provide administrative services such as: prepare and distribute all forms, process all claims and appeals, protests claims of questionable merit, attend unemployment hearings, and appeal Administrative Law Judge decisions on the behalf of participating members.

The members have their own Unemployment Insurance Fund (School Employees Fund). Members pay a tax rate and are merit rated based on their experience by the School Employees Fund.

Health Care Consortium

The Health Care Consortium is a pass-through program and SMCSIG's role in the program is limited to collecting premiums from the members and paying premiums to the carriers on behalf of the group.

H. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash and cash equivalents include all checking and savings accounts, cash in San Mateo County Treasury (Treasury), and cash with the Local Agency Investment Fund (LAIF), and all highly liquid debt instruments purchased with original maturity of three months or less.

I. FAIR VALUE OF POOLED INVESTMENTS

SMCSIG records its cash in the LAIF and in the Treasury at fair market value. Changes in fair market value are reported as revenue in the statement of revenues, expenses and changes in net position. Fair market values of investments and LAIF have been determined by the sponsoring government based on quoted market prices. SMCSIG's investments in LAIF have been valued based on the relative fair value of the entire external pool to the external pool's respective amortized cost.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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J. RECEIVABLES

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of June 30, 2024 and 2023, the total accounts receivable portfolio was considered collectible.

K. INVESTMENTS

Investments are stated at fair value in the statements of net position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in investment income (loss) in the statements of revenues, expenses and changes in net position. Investments are held for long-term purposes to cover long-term liabilities and therefore are classified as noncurrent in the statements of net position.

L. CAPITAL ASSETS

Capital assets over five thousand dollars that are long-term are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets:

5 to 31 years	Building and Improvements
3 to 15 years	Furniture and Fixtures

M. UNPAID CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

SMCSIG establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled (claims reserves), 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 reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as workers' compensation and general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims 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 periods in which they are made.

N. COMPENSATED ABSENCES

SMCSIG's policy provides for the accumulation of vacation and sick leave. Vacation leave fully vests when earned. Sick leave does not vest. A liability for accrued vacation and sick leave has been computed and recorded based on unused vacation sick hours multiplied by the current rate of pay.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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O. DEFERRED OUTFLOWS/DEFERRED INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to SMCSIG's pension and OPEB plans after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension liability and total OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the SMCSIG's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the SMCSIG's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

P. PENSIONS

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

Q. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of SMCSIG's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

(continued)

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R. NET POSITION

Undesignated

The undesignated net position in Note 7 represents the net position available for future operations or distribution.

Designated

The designated net position in Note 7 represents amounts designated as a provision for catastrophic losses by the Board of Directors in accordance with established policy.

S. OPERATING REVENUE

Operating revenue includes member contributions and fees, which are an integral part of the operations and financing of the covered risks and activities. Nonoperating revenues include other activities that are not part of the core risk financing activities of the entity and investment income.

T. MEMBER CONTRIBUTIONS

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Member contributions are recognized as revenues in the period for which insurance protection is provided and in the program fund designed to provide that coverage. If SMCSIG's Board of Directors determines that the insurance funds for a program are insufficient to pay losses, SMCSIG may impose a supplemental assessment on all participating members. Supplemental assessments are recognized as income in the period assessed. Since SMCSIG does not discount claims liabilities, they do not consider anticipated investment income in determining if a premium deficiency exists.

Individual members' contributions are determined in advance of each membership year based on the individual member's expenditure base, as defined in the SMCSIG bylaws, and on the funding needs of the membership year. Initial contributions are earned in the membership year to which they apply.

U. MEMBER ASSESSMENTS

Members of SMCSIG may be assessed an additional contribution for the unfunded self-insurance limits and expenses in excess of amounts collected. The amount actually billed and due from members for that year may be reduced in future years by investment income or if ultimate losses are less than anticipated.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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V. EXCESS INSURANCE

SMCSIG purchases specific occurrence excess insurance from commercial carriers for the property and liability programs. The coverage for losses above the corresponding policy year's specified self-insured retention (SIR) is limited to that policy year's excess coverage limit.

W. UNALLOCATED CLAIMS ADJUSTMENT EXPENSE (ULAE)

Amounts have been estimated for the cost of administering the run out of claims reserves and future claims. These amounts were determined by an actuary in connection with other loss development information.

X. ALLOCATION OF INDIRECT COSTS

Indirect expenses are allocated among insurance programs in the percentage management estimates each program bears on administration costs.

Y. INCOME TAXES

SMCSIG income is exempt from federal income taxes under Internal Revenue Service Section 115, which excludes income derived from the exercise of any essential governmental function and accruing to a state political subdivision.

Z. MEMBER CREDIT

Member credits are recorded when declared and are shown as a liability in the statements of net position until paid or credited. For the years ended June 30, 2024 and 2023, there were no credits declared.

AA. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

BB. IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

GASB Statement No. 101

For the year ended June 30, 2024, SMCSIG implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB Statement No. 101 addresses and updates the recognition and measurement guidance of compensated absences to better meet the information needs of financial statement users.

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NOTES TO FINANCIAL STATEMENTS

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NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Balance per bank	\$ 7,960,861	\$ 6,192,764
Less: outstanding checks	<u>(634,191)</u>	<u>(334,706)</u>
Total cash in bank	7,326,670	5,858,058
Pooled Funds		
Cash in County Treasury	20,437,091	11,386,828
Cash in LAIF	<u>59,894</u>	<u>57,653</u>
Total pooled funds	20,496,985	11,444,481
Money Market Funds	<u>112,349</u>	<u>6,144,533</u>
Total Cash and Cash Equivalents	<u>\$27,936,004</u>	<u>\$23,447,072</u>

A. Cash in Bank

Cash balances held in banks are fully insured up to \$250,000 by the Federal Depository Insurance Corporation. The excess over the insured amount is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. The amounts of excess deposits at June 30, 2024 and 2023 were \$7,460,861 and \$4,556,913, respectively.

B. Cash in Pooled Funds

In accordance with the California Government Code Sections 53600 et. seq. and other applicable law, including regulations, SMCSIG's investment policy permits investments in securities of the U.S. Government or its agencies, certificates of deposits, prime quality commercial paper, banker's acceptances, and the Local Agency Investment Fund.

Cash in Treasury

SMCSIG maintains the majority of its cash in the San Mateo County Treasury. San Mateo County (the County) pools these funds with those of other local government entities in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The monies held in the pooled investment funds are not subject to categorization by risk category.

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Interest Rate Risk

SMCSIG's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are generally limited to five years or less. The weighted average maturity of the investments contained in the Treasury at June 30, 2024 and 2023 were 1.64 and 1.65 years, respectively.

Credit Risk

Safety of principal is the foremost objective of SMCSIG, followed by liquidity and yield. Each investment transaction shall seek to first ensure that capital losses are avoided. The Treasury is unrated. However, the weighted average S&P rating of investments within the pool is AA/A-1.

Cash in LAIF

SMCSIG places certain funds with LAIF. SMCSIG 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 and invests the cash. The fair value of SMCSIG's investment in this pool is reported in the accompanying financial statements based upon SMCSIG's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Funds are accessible and transferable to the master account with twenty-four hours' 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 currently unrated and has an average life of 311 days. The monies held in the pooled investment funds are not subject to categorization by risk category.

LAIF is administered by the State Treasurer and is 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. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

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NOTE 3 – INVESTMENTS

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 Inputs to the valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Government bonds, corporate bonds, negotiable CDs and supranational securities are valued using a matrix pricing model (Level 2 Input).

The following table sets forth by level, within the fair value hierarchy, SMCSIG's assets at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Measured</u>
Investment type				
Government bonds	\$	\$32,708,121	\$	\$
Corporate bonds		16,522,556		
Municipal bonds		604,154		
Supranational securities	_____	<u>1,988,159</u>	_____	_____
	<u>\$</u>	<u>\$ 51,822,990</u>	<u>\$</u>	<u>\$</u>

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The following table sets forth by level, within the fair value hierarchy, SMCSIG's assets at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Measured</u>
Investment type				
Government bonds	\$	\$27,760,576	\$	\$
Corporate bonds		14,089,222		
Municipal bonds		88,157		
Negotiable CD's		811,730		
Supranational securities		956,625		
	<u>\$</u>	<u>\$43,706,310</u>	<u>\$</u>	<u>\$</u>

Investments Authorized by the Investment Policy

The table below identifies the investment types authorized by SMCSIG's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Government Investment Pools	N/A	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None*	25%
Bankers Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-Negotiable Certificates of Deposit	5 years	20%	5%
Collateralized Time Deposits	5 years	20%	5%
Repurchase Agreements	1 year	None	5%
Asset Backed Securities	5 years	20%	5%
Local Agency Investment Funds (LAIF)	N/A	None	None
Corporate Bonds	5 years	30%	5%
CA Municipal Obligations	5 years	30%	5%
Other Municipal Obligations	5 years	30%	5%
Mutual Funds	5 years	10%	5%
Money Market Mutual Fund	5 years	20%	20%
Supranational Securities	5 years	30%	10%

*The maximum percent of agency callable securities in the portfolio is 20%

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Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. The investment policy of SMCSIG contains no limitation on the amount that can be invested in one issuer beyond those limitations stipulated in the California Government code. GASB Statement No. 40 requires that investments in any one issuer (other than those explicitly guaranteed or issued by the U.S. government or those invested in mutual funds, external investment pools or other pooled investments) that represent 5% or more of total investments be disclosed. The table below identifies the investments at June 30, in a single issuer that represent 5% or more of SMCSIG's total investments.

June 30, 2024

Issuer	2024
Federal Home Loan Bank	\$ 6,675,193
Federal Farm Credit Banks	5,171,021
Freddie Mac	3,108,490

June 30, 2023

Issuer	2023
Federal National Mortgage Association	\$ 2,822,805
Federal Home Loan Bank	4,420,361

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair values to changes in market interest rates. As of June 30, 2024 and 2023, the average effective maturity of the investments contained in the Authority's pool is approximately 2.90 years and 2.50 years, respectively.

Information about the sensitivity of the fair values of investments to market interest rate fluctuations is provided by the following table that shows the distribution of SMCSIG's investments by maturity as of June 30, 2024:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25-60 Months
Government bonds	\$ 32,708,121	\$ 4,503,329	\$ 4,824,805	\$ 23,379,987
Corporate bonds	16,522,556	1,526,481	1,413,236	13,582,839
Municipal bonds	604,154			604,154
Supranational securities	<u>1,988,159</u>	<u>247,065</u>	<u>440,627</u>	<u>1,300,467</u>
Total	<u>\$ 51,822,990</u>	<u>\$ 6,276,875</u>	<u>\$ 6,678,668</u>	<u>\$ 38,867,447</u>

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Information about the sensitivity of the fair values of investments to market interest rate fluctuations is provided by the following table that shows the distribution of SMCSIG's investments by maturity as of June 30, 2023:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25-60 Months
Government bonds	\$ 27,760,576	\$ 2,726,080	\$ 6,663,364	\$ 18,371,132
Corporate bonds	14,089,222	807,449	2,663,421	10,618,352
Municipal bonds	88,157			88,157
Negotiable CD's	811,730	811,730		
Supranational securities	956,625		531,223	425,402
Total	<u>\$ 43,706,310</u>	<u>\$ 4,345,259</u>	<u>\$ 9,858,008</u>	<u>\$ 29,503,043</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented hereafter is the actual rating as of year-end for each investment type as of June 30, 2024.

Investment Type	Amount	Rating as of Year End			
		AAA to AA3	A1 to A3	P-1	NR
Government bonds	\$ 32,708,121	\$ 32,708,121	\$	\$	\$
Corporate bonds	16,522,556	12,564,678	2,931,167		1,026,711
Municipal bonds	604,154	604,154			
Supranational securities	1,988,159	1,988,159			
Total	<u>\$ 51,822,990</u>	<u>\$ 47,865,112</u>	<u>\$ 2,931,167</u>	<u>\$</u>	<u>\$ 1,026,711</u>

Presented hereafter is the actual rating as of year-end for each investment type as of June 30, 2023.

Investment Type	Amount	Rating as of Year End			
		AAA to AA3	A1 to A3	P-1	NR
Government bonds	\$ 27,760,576	\$ 26,182,926	\$	\$	\$1,577,650
Corporate bonds	14,089,222	5,209,455	7,369,334		1,510,433
Municipal bonds	88,157	88,157			
Negotiable CD's	811,730			811,730	
Supranational securities	956,625	956,625			
Total	<u>\$ 43,706,310</u>	<u>\$ 32,437,163</u>	<u>\$ 7,369,334</u>	<u>\$ 811,730</u>	<u>\$3,088,083</u>

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Realized Gains and Losses on Sales of Investments

At June 30, 2024 and 2023, SMCSIG's sales of investments resulted in a realized gain (loss) of \$(101,668) and \$(30,720), respectively.

NOTE 4 – DEPOSITS

This amount represents amounts on deposit with the claims administrators that are used for the payment of claims to beneficiaries. Balances are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Delta Dental Coalition	\$1,259,174	\$1,657,155
Vision Fund	<u>275,280</u>	<u>218,436</u>
Total deposits	<u>\$1,534,454</u>	<u>\$1,875,591</u>

NOTE 5 – CAPITAL ASSETS

SMCSIG's capital assets for the year ended June 30, 2024 consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 250,065	\$ _____	\$ _____	\$ 250,065
Total capital assets not being depreciated	<u>250,065</u>	<u>_____</u>	<u>_____</u>	<u>250,065</u>
Capital assets being depreciated				
Building	556,189			556,189
Furniture and fixtures	<u>41,242</u>	<u>12,987</u>		<u>54,229</u>
Total capital assets being depreciated	<u>597,431</u>	<u>12,987</u>	<u>_____</u>	<u>610,418</u>
Less accumulated depreciation for:				
Building	(494,749)	(4,704)		(499,453)
Furniture and fixtures	<u>(41,242)</u>	<u>_____</u>		<u>(41,242)</u>
Total accumulated depreciation	<u>(535,991)</u>	<u>(4,704)</u>	<u>_____</u>	<u>(540,695)</u>
Total capital assets being depreciated net	<u>61,440</u>	<u>8,283</u>	<u>_____</u>	<u>69,723</u>
Total capital assets, net	<u>\$ 311,505</u>	<u>\$ 8,283</u>	<u>\$ _____</u>	<u>\$ 319,788</u>

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SMCSIG's capital assets for the year ended June 30, 2023 consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 250,065	\$	\$	\$ 250,065
Total capital assets not being depreciated	<u>250,065</u>	<u> </u>	<u> </u>	<u>250,065</u>
Capital assets being depreciated				
Building	556,189			556,189
Furniture and fixtures	<u>41,242</u>	<u> </u>	<u> </u>	<u>41,242</u>
Total capital assets being depreciated	<u>597,431</u>	<u> </u>	<u> </u>	<u>597,431</u>
Less accumulated depreciation for:				
Building	(490,046)	(4,703)		(494,749)
Furniture and fixtures	<u>(41,242)</u>	<u> </u>	<u> </u>	<u>(41,242)</u>
Total accumulated depreciation	<u>(531,288)</u>	<u>(4,703)</u>	<u> </u>	<u>(535,991)</u>
Total capital assets being depreciated net	<u>66,143</u>	<u>(4,703)</u>	<u> </u>	<u>61,440</u>
Total capital assets, net	<u>\$ 316,208</u>	<u>\$ (4,703)</u>	<u>\$</u>	<u>\$ 311,505</u>

NOTE 6 – CLAIMS LIABILITIES

SMCSIG establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for all programs during the year ended June 30:

	<u>2024</u>	<u>2023</u>
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 31,103,592	\$ 21,657,574
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current fiscal year	31,197,420	31,332,364
Change in provision for covered events for prior fiscal years	<u>(2,465,916)</u>	<u>(2,457,260)</u>
Total incurred claims and claim adjustment expenses	<u>28,731,504</u>	<u>28,875,104</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current fiscal year	16,784,297	15,177,091
Claims and claim adjustment expenses attributable to covered events of prior years	<u>7,617,371</u>	<u>4,251,995</u>
Total payments	<u>24,401,668</u>	<u>19,429,086</u>
Total unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$ 35,433,428</u>	<u>\$ 31,103,592</u>
Current portion	\$ 10,351,000	10,406,000
Noncurrent portion	<u>25,082,428</u>	<u>20,697,592</u>
Total	<u>\$ 35,433,428</u>	<u>\$ 31,103,592</u>

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NOTE 7 – NET POSITION

At June 30, 2024 and 2023, SMCSIG had total net position of \$46,992,634 and \$35,206,562, respectively.

June 30, 2024

	Workers’ Compensation	Property/ Liability	Dental	Unemployment	Vision	Health Consortium	Totals
Undesignated	\$ 25,138,969	\$ 1,263,106	\$ 4,108,916	\$ 267,449	\$ 1,310,502	\$ 378,961	\$ 32,467,903
Reserved for investment in capital assets	281,772	24,439	10,862		2,715		319,788
Designated for catastrophic loss	6,899,000	1,750,000	5,145,863		410,080		14,204,943
Total net position	\$ 32,319,741	\$ 3,037,545	\$ 9,265,641	\$ 267,449	\$ 1,723,297	\$ 378,961	\$ 46,992,634

June 30, 2023

	Workers’ Compensation	Property/ Liability	Dental	Unemployment	Vision	Health Consortium	Totals
Undesignated	\$ 15,920,377	\$ 1,093,056	\$ 2,887,104	\$ 251,064	\$ 1,170,781	\$ 241,691	\$ 21,564,073
Reserved for investment in capital assets	279,288	20,711	9,205		2,301		311,505
Designated for catastrophic loss	5,859,000	1,750,000	5,308,998		412,986		13,330,984
Total net position	\$ 22,058,665	\$ 2,863,767	\$ 8,205,307	\$ 251,064	\$ 1,586,068	\$ 241,691	\$ 35,206,562

To provide for stability of the insurance programs due to inherent variability in loss experience and catastrophic losses, the Board has adopted a targeted equity policy that would provide for a fixed minimum equity to be maintained in each fund. The targeted equity is based on individual factors of the risks exposed in each fund and the recorded outstanding liabilities.

The evaluation of targeted equity necessary to stabilize the insurance pool is a two-step process. The first step is to determine the amount that should be set aside for each fund to provide for certain catastrophic losses and unexpected variations in the loss experience. These estimates are based on current outstanding losses, past catastrophic losses, actuarial projections of potential loss variations and management estimates. The provision of a designation for targeted equity helps to ensure that rates can remain stabilized over time. The second step is to determine which funds have not reached their targeted equity and may have potential cash-flow demands on other funds. These potential demands are considered against other fund resources.

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Targeted Equity Policies by Fund

Workers' Compensation

Actuarial estimates of losses are recorded based on an "expected level" of losses (50% confidence level) in accordance with accounting standards. The expected level recorded as a liability does not include a provision for material loss variations. To provide an allowance for loss variation for the Workers' Compensation program, a designation of a portion of equity to bring the confidence level up to 90%, (based on actuarial estimates), has been established, plus 5x self-insured retention.

Property/Liability

As described for the Workers' Compensation program, claim liabilities are recorded at the "expected level" in accordance with accounting standards. Property and Liability losses tend to have greater inherent severity risks than other exposures. Based on an analysis of prior loss experience the Property / Liability program has incurred as many as seven severe claims in one year that exceeded the insurance pool's self-insured retention. Based on this history, a policy to designate for catastrophic losses an amount equal to seven times the pool's self-insured retention has been established.

Delta Dental

Claims liability for the dental program is based on the projected lag of claims paid in prior years as compared to most recent claims paid. This method establishes a liability of between two and five months of claims. Since this method may not always provide for changes in benefit usage and the resulting claim payments, a provision equal to the recorded liability is designated in equity for catastrophic losses.

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Analysis of Board Targeted Equity

June 30, 2024

	Workers' Compensation	Property/ Liability	Dental	Unemployment	Vision	Health Consortium	Totals
Net Position available	\$ 32,319,741	\$ 3,037,545	\$ 9,265,641	\$ 267,449	\$ 1,723,297	\$ 378,961	\$ 46,992,634
Target Equity	<u>(6,899,000)</u>	<u>(1,750,000)</u>	<u>(5,145,863)</u>	<u> </u>	<u>(410,080)</u>	<u> </u>	<u>(14,204,943)</u>
Excess over target	<u>\$ 25,420,741</u>	<u>\$ 1,287,545</u>	<u>\$ 4,119,778</u>	<u>\$ 267,449</u>	<u>\$ 1,313,217</u>	<u>\$ 378,961</u>	<u>\$ 32,787,691</u>

June 30, 2023

	Workers' Compensation	Property/ Liability	Dental	Unemployment	Vision	Health Consortium	Totals
Net Position available	\$ 22,058,665	\$ 2,863,767	\$ 8,205,307	\$ 251,064	\$ 1,586,068	\$ 241,691	\$ 35,206,562
Target Equity	<u>(5,859,000)</u>	<u>(1,750,000)</u>	<u>(5,308,998)</u>	<u> </u>	<u>(412,986)</u>	<u> </u>	<u>(13,330,984)</u>
Excess over target	<u>\$ 16,199,665</u>	<u>\$ 1,113,767</u>	<u>\$ 2,896,309</u>	<u>\$ 251,064</u>	<u>\$ 1,173,082</u>	<u>\$ 241,691</u>	<u>\$ 21,875,578</u>

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NOTE 8 – JOINT POWERS AUTHORITY

SMCSIG participates in joint ventures under Joint Powers Agreements (JPAs) with Schools Excess Liability Fund (SELF), Protected Insurance Program for Schools (PIPS), and Public Risk Innovation, Solutions, and Management (PRISM). The relationships are such that SELF, PIPS, and PRISM are not component units of SMCSIG for financial reporting purposes.

PRISM and SELF arrange for and provide excess worker’s compensation and property and liability coverage. They are each governed by a board consisting of representatives from participating members. This board controls the operations of PRISM, SELF, and PIPS including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. Each member agency pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation.

The audited financial statements for each JPA can be obtained from their respective administrators.

Condensed financial information (most recent available) for PIPS, SELF, and PRISM is as follows (in thousands):

	<u>PIPS</u> <u>June 30, 2023*</u>	<u>SELF</u> <u>June 30, 2023*</u>	<u>PRISM</u> <u>June 30, 2023*</u>
Total assets	\$ 278,172	\$ 279,749	\$ 1,184,851
Total deferred outflows		706	4,727
Total liabilities	192,767	241,775	921,522
Total deferred inflows of	<u> </u>	<u>104</u>	<u>4,229</u>
Total net position	<u>\$ 85,405</u>	<u>\$ 38,576</u>	<u>\$ 263,827</u>
Total revenues	\$ 370,859	\$ 57,218	\$ 1,610,800
Total expenses	<u>(360,816)</u>	<u>(108,529)</u>	<u>(1,491,011)</u>
Net income	<u>\$ 10,043</u>	<u>\$ (51,311)</u>	<u>\$ 119,789</u>

*Most recent available

NOTE 9 – HEALTH CARE CONSORTIUM

On the November 9, 2022 meeting, the Board approved the Healthcare Consortium request to join SMCSIG as a sub-program. The Healthcare Consortium is a pass-through program and SMCSIG’s role in the program is limited to collecting premiums from the members and paying premiums to the carriers on behalf of the group.

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NOTE 10 - EMPLOYEE RETIREMENT SYSTEM

Plan Description

SMCSIG provides pension benefits to its employees through the San Mateo County Schools Insurance Group Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. SMCSIG had less than 100 active members as of the June 30, 2021 actuarial valuation. As a result, SMCSIG is required to participate in the Miscellaneous Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Effective January 1, 2013, CalPERS instituted a new pension plan as a result of the Public Employee Pension Reform Act (PEPRA). Employees hired from that date on are subject to the new 2% at 62 benefit formula. The 2.7 % at 55 benefit formula has been closed to new hires from January 1, 2013 on, unless they meet the rules for a CalPERS Classic employee. A Classic employee is already CalPERS member through prior employment and was employed by a CalPERS member within the last 6 months. See the CalPERS website for more information. The California Legislature passed and the Governor signed the PEPRA on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations.

Benefits Provided

The benefits for the Plans are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits 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. To be eligible for service retirement, members must be at least 50 and a minimum of five years of CalPERS-credited service. Members after January 1, 2013 must be at least 52 to be eligible for service retirement.

The Plan provisions and benefits in effect during the year ended June 30, 2024 are summarized as follows:

Rate Plan	Miscellaneous	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 – 55	52 – 67
Monthly benefits, as a % of eligible compensation	2.7%	2%
Required employee contribution rates	8.0%	6.75%
Required employer contribution rates	15.95%	7.68%

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Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plans allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. SMCSIG is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contributions rates may change if the Plans contracts are amended. SMCSIG makes the contributions required of certain employees on their behalf and for their account. For the years ended June 30, 2024 and 2023, SMCSIG's contributions to the plan were \$100,343 and \$87,222, respectively.

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

SMCSIG's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2023 for the year ended June 30, 2024. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. As of June 30, 2024, SMCSIG's proportionate share of the Plan's NPL was \$336,591.

Using SMCSIG's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for SMCSIG by the actuary. SMCSIG's employer allocation factor for the Plan as of June 30, 2024 was as follows:

	<u>Plan</u>
Proportion – June 30, 2023	0.00719%
Proportion – June 30, 2024	<u>0.00673%</u>
Change – increase (decrease)	<u>(0.00045)%</u>

For the years ended June 30, 2024 and 2023, SMCSIG recognized pension expense of \$85,477 and \$912,476, respectively.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 20,321	\$
Differences between expected and actual experience	17,195	2,667
Net differences between projected and actual investment earnings	54,497	
Differences between employer's contributions and proportionate share of contributions	691,918	151,617
Change in proportions		991,156
Contributions subsequent to the measurement date	<u>100,343</u>	
Total	<u>\$ 884,274</u>	<u>\$1,145,440</u>

As of June 30, 2024, the \$100,343 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending June 30, 2025. As of June 30, 2024, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ (203,542)
2025	(152,952)
2026	(6,579)
2027	<u>1,564</u>
Total	<u>\$ (361,509)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 34,455	\$
Differences between expected and actual experience	6,752	4,522
Net differences between projected and actual investment earnings	61,592	
Differences between employer's contributions and proportionate share of contributions	1,098,926	21,028
Change in proportions	3,549	1,543,326
Contributions subsequent to the measurement date	<u>87,222</u>	
Total	<u>\$1,292,496</u>	<u>\$1,568,876</u>

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As of June 30, 2023, the \$87,222 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending June 30, 2024. As of June 30, 2023, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ (152,442)
2025	(149,397)
2026	(99,435)
2027	<u>37,672</u>
Total	<u>\$ (363,602)</u>

Actuarial Assumptions

For the measurement period ending June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 and June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

- (1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the long-term expected real rate of return by asset class.

<u>Asset Class(1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10(1)(2)</u>
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 Corporates	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)

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of SMCSIG's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents SMCSIG's proportionate share of the net pension liability as of June 30, 2023 measurement date, calculated using the discount rate of 6.90 percent, as well as what the SMCSIG's Proportional Share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	<u>1% Decrease 5.90%</u>	<u>Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
SMCSIG's proportionate share of the net pension plan liability	\$1,305,529	\$336,591	\$(460,929)

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The following presents SMCSIG's proportionate share of the net pension liability as of June 30, 2022 measurement date, calculated using the discount rate of 6.9 percent, as well as what the SMCSIG's Proportional Share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.9%) or 1-percentage point higher (7.9%) than the current rate:

	<u>1% Decrease</u> 5.90%	<u>Discount Rate</u> 6.90%	<u>1% Increase</u> 7.90%
SMCSIG's proportionate share of the net pension plan liability	\$1,255,843	\$336,243	\$(420,361)

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

In addition to the pension benefits described in Note 10, SMCSIG provides other postemployment medical benefits for eligible retired employees through a single-employer defined benefit healthcare plan (the Plan). As of January 1, 2020, SMCSIG is no longer participating in CalPERS Medical and, therefore, no longer is required to provide minimum lifetime benefits to retirees. As of June 30, 2024 and 2023, SMCSIG had not established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

During the years ended June 30, 2024 and 2023, SMCSIG paid benefits to retirees of \$0 and \$9,572 respectively.

Benefits Provided

SMCSIG's benefits provided to retirees are established per contractual agreement. The following is a description of the current retiree benefit plan.

Benefit types provided	Medical only
Duration of Benefits	5 years
Required Service	10 years
Minimum Age	50
Dependent Coverage	None
SMCSIG's Contributions	100%
SMCSIG's Cap	Single premium rate

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Employees Covered

As of the June 30, 2024, measurement date, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	0
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>1</u>
Total	<u><u>1</u></u>

As of the June 30, 2023, measurement date, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	1
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>1</u>
Total	<u><u>2</u></u>

Total OPEB Liability

For the year ended June 30, 2024, SMCSIG's total OPEB liability of \$46,422 was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation date of June 30, 2024, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.93%
Inflation	2.50%
Salary Increases	2.75%
Mortality Rate Table	CalPERS' Membership Data
Health care cost trend rates	4.00%

For the year ended June 30, 2023, SMCSIG's total OPEB liability of \$53,136 was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation date of June 30, 2022, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.65%
Inflation	2.50%
Salary Increases	2.75%
Mortality Rate Table	CalPERS' Membership Data
Health care cost trend rates	4.00%

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Changes in Total OPEB Liability

The changes in the total OPEB liability for the OPEB Plan as of June 30, 2024 are as follows:

	Total OPEB Liability (TOL)
Balance at June 30, 2023 (Roll back balance at June 30, 2023 measurement date)	<u>\$ 53,136</u>
Changes recognized for the measurement period	
Service cost	1,130
Assumption changes	(7,302)
Interest on TOL	1,960
Experience Gains	<u>(2,502)</u>
Net changes	<u>(6,714)</u>
Balance at June 30, 2024 (Measurement date June 30, 2024)	<u>\$ 46,422</u>

The changes in the total OPEB liability for the OPEB Plan as of June 30, 2023 are as follows:

	Total OPEB Liability (TOL)
Balance at June 30, 2022 (Roll back balance at June 30, 2022 measurement date)	<u>\$ 60,300</u>
Changes recognized for the measurement period	
Service cost	1,134
Assumption changes	(711)
Interest on TOL	1,985
Employer contributions	<u>(9,572)</u>
Net changes	<u>(7,164)</u>
Balance at June 30, 2023 (Measurement date June 30, 2023)	<u>\$ 53,136</u>

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Sensitivity of SMCSIG's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the total OPEB liability of SMCSIG as of the June 30, 2024 measurement date, calculated using the discount rate of 3.93%, as well as what the total OPEB 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:

	Discount Rate -1% <u>2.93%</u>	Current Discount Rate <u>3.93%</u>	Discount Rate +1% <u>4.93%</u>
Total OPEB liability	\$ 51,619	\$ 46,422	\$ 41,532

The following presents the total OPEB liability of SMCSIG as of the June 30, 2023 measurement date, calculated using the discount rate of 3.65%, as well as what the total OPEB 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:

	Discount Rate -1% <u>2.65%</u>	Current Discount Rate <u>3.65%</u>	Discount Rate +1% <u>4.65%</u>
Total OPEB liability	\$ 59,498	\$ 53,136	\$ 47,301

Sensitivity of SMCSIG's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of SMCSIG, as of the June 30, 2024 measurement date, calculated using the health care trend rate of 4.00%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Health Care Trend Rate -1% <u>3.00%</u>	Health Care Trend Rate <u>4.00%</u>	Health Care Trend Rate +1% <u>5.00%</u>
Total OPEB liability	\$ 40,117	\$ 46,422	\$ 53,653

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The following presents the total OPEB liability of SMCSIG, as of the June 30, 2023 measurement date, calculated using the healthcare trend rate of 4.00%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Health Care Trend Rate -1% <u>3.00%</u>	Health Care Trend Rate <u>4.00%</u>	Health Care Trend Rate +1% <u>5.00%</u>
Total OPEB liability	\$ 45,066	\$ 53,136	\$ 62,512

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual Earnings on OPEB Trust investments	5 years
All other amounts	Expected average remaining service lives (EARSL) of plan participants

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2024, SMCSIG recognized OPEB expense of \$4,113. At June 30, 2024, SMCSIG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 12,913	\$ (12,207)
Differences between expected and actual experience		(9,993)
Total	<u>\$ 12,913</u>	<u>\$ (22,200)</u>

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As the measurement date is the same date as SMCSIG's fiscal year end there are no OPEB contributions subsequent to the measurement date. Thus, no amount reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 4,441	\$ (4,784)
2026	4,441	(4,784)
2027	3,997	(4,578)
2028	34	(2,582)
2029		(972)
Thereafter		<u>(4,500)</u>
	<u>\$ 12,913</u>	<u>\$ (22,200)</u>

For the year ended June 30, 2023, SMCSIG recognized OPEB expense of \$5,373. At June 30, 2023, SMCSIG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 18,720	\$ (6,965)
Differences between expected and actual experience		<u>(10,214)</u>
Total	<u>\$ 18,720</u>	<u>\$ (17,179)</u>

As the measurement date is the same date as SMCSIG's fiscal year end there are no OPEB contributions subsequent to the measurement date. Thus, no amount reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 5,807	\$ (3,900)
2025	4,441	(3,900)
2026	4,441	(3,900)
2027	3,997	(3,694)
2028	34	(1,698)
Thereafter		<u>(87)</u>
	<u>\$ 18,720</u>	<u>\$ (17,179)</u>

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NOTE 12 – COMPENSATED ABSENCES

SMCSIG offers sick leave and vacation leave to its employees. Vacation earned varies based on years of service. Employees accrue one day of sick leave per month or 12 days per year.

Changes in compensated absences activity for the years ended June 30, 2024 and 2023 were as follows:

2024

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
Accrued Vacation	\$ 158,114	\$ (15,712)	\$ 142,402
Accrued Sick Leave	<u>196,503</u>	<u>29,521</u>	<u>226,024</u>
Total	<u>\$ 354,617</u>	<u>\$ 13,809</u>	<u>\$ 368,426</u>

2023

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
Accrued Vacation	\$ 125,173	\$ 32,941	\$ 158,114
Accrued Sick Leave	<u>166,345</u>	<u>30,158</u>	<u>196,503</u>
Total	<u>\$ 291,518</u>	<u>\$ 63,099</u>	<u>\$ 354,617</u>

NOTE 13: PRIOR PERIOD ADJUSTMENTS

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, which is effective for fiscal years beginning after December 15, 2023, with earlier application allowed. The purpose of GASB 101 is to address and update the recognition and measurement guidance of compensated absences to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements. These changes were incorporated into the SMCSIG's June 30, 2024 and 2023 financial statements and resulted in a restatement to the June 30, 2022 beginning net position of \$166,345.

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REQUIRED SUPPLEMENTARY INFORMATION

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RECONCILIATION OF CLAIMS LIABILITIES BY PROGRAM
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Workers' Compensation</u>		<u>Property/Liability</u>		<u>Dental</u>		<u>Vision</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Unpaid claims and claims adjustment expenses - beginning of year	<u>\$21,463,651</u>	<u>\$14,325,420</u>	<u>\$8,763,941</u>	<u>\$ 6,456,154</u>	<u>\$ 801,000</u>	<u>\$ 801,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$31,103,592</u>	<u>\$21,657,574</u>
Incurred claims and claims adjustment expenses:										
Provision for covered events of the current fiscal year	12,663,242	11,630,617	4,174,341	6,008,353	13,314,956	12,653,328	1,044,881	1,040,066	31,197,420	31,332,364
Change in provision for insured events of prior fiscal years	<u>(3,044,527)</u>	<u>(993,115)</u>	<u>677,730</u>	<u>(1,254,180)</u>	<u>(81,103)</u>	<u>(187,687)</u>	<u>(18,016)</u>	<u>(22,278)</u>	<u>(2,465,916)</u>	<u>(2,457,260)</u>
Total incurred claims and claims adjustment expenses	<u>9,618,715</u>	<u>10,637,502</u>	<u>4,852,071</u>	<u>4,754,173</u>	<u>13,233,853</u>	<u>12,465,641</u>	<u>1,026,865</u>	<u>1,017,788</u>	<u>28,731,504</u>	<u>28,875,104</u>
Payments:										
Claims and claims adjustment expenses attributable to insured events of the current fiscal year	1,715,774	919,096	1,584,686	1,440,601	12,513,956	11,852,328	969,881	965,066	16,784,297	15,177,091
Claims and claims adjustment expenses attributable to insured events of prior fiscal years	<u>3,819,840</u>	<u>2,580,175</u>	<u>3,020,650</u>	<u>1,005,785</u>	<u>719,897</u>	<u>613,313</u>	<u>56,984</u>	<u>52,722</u>	<u>7,617,371</u>	<u>4,251,995</u>
Total payments	<u>5,535,614</u>	<u>3,499,271</u>	<u>4,605,336</u>	<u>2,446,386</u>	<u>13,233,853</u>	<u>12,465,641</u>	<u>1,026,865</u>	<u>1,017,788</u>	<u>24,401,668</u>	<u>19,429,086</u>
Unpaid claims and claims adjustment expenses - end of year	<u>\$25,546,752</u>	<u>\$21,463,651</u>	<u>\$9,010,676</u>	<u>\$ 8,763,941</u>	<u>\$ 801,000</u>	<u>\$ 801,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$35,433,428</u>	<u>\$31,103,592</u>
Claims reserves	\$8,343,708	\$ 4,101,728	\$3,474,695	\$ 4,154,959	\$	\$	\$	\$	\$11,818,403	\$ 8,256,687
Claims incurred but not reported	15,216,606	15,647,446	5,078,981	4,170,852	801,000	801,000	75,000	75,000	21,171,587	20,694,298
Liability for unallocated loss adjustment expense	<u>1,986,438</u>	<u>1,714,477</u>	<u>457,000</u>	<u>438,130</u>					<u>2,443,438</u>	<u>2,152,607</u>
Total	<u>\$25,546,752</u>	<u>\$21,463,651</u>	<u>\$9,010,676</u>	<u>\$ 8,763,941</u>	<u>\$ 801,000</u>	<u>\$ 801,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$35,433,428</u>	<u>\$31,103,592</u>
Current portion of claims liabilities	\$6,035,000	\$ 5,260,000	\$3,440,000	\$ 4,270,000	\$801,000	\$ 801,000	\$75,000	\$ 75,000	\$10,351,000	\$10,406,000
Non-current claims liabilities	<u>19,511,752</u>	<u>16,203,651</u>	<u>5,570,676</u>	<u>4,493,941</u>					<u>25,082,428</u>	<u>20,697,592</u>
Total	<u>\$25,546,752</u>	<u>\$21,463,651</u>	<u>\$9,010,676</u>	<u>\$ 8,763,941</u>	<u>\$ 801,000</u>	<u>\$ 801,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$35,433,428</u>	<u>\$31,103,592</u>

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

CLAIMS DEVELOPMENT INFORMATION

JUNE 30, 2024

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The following table illustrates how the Group's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Program for its most current ten year period. The rows of the table are defined as follows:

- (1) This line shows the total of each fiscal year's gross earned contributions and reported investment revenue amounts of contributions ceded and reported contributions (net of reinsurance) and reported investment revenue.
- (2) This line shows each fiscal year's other operating costs of the Program including overhead and loss adjustment expenses not allocable to individual claims.
- (3) This line shows the Program's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, 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 accident year).
- (4) This section of rows shows the cumulative net amounts paid as of the end of successive years for each program year.
- (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each program year.
- (6) This section of rows shows how each program year's net amount of losses increased or decreased 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) This line 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 program 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 program years. The columns of the table show data for successive program years.

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SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

WORKERS' COMPENSATION PROGRAM CLAIMS DEVELOPMENT INFORMATION

AS OF JUNE 30, 2024

	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
(1) Required Contribution and Investment Revenues				
Earned	\$18,019,088	\$18,710,872	\$20,885,955	\$24,204,436
Ceded	<u>2,945,525</u>	<u>2,712,482</u>	<u>2,438,823</u>	<u>2,675,314</u>
Net earned	<u>15,073,563</u>	<u>15,998,390</u>	<u>18,447,132</u>	<u>21,529,122</u>
(2) Unallocated Expenses	942,715	1,355,476	1,890,436	1,650,134
(3) Estimated Incurred Claims and Expense, end of program year				
Incurred	8,134,275	11,237,809	11,630,617	12,663,242
Ceded				
Net incurred	<u>8,134,275</u>	<u>11,237,809</u>	<u>11,630,617</u>	<u>12,663,242</u>
(4) Paid (Cumulative as of):				
End of program year	612,796	1,550,517	919,096	1,715,774
One year later	1,668,136	3,234,474	3,138,653	
Two years later	2,538,247	4,231,135		
Three years later	3,119,592			
(5) Reestimated Ceded Claims and Expense				
(6) Reestimated Incurred Claims and Expense:				
End of program year	8,134,275	11,237,809	11,630,617	12,663,242
One year later	5,821,792	10,047,187	9,102,751	
Two years later	5,912,532	9,421,594		
Three years later	6,068,281			
(7) Increase (Decrease) in Estimated Incurred Claims and expenses from the End of program year	<u>\$(2,065,994)</u>	<u>\$(1,816,215)</u>	<u>\$(2,527,866)</u>	<u>\$</u>

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SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
PROPERTY/LIABILITY PROGRAM CLAIMS DEVELOPMENT

AS OF JUNE 30, 2024

	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
1. Required contribution and investment revenue:										
Earned	\$5,247,286	\$6,027,857	\$7,549,697	\$7,784,339	\$7,023,508	\$8,641,429	\$10,374,069	\$12,027,836	\$14,715,655	\$18,447,608
Ceded	<u>2,843,295</u>	<u>2,302,034</u>	<u>1,930,590</u>	<u>1,358,996</u>	<u>3,038,279</u>	<u>4,632,304</u>	<u>7,066,804</u>	<u>7,839,817</u>	<u>9,316,495</u>	<u>12,575,757</u>
Total net earned	2,403,991	3,725,823	5,619,107	6,425,343	3,985,229	4,009,125	3,307,265	4,188,019	5,399,160	5,871,851
2. Unallocated expenses	701,854	464,052	523,174	666,823	474,030	690,696	755,917	709,464	1,145,011	846,002
3. Estimated claims and expenses, end of program year:										
Incurred	2,180,000	1,926,000	1,750,000	1,737,000	2,509,000	2,096,000	2,406,000	2,865,689	6,008,353	4,174,341
Ceded										
Net incurred	<u>2,180,000</u>	<u>1,926,000</u>	<u>1,750,000</u>	<u>1,737,000</u>	<u>2,509,000</u>	<u>2,096,000</u>	<u>2,406,000</u>	<u>2,865,689</u>	<u>6,008,353</u>	<u>6,008,353</u>
4. Net paid (cumulative) as of:										
End of program year	860,606	224,014	375,450	569,492	623,910	548,610	480,479	559,205	1,440,601	1,584,686
One year later	996,172	929,303	1,328,388	921,236	1,794,497	847,204	941,449	1,173,914	3,975,642	
Two years later	1,298,335	1,224,614	1,515,205	1,386,091	1,980,257	1,240,795	1,064,851	1,122,865		
Three years later	1,380,799	1,213,929	1,728,187	1,208,597	2,196,215	1,423,899	1,362,017			
Four years later	1,460,842	1,213,928	1,706,306	1,607,281	2,325,918	1,442,586				
Five years later	1,486,128	1,213,929	1,706,306	1,605,826	2,337,728					
Six years later	1,472,846	1,213,929	1,706,306	1,614,354						
Seven years later	1,586,283	1,165,378	1,706,306							
Eight years later	1,586,283	1,166,628								
Nine years later	1,586,283									
5. Reestimated ceded claims and expenses	726,500	1,102,334	117,498	1,043,463	1,163,153	3,797,594	341,716	4,571,230	4,274,587	500,000
6. Reestimated net incurred claims and expenses:										
End of program year	2,180,000	1,926,000	1,750,000	1,737,000	2,509,000	2,096,000	2,406,000	2,865,689	6,008,353	4,174,341
One year later	1,706,000	1,915,000	1,966,000	2,056,000	2,850,000	2,279,000	2,017,858	2,502,415	6,307,254	
Two years later	1,974,829	1,634,355	2,328,000	1,882,238	2,824,000	2,240,907	1,680,792	2,421,883		
Three years later	1,637,853	1,491,355	2,266,532	1,664,000	3,084,659	2,101,895	1,601,127			
Four years later	1,378,000	1,213,928	1,943,000	1,894,650	3,138,629	2,070,865				
Five years later	1,775,741	1,360,000	1,867,459	1,774,429	3,187,077					
Six years later	1,697,000	1,370,138	1,855,813	1,614,354						
Seven years later	1,598,813	1,165,378	1,709,174							
Eight years later	1,782,071	1,170,578								
Nine years later	1,586,283									
7. Increase (decrease) in estimated net incurred claims and expenses from end of program year	<u>\$ (593,717)</u>	<u>\$ (755,422)</u>	<u>\$ (40,826)</u>	<u>\$ (122,646)</u>	<u>\$ 678,077</u>	<u>\$ (25,135)</u>	<u>\$ (804,873)</u>	<u>\$ (443,806)</u>	<u>\$ 298,901</u>	<u>\$ _____</u>

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SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

DENTAL PROGRAM CLAIMS DEVELOPMENT

AS OF JUNE 30, 2024

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
1. Required contribution and investment revenue:										
Earned	\$16,273,388	\$16,740,795	\$17,121,636	\$17,205,337	\$16,799,382	\$16,040,194	\$13,915,822	\$14,583,282	\$14,888,210	\$15,454,729
Ceded		<u>119,929</u>	<u>129,877</u>	<u>133,999</u>	<u>129,877</u>	<u>127,328</u>	<u>124,779</u>	<u>124,779</u>	<u>124,779</u>	<u>124,779</u>
Total net earned	16,273,388	16,620,866	16,991,759	17,071,338	16,669,505	15,912,866	13,791,043	14,458,503	14,763,431	15,329,950
2. Unallocated expenses	1,078,414	1,105,087	1,092,237	1,139,573	1,110,232	937,714	1,057,617	1,063,502	1,125,138	1,035,763
4. Estimated claims and expenses, end of program year:										
Incurred	14,234,092	14,625,349	14,791,836	14,373,502	14,049,777	10,912,750	13,100,890	12,724,452	12,653,328	13,314,956
Ceded										
Net incurred	<u>14,234,092</u>	<u>14,625,349</u>	<u>14,791,836</u>	<u>14,373,502</u>	<u>14,049,777</u>	<u>10,912,750</u>	<u>13,100,890</u>	<u>12,724,452</u>	<u>12,653,328</u>	<u>13,314,956</u>
4. Net paid (cumulative) as of:										
End of program year	13,334,092	13,675,349	13,441,836	13,452,502	13,199,776	10,573,750	12,314,691	11,923,452	11,852,328	12,513,956
One year later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556	13,141,737	12,536,967	12,572,225	
Two years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556	13,141,737	12,536,967		
Three years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556	13,141,737			
Four years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556				
Five years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045					
Six years later	14,162,852	14,319,854	14,204,852	14,192,800						
Seven years later	14,162,852	14,319,854	14,204,852							
Eight years later	14,162,852	14,319,854								
Nine years later	14,162,852									
5. Reestimated ceded claims and expenses										
6. Reestimated net incurred claims and expenses:										
End of program year	14,234,092	14,625,349	14,791,836	14,373,502	14,049,777	10,912,750	13,100,890	12,724,452	12,653,328	13,314,956
One year later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556	13,141,737	12,536,967	12,572,225	
Two years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556	13,141,737	12,536,967		
Three years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556	13,141,737			
Four years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045	11,275,556				
Five years later	14,162,852	14,319,854	14,204,852	14,192,800	13,958,045					
Six years later	14,162,852	14,319,854	14,204,852	14,192,800						
Seven years later	14,162,852	14,319,854	14,204,852							
Eight years later	14,162,852	14,319,854								
Nine years later	14,162,852									
7. Increase (decrease) in estimated net incurred claims and expenses from end of program year	<u>\$ (71,240)</u>	<u>\$ (305,495)</u>	<u>\$ (586,984)</u>	<u>\$ (180,702)</u>	<u>\$ (91,732)</u>	<u>\$ 362,806</u>	<u>\$ 40,847</u>	<u>\$ (187,485)</u>	<u>\$ (81,103)</u>	<u>\$ _____</u>

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SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

VISION PROGRAM CLAIMS DEVELOPMENT

AS OF JUNE 30, 2024

	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
1. Required contribution and investment revenue:										
Earned	\$ 1,346,795	\$ 1,393,389	\$ 1,456,515	\$ 1,493,029	\$ 1,524,010	\$ 1,453,298	\$ 1,173,175	\$ 1,214,801	\$ 1,321,964	\$ 1,402,992
Ceded										
Total net earned	<u>1,346,795</u>	<u>1,393,389</u>	<u>1,456,515</u>	<u>1,493,029</u>	<u>1,524,010</u>	<u>1,453,298</u>	<u>1,173,175</u>	<u>1,214,801</u>	<u>1,321,964</u>	<u>1,402,992</u>
2. Unallocated expenses	239,196	239,625	245,817	255,494	244,923	233,957	241,576	246,374	279,207	238,898
5. Estimated claims and expenses, end of program year:										
Incurred	1,057,989	1,050,143	1,080,697	1,069,019	1,067,650	871,131	1,062,350	1,068,679	1,040,066	1,044,881
Ceded										
Net incurred	<u>1,057,989</u>	<u>1,050,143</u>	<u>1,080,697</u>	<u>1,069,019</u>	<u>1,067,650</u>	<u>871,131</u>	<u>1,062,350</u>	<u>1,068,679</u>	<u>1,040,066</u>	<u>1,044,881</u>
4. Net paid (cumulative) as of:										
End of program year	1,002,989	995,143	1,004,697	993,019	991,650	834,631	967,964	993,679	965,066	969,881
One year later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546	1,020,574	1,046,401	1,022,050	
Two years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546	1,020,574	1,046,401		
Three years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546	1,020,574			
Four years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546				
Five years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424					
Six years later	1,055,357	1,051,323	1,058,501	1,046,823						
Seven years later	1,055,357	1,051,323	1,058,501							
Eight years later	1,055,357	1,051,323								
Nine years later	1,055,357									
5. Reestimated ceded claims and expenses										
6. Reestimated net incurred claims and expenses:										
End of program year	1,057,989	1,050,143	1,080,697	1,069,019	1,067,650	871,131	1,062,350	1,068,679	1,040,066	1,044,881
One year later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546	1,020,574	1,046,401	1,022,050	
Two years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546	1,020,574	1,046,401		
Three years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546	1,020,574			
Four years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424	881,546				
Five years later	1,055,357	1,051,323	1,058,501	1,046,823	1,049,424					
Six years later	1,055,357	1,051,323	1,058,501	1,046,823						
Seven years later	1,055,357	1,051,323	1,058,501							
Eight years later	1,055,357	1,051,323								
Nine years later	1,055,357									
7. Increase (decrease) in estimated net incurred claims and expenses from end of program year	<u>\$ (2,632)</u>	<u>\$ 1,180</u>	<u>\$ (22,196)</u>	<u>\$ (22,196)</u>	<u>\$ (18,226)</u>	<u>\$ 10,415</u>	<u>\$ (41,776)</u>	<u>\$ (22,278)</u>	<u>\$ (18,016)</u>	<u>\$ _____</u>

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SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

SCHEDULE OF SMCSIG'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

AS OF JUNE 30, 2024

LAST 10 YEARS*

	Measurement Period Ending June 30,				
	2023	2022	2021	2020	2019
SMCSIG's proportion of the net pension liability	0.00673%	0.00719%	0.047130%	0.037630%	0.037182%
SMCSIG's proportionate share of the net pension liability	\$336,591	\$336,243	\$894,819	\$1,587,278	\$1,488,959
SMCSIG's covered-employee payroll	\$825,576	\$677,510	\$ 697,389	\$ 692,514	\$ 658,654
SMCSIG's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.41%	0.50%	1.28%	229.21%	226.06%
SMCSIG's fiduciary net position as a percentage of the total pension liability	95.30%	95.02%	86.00%	75.10%	75.26%
	Measurement Period Ending June 30,				
	2018	2017	2016	2015	2014
SMCSIG's proportion of the net pension liability	0.036885%	0.036455%	0.036348%	0.037022%	0.012960%
SMCSIG's proportionate share of the net pension liability	\$1,390,079	\$1,437,054	\$1,262,694	\$1,015,679	\$ 806,359
SMCSIG's covered-employee payroll	\$ 768,450	\$ 582,840	\$ 473,500	\$ 472,319	\$ 371,288
SMCSIG's proportionate share of the net pension liability as a percentage of its covered-employee payroll	180.89%	246.56%	266.67%	215.04%	217.18%
SMCSIG's fiduciary net position as a percentage of the total pension liability	75.26%	78.40%	74.06%	78.40%	81.15%

Notes to Schedule:

Change of benefit terms – There were no benefit changes for the June 30, 2022 valuation.

Changes in assumptions – In 2015, the discount rate was changed from 7.5% (net of administrative expense) to 7.65% to correct for an adjustment to exclude administrative expense. In 2014, amounts reported were based on the 7.5% discount rate. In 2016, there were no changes. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate in 2018. There were no changes in 2019, 2020, and 2021. In 2022, the discount rate was reduced from 7.15% to 6.90%, in addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. In 2023, there were no changes.

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

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SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2024
LAST 10 YEARS*

	Fiscal Year Ending June 30,				
	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 100,343	\$ 87,222	\$ 194,838	\$182,223	\$185,006
Contributions in relation to the actuarially determined contribution	<u>(100,343)</u>	<u>(87,222)</u>	<u>(1,838,415)</u>	<u>(182,223)</u>	<u>(185,006)</u>
Contribution deficiency (excess)	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$(1,643,577)</u>	<u>\$ 0</u>	<u>\$ 0</u>
SMCSIG's covered-employee payroll	\$870,012	\$825,576	\$ 677,510	\$697,389	\$692,514
Contributions as a percentage of covered-employee payroll	11.53%	10.56%	271.35%	26.13%	26.72%
	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$160,726	\$158,615	\$177,030	\$156,513	\$105,493
Contributions in relation to the actuarially determined contribution	<u>(160,726)</u>	<u>(158,615)</u>	<u>(177,030)</u>	<u>(156,513)</u>	<u>(105,493)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
SMCSIG's covered-employee payroll	\$658,654	\$768,450	\$582,840	\$473,500	\$472,319
Contributions as a percentage of covered-employee payroll	24.40%	20.64%	30.37%	33.05%	22.34%

*Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

Notes to Schedule of Contributions:

Valuation Date: 6/30/2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Discount rate	6.80%
Inflation	2.80%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80%
Retirement age	The probabilities of retirement age are based on the 2017 CalPERS Experience Study
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF CHANGES IN SMCSIG'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE MEASUREMENT PERIODS ENDED JUNE 30,
LAST 10 YEARS*

	Measurement Period Ending June 30,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 1,130	\$ 1,134	\$ 1,704	\$ 1,641	\$ 11,942	\$ 10,800	\$ 10,510
Interest	1,960	1,985	1,614	1,775	8,461	7,776	8,072
Changes in benefit terms					(185,489)		
Changes in assumptions	(7,302)	(711)	(8,954)	307	34,772	9,932	
Benefit payments		(9,572)	(9,572)	(9,572)	(9,678)	(9,342)	(8,929)
Experience gains/(losses)	(2,502)		(3,302)		(15,946)		
Net change in total OPEB liability	(6,714)	(7,164)	(18,510)	(5,849)	(155,938)	19,166	9,653
Total OPEB liability – beginning	53,136	60,300	78,810	84,659	240,597	221,431	211,778
Total OPEB liability – ending (a)	<u>\$ 46,422</u>	<u>\$ 53,136</u>	<u>\$ 60,300</u>	<u>\$ 78,810</u>	<u>\$ 84,659</u>	<u>\$ 240,597</u>	<u>\$ 221,431</u>
Covered-employee payroll	\$870,012	\$825,576	\$677,510	\$697,389	\$692,514	\$658,654	\$768,450
SMCSIG's total OPEB liability as a percentage of covered-employee payroll	5.34%	6.44%	8.90%	11.30%	12.22%	36.53%	28.82%

*Fiscal year 2018 was the 1st year of implementation, therefore only seven years are presented.

Notes to Schedule:

Change of benefit terms – As of January 1, 2020, SMCSIG is no longer participating in CalPERS Medical and, therefore, no longer is required to provide minimum lifetime benefits to retirees. In fiscal year 2019 and 2018, there were no changes to the benefit terms.

Changes in assumptions – In fiscal year 2024, the interest assumption changed from 3.65% to 3.93%. In fiscal year 2023, the interest assumption changed from 3.54% to 3.65%. In fiscal year 2022, the interest assumption changed from 2.16% to 3.54%. In fiscal year 2021, the interest assumption changed from 2.2% to 2.16%. In fiscal year 2020, the interest assumption changed from 3.5% to 2.2%. In fiscal year 2019, the interest assumption changed from 3.8% to 3.5%. In fiscal year 2018, there were no changes in assumptions.

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SUPPLEMENTARY INFORMATION

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION BY PROGRAM

Draft
10/25/24

JUNE 30, 2024

	Workers' Compensation	Property Liability	Dental	Unemployment	Vision	Health Consortium	Total
ASSETS:							
Current assets:							
Cash and cash equivalents	\$19,249,442	\$ 1,973,926	\$ 5,226,113	\$ 37,091	\$712,923	\$736,509	\$27,936,004
Investments	4,638,498	925,090	575,607	24,759	112,921		6,276,875
Receivables:							
Accounts	23,622	45	20	23,908	5	60,406	108,006
Interest	366,758	103,555	72,831	2,038	13,051		558,233
Excess insurance	504,389	2,701,782					3,206,171
Deposits and other assets			1,259,174		275,280		1,534,454
Prepaid expenses		87,134					87,134
Total current assets	<u>24,782,709</u>	<u>5,791,532</u>	<u>7,133,745</u>	<u>87,796</u>	<u>1,114,180</u>	<u>796,915</u>	<u>39,706,877</u>
Non-current assets:							
Investments	33,657,763	6,712,619	4,176,703	179,653	819,377		45,546,115
Capital assets, net	281,772	24,439	10,862		2,715		319,788
Total non-current assets	<u>33,939,535</u>	<u>6,737,058</u>	<u>4,187,565</u>	<u>179,653</u>	<u>822,092</u>		<u>45,865,903</u>
Total Assets	<u>58,722,244</u>	<u>12,528,590</u>	<u>11,321,310</u>	<u>267,449</u>	<u>1,936,272</u>	<u>796,915</u>	<u>85,572,780</u>
Deferred outflow of resources							
Related to pensions	265,045	397,949	177,025		44,255		884,274
Related to OPEB	3,874	5,811	2,583		645		12,913
Total deferred outflow of resources	<u>268,919</u>	<u>403,760</u>	<u>179,608</u>		<u>44,900</u>		<u>897,187</u>
LIABILITIES:							
Current liabilities:							
Accounts payable	507,504	30,989	8,583		2,035	417,954	967,065
Compensated absences	151,973	155,332	48,897		12,224		368,426
Unearned revenue			1,066,667		91,094		1,157,761
Unpaid claims and claim adjustment expenses	6,035,000	3,440,000	801,000		75,000		10,351,000
Total current liabilities	<u>6,694,477</u>	<u>3,626,321</u>	<u>1,925,147</u>		<u>180,353</u>	<u>417,954</u>	<u>12,844,252</u>
Non-current liabilities:							
Net pension liability	100,975	151,471	67,317		16,828		336,591
OPEB liability	13,922	20,905	9,282		2,313		46,422
Unpaid claims and claim adjustment expenses	19,511,752	5,570,676					25,082,428
Total non-current liabilities	<u>19,626,649</u>	<u>5,743,052</u>	<u>76,599</u>		<u>19,141</u>		<u>25,465,441</u>
Total liabilities	<u>26,321,126</u>	<u>9,369,373</u>	<u>2,001,746</u>		<u>199,494</u>	<u>417,954</u>	<u>38,309,693</u>
Deferred inflow of resources:							
Related to pensions	343,636	515,442	229,091		57,271		1,145,440
Related to OPEB	6,660	9,990	4,440		1,110		22,200
Total deferred inflow of resources	<u>350,296</u>	<u>525,432</u>	<u>233,531</u>		<u>58,381</u>		<u>1,167,640</u>
Net Position:							
Invested in capital assets	281,772	24,439	10,862		2,715		319,788
Unrestricted	32,037,969	3,013,106	9,254,779	267,449	1,720,582	378,961	46,672,846
Total net position	<u>\$ 32,319,741</u>	<u>\$ 3,037,545</u>	<u>\$9,265,641</u>	<u>\$ 267,449</u>	<u>\$1,723,297</u>	<u>\$378,961</u>	<u>\$46,992,634</u>

SAN MATEO COUNTY SCHOOLS INSURANCE GROUP

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION BY PROGRAM

FOR THE YEAR ENDED JUNE 30, 2024

Draft
10/25/24

	<u>Workers' Compensation</u>	<u>Property Liability</u>	<u>Dental</u>	<u>Unemployment</u>	<u>Vision</u>	<u>Health Consortium</u>	<u>Total</u>
OPERATING REVENUES:							
Member contributions	<u>\$22,028,880</u>	<u>\$17,861,849</u>	<u>\$15,022,183</u>	<u>\$ 23,908</u>	<u>\$1,329,711</u>	<u>\$31,264,857</u>	<u>\$87,531,388</u>
Total operating revenues	<u>22,028,880</u>	<u>17,861,849</u>	<u>15,022,183</u>	<u>23,908</u>	<u>1,329,711</u>	<u>31,264,857</u>	<u>87,531,388</u>
OPERATING EXPENSES:							
Claims and claim adjustment expenses	9,618,715	4,852,071	13,233,853		1,026,865		28,731,504
Insurance premiums and assessments	2,675,314	12,575,757	124,779			31,122,301	46,498,151
Consultants and professional services	909,527	187,496	872,758	18,915	196,558	7,875	2,193,129
Salaries and benefits	486,864	549,663	140,349		36,675		1,213,551
DIR fraud assessment	223,020						223,020
General and administrative	<u>30,723</u>	<u>108,843</u>	<u>22,656</u>		<u>5,665</u>		<u>167,887</u>
Total operating expenses	<u>13,944,163</u>	<u>18,273,830</u>	<u>14,394,395</u>	<u>18,915</u>	<u>1,265,763</u>	<u>31,130,176</u>	<u>79,027,242</u>
Operating income (loss)	<u>8,084,717</u>	<u>(411,981)</u>	<u>627,788</u>	<u>4,993</u>	<u>63,948</u>	<u>134,681</u>	<u>8,504,146</u>
NON-OPERATING REVENUES (EXPENSES):							
Investment income (loss)	2,175,556	585,759	432,546	11,392	73,281	2,589	3,281,123
Other income	<u>803</u>						<u>803</u>
Total non-operating revenues (expenses)	<u>2,176,359</u>	<u>585,759</u>	<u>432,546</u>	<u>11,392</u>	<u>73,281</u>	<u>2,589</u>	<u>3,281,926</u>
Change in net position	<u>10,261,076</u>	<u>173,778</u>	<u>1,060,334</u>	<u>16,385</u>	<u>137,229</u>	<u>137,270</u>	<u>11,786,072</u>
Net position, beginning of year	<u>22,058,665</u>	<u>2,863,767</u>	<u>8,205,307</u>	<u>251,064</u>	<u>1,586,068</u>	<u>241,691</u>	<u>35,206,562</u>
Net position, end of year	<u>\$32,319,741</u>	<u>\$ 3,037,545</u>	<u>\$ 9,265,641</u>	<u>\$ 267,449</u>	<u>\$1,723,297</u>	<u>\$ 378,961</u>	<u>\$46,992,634</u>

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10/25/24

OTHER 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 GOVERNMENT AUDITING STANDARDS

To the Board of Directors and Members
San Mateo County Schools Insurance Group
Redwood City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of San Mateo County Schools Insurance Group (SMCSIG) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SMCSIG’s basic financial statements, and have issued our report thereon dated _____, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SMCSIG’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 SMCSIG’s internal control. Accordingly, we do not express an opinion on the effectiveness of SMCSIG’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of SMCSIG’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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SMCSIG’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 SMCSIG’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SMCSIG’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clovis, California
, 2024

November 7, 2024

To the Governing Board
San Mateo County Schools Insurance Group
Redwood City, California

We have audited the financial statements of San Mateo County Schools Insurance Group (SMCSIG) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SMCSIG are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, SMCSIG changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, Compensated Absences, during the 2023/2024 year. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position. We noted no transactions entered into by SMCSIG during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the SMCSIG's financial statements were the provision for unpaid claims, the estimated useful lives of capital assets, the pension liabilities and the OPEB liabilities.

Management's estimate of the provision for unpaid claims is 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. Management's estimate of the useful lives of capital assets is based on historical experience and industry standards. Management's estimate for pension and OPEB liabilities was determined by an outside actuary. We evaluated the key factors and assumptions used to develop those estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures performed.

Disagreement with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 7, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the SMCSIG's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the SMCSIG's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, claims development information, schedule of the SMCSIG's proportionate share of the net pension liability, schedule of contributions, and schedule of changes in SMCSIG's total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of SMCSIG and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Sampson & Sampson, LLP

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Administration of the Organization</u>	<input checked="" type="checkbox"/>	Action
Item Number: H3	<input type="checkbox"/>	Consent
Title: <u>Strategic Reallocation of Funds</u>	<input type="checkbox"/>	Information

Background

SMCSIG Financial Position as of September 30, 2024

- **Cash in Wells Fargo and Wells Fargo sweep money funds \$8M,**
- **Short-Term Investments:** Held in the county treasury. Current balance: **\$18.4M,**
- **Mid to Long-Term Investments:** Managed by Chandler Asset Management, with a market value of **\$53M.**
- Periodically we evaluate our cash-flows and liquidity to assess current needs and our earning opportunities.
- Note – we will be bringing in \$1.5M -\$1.8M per month from the workers’ compensation program. So our liquidity is sufficient.

Next Action: To align with our target for county funds and bolster mid to long-term reserves for self-insured workers' compensation, we will move **\$15M from a combination of the county treasury and Wells Fargo to Chandler investments.**

This approach will support our capital needs and maintain coverage for claims and risk margin.

Recommendation

It is recommended JPA board approve moving \$15M from a combination of the county treasury and Wells Fargo to Chandler Investments.

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: <u>Administration of the Organization</u>	<input checked="" type="checkbox"/>	Action
Item Number: H4	<input type="checkbox"/>	Consent
Title: <u>Contract with Alliant for Healthcare Consortium and Employee Benefits</u>	<input type="checkbox"/>	Information

Background

The Healthcare Consortium and Employee Benefits Committees initiated a Request for Proposal (RFP) process to select a new broker of record. After conducting interviews with several candidates on October 8th and 9th, both committees unanimously voted to recommend Alliant as the new broker for both the Healthcare Consortium and Employee Benefits. Following thorough discussions, each committee formally recommended entering into a contract with Alliant.

Financial Impact:

- **2024 / 2025 Transition Period:** During the transition, Alliant will receive \$8,000 per month while completing the RFP for a new platform and assisting members through the transition process.
- **January 2026 Contract:** We will enter into a four-year contract with Alliant, with the first three years at a fixed annual rate of \$315,000. In the fourth year, the contract will include a 5% rate increase.

Recommendation

It is recommended that the JPA board approve Alliant as the broker of record for both the Healthcare Consortium and Employee Benefits.

**SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
JPA BOARD MEETING
AGENDA ITEM**

Department: Administration of the Organization **Action**
Item Number: H5 **Consent**
Title: Future Agenda Items/ For the Good of the Order **Information**

Background

Recommendation



San Mateo County Schools Insurance Group AGENDA ITEM H6

2024/2025 Executive Committee Meeting Calendar

January 16, 2025

- Quarterly Financial

March 6, 2025

- Preview of Rates

May 8, 2025

- Preliminary Budget
- Quarterly Financial
- Actuarial Reports

May 22, 2025

JPA Board Meeting

- WC Rates
- P/L Rates
- Dental Rates
- Vision Rates
- Final Budget
- Executive Committee Elections

Meeting Time: 9:00 a.m.—12:00 p.m.