ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

ASCIP

16550 Bloomfield Avenue
Cerritos, CA 90703

(562) 404-8029
(562) 404-8038 fax

www.ascip.org
info@ascip.org

April 18, 2025

Mr. Andrew N. Hamilton, CPA
Auditor - Controller
County of Orange
1770 N. Broadway
Santa Ana, CA 92706

Dear Mr. Hamilton,:

Enclosed please find a copy of our audited financial statements for the fiscal year ended June 30, 2024, to be filed with your office as required by Government Code Section 26909.

Should you have any questions or need further information, please contact me at (562) 404-8029.

Sincerely,

Alfredo Reyes

Alfredo Reyes
Controller

Enclosure

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2024

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

JUNE 30, 2024

EXECUTIVE COMMITTEE

REPRESENTATIVE	CATEGORY	OFFICE HELD
Mr. Phil Hillman	K-8 Member Districts	President
Mr. Dean West	K12, ADA of <15,000	Treasurer
Mr. Cameron Abbott	Community College Districts	Member
Mr. Marc Chaldu	K12, ADA of <15,000	Member
Mr. Ruben Frutos	K12, ADA of <15,000	Member
Mr. Clark Hampton	K12, ADA of >15,000	Member
Mr. Michael Johnston	K12, ADA of >15,000	Member
Mr. Tien Phan	Joint Powers Authority	Member
Dr. David Riddick	Charter Public Schools	Member
Ms. Yumi Takahashi	K12, ADA of >15,000	Member
Mr. Fred Williams	Community College Districts	Member
Ms. Christina Aragon	K12, ADA of >15,000	Alternate
Mr. Stephen Dickinson	Charter Public Schools	Alternate
Ms. Sonia Eckley	K12, ADA of <15,000	Alternate
Mr. Carl Erickson	K-8 Member Districts	Alternate
Mr. Kevin Jamero	K12, ADA of <15,000	Alternate
Dr. Jason Johnson	K-8 Member Districts	Alternate
Mr. Anthony Nahale	K12, ADA of >15,000	Alternate
Dr. Matthew Torres	K12, ADA of <15,000	Alternate

ADMINISTRATION

Mr. Fritz J. Heirich	Chief Executive Officer
Mr. Jeffrey Grubbs	Chief Financial Officer
Mr. Stephan Birgel	Chief Claims Officer
Ms. Nidra Kumaradas	Executive Director of Workers' Compensation
Mr. Dan Sanger	Executive Director of Health Benefits
Ms. Lynn Truong	Senior Director of Finance
Mr. Reshan Cooray	Executive Director, Property and Liability
Ms. Martha Espinoza	Senior Director of Risk Services
Ms. Felicia Williams	Office Manager/Board Clerk

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

TABLE OF CONTENTS
JUNE 30, 2024

GILBERT
Relax. We got this.℠

INDEPENDENT AUDITOR'S REPORT

Governing Board
Alliance of Schools for Cooperative Insurance Programs
Cerritos, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Alliance of Schools for Cooperative Insurance Programs (ASCIP) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise ASCIP's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of ASCIP as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Captive Insurance for Public Agencies Limited (CIPA), a blended component unit, which represent 4.58 percent, 5.47 percent, and 0.47 percent, respectively, of the assets, net position, and revenues of ASCIP as of June 30, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CIPA, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of CIPA were not audited in accordance with *Government Auditing Standards*. 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 ASCIP 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ASCIP'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.

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASCIP'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 ASCIP'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, reconciliation of claims liabilities by type of contract, claims development information, schedule of ASCIP's proportionate share of the net pension liability, and the schedule of ASCIP's contributions on pages 4-17 and 46-54 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ASCIP's basic financial statements. The accompanying combining statement of net position; combining statement of revenues, expenses, and changes in net position; and combining statement of cash flows (combining financial statements) 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 was 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of the executive committee and administration and the "Memo only" column in the basic financial statements but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of ASCIP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ASCIP'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 ASCIP's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 9, 2024

BASIC FINANCIAL STATEMENTS

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The following Management's Discussion and Analysis (MD&A) provides an overview of ASCIP's financial position and activities for the fiscal year ended June 30, 2024. The MD&A should be read in conjunction with the financial statements and accompanying notes which follow this section.

Overview of ASCIP

Alliance of Schools for Cooperative Insurance Programs (ASCIP) was formed in 1980 as a public agency Joint Powers Authority (JPA) which provides a number of insurance coverages, including property & liability, workers' compensation, and health benefits, to public educational institutions including school and community college districts in the State of California.

In addition to providing insurance coverage, ASCIP also offers an extensive array of risk management services, including safety and loss control, health and wellness, and claims and litigation management to prevent and mitigate losses. These are all inclusive in its member premium contributions. ASCIP also offers a host of customized insurance products, including booster/auxiliary club, student accident, and underground storage tank coverages, to meet its members' needs.

In, 2005, ASCIP formally established Captive Insurance for Public Agencies Limited (CIPA) in the State of Hawaii and began to offer an Owner Controlled Insurance Program (OCIP). Later it offered other coverages, including Student Accident, Pupil Transportation, Workers' Compensation Loss Portfolio Assumptions and Corridor Reinsurance, through CIPA.

In 2006, ASCIP established a health benefits program which now includes self-funded and fully-insured medical, dental and vision plans to its membership.

In 2019 the California legislature enacted Assembly Bill 218 (AB 218), effective January 1, 2020. This new law broadened the definition of childhood sexual assault, opened the statute of limitations for filing such claims, and deleted entirely the requirements of filing a government claim. The implications of this for California's schools and colleges was a substantial increase in the cost of such claims being tried and settled. These additional risks were never contemplated when ASCIP initially formed and was never funded throughout the history of ASCIP.

ASCIP initially responded to this legislation by assisting its membership in handling and paying for these claims, initially out of its Property & Liability Program. Once it was reasonable to determine an initial cost of this new risk, in 2024, in order to meet the needs of our members for coverage for this unanticipated new risk, ASCIP created a new program that provides specific coverage for these claims. The funding of this new program was accomplished with a retrospective premium adjustment totaling $40 million, which was billed to both current and former members in accordance with the bylaws. This new program is called the 218 Program and is accounted for separate and distinct from the other three coverage programs.

ASCIP's Executive Committee consists of thirteen members who represent the membership categories of Community College Districts, K-12 Districts, K-8 Districts, Charter Schools, and partner School District JPAs. Committee members for each category are elected by the membership and serve staggered three-year terms. In addition, there are up to thirteen alternates. The Executive Committee appoints alternates and may fill vacancies which occur prior to expiration of a voting member's term. The Executive Committee is responsible for providing overall leadership to the JPA, including the development of long-range goals and policies to guide and direct the organization's staff.

The Executive Committee is supported by the following member-led committees; Finance & Investment Committee, Risk Control Committee, Personnel Committee, Claims & Coverage Committee and the Health Benefits Committee. The day-to-day operations are administered by an in-house staff of approximately fifty-four professionals at any given time.

Description of the Basic Financial Statements

ASCIP's financial statements are prepared in conformity with generally accepted accounting principles in the United States of America, including standards established by the Governmental Accounting Standards Board. The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows are included along with the Notes to Financial Statements to clarify accounting policies and financial information. The Statement of Net Position provides information on all ASCIP's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of ASCIP is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position provides information on total revenues, total expenses and how ASCIP's net position changed during the most recent fiscal year. The Statement of Cash Flows is presented using the direct method to reflect the operations of ASCIP based on the inflow and outflow of cash.

ASCIP's financial activities are reported in four separate funds: Property & Liability Program, Workers' Compensation Program, Health Benefits Program, and the 218 Program. The Property & Liability Program consists of revenues and expenditures relating to the seven core coverages (property, general liability, childhood sexual assault, auto liability, auto physical damage, cyber, and crime) along with several ancillary programs. The Workers' Compensation Program consists of revenues and expenditures relating to its workers' compensation coverage. The Health Benefits Program consists of revenues and expenditures relating to all fully-insured and self-insured medical, dental, and vision plans, and other miscellaneous coverages such as life, income protection, and long-term care insurance. The 218 Program is a newly created program, which consists of revenues and expenditures relating to childhood sexual assault claims arising out of Assembly Bill 218.

The assets, deferred outflows, liabilities, deferred inflows, revenues and expenses for the three funds are reported on a full accrual basis. CIPA's financial statements are included in ASCIP's financial statements as a component unit of ASCIP.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

CONDENSED FINANCIAL INFORMATION

STATEMENT OF NET POSITION
JUNE 30, 2024

	2022-2023	2023-2024
ASSETS		
Current assets	$ 170,687,556	$ 225,220,291
Noncurrent assets	325,468,729	298,401,630
Capital assets, net	16,351,869	20,305,944
Intangible Right-of-use lease asset	6,875,663	6,767,423
Total Assets	519,383,817	550,695,288
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources for pension & OPEB	2,445,419	2,545,556
LIABILITIES		
Current liabilities	126,478,367	158,762,219
Unpaid claims and claims adjustment expense, net of current portion	210,611,818	199,959,341
Net pension and OPEB liability	3,696,545	4,282,327
Lease liability - operating lease, net	7,002,627	7,002,627
Total Liabilities	347,789,357	370,006,514
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources for pension & OPEB	42,609	29,912
NET POSITION		
Invested in capital assets, net	16,224,905	20,070,740
Net position, restricted	12,041,819	10,240,836
Net position, unrestricted	145,730,546	152,892,842
Total Net Position	$ 173,997,270	$ 183,204,418

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2024

	2022-2023	2023-2024
Operating Revenue:		
Member contributions	$ 294,480,133	$ 353,978,620
Other income	109,929	142,418
Total Operating Revenue	294,590,062	354,121,038
Operating Expenses:		
Provision for claims and claim adjustment expense	184,872,896	193,718,497
Excess/Reinsurance premiums	29,708,400	32,957,132
Health Benefits Insurance premiums	76,838,285	83,691,737
Contract services	12,594,470	12,655,451
Loss control and risk management	3,875,299	3,949,587
General administrative expenses	13,970,114	14,562,083
Dividend expense	17,639,142	22,081,132
Total Operating Expenses	339,498,606	363,615,619
Nonoperating Revenue:		
Interest and dividend income, net of fees	9,240,661	11,441,464
Net increase (decrease) in fair value of investments	(8,776,687)	7,260,265
Total Nonoperating Revenue	463,974	18,701,729
Change in Net Position	(44,444,570)	9,207,148
Total Net Position, Beginning of Year	218,441,840	173,997,270
Total Net Position, End of Year	$ 173,997,270	$ 183,204,418

ASCIP 2023-24 Operating Budget

Each year, ASCIP's Executive Committee adopts a budget which serves as a blueprint for the Executive Committee to achieve its objective of providing the highest quality products and services to its members. It is designed as a tool for financial planning, control, and evaluation of pool performance. The budget incorporates various fiscal and economic assumptions and factors such as insurance market trends, level of reinsurance coverage, claims trends and developments, investment performance and administrative costs.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

	Budget	Actual	$ Variance	% Variance
Operating Revenues:				
Premium contributions from members	$ 352,194,000	$ 353,978,620	$ 1,784,620	1%
Other income	100,000	142,418	42,418	42%
Total Operating Revenues	**352,294,000**	**354,121,038**	**1,827,038**	**1%**
Operating Expenses:				
Claims expense	213,200,400	193,718,497	(19,481,903)	-9%
Excess/reinsurance premiums	34,970,800	32,957,132	(2,013,668)	-6%
Health benefits insurance premiums	80,650,000	83,691,737	3,041,737	4%
Contract services	13,050,400	12,655,451	(394,949)	-3%
Loss control and risk management services	4,880,000	3,949,587	(930,413)	-19%
General and administrative	13,996,600	14,562,083	565,483	4%
Premium dividends	-	22,081,132	22,081,132	n/c
Total Operating Expenses	**360,748,200**	**363,615,619**	**2,867,419**	**1%**
Operating income (loss)	**(8,454,200)**	**(9,494,581)**	**(1,040,381)**	**12%**
Non-Operating Revenues (Expenses):				
Interest and dividend income, net of fees	10,120,000	11,441,464	1,321,464	13%
Net unrealized gain (loss) on investments	-	7,260,265	7,260,265	n/c
Total Non-Operating Income	**10,120,000**	**18,701,729**	**8,581,729**	**85%**
Increase (decrease) in net position	1,665,800	9,207,148	7,541,348	n/c
Net position, beginning of year	173,997,270	173,997,270	-	0%
Net position, end of year	**$175,663,070**	**$183,204,418**	**$ 7,541,348**	**4%**
Capital Outlay	**$ 1,370,000**	**$ 246,325**	**$ (1,123,675)**	**-82%**

Commentary on Budget Variances

Actual premium contributions from members were $1.8 million or 1% higher than the budget mainly due to higher worker's compensation and health benefit premiums than projected.

Interest income was 13% higher than the budget due to actual interest rate earned was higher than estimated rate used for the budget. Another factor was the high investment activities of the Short-Term portfolio taking advantage of higher yields during the fiscal year.

Actual claims expense was approximately $19.5 million or 9% lower than budgeted primarily due to the decrease in IBNR and case reserves in the Liability & Property Program and lower claims in the Health Benefits Program than originally estimated.

Excess/reinsurance premiums showed $2.0 million lower than the budget primarily due to the intercompany eliminating entry of the property corridor property premium ASCIP paid to CIPA. Without this eliminating entry, the actual premiums were in line with the budget.

Actual Health Benefits premium paid to carriers were $3 million higher than the budget primarily due to higher enrollment in one of the fully-insured medical plans.

Loss control and risk services expenses were $0.9 million lower than the budget due to under utilization of services.

Premium dividends were not budgeted but the Board declared a rebate of $9.8 million in the Workers' Compensation program and $12.3 million in the Health Benefits program.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

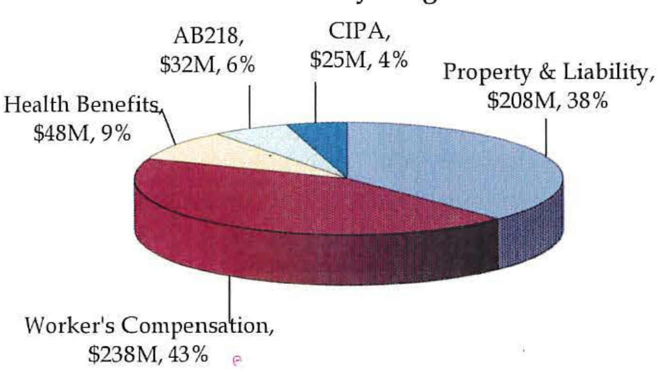
Assets

ASCIP's total assets consist of mostly cash and investments with a small amount of accounts receivable, prepaid expenses, and capital assets. Total assets increased by $31.3 million or 6.0% to $550.7 million at June 30, 2024. The increase in accounts receivable was the main contributor to the increase in total assets. Accounts receivable increased by $23.5 million, primarily due to the AB 218 retrospective premium adjustment billed to current and former members. Most of these receivables are expected to be collected by December 31, 2024. All other types of assets such as investments, prepaid and capital assets also showed an increase from the prior year.

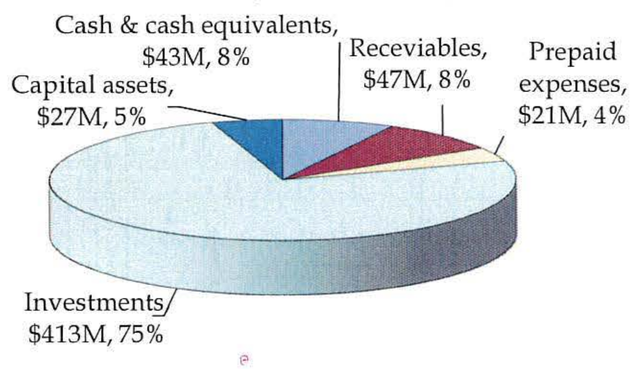
ASCIP invests those funds not immediately necessary for claim payments in short-term and long-term securities in order to optimize the rate of return. The managed portfolio consists of fixed income securities purchased and held in accordance with ASCIP's investment policy and the California Government Code. As of June 30, 2024, ASCIP's investments have a total fair market value of $413 million, an increase of $19.3 million from the prior fiscal year. This increase was driven by $11.4 million in interest earnings, $7.3 million of market value gains, and $0.6 million in net purchases of investments.

The following graphs depict the total assets by program and type of investment at June 30, 2024:

Total Assets by Program



Total Assets by Investment Type



Liabilities

Total liabilities increased by $22.2 million, primarily due to the increase in outstanding claims liabilities (including those associated with AB 218) of $30.1 million and unallocated loss adjustment expense (ULAE) of $1.7 million. Accounts payable and pension liability also increased by almost $1.0 million. Offsetting the increases in claim liabilities are the decreases in premium dividend payable of $5.5 million and nearly $5.0 million in Member Risk Management Fund balance. Most dividends declared during the fiscal year were distributed before the end of the year.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

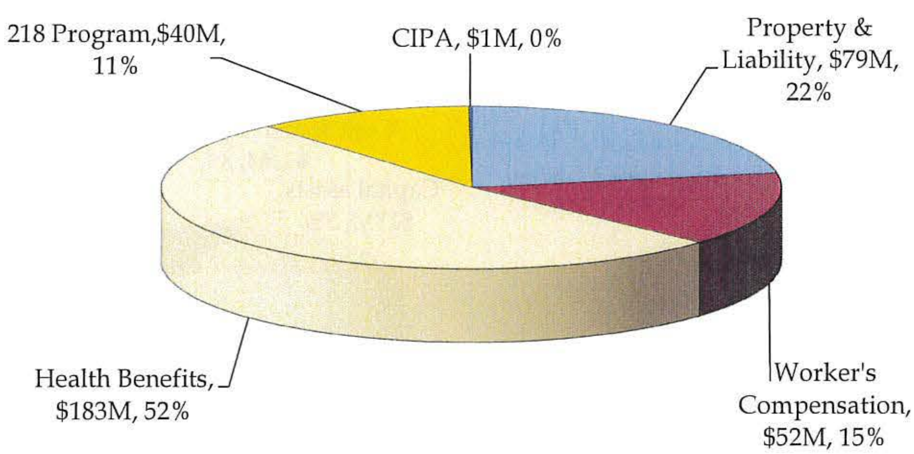
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Revenues

Total premium revenues generated for the fiscal year were $354.1 million, an increase of 20% from the previous year or $62.2 million. This year, the big jump in premium revenues came from the $40 million retrospective premium adjustment in the 218 program. All other programs also experienced an increase in revenues. The Health Benefits Program's revenues increased by almost $13 million, mostly due to increases in rates. The Property & Liability and Workers' Compensation Programs generated an increase in revenues of $6.7 million and $2.8 million, respectively, primarily driven by the increased cost of coverage and payroll. CIPA's revenues decreased from the prior year.

During fiscal year 2023-24, the short-term interest rates declined across the yield curve. As a result, ASCIP's investment portfolio had a reversal of $7.3 million in unrealized losses. At June 30, 2024, the portfolio still had around $28 million in unrealized losses. Since ASCIP holds most of its investments to maturity, this unrealized loss is expected to reverse itself as securities mature and as interest rates decline further. ASCIP earned a total of $11.4 million in interest income, net of fees, compared to $9.2 million last year.

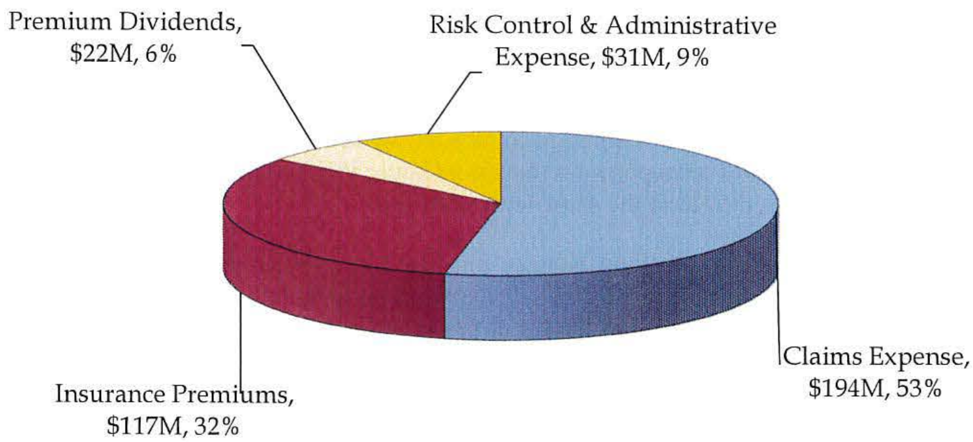
Total Revenues by Program for the Year Ended June 30, 2024



Expenses

Total expenses were $363.6 million, an overall increase of $24.1 million or 7% from the prior year. The increase was mostly driven by a large increase in claims expenses, mostly in the 218 Program due to a surge in litigation activity related to childhood sexual assault claims. The Worker's Compensation Program also experienced an increase in claims expense as membership in this program has grown by 15% in the last three years. Excess insurance premiums, health benefits premiums, and other general administrative expenses increased by a total of $11 million. In fiscal year 2023-24, the Executive Committee declared rebates totaling $22.1 million from the Workers' Compensation and Health Benefits programs, which was $4.4 million more than the previous year's rebate amount.

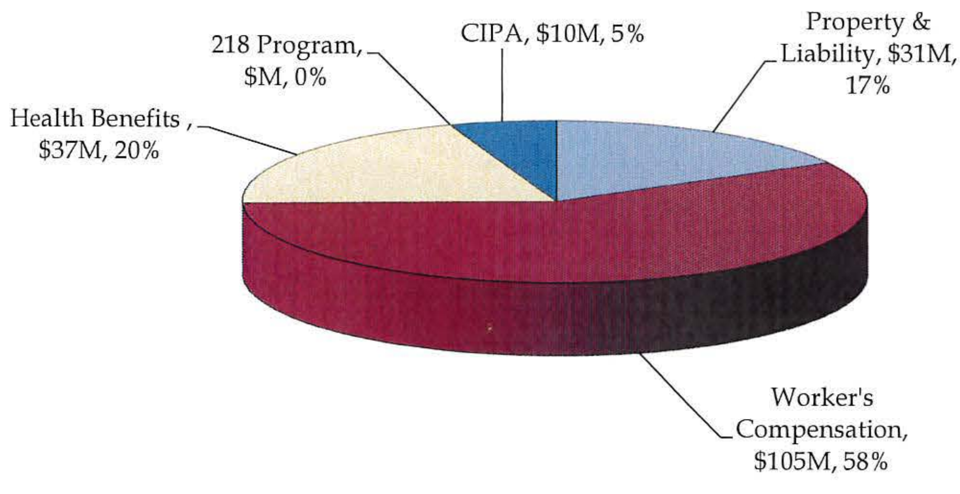
Breakdown of Expenses for the Year Ended June 30, 2024



Net Position

ASCIP's overall financial health continued to remain strong, ending the year with an increase in net position of $9.2 million, which brought the ending net position to $183.2 million.

Net Position by Program at June 30, 2024



Note: 218 Program's Net Position is $25,704

ANALYSIS OF BALANCES AND TRANSACTION OF INDIVIDUAL PROGRAMS

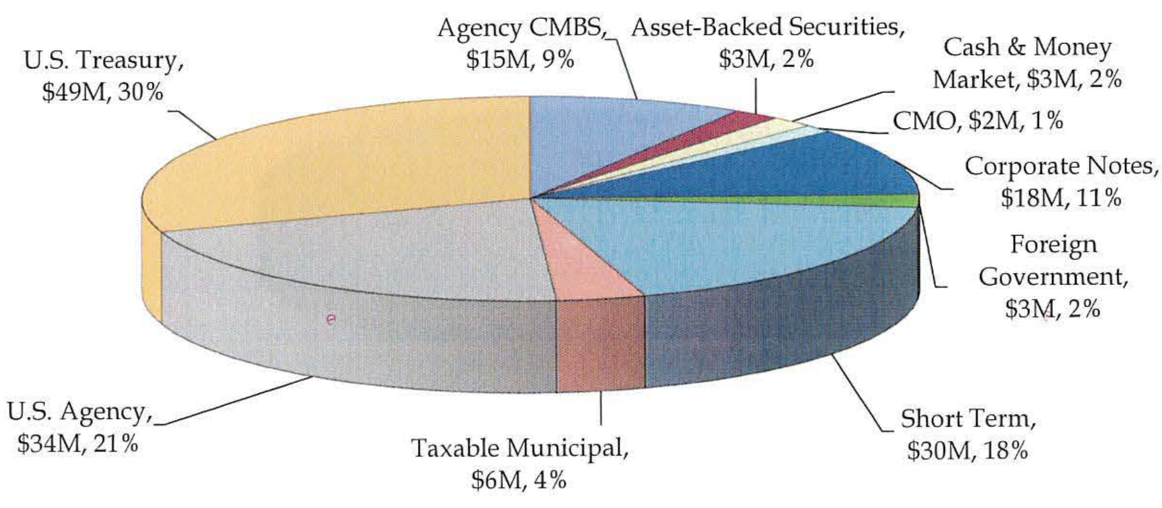
Property & Liability Program

The total assets in the Property & Liability Program decreased by $4.5 million to $207.4 million as of June 30, 2024. The decrease was mainly attributable to the decrease in cash, offset by the increase in investments. Total cash decreased by $13.5 million, ending the year with $17.3 million. In fiscal year 2022-23, a short-term investment portfolio was established to take advantage of the high short-term yields. This year we continued to utilize the short-term portfolio to capture better yields. The majority of the cash in the LA County Treasurer's Pool was moved to the short-term portfolio.

The Property & Liability investment portfolio balance increased by approximately $12.9 million to an ending balance of $157.5 million as of June 30, 2024. The increase was mainly driven by the interest come and unrealized market gain on investments. For the fiscal year, the portfolio earned $4.8 million in interest income which was reinvested in the portfolio and had an increase in the unrealized gain of $3.6 million. As of June 30, 2024, the portfolio had an average yield of 1.99% and an average duration of 2.6 years, compared to a yield of 1.45% and an average maturity of 2.5 years at June 30, 2023. During the year, the portfolio duration was extended slightly longer as some securities matured and were reinvested in longer securities.

The following graph depicts the asset allocation of the investment portfolio:

Property & Liability Program Investments
Asset Allocation at June 30, 2024



Total liabilities decreased by $23.7 million to $178.4 million as of June 30, 2024, primarily due to the decrease of $20.4 million in unpaid claims liability and $4.4 million in Member Risk Management Fund balance, offset by the increase in accounts payable and pension liabilities of $1.3 million. The decrease in unpaid claims liability was the result of $20.5 million decrease in case reserves, offset by $0.2 million increase in IBNR. The decrease in case reserves was mainly due to a transfer of $16.8 million worth of claims liabilities to the 218 Program. As in the past, the outstanding claims liability for unpaid losses as of June 30, 2024 was recorded at the actuarially determined undiscounted central estimate.

Net position in the Property & Liability Program increased by $19.2 million to an ending balance of $31.0 million at June 30, 2024. The increase was primarily attributed to the decrease in claims liabilities.

Total premium revenues increased by approximately $6.7 million from the prior year to $78.6 million, primarily driven by the increase in rates in the Property, General Liability, and CSA lines of coverage. The composite renewal rate increased by 8.4% from the prior year. The program added one member and lost three existing members in this program year, reducing the total number of members to 107. In 2023-24, the program insured approximately $45 billion in property values and 1 million students. The program also generated $141,000 in other income from the administration of other JPAs and risk control grant from excess carrier.

The total operating expenses decreased by $31.3 million predominantly due to the decrease in claim-related expenses, resulting from moving claim liabilities related to childhood sexual assault to the 218 Program.

To avoid incurring a catastrophic or severe loss in any one program year, ASCIP purchases excess insurance and/or reinsurance coverage in many of its programs. In fiscal year 2023-24, the total excess/reinsurance premiums increased by $3.9 million, mainly due to the increase in property reinsurance premium of $3.3 million and $0.8 million of liability reinsurance premium, offset by the decrease of $0.2 million in premiums for other lines of coverage.

In 2023-24, ASCIP retained a self-insured retention of $2 million per occurrence in the General/Auto Liability lines of coverage and purchased reinsurance for the $3 million in excess of $2 million layer with no aggregate deductible. For CSA coverage, ASCIP retained a self-insured retention of $3 million per occurrence and purchased reinsurance for the $2 million in excess of $3 million layer with $6 million in aggregate limit. Regarding the Property coverage portion of this program, ASCIP continued to carry a $1 million deductible and had an aggregate corridor deductible of $3 million in the layer above the $1 million deductible. ASCIP purchased excess insurance above this level up to $500 million. Effective April 1, 2022, ASCIP changed its property program excess coverage renewal date from July 1 to April 1. Also, effective April 1, 2022, ASCIP transferred the coverage for the $2.5 million aggregate corridor deductible to CIPA. Effective April 1, 2023, the corridor deductible with CIPA increased to $3.0 million.

218 Program

Effective March 31, 2024, this new program was established to provide both current and former members coverage for childhood sexual assault-related claims allowed to be filed because of AB 218. Coverage is only available to members for claims with a loss date that falls within the period of any district's membership in ASCIP.

In accordance with ASCIP's bylaws, a retrospective premium adjustment was issued in the amount of $40 million, equal to the actuarially determined ultimate cost of the claims filed as of this effective date. As of June 30, 2024, this ultimate cost remained at $40 million with $7.7 million paid to date, leaving a current outstanding liability of $32.3 million.

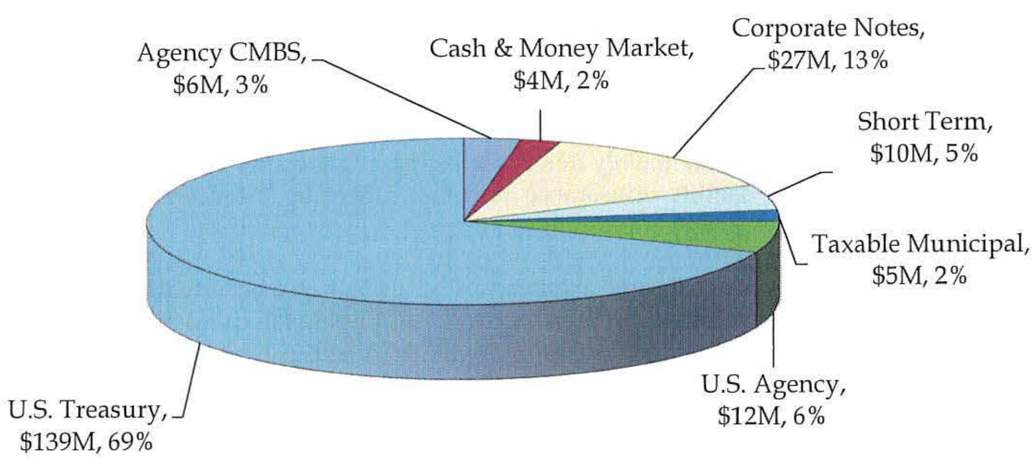
Workers' Compensation Program

The Workers' Compensation Program ended the year with total assets of $237.6 million, an increase of $9.6 million from the prior year. The increase in total assets was mainly driven by the increase in capital assets combined with the decision to move the investment that was set aside as collateral for the Owner-Controller Insurance Program (OCIP) program to this program.

For the year, the program earned almost $4.0 million in interest income that was re-invested in the portfolio and recognized an increase in unrealized investment market value of $3.2 million, compared to $6.2 million unrealized loss last year. During the year, the duration of the Workers' Compensation investment portfolio was shortened to 3.42 years from 4.15 years as securities in the portfolio were moving closer to their maturities. As of June 30, 2024, the portfolio had a book yield of 1.73%, compared to 1.48% yield in the prior year.

The following graph depicts the asset allocation of the investment portfolio:

Workers Compensation Program Investments
Asset Allocation at June 30, 2024



The total liabilities in the Workers' Compensation Program increased by $17.8 million to $132.4 million. The increase in unpaid claims liability and unallocated loss adjustment expense reserve attributed to the majority of the total liability increase. The unpaid claims liability increased by $18.6 million to $105.2 million. Whereas the unallocated loss adjustment expense reserve increased by $1.9 million to 13.5 million. Other liabilities decreased by $2.7 million.

The Workers' Compensation Program closed the fiscal year with a decrease in net position of $8.2 million, which brought the ending net position down to $105.4 million as of June 30, 2024. This decrease was mainly due to the dividend distribution of $9.8 million. Without the dividend distribution, the program would have had an earned surplus of $1.6 million.

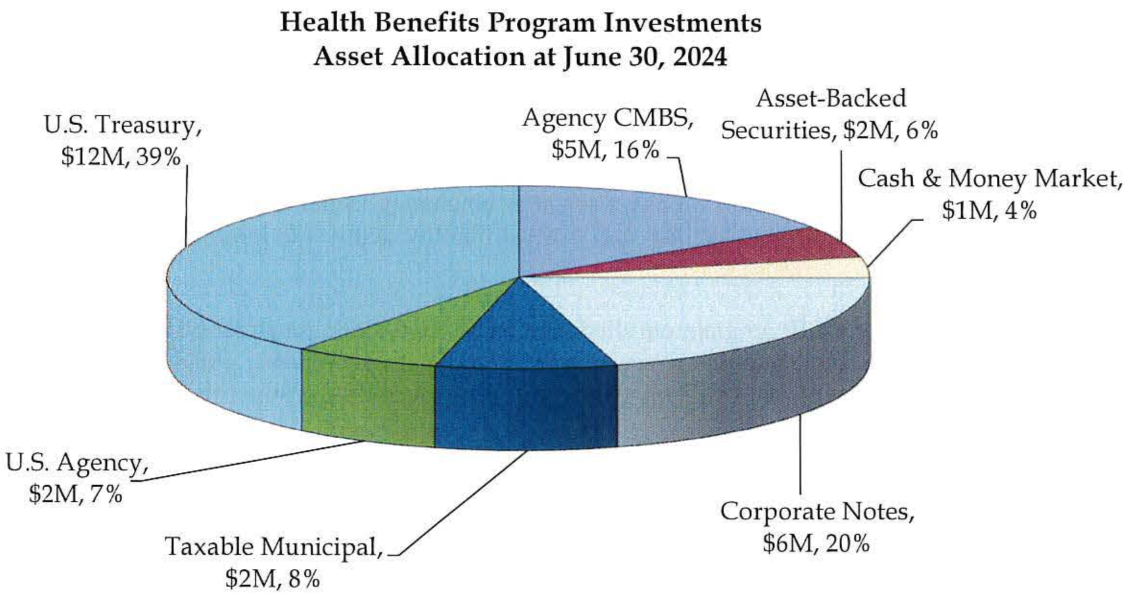
Member contributions increased by $2.8 million to $52.1 million, primarily due to the increase in member payroll as the worker's compensation premiums are based on payroll. The composite premium rate was flat from the prior year. There was no change in membership this year. For fiscal year 2023-24, the program had a total payroll of $4.5 billion, an increase of $329 million from the previous year. The program insured a total of 55 members.

Total operating expenses increased by $9.2 million from the prior year, primarily due to the increase in claim-related expenses of approximately $8.6 million. Other expenses increased slightly by $0.6 million. Due to the substantial equity in the program and to help members with their fiscal challenges, this year ASCIP's Executive Committee declared another dividend totaling $9.8 million.

Health Benefits Programs

As of June 30, 2024, the Health Benefits program had total assets of $48.1 million, a decrease of $6.4 million from the prior year. The decrease was mainly due to the decrease in cash and investments because of the issuance of member dividends. Cash decreased by $5.2 million and investments decreased by $2.0 million, offset by an increase in accounts receivable of $0.8 million.

The following graph depicts the asset allocation of the investment portfolio:



The total liabilities decreased by approximately $3.6 million to $11.8 million. The decrease was mainly attributable the decrease in premium dividend payable and claim liability. The unpaid claims liability decreased by $1.3 million to approximately $5 million, mostly driven by the increase in IBNR reserves for the medical plan.

Member contributions totaled nearly $183 million including $135 million from the medical and miscellaneous plans, $42.3 million from the dental plans, and $5.6 million from the vision plan. Total member contributions increased by almost $13 million from the prior year. The increase in renewal rates contributed to the increase in member contributions. The program earned total interest income of $1.7 million this year, compared to $1.4 last year and recognized an unrealized gain in investment market value of $360,000.

The Health Benefits Program incurred total operating expenses of $187.7 million, an increase of $8.5 million. The overall increase was predominantly due to the increase in carrier premiums from the medical plans as a result of premium rate increases and the increase in premium dividends. Similar to the last six years, due to the program's favorable overall loss experience and substantial equity balance, the Executive Committee declared another dividend in the amount of $12.3 million, compared to $8.0 million declared in the prior year.

The program ended the year with a net position of $36.7 million, a decrease of $2.8 million, mainly due to the dividend distribution. Without the dividend of $12.3 million, the program would have an earned surplus of $9.5 million.

Captive Insurance for Publics Agencies, Limited. (CIPA)

CIPA is a licensed pure captive insurance company operating for the sole benefit of ASCIP. CIPA was incorporated and received its Certificate of Authority from the Insurance Commissioner of the State of Hawaii in 2005. CIPA utilizes a captive administrator with an office in Honolulu, Hawaii, along with contracted staff to manage the various programs, described below. ASCIP also provides some minimal administrative support to CIPA.

Owner-Controller Insurance Program (OCIP)

The OCIP insures new construction and renovation projects undertaken by participating districts, covering contractors and all their subcontractors on any work at or emanating from the project site. CIPA provides workers' compensation, employers' liability and general liability deductible reimbursement coverage of $500,000 per occurrence.

In fiscal year 2023-24, the OCIP program enrolled three new stand-alone construction projects and closed three projects resulting in total net enrolled revenue of $281,000. In compliance with Generally Accepted Accounting Principles (GAAP), the OCIP program recognizes revenues over the life of the projects.

Student Accident Program

Effective July 1, 2016, CIPA began providing reinsurance for a student accident insurance program offered to all ASCIP members. Under the terms of a reinsurance agreement with a fronting carrier, CIPA participates on a 50% quota share basis in the program.

Pupil Transportation Program

Effective July 1, 2018, ASCIP extended automobile liability and errors and omissions liability coverage to one High School District for its pupil transportation services, where ASCIP retains $500,000 per occurrence and obtained specific reinsurance for $4,500,000 excess of the $500,000 retention. CIPA provides self-insured retention reimbursement coverage to ASCIP for losses within the $500,000 retention, subject to the district's $25,000 deductible per occurrence.

Workers' Compensation Self- Insured Retention Assumption (SIRA)

In 2019, ASCIP entered into a Self-Insured Retention Assumption agreement (SIRA) with a member school district to assume certain workers' compensation liabilities from the member district. In a separate loss portfolio transfer agreement effective on the same date, ASCIP transferred 100% of its ultimate net loss related to the liabilities to two different reinsurance partners on a 50-50 percent basis. One of these reinsurance partners was CIPA.

In June 2021, ASCIP entered into another SIRA with a member JPA to assume their tail workers' compensation claims liability.

Corridor Program

Effective April 1, 2022, CIPA reinsures ASCIP's property program for a $2.5 million annual aggregate corridor layer that sits between ASCIP's $1 million per-occurrence self-insured retention and the attachment of the excess property coverage from third-party carriers. Effective April 1, 2023, the corridor layer increased to $3 million.

Effective July 1, 2022, CIPA also assumed a casualty facultative excess of loss coverage for ASCIP's losses occurring in a $2.5 million annual aggregate corridor. This coverage expired on July 1, 2023, and was not renewed.

Facts or Conditions That Are Expected to Have a Significant Effect on The Financial Position or Result of Operations

One of the fastest growing exposures is personal tort liability claims arising from accusations of lack of oversight and protection with regards to childhood sexual assault involving students.

The recent passage of California Assembly Bill 218, which took effect January 1, 2020, substantially increases the statute of limitations for filing claims based on such accusations. Jury verdicts are unpredictable. While the future is uncertain and dependent on many case-by-case factors, this could have a substantial negative impact on not only future claim liabilities, but also on insurance and reinsurance carrier's willingness to underwrite this coverage for schools in the State of California.

In an effort to control the uncertainty of this potential liability ASCIP moved its coverage for this risk from occurrence-based to claims-made policy coverage effective July 1, 2020. ASCIP has also devoted increased staff and resources to assist our members in preventing this growing threat. In 2024 ASCIP created its own 218 Program to separately fund for this risk.

Another area of concern is the rising cost of property coverage as a result of the growing number of catastrophic wildfires and storms in the State of California. The last few years have seen billions of dollars of losses throughout the State. ASCIP continues to invest in several prevention and mitigation efforts to control the cost of these potential losses. The cost of this coverage is expected to continue to rise.

Cyber security continues to be a growing risk. Attacks such as ransomware, malware, phishing, hacking, identity theft, security breaches and social engineering are expected to continue to increase, with schools becoming a growing target for such attackers. The evolution of generative artificial intelligence (AI) compounds this risk. ASCIP has devoted increased staff and resources to assist our members in protecting themselves from this growing threat, both before and after an attack. This is a global geo-economic problem and the cost, both economic and social, is expected to continue to rise.

Insurance providers, such as ASCIP, depend heavily on investment returns to fund a portion of our claims liabilities. Market interest rates for fixed income securities began to stabilize last year. ASCIP has recorded substantial unrealized losses in the last few years, some of which has begun to reverse recently. Since ASCIP expects to hold most of its securities to maturity, these unrealized losses are expected to reverse themselves over the next several years.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

STATEMENT OF NET POSITION
JUNE 30, 2024

	2024	Memo Only 2023
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 26,771,185	$ 38,889,525
Restricted cash and cash equivalents	16,200,531	21,253,476
Accounts receivable	42,436,960	18,895,520
Prepaid expenses and other assets	15,878,463	14,040,571
Investments maturing within one year	113,692,316	65,566,645
Restricted investments maturing within one year	10,240,836	12,041,819
Total current assets	225,220,291	170,687,556
Noncurrent assets:		
Other receivable	5,063,162	5,063,162
Investments, net of amount maturing within one year	288,620,046	315,684,477
Deposits	4,718,422	4,721,090
Capital assets, net	20,305,944	16,351,869
Intangible right-to-use lease asset	6,767,423	6,875,663
Total noncurrent assets	325,474,997	348,696,261
Total assets	550,695,288	519,383,817
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources for pension	2,545,556	2,445,419
LIABILITIES:		
Current liabilities:		
Accounts payable	12,550,201	12,165,607
Unearned premium revenues	971,473	1,042,065
Premium dividends payable	679,010	6,163,227
Member risk management fund	14,460,632	19,367,385
Safety credit payable	1,739,899	1,886,091
Current portion of unpaid claims	106,962,302	66,196,285
Unallocated claims adjustment expenses	21,398,702	19,657,707
Total current liabilities	158,762,219	126,478,367
Noncurrent liabilities:		
Unpaid claims and claim adjustment expenses, net of current portion	199,959,341	210,611,818
Net pension liability	3,774,271	3,167,804
Deferred retirement benefit	508,056	528,741
Lease liability	7,002,627	7,002,627
Total noncurrent liabilities	211,244,295	221,310,990
Total liabilities	370,006,514	347,789,357
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources for pension	29,912	42,609
NET POSITION:		
Invested in capital assets	20,070,740	16,224,905
Restricted	10,240,836	12,041,819
Unrestricted	152,892,842	145,730,546
Total net position	$ 183,204,418	$ 173,997,270

The accompanying notes are an integral part of these financial statements.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	2024	Memo Only 2023
OPERATING REVENUES:		
Premium contributions from members	$ 353,978,620	$ 294,480,133
Other income	142,418	109,929
Total operating revenues	354,121,038	294,590,062
OPERATING EXPENSES:		
Claims expense, net of reimbursements of $17,538,582	161,863,963	147,161,311
Provision for IBNR and case reserves	30,113,539	36,146,493
Provision for ULAE reserves	1,740,995	1,565,092
Excess/reinsurance premiums	32,957,132	29,708,400
Health benefits insurance premiums	83,691,737	76,838,285
Contract services	12,655,451	12,594,470
Loss control and risk management	3,949,587	3,875,299
General and administrative	14,562,083	13,970,114
Premium dividends	22,081,132	17,639,142
Total operating expenses	363,615,619	339,498,606
Operating loss	(9,494,581)	(44,908,544)
NON-OPERATING REVENUES:		
Interest and dividend income	11,441,464	9,240,661
Net realized/unrealized gain (loss) on investments	7,260,265	(8,776,687)
Total non-operating revenues	18,701,729	463,974
Increase (decrease) in net position	9,207,148	(44,444,570)
Net position, beginning of year	173,997,270	218,441,840
Net position, end of year	$ 183,204,418	$ 173,997,270

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	2024	Memo Only 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from premium contributions and other income	$ 324,231,656	$ 293,741,432
Cash paid for claims	(161,863,962)	(147,161,312)
Cash paid for claims in excess layer	(17,538,582)	(17,380,206)
Cash received from reinsurer	18,854,764	12,263,811
Cash paid for benefits, insurance, and other expenses	(166,307,702)	(145,234,424)
Cash paid to employees	(8,972,801)	(8,479,701)
Cash paid to pension plan and retirees	(831,885)	(975,538)
Net cash used by operating activities	(12,428,512)	(13,225,938)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:		
Purchase of capital assets	(4,238,660)	(1,202,359)
Net cash used by capital and financing activities	(4,238,660)	(1,202,359)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(171,477,170)	(225,383,731)
Proceeds from sale or maturity of investments	161,510,933	190,738,943
Interest and investment income received	9,462,124	11,343,971
Net cash used by investing activities	(504,113)	(23,300,817)
Net decrease in cash and cash equivalents	(17,171,285)	(37,729,114)
Cash and cash equivalents, beginning of year	60,143,001	97,872,115
Cash and cash equivalents, end of year	$ 42,971,716	$ 60,143,001
RECONCILIATION TO STATEMENT OF NET POSITION:		
Cash and cash equivalents	$ 26,771,185	$ 38,889,525
Restricted cash and cash equivalents	16,200,531	21,253,476
Cash and cash equivalents, end of year	$ 42,971,716	$ 60,143,001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (9,494,581)	$ (44,908,544)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation and amortization expense	392,825	541,445
(Increase) decrease in:		
Accounts receivable and other receivable	(23,595,855)	(6,939,436)
Prepaid expenses and other assets and deposits	(1,835,224)	(1,637,395)
Deferred outflows of resources	(100,137)	(1,090,283)
Increase (decrease) in:		
Accounts payable and other liabilities	(5,245,815)	432,479
Unearned premium revenues	(70,592)	(715,805)
Member risk management fund	(4,906,753)	1,690,216
Unpaid claims and claim adjustment expense	31,854,535	37,711,584
Net pension liability	606,467	2,496,829
Deferred retirement benefit	(20,685)	(77,103)
Deferred inflows of resources	(12,697)	(729,925)
Net cash used by operating activities	$ (12,428,512)	$ (13,225,938)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Unrealized gain (loss) on investments	$ 6,664,539	$ (8,425,495)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Alliance of Schools for Cooperative Insurance Programs (ASCIP) was formed in October 1985, under a joint powers agreement (JPA) between participating school districts located within Los Angeles and Orange Counties, pursuant to Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code. Subsequently, ASCIP expanded to a statewide charter effective 1994. The purpose of ASCIP is to provide a more viable and economical insurance program to its members than they might otherwise be able to obtain operating on their own. During the fiscal year ended June 30, 2024, there were 138 participants in ASCIP programs.

The annual deposit premium for each member is calculated based upon factors normally used to calculate annual insurance premiums, such as exposure units, coverage rates and experience modification factors.

In the event of the dissolution of ASCIP, the participating members would receive a pro-rata share of any fund equity or be liable for a pro-rata share of any debts and liabilities based upon the premiums and claims of such school districts.

ASCIP includes all funds that are controlled by or dependent on ASCIP's governing board for financial reporting purposes. ASCIP has considered all potential component units in determining how to define the reporting entity, using criteria set forth in accounting principles generally accepted in the United States of America.

Component units are legally separate organizations for which ASCIP is financially accountable. Component units may include organizations that are fiscally dependent on ASCIP in that ASCIP approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which ASCIP is not financially accountable but the nature and significance of the organization's relationship with ASCIP is such that exclusion would cause ASCIP's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit discussed below is reported in ASCIP's financial statements because of their relationship with ASCIP. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if they were part of ASCIP's operations.

The Captive Insurance for Public Agencies Limited (CIPA) was incorporated on January 25, 2005, in the State of Hawaii, and is authorized to transact the business of a captive insurance company.

CIPA insures (or reinsures) coverages that are either, materially non-homogenous across the membership of ASCIP and feasible to be insured or reinsured or are non-District risks which ASCIP or its members have facilitated being insured as reducing potential risk to ASCIP programs or its members.

CIPA's fiscal year end is June 30. ASCIP retains a local captive manager and program administrator of CIPA's insurance program. CIPA issues separate financial statements which are maintained by ASCIP.

Basis of Presentation

For financial reporting purposes, ASCIP is considered a special-purpose government engaged only in business-type activities. Accordingly, the accompanying financial statements are presented as a proprietary fund on the accrual basis of accounting in accordance with governmental generally accepted accounting principles. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and related liabilities are recognized when the obligation is incurred. Operating revenues include premium deposits from members net of any applicable rate credits. Operating expenses include the provision for claims and claims adjustment expenses, insurance premiums, premium dividends, and general and administrative expenses.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. ASCIP has three enterprise funds and no internal service funds. These enterprise funds are also referred to as Programs.

1) **Property & Liability Fund**

Members participate in the following coverages:

General & Auto Liability:

A self-funded liability insurance plan covering claims up to $5,000,000 per occurrence. Some policy years include a reinsured liability insurance program covering claims within various corridor/aggregate layers and/or quota share positions. Members have the option to choose deductibles ranging from $0 - $250,000, and with reinsurance support as follows:

Property:

A self-funded property insurance plan covering claims up to $1,000,000 per occurrence. Some policy years include an additional self-funded aggregate layer up to $3,000,000. Members have the option to choose deductibles ranging from $5,000 - $250,000.

A fully reinsured property insurance program covering claims beyond the self-funded layer, up to $500,000,000 per occurrence. This limit was $600,000,000 prior to July 1, 2020.

Crime:

A self-funded crime insurance plan, including employee faithful performance, covering claims up to $250,000. Each district has a $500 deductible.

A fully insured insurance plan covering claims above $250,000 up to various limits ranging between $1,000,000 and $5,000,000.

Auto Physical Damage:

A self-funded auto physical insurance plan covering the replacement cost of the damaged vehicle above each school district's $1,500 deductible.

Cyber:

A self-funded cyber insurance plan covering forensic, recovery, and restoration services with the limited ransom coverage above a $5,000 deductible up to $1,000,000, with an aggregate limit of $5,000,000.

2) **218 Fund**

Assembly Bill 218 took effect January 1, 2020. This new law broadened the definition of childhood sexual assault, opened the statute of limitations for filing such claims, and deleted entirely the requirements of filing a government claim. ASCP responded by creating a new program to provide coverage to current and former members for these legacy childhood sexual assault claims with coverage up to $1,000,000 or $5,000,000, depending on the program year in which they were a member of ASCIP. In some policy years a portion of this coverage was reinsured through one of more carrier partners. Member deductibles are the same as in the Property & Liability Program.

3) **Workers' Compensation Fund**

A self-funded workers' compensation plan covering claims up to $1,000,000 per occurrence for workers' compensation and employer liability benefits. Members have the option to choose deductibles ranging from $0 - $350,000.

A fully insured excess coverage for claims excess of $1,000,000 per occurrence to statutory limits.

4) **Health Benefits Fund**

Members participate in the following coverages:

Medical:

A fully-insured Health Maintenance Organization (HMO) plan administered through United Healthcare and Kaiser Permanente covering medical benefits with various plan options.

A fully-insured Preferred Provider Organization (PPO) plan administered through United Healthcare covering medical benefits with various plan options.

A self-funded Blue Cross/Blue Shield Preferred Provider Organization (PPO) and a flex-funded Health Maintenance Organization (HMO) plan up to $150,000 per individual per year, administered through the Self-Insured Schools of California (SISC).

Dental:

A self-funded PPO dental plan administered through Delta Dental of California covering benefits with various plan designs.

A fully-insured dental HMO plan administered through DeltaCare USA covering benefits with various plan designs.

Vision:

A self-funded PPO vision plan administered through Vision Service Plan covering benefits with various plan designs.

Ancillary Programs:

A fully-insured Income Protection plan administered through Voya Financial covering short-term and long-term disability.

A fully-insured Long-Term Care plan administered through Unum Provident covering benefits for assistance in daily living activities or cognitive impairment.

A fully-insured Life Insurance plan administered through Voya Financial covering Life and Accidental Death and Dismemberment (AD&D) with various coverage limits.

A defined contribution alternative plan offered in lieu of social security for part-time, seasonal, and temporary employees.

In addition to these three funds (programs), ASCIP's component unit, CIPA, accounts for the following coverages on a full-accrual basis.

1) **Owner-Controlled Insurance Program (OCIP)**

Members may participate in the following plans:

A self-funded OCIP Plan that covers public school construction projects, their construction contractors and subcontractors for workers' compensation and general liability up to $500,000 per occurrence and a fully-reinsured OCIP plan between $500,000 to statutory limit for workers' compensation benefits and between $500,000 to various limits for various general liability coverages.

2) **Student Accidental**

A self-funded student accident program that provides reimbursement for medical expenses and benefits for accidental death and dismemberment. The coverage has a $250 deductible with varying maximum limits between $10,000 and $25,000 depending on the benefit.

3) **Pupil Transit**

A self-funded pupil transit plan that provides automobile liability and errors and omissions liability coverage up to $500,000 per occurrence with member deductible of $25,000 per occurrence and a fully-insured pupil transit program that provides automobile liability and errors and omissions liability coverage between $500,000 to $5,000,000 per occurrence.

4) **Workers' Compensation Self-Insured Retention Assumption**

A self-funded assumption of certain workers' compensation claims below purchased deductibles ranging up to $1,000,000.

5) **Corridor Reinsurance**

Effective April 1, 2022, CIPA reinsures ASCIP's property coverage for a $2.5 million annual aggregate corridor layer that sits between ASCIP's $1 million per-occurrence self-insured retention and the attachment of the excess property coverage from third-party carriers.

Effective July 1, 2022, CIPA also assumed a casualty facultative excess of loss coverage for ASCIP's losses occurring in a $2.5 million annual aggregate corridor. This coverage expired on July 1, 2023 and was not renewed.

Effective April 1, 2023, the aggregate corridor layer was raised to $3.0 million.

Cash and Cash Equivalents

For purposes of the statement of cash flows, ASCIP considers investments in the Los Angeles County Treasury Pool (LACTP), investment in the State of California's Local Agency Investment Fund (LAIF), and money market mutual funds to be cash equivalents.

Investment and Investment Pools

ASCIP records its investments at fair value and cash in LAIF and LACTP investment pools at amortized cost which approximates fair value. Changes in fair value are reported as revenue in the *Statement of Revenues, Expenses, and Changes in Net Position.* The effect of recording investments and investment pools at fair value is reflected as a net unrealized gain (loss) on investments in the statement of revenues, expenses, and changes in net position. Fair value of investments has been determined based on quoted market prices.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The CIPA OCIP program requires that certain investments be set aside as collateral for the self-insured retention. These are classified as restricted investments because their use is limited. In addition, amounts equivalent to the Member Risk Management Fund (Note 8) and Safety Credit Payable (Note 9) are also classified as restricted cash and equivalents because they can only be used at member direction to offset future premiums or for other risk management and safety expenses.

Prepaid Expenses

Prepaid expenses represent amounts paid in advance of receiving goods or services.

Deposits

Deposits represent amounts paid on variable cost reserve calculations, which are based on one and a half months of projected claim payments.

Capital Assets

Capital assets purchased or acquired are carried at historical cost. Depreciation of capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position. Depreciation has been provided over the estimated useful lives ranging from three to thirty years using the straight-line method of depreciation. Depreciation expense amounted to $284,585 for the year ended June 30, 2024.

Unearned Revenue (Premium Income)

Unearned revenue arises when potential revenue does not meet the criteria for recognition in the current period or when resources are received by ASCIP prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when ASCIP has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

Unpaid Claims Liabilities

ASCIP establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and 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 coverages such as general liability.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Deferred Outflows/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 ASCIP's pension plan 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 in the next fiscal year.

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

Leases

ASCIP recognizes a lease when the lease terms include a noncancelable period of more than one year. ASCIP recognized a lease liability and an intangible right-to-use lease asset (lease asset) at the commencement of a lease and initially measures them at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of lease payments made and the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

ASCIP estimates its incremental borrowing rate as the discount rate for expected lease payments and the noncancellable period for its leases. Additionally, ASCIP monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease liability if certain changes occur that are expected to significantly affect their lease liability.

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 ASCIP'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.

Deferred Retirement Benefit

The deferred retirement benefit liability was valued using an actuarially calculated present value of accrued benefits model. Benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Premium Dividends

An accrual for premium dividends is estimated based on ASCIP's historical and current claims experience and recorded upon approval by the Board.

Excess Insurance/Reinsurance

ASCIP uses excess insurance and reinsurance agreements to reduce its exposure to large losses on all types of insured events. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of ASCIP as direct insurer of the risks insured. ASCIP does not report excess insured risks as liabilities unless it is probable that those risks will not be covered by excess insurers.

Income Taxes

ASCIP's income is exempt from Federal income taxes under Internal Revenue Code Section 115 and the corresponding section of the California Revenue and Taxation Code.

Use of Estimates

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

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2024, consist of the following:

Cash on hand and in banks	$ 3,626,212
Investments classified as cash equivalents:	
Investment in Local Agency Investment Fund	62,312
Investment in Los Angeles County Treasury Pool	35,737,232
Investment in Money Market Mutual Funds	3,545,960
Total Cash and Cash Equivalents	$ 42,971,716

Investments

Investments as of June 30, 2024, are classified as follows:

Investments maturing within one year	
Unrestricted	$ 113,692,316
Restricted	10,240,836
Investments maturing after one year	
Unrestricted	288,620,046
Total Investments	$ 412,553,198

Policies and Practices

ASCIP is authorized under *California Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in Los Angeles County Treasury Pool

ASCIP is a voluntary participant in the Los Angeles County Treasury Pool (LACTP). The cost of ASCIP's investment in the pool is reported in the accompanying financial statements at amounts based upon ASCIP's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. For additional information visit the Los Angeles County Treasurer's website at: https://ttc.lacounty.gov/.

Investment in the State of California's Local Agency Investment Fund

ASCIP is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by *California Government Code* Section 16429 under the oversight of the Treasurer of the State of California. The cost of ASCIP's investment in the pool is reported in the accompanying financial statement at amounts based upon ASCIP's pro-rata share 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 is recorded on the amortized cost basis. For additional information visit LAIF's website at: www.treasurer.ca.gov/pmia-laif.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	10%
Supranationals	5 years	5%	3%
Municipal Securities	5 years	30%	3%
Banker's Acceptance	180 days	40%	3%
Commercial Paper	270 days	40%	3%
Negotiable Certificates of Deposits	5 years	30%	3%
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	3%
Money Market Funds	N/A	20%	10%
Mortgage- and Asset-Backed Securities	5 years	20%	3%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None*	None
Joint Powers Authority Pools	N/A	None	None
Bank Deposits	N/A	None	None

*Maximum of $75 million per investor.

Additional notes:

- The purchases of U.S. Treasury, Municipal, Federal Agency, and Negotiable CD securities with maturities in excess of five (5) years is permitted, subject to the follow constraints: U.S. Treasury, Municipal, Federal Agency, and Negotiable CD securities shall have a maximum remaining maturity at the time of purchase of twenty (20) years or less, and Federal Agency mortgage-backed securities (including pass-throughs and CMOs) shall have maximum remaining average life of ten years or less.
- The per issuer limit for non-government issuers is 3% for securities rated in the AAA or AA category (Short-Term A-1 category).
- A per state exposure of 5% as percentage of total portfolio is followed for municipal obligations.
- The maximum maturity for time certificates of deposit is one year with a maximum of 20% of the portfolio may be invested in time certificates of deposit.
- U.S. Government and Agency Obligations allowed 100%, and combined Non-Agency MBS, ABS, CMBS is 20%; For U.S. Agency Mortgage Related Securities, the single issuer diversification limitation is as followed: Full Faith & Credit Agencies, including GNMA shall have a maximum single issuer allocation of no more than 40% (and a maximum 4% per pool), and FNMA and FHLMC shall have a maximum single issuer allocation of no more than 15% (and a maximum 3% per pool); ABS shall have no issuer allocation greater than 3% and 1% per pool.

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 value to changes in market interest rates. ASCIP has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. ASCIP manages its exposure to interest rate risk by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, ASCIP reports its investments at their fair value. The annual change in the fair value is reported as a Non-Operating Expense on the Combined Statement of Revenues, Expenses, and Changes in Net Position as Net Unrealized Loss on Investments. Due to the rise in market interest rates over the last two years, this has resulted in large unrealized losses on ASCIP's portfolios. Since ASCIP intends to hold these securities to maturity, these losses are considered temporary in nature and are expected to reverse themselves as investments near maturity over the next few years. The following summarizes the cumulative total of these unrealized market value losses by program.

Investments	Property & Liability	Workers' Compensation	Health Benefits	CIPA	Total
Investments at Amortized Book Value	$ 133,848,998	$ 223,982,337	$30,744,060	$ 17,185,379	$ 405,790,774
Cumulative Unrealized Market Value Income (Losses)	$ (5,875,638)	$ (21,381,847)	$ (639,902)	$ 18,863	$ (27,878,524)
Investments at Market Value	$ 157,522,363	$ 203,501,445	$29,075,148	$ 22,454,242	$ 412,553,198

Information about the sensitivity of the fair values of ASCIP's investments classified as cash equivalents and investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of ASCIP's investment by maturity:

Cash/Investment Type	Reported Amount	12 Months Or Less	13-24 Months	25-60 Months	More Than 60 Months
County Pool	$ 35,737,232	$ 35,737,232			
State Investment Pool	62,312	62,312			
Money Market Mutual Funds	3,545,960	3,545,960			
	39,345,504	39,345,504			
U.S. Treasury Obligations	247,688,610	64,328,181	$ 19,360,261	$104,725,963	$ 59,274,205
Negotiable Certificates of Deposit	5,250,000	5,250,000			
Federal Agencies Obligations	52,314,111	28,637,757	21,039,899	1,022,394	1,614,061
Corporate Notes	57,391,905	20,225,642	17,066,333	20,099,930	
Supranational Obligations	3,319,791	1,710,659	1,609,132		
Mortgage Pass Through Obligations	27,974,531	1,106,785	699,538	3,102,239	23,065,969
Mortgage- and Asset-Backed Securities	4,921,819	842,310	910,957	1,154,110	2,014,442
Municipal Securities	13,692,431	1,831,818	4,467,148	1,630,953	5,762,512
	412,553,198	123,933,152	65,153,268	131,735,589	91,731,189
Total	$ 451,898,702	$163,278,656	$65,153,268	$131,735,589	$ 91,731,189

Credit Risk

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 below is the minimum rating required by ASCIP's investment policy, which is in conformance with the *California Government Code*, and the actual rating as of the year-end for each investment type.

Cash/Investment Type	Fair Value	Minimum Legal Rating	S&P and Fitch Ratings as of Year End: AAA	AA	A	BBB	Unrated
U.S. Treasury Obligations	$ 247,688,610	**		$ 247,688,610			
Negotiable Certificates of Deposits	5,250,000	*	$ 5,250,000				
Federal Agencies Obligations	52,314,111	*		52,314,111			
Corporate Notes	57,391,905	A		13,683,609	$38,900,738	$ 4,807,558	
Supranational Obligations	3,319,791	AA	3,319,791				
Mortgage Pass Through Obligations	27,974,531	AA		27,974,531			
Mortgage- and Asset-Backed Securities	4,921,819	AA	4,921,819				
Municipal Securities	13,692,431	*	4,093,377	9,255,976	343,078		
County Pool	35,737,232	*					$ 35,737,232
State Investment Pool	62,312	*					62,312
Money Market Mutual Funds	3,545,960						3,545,960
Total	$ 451,898,702		$ 17,584,987	$ 350,916,837	$39,243,816	$ 4,807,558	$ 39,345,504

* Not required to be rated
** Exempt from disclosure

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 ASCIP limits the investment in any one non-governmental issuer to 5% or less depending on the security's credit rating. 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. As of June 30, 2024, no such investments exceeded 5%.

Custodial Credit Risk

This is the risk that in the event of a bank failure, ASCIP's deposits may not be returned to it. The *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (the governmental unit may waive collateral for amounts covered by Federal deposit insurance). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, ASCIP's bank balance was insured and/or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of ASCIP.

3. 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.

Uncategorized – Investments in the Los Angeles County Treasury Investment Pool, the Local Agency Investment Fund, and Money Market Mutual Funds are not measured using the input levels above because ASCIP's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

ASCIP's fair value measurements are as follows as of June 30, 2024:

		Fair Value Measurements Using	
Investment Type	**Fair Value**	**Level 1 Inputs**	**Level 2 Inputs**
U.S. Treasury Obligations	$ 247,688,610	$ 247,688,610	
Negotiable Certificates of Deposit	5,250,000		$ 5,250,000
Federal Agencies Obligations	52,314,111		52,314,111
Corporate Notes	57,391,905		57,391,905
Supranational Obligations	3,319,791		3,319,791
Mortgage Pass Through Obligations	27,974,531		27,974,531
Mortgage- and Asset-Backed Securities	4,921,819		4,921,819
Municipal Securities	13,692,431		13,692,431
County Pool	35,737,232		35,737,232
State Investment Pool	62,312		62,312
Money Market Mutual Funds	3,545,960		3,545,960
Total	$ 451,898,702	$ 247,688,610	$ 204,210,092

4. RECEIVABLES

Receivables as of June 30, 2024, consist of the following:

	Property & Liability Fund	Workers' Compensation Fund	Health Benefits Fund	AB 218	CIPA	Total
Accrued investment income	$ 650,533	$ 950,033	$ 260,846			$ 1,861,412
Excess insurance recoveries	6,312,957			$ 3,714,547		10,027,504
Premiums Receivable	491,631	3,470,234	1,754,891	24,234,693	$ 596,595	30,548,044
Other accounts receivable	5,063,162					5,063,162
Total	$ 12,518,283	$ 4,420,267	$ 2,015,737	$27,949,240	$ 596,595	$ 47,500,122

5. CAPITAL ASSETS

A summary of capital assets for the year ended June 30, 2024, consists of the following:

	Balance Beginning of Year	Additions	Disposals	Balance End of Year
Buildings	$ 17,940,104	$ 3,283,990		$ 21,224,094
Land	1,100,000			1,100,000
Equipment	2,413,078	954,670		3,367,748
Accumulated depreciation	(5,101,313)	(284,585)		(5,385,898)
Capital assets, net	$ 16,351,869	$ 3,954,075	$	$ 20,305,944

6. ACCOUNTS PAYABLE

Accounts payable as of June 30, 2024 consist of the following:

Type	Property & Liability Fund	Workers' Compensation Fund	Health Benefits Fund	AB 218	CIPA	Total
Salaries and benefits	$ 367,310	$ 36,679	$ 47,220			$ 451,209
Accrued vacation	495,088	69,036	55,885			620,009
Other operating	947,752	3,214,727	5,572,210	$ 2,094	$1,180,659	10,917,442
Due to members	330,881	230,660				561,541
Total	$ 2,141,031	$ 3,551,102	$ 5,675,315	$ 2,094	$1,180,659	$ 12,550,201

7. PREMIUM DIVIDENDS

ASCIP is required by its bylaws to recalculate and adjust prior years' premium deposits at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made. In 2024, retrospective adjustments for workers' compensation and health benefits were $9,778,176 and $12,302,956, respectively. The adjustments were calculated related to workers' compensation for the fourteen years ended June 30, 2003 through June 30, 2016 and related to health benefits for the five years ended June 30, 2016 through June 30, 2020.

8. MEMBER RISK MANAGEMENT FUND

The Member Risk Management Fund (MRMF) was established to provide participating members with the option to defer receipt of distributions made by ASCIP. The deferred funds may be used to off-set future ASCIP premiums or other district related needs. Deferral requires both written authorization by the member's senior administrative official and approval by ASCIP's Executive

Committee. ASCIP limits the total amount of funds held in the MRMF to the member's total annual premiums. ASCIP credits interest income to member funds held within the MRMF and provides members with quarterly statements. Withdrawal of MRMF funds requires written instructions from the senior administrator or their designee(s). As of June 30, 2024, ASCIP reported a total balance of $14,460,632 in its MRMF. This balance is included with restricted cash and cash equivalents.

9. SAFETY CREDIT PAYABLE

The Safety Credit program was established by ASCIP to offer its members with the ability to utilize portions of their premiums set aside by ASCIP to finance flexible safety-oriented activities and programs conducted by the members. The Safety Credit program is administered by ASCIP as a reimbursement-basis program. Members are reimbursed upon the submission of adequate supporting documents. Annually, one percent of member premium contributions to the Property & Liability and Workers' Compensation Programs are set aside for the Safety Credit program for each member participating in ASCIP Property & Liability and Workers' Compensation Programs. Safety credits set aside by ASCIP are subject to three-years rolling expiration. A corresponding amount is included in restricted cash and cash equivalents since the credits can only be utilized by members and are not subject to use by ASCIP until expiration. As of June 30, 2024, ASCIP reported the following Safety Credit Payable:

Property & Liability Program	$	1,068,458
Workers' Compensation Program		671,441
Total	$	1,739,899

10. UNPAID CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

ASCIP establishes a liability for claims based on estimates of the ultimate cost (including estimated expenses for investigating and settling claims) that have been reported but not settled, and that have been incurred but not reported (IBNR). ASCIP uses insurance agreements to reduce its exposure to large losses. The insurance agreement discharges the primary liability of ASCIP as direct insurer of the risks insured above certain specified retentions.

The liability recorded for incurred losses is based on information obtained from independent actuarial reports. The supporting information provided by ASCIP relies on the continuance of certain historical trends and forecasts of future activities and conditions. Although management believes that the claims payable for losses and loss expenses as of June 30, 2024, is adequate, the ultimate settlement of claims and related expenses may vary from the liability recorded.

11. RECONCILIATION OF UNPAID CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

As discussed in Note 10, ASCIP establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related legal expenses. The following represents changes in those aggregate liabilities for ASCIP during the fiscal years ended June 30, 2024 and 2023:

	2024	2023
Unpaid claims at beginning of year	$ 296,465,810	$ 258,754,226
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	168,771,724	163,288,541
Increase (decrease) in provision for insured events of prior years	24,946,773	21,584,355
Total Incurred Claims and Claim Adjustment Expenses	193,718,497	184,872,896
Payments:		
Claims and claim adjustment expenses attributable to insured events of current year	87,083,329	84,292,587
Claims and claim adjustment expenses attributable to insured events of prior years	74,780,633	62,868,725
Total Payments	161,863,962	147,161,312
Total unpaid claims at end of year	$ 328,320,345	$ 296,465,810
Current portion	$ 106,962,302	$ 66,196,285
Unallocated loss adjustment expense	21,398,702	19,657,707
Noncurrent portion	199,959,341	210,611,818
Total unpaid claims at end of year	$ 328,320,345	$ 296,465,810

12. EMPLOYEE RETIREMENT SYSTEM

ASCIP provides pension benefits to its employees through ASCIP's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. ASCIP had less than 100 active members as of the June 30, 2022 actuarial valuation. As a result, qualified employees are covered under the Miscellaneous 2% at 55 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.

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time on or after January 1, 2013. Benefit provisions and other requirements are established by State statute.

Benefits Provided

The benefits for the Plan 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 have a minimum of five years of CalPERS-credited service. Members after December 2012 must be at least 52 to be eligible for service retirement.

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 the July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ASCIP is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. ASCIP's required contribution rate on covered payroll for the measurement period ended June 30, 2023 (the measurement date) were 12.47% and 7.68% of annual pay for Classic and PEPRA employees, respectively. Employer contribution rates may change if plan contracts are amended. For the year ended June 30, 2024, the employer contributions to the plan were $863,431.

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

ASCIP'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, ASCIP's proportionate share of the Plan's NPL was $3,774,271.

Using ASCIP'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 ASCIP by the actuary. ASCIP's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2022 were as follows:

	Plan
Proportion - June 30, 2023	.075479%
Proportion - June 30, 2022	.067699%
Change - increase	.007780%

For the year ended June 30, 2024, ASCIP recognized pension expense of $1,304,833.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 192,810	$ (29,912)
Changes of assumptions	227,870	
Net difference between projected and actual earnings on pension plan investments	611,088	
Net changes in proportionate share of net pension liability	508,100	
Changes in proportionate share of contributions	142,257	
Pension contributions subsequent to measurement date	863,431	
Total	$ 2,545,556	$ (29,912)

As of June 30, 2024, the $863,431 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:

Year Ended June 30	Amount
2025	$ 644,881
2026	431,380
2027	558,417
2028	17,535
Total	$ 1,652,213

Actuarial Methods and Assumptions

The collective TPL for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the TPL to June 30, 2023. The collective TPL was based on the following assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Investment Rate of Return	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.

Changes of Assumptions

There were no changes of assumptions for the measurement period ended June 30, 2023.

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.

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return [1][2]
Global Equity – cap-weighted	30.00%	4.45%
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%	2.84%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

[1] An expected inflation of 2.30% was used for this period.
[2] Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of ASCIP's Proportional Share of the NPL to Changes in the Discount Rate

The following presents ASCIP's Proportional Share of the NPL of the Plan as of the June 30, 2023 measurement date, calculated using the discount rate of 6.90%, as well as what ASCIP's Proportional Share of the NPL 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:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
ASCIP's Proportionate Share of Plan's NPL	$ 6,490,490	$ 3,774,271	$ 1,538,589

13. DEFERRED RETIREMENT BENEFIT

Plan Description

ASCIP provides a post-employment lump sum payment to employees who meet certain criteria. These lump sum payments are related to a closed group of participants who were previously eligible for monthly post-retirement medical payments. As of June 30, 2024, ASCIP had not established an irrevocable trust or designated a trustee for the payment of plan benefits. Additionally, payments to beneficiaries are in the form of cash with no requirements for payments to be used to fund retiree medical benefits. As such, GASB Statements 68 and 75 do not apply. An actuarial valuation model was used to develop the liabilities for the May 31, 2024, measurement. During the year ended June 30, 2024, ASCIP paid benefits to retirees of $61,503.

Benefits Provided

Employees who retire from ASCIP may be eligible for benefits pursuant to the provisions below:

Eligibility	• Retire from active service • 10 years of service • Hired prior to July 1, 2017
Survivor Eligibility	No
Benefits	**All Employees** • Retirees age 55 with at least 10 years of service who retire from ASCIP are offered a lifetime subsidy to be applied for medical coverage. • Benefits are capped at $12,162 per year. • The cap to be used for medical coverage is based on the retiree's years of service at retirement. • A retiree with 10 years of service at retirement receives a lifetime subsidy of 15% of ASCIP cap for active employees at the time of their retirement. • For each additional year of service at retirement, a retiree receives an additional 1% of the cap. For example, a retiree with 25 years of service at retirement would receive 30% of the cap for active employees.

Employees Covered

As of the May 31, 2024 actuarial valuation, the following inactive and active employees were covered by the benefit terms under the plan:

Active Participants	23
Total	23

Total Liability

ASCIP's liability of $508,056 was measured as of May 31, 2024 and was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate (1)	4.40%
Inflation	2.75%
Salary Increases (2)	2.75%
Mortality (3)	CalPERS' Data
Retirement (3)	CalPERS' Data
Termination (3)	CalPERS' Data

(1) Based on the 20-year municipal bond yield as of the Measure Date. The discount rate changed from 4.24% as of May 31, 2023 to 4.40% as of May 31, 2024.
(2) Benefits are not salary based and therefore a wage inflation assumption of 2.75% was used. This assumption is only used for the application of the actuarial cost method.
(3) The mortality rate table, retirement rate table, and termination rate table used were developed based on CalPERS 2021 experience study.

Changes in the Total Liability

The changes in the total liability for the plan are as follows:

	Deferred Retirement Benefit
Balance as of June 30, 2023	$ 528,741
Changes recognized for the measurement period:	
Service cost	28,303
Interest cost	22,328
Changes of benefit terms	
Differences between expected and actual experience	7,366
Changes in assumptions	(17,179)
Actual benefit payments	(61,503)
Net changes	(20,685)
Balance as of June 30, 2024	$ 508,056

14. PARTICIPATION IN PUBLIC ENTITY RISK POOL

ASCIP's member agencies are members of the Schools Excess Liability Fund (SELF) public entity risk pool. Member agencies pay an annual premium to SELF, which is collected by ASCIP and forwarded to SELF, for excess insurance coverage for General/Auto Liability and CSA claims from $5,000,000 to $55,000,000. The relationship between ASCIP and SELF is such that SELF is not a component unit of ASCIP for financial reporting purposes. The SELF governing board consists of elected representatives of the members by region.

SELF has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; additionally, fund transactions between SELF and ASCIP are not included in these statements. The payments to SELF for the year ended June 30, 2024, were $19,360,873. Audited financial statements are available from SELF at their website, www.selfjpa.org.

15. LEASES

ASCIP leases land from the City of Cerritos for land under and around where their new building resides. As of June 30, 2024, the value of the lease liability was $7,002,627. ASCIP is required to make monthly payments that change over time based on the lease agreement. For purposes of discounting future payments on the lease, ASCIP used a discount rate of 4.00%. The right-to-use asset as of June 30, 2024 was $7,042,533 and is being amortized over the remaining term of the lease. Accumulated amortization as of June 30, 2024 was $275,110. The future minimum principal and interest lease payments as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025		$ 175,758	$ 175,758
2026		175,758	175,758
2027		175,758	175,758
2028		175,758	175,758
2029		175,758	175,758
Thereafter	$ 7,002,627	10,215,210	17,217,837
Totals	$ 7,002,627	$ 11,094,000	$ 18,096,627

16. CONTINGENCIES

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

REQUIRED SUPPLEMENTARY INFORMATION

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

1. PURPOSE OF SCHEDULES

Reconciliation of Claims Liability by Type of Contract

This schedule presents information on how ASCIP establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related legal expenses.

Claims Development Information

This schedule presents information on how ASCIP's insurance funds illustrates how earned revenues and investment income compare to related costs of loss and other expenses assumed by the insurance fund as of the end of each of the last ten years.

Schedule of ASCIP's Proportionate Share of the Net Pension Liability

This schedule presents information on ASCIP's proportionate share of the net pension liability (NPL), the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

Schedule of ASCIP's Contributions

This schedule presents information on ASCIP's required contributions, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
JUNE 30, 2024

	Property & Liability		Workers Compensation		Health Benefits		AB218		CIPA		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 178,543,365	$ 161,171,092	$ 98,191,561	$ 80,888,657	$ 6,434,561	$ 6,034,862			$ 13,296,323	$ 10,659,615	$ 296,465,810	$ 258,754,226
Incurred claims and claim adjustment expenses:												
Provision for insured events of the current fiscal year	43,818,012	45,327,980	42,285,287	36,475,336	79,937,275	80,294,881			2,731,150	1,190,344	168,771,724	163,288,541
Increase (Decrease) in provision for insured events of prior fiscal years	(13,785,341)	20,064,335	1,209,434	(1,586,530)	(2,589,559)	346,428	$ 40,000,000		112,239	2,760,122	24,946,773	21,584,355
Total incurred claims and claim adjustment expenses	30,032,671	65,392,315	43,494,721	34,888,806	77,347,716	80,641,309	40,000,000		2,843,389	3,950,466	193,718,497	184,872,896
Payments:												
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	5,556,294	4,554,403	6,543,559	5,681,899	74,948,847	74,033,998			34,629	22,287	87,083,329	84,292,587
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	44,860,595	43,465,639	16,439,391	11,904,003	3,670,218	6,207,612	7,726,884		2,083,545	1,291,471	74,780,633	62,868,725
Total Payments	50,416,889	48,020,042	22,982,950	17,585,902	78,619,065	80,241,610	7,726,884		2,118,174	1,313,758	161,863,962	147,161,312
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	$ 158,159,147	$ 178,543,365	$ 118,703,332	$ 98,191,561	$ 5,163,212	$ 6,434,561	$ 32,273,116	$	$ 14,021,538	$ 13,296,323	$ 328,320,345	$ 296,465,810

See accompanying note to required supplementary information

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

CLAIMS DEVELOPMENT INFORMATION
JUNE 30, 2024

The following tables illustrate how ASCIP'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 ASCIP as of the end of each of the years. The rows of the table are defined as follows:

1. This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue, and reported investment revenue.

2. This line shows each fiscal year's other operating costs of ASCIP including overhead and claims expense not allocable to individual claims.

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

4. This section of rows shows the cumulative net amounts paid as of the end of successive years for each policy year.

5. This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.

6. This section of rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual re-estimation result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known).

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

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

PROPERTY & LIABILITY PROGRAM
CLAIMS DEVELOPMENT INFORMATION (in Thousands)
JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Premiums and investment revenue:										
Earned	$ 56,671	$ 59,326	$ 58,378	$ 57,984	$ 62,064	$ 68,295	$ 66,466	$ 61,426	$ 74,207	$ 86,885
Ceded	(13,578)	(14,080)	(17,787)	(17,932)	(21,678)	(14,184)	(18,429)	(22,013)	(24,272)	(28,160)
Net earned	43,093	45,246	40,591	40,052	40,386	54,111	48,037	39,413	49,935	58,725
2. Unallocated expenses	$ 8,912	$ 8,432	$ 9,139	$ 10,041	$ 9,029	$ 6,592	$ 8,992	$ 6,695	$ 9,831	$ 9,442
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 31,380	$ 43,524	$ 39,887	$ 40,351	$ 65,100	$ 68,660	$ 76,130	$ 65,898	$ 49,295	$ 55,674
Ceded	-	(9,164)	(4,918)	(5,597)	(21,273)	(28,337)	(38,065)	(18,129)	(5,215)	(11,805)
Net incurred	31,380	34,360	34,969	34,754	43,827	40,323	38,065	47,769	44,080	43,869
4. Paid (cumulative) as of:										
End of policy year	$ 1,586	$ 2,673	$ 1,378	$ 3,309	$ 5,360	$ 4,140	$ 4,264	$ 3,134	$ 4,554	$ 5,556
One year later	3,846	9,193	6,375	9,134	8,396	9,459	6,703	11,094	10,656	
Two years later	13,624	13,835	15,047	18,571	13,206	12,348	8,445	26,533		
Three years later	16,088	23,188	23,534	24,057	19,191	20,897	12,753			
Four years later	23,419	31,777	29,942	30,078	30,090	26,616				
Five years later	23,972	32,912	32,793	36,213	35,127					
Six years later	24,335	35,234	36,680	40,934						
Seven years later	24,854	36,813	38,116							
Eight years later	24,837	38,635								
Nine years later	24,931									
5. Reestimated ceded losses and expenses	$ 5,189	$ 17,752	$ 10,306	$ 12,393	$ 15,052	$ 2,843	$ 3,833	$ 7,915	$ 5,215	$ 11,805
6. Reestimated incurred claims and expense:*										
End of policy year	$ 31,380	$ 34,360	$ 34,969	$ 34,754	$ 43,827	$ 40,323	$ 38,065	$ 47,769	$ 44,080	$ 43,869
One year later	28,082	31,206	33,584	39,901	39,433	37,947	20,518	55,675	42,623	
Two years later	29,866	31,722	44,963	42,096	37,606	32,863	17,205	59,102		
Three years later	29,596	37,313	44,441	40,225	37,924	38,506	21,191			
Four years later	28,014	39,877	45,681	43,955	43,406	37,725				
Five years later	27,746	39,236	46,037	47,024	42,526					
Six years later	27,467	38,230	42,039	49,581						
Seven years later	27,956	40,935	42,450							
Eight years later	26,336	39,810								
Nine years later	27,141									
7. Increase (Decrease) in estimated incurred claims and expense from end of policy year	$ (4,239)	$ 5,450	$ 7,481	$ 14,827	$ (1,301)	$ (2,598)	$ (16,874)	$ 11,333	$ (1,457)	$ -

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

WORKERS' COMPENSATION PROGRAM
CLAIMS DEVELOPMENT INFORMATION (in Thousands)
JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Premiums and investment revenue:										
Earned	$ 34,771	$ 38,103	$ 33,770	$ 31,528	$ 37,407	$ 37,711	$ 22,472	$ 14,997	$ 36,768	$ 49,450
Ceded	(1,399)	(1,558)	(1,595)	(1,601)	(1,824)	(5,632)	(4,080)	(2,164)	(2,253)	(2,415)
Net earned	33,372	36,545	32,175	29,927	35,583	32,079	18,392	12,833	34,515	47,035
2. Unallocated expenses	$ 6,127	$ 5,350	$ 9,139	$ 6,341	$ 6,175	$ 6,309	$ 6,385	$ 7,468	$ 12,642	$ 13,627
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 32,328	$ 32,051	$ 31,414	$ 31,679	$ 34,640	$ 33,815	$ 23,221	$ 32,582	$ 46,754	$ 50,987
Ceded	(9,296)	(9,957)	(9,370)	(10,903)	(11,497)	(11,328)	(9,936)	(7,732)	(11,487)	(10,632)
Net incurred	23,032	22,094	22,044	20,776	23,143	22,487	13,285	24,850	35,267	40,355
4. Paid (cumulative) as of:										
End of policy year	$ 2,982	$ 2,981	$ 2,615	$ 2,750	$ 3,054	$ 3,107	$ 1,448	$ 4,738	$ 5,682	$ 6,544
One year later	5,880	6,432	6,076	5,912	7,567	5,763	4,221	9,950	12,509	
Two years later	7,797	8,692	8,162	7,964	9,964	8,036	6,136	13,299		
Three years later	9,004	10,026	9,244	9,682	11,385	9,396	8,174			
Four years later	9,874	11,064	10,197	10,507	12,487	10,348				
Five years later	10,603	11,643	10,879	11,548	13,767					
Six years later	10,890	12,059	11,505	11,981						
Seven years later	11,178	12,524	11,854							
Eight years later	11,323	12,864								
Nine years later	11,439									
5. Reestimated ceded losses and expenses	$ 5,885	$ 5,477	$ 7,196	$ 7,200	$ 10,541	$ 7,727	$ 7,142	$ 10,376	$ 9,498	$ 10,632
6. Reestimated incurred claims and expense:										
End of policy year	$ 23,032	$ 22,094	$ 22,044	$ 20,776	$ 23,143	$ 22,487	$ 13,285	$ 24,850	$ 35,267	$ 40,355
One year later	20,920	23,614	20,438	19,430	24,857	18,852	13,359	26,822	36,204	
Two years later	21,113	21,518	21,461	17,577	23,931	16,112	13,897	27,960		
Three years later	18,171	19,972	18,216	17,768	20,672	15,852	13,613			
Four years later	17,237	17,140	17,987	15,673	19,081	15,715				
Five years later	15,216	17,076	15,371	15,238	19,105					
Six years later	15,225	15,717	15,248	14,801						
Seven years later	14,132	15,440	15,303							
Eight years later	13,584	15,209								
Nine years later	13,458									
7. Increase (Decrease) in estimated incurred claims and expense from end of policy year	$ (9,574)	$ (6,885)	$ (6,741)	$ (5,975)	$ (4,038)	$ (6,772)	$ 328	$ 3,110	$ 937	$ -

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

HEALTH BENEFITS PROGRAM
CLAIMS DEVELOPMENT INFORMATION (in Thousands)
JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Premiums and investment revenue:										
Earned	$ 135,613	$ 172,556	$ 173,474	$ 159,828	$ 151,735	$ 152,444	$ 156,478	$ 164,792	$ 162,601	$ 172,631
Ceded	(3,120)	(5,740)	(6,097)	(5,630)	(5,285)	(5,451)	(76,195)	(5,863)	(4,946)	(4,980)
Net earned	132,493	166,816	167,377	154,198	146,450	146,993	80,283	158,929	157,655	167,651
2. Unallocated expenses	$ 6,134	$ 7,764	$ 7,077	$ 7,007	$ 5,448	$ 5,579	$ 6,427	$ 6,695	$ 8,768	$ 9,371
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 49,376	$ 76,957	$ 84,615	$ 82,304	$ 79,988	$ 65,338	$ 72,343	$ 75,669	$ 80,295	$ 79,943
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	49,376	76,957	84,615	82,304	79,988	65,338	72,343	75,669	80,295	79,943
4. Paid (cumulative) as of:										
End of policy year	$ 49,943	$ 72,487	$ 79,071	$ 77,199	$ 74,471	$ 65,338	$ 67,675	$ 69,822	$ 74,034	$ 74,949
One year later	56,606	76,304	86,679	81,575	73,854	69,883	69,311	75,714	77,766	
Two years later	56,607	76,304	86,679	81,575	73,854	69,883	69,311	75,714		
Three years later	56,607	76,304	86,679	81,575	73,854	69,883	69,311			
Four years later	56,607	76,304	86,679	81,575	73,854	69,883				
Five years later	56,607	76,304	86,679	81,575	73,854					
Six years later	56,607	76,304	86,679	81,575						
Seven years later	56,607	76,304	86,679							
Eight years later	56,607	76,304								
Nine years later	56,607									
5. Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Reestimated incurred claims and expense:										
End of policy year	$ 49,376	$ 76,957	$ 84,615	$ 82,304	$ 79,988	$ 65,338	$ 72,343	$ 75,669	$ 80,295	$ 79,943
One year later	56,607	76,338	86,679	81,575	73,854	69,883	69,311	75,714	77,766	
Two years later	56,607	76,304	86,679	81,575	73,854	69,883	69,311	75,714		
Three years later	56,607	76,304	86,679	81,575	73,854	69,883	69,311			
Four years later	56,607	76,304	86,679	81,575	73,854	69,883				
Five years later	56,607	76,304	86,679	81,575	73,854					
Six years later	56,607	76,304	86,679	81,575						
Seven years later	56,607	76,304	86,679							
Eight years later	56,607	76,305								
Nine years later	56,607									
7. Increase (Decrease) in estimated incurred claims and expense from end of policy year	$ 7,231	$ (653)	$ 2,064	$ (729)	$ (6,134)	$ 4,545	$ (3,032)	$ 45	$ (2,529)	$ -

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

AB 218 PROGRAM
CLAIMS DEVELOPMENT INFORMATION (in Thousands)
JUNE 30, 2024

		2024
1. Premiums and investment revenue:		
Earned	$	40,026
Ceded		-
Net earned		40,026
2. Unallocated expenses	$	-
3. Estimated incurred claims and expenses, end of policy year:		
Incurred	$	-
Ceded		-
Net incurred		-
4. Paid (cumulative) as of:		
End of policy year	$	-
5. Reestimated ceded losses and expenses	$	-
6. Reestimated incurred claims and expense:		
End of policy year	$	-
7. Increase (Decrease) in estimated incurred claims and expense from end of policy year	$	-

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

CIPA (OCIP, STUDENT ACCIDENT, PUPIL TRANSIT PROGRAM, SIRA, CORR) CLAIMS DEVELOPMENT INFORMATION (in Thousands) JUNE 30, 2024

	2015	2016	2017*	2018	2019**	2020	2021	2022	2023	2024
1. Premiums and investment revenue:										
Earned	$ 1,653	$ 1,786	$ 2,455	$ 2,621	$ 4,900	$ 12,435	$ 10,762	$ 7,118	$ 6,139	$ 4,393
Ceded	(505)	(496)	(465)	(536)	(1,021)	(2,564)	(2,130)	(1,953)	(537)	(46)
Net earned	1,148	1,290	1,990	2,085	3,879	9,871	8,632	5,165	5,602	4,347
2. Unallocated expenses	$ 675	$ 305	$ 473	$ 571	$ 784	$ 1,525	$ 2,883	$ 2,634	$ 763	$ 468
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 521	$ 504	$ 818	$ 630	$ 1,464	$ 4,795	$ 5,220	$ 3,639	$ 4,523	$ 2,731
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	521	504	818	630	1,464	4,795	5,220	3,639	4,523	2,731
4. Paid (cumulative) as of:										
End of policy year	$ 39	$ 8	$ 84	$ 4	$ 15	$ 164	$ 167	$ 113	$ 22	$ 35
One year later	160	47	176	49	74	505	1,178	461	1,284	
Two years later	226	79	436	105	103	1,495	738	646		
Three years later	239	166	3,475	131	206	1,831	964			
Four years later	260	716	291	210	247	2,053				
Five years later	274	1,039	3,577	233	248					
Six years later	220	2,386	3,875	238						
Seven years later	284	2,389	3,580							
Eight years later	286	2,410								
Nine years later	230									
5. Reestimated ceded losses and expenses	$ -	$ -	$ 198	$ 174	$ 195	$ 1,874	$ 872	$ 798	$ -	$ -
6. Reestimated incurred claims and expense:										
End of policy year	$ 521	$ 504	$ 620	$ 456	$ 1,269	$ 2,921	$ 4,348	$ 2,841	$ 4,523	$ 2,731
One year later	502	442	555	408	761	2,549	3,752	2,747	2,223	
Two years later	437	915	535	438	280	3,365	2,958	1,886		
Three years later	432	879	428	254	306	3,288	1,979			
Four years later	377	1,005	291	311	252	3,905				
Five years later	297	1,074	364	400	248					
Six years later	300	1,143	375	633						
Seven years later	247	1,550	375							
Eight years later	230	1,631								
Nine years later	264									
7. Increase (Decrease) in estimated incurred claims and expense from end of policy year	$ (257)	$ 1,127	$ (443)	$ 3	$ (1,216)	$ (890)	$ (3,241)	$ (1,753)	$ (2,300)	$ -

* From 2017 forward also in includes Student Accident program
** From 2019 forward also includes Pupil Transit program

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

SCHEDULE OF ASCIP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS OF JUNE 30, 2024 LAST 10 YEARS

	Measurement Date June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ASCIP's proportion of the net pension liability	0.0755%	0.0677%	0.0353%	0.0571%	0.0529%	0.0496%	0.0499%	0.0473%	0.0457%	0.0201%
ASCIP's proportionate share of the net pension liability	$ 3,774,271	$ 3,167,804	$ 670,975	$ 2,407,721	$ 2,120,535	$1,869,795	$ 1,967,870	$ 1,643,087	$ 1,252,869	$ 1,224,143
ASCIP's covered-employee payroll	$ 6,319,750	$ 5,644,151	$ 5,432,546	$ 5,060,784	$ 4,518,359	$ 4,558,579	$ 4,137,910	$ 3,269,226	$ 2,912,480	$ 2,520,782
ASCIP's proportionate share of the net pension liability as a percentage of its covered-employee payroll	59.72%	56.13%	12.35%	47.58%	46.93%	41.02%	47.56%	50.26%	43.02%	48.56%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.00%	73.00%	76.00%	81.00%	81.00%

Notes to Schedule:

Change in benefit terms - There were no changes to benefit terms.

Changes in assumptions - For the measurement period ended June 30, 2022, the discount rate was reduced from 7.15% to 6.90% and demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. For the measurement period ended June 30, 2018, demographic assumptions and inflation rate were changed in accordance with CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

SCHEDULE OF ASCIP'S CONTRIBUTIONS
AS OF JUNE 30, 2024
LAST 10 YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 863,431	$ 889,023	$ 703,475	$ 647,653	$ 565,107	$ 576,780	$ 456,855	$ 411,681	$ 338,763	$ 354,308
Contributions in relation to the contractually required contributions	(863,431)	(889,023)	(703,475)	(647,653)	(565,107)	(576,780)	(456,855)	(411,681)	(338,763)	(354,308)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ASCIP's covered-employee payroll	$ 6,508,093	$ 6,319,750	$ 5,644,151	$ 5,432,546	$ 5,060,784	$ 4,518,359	$ 4,558,579	$ 4,137,910	$ 3,269,226	$ 2,912,480
Contributions as a percentage of covered-employee payroll	13.27%	14.07%	12.46%	11.92%	11.17%	12.77%	10.02%	9.95%	10.36%	12.17%

See accompanying note to required supplementary information.

SUPPLEMENTARY INFORMATION

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024

1. PURPOSE OF STATEMENTS

Combining - Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows.

The Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, and Combining Statement of Cash Flows are included to provide information regarding the programs that have been included in the insurance funds column on the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Property & Liability	Workers' Compensation	Health Benefits	AB218	CIPA	EJE	Total
ASSETS:							
Current assets:							
Cash and cash equivalents	$ 3,135,317	$ 4,932,028	$ 12,303,276	$ 4,351,674	$ 2,048,890		$ 26,771,185
Restricted cash and cash equivalents	14,195,549	2,004,982					16,200,531
Accounts receivable	7,455,121	4,420,267	2,015,737	27,949,240	3,617,187	$ (3,020,592)	42,436,960
Prepaid expenses and other assets	15,724,262	4,722			149,479		15,878,463
Investments maturing within one year	78,906,846	21,557,955	8,962,141		4,265,374		113,692,316
Restricted investments maturing within one year		4,990,836			5,250,000		10,240,836
Total current assets	119,417,095	37,910,790	23,281,154	32,300,914	15,330,930	(3,020,592)	225,220,291
Noncurrent assets:							
Other receivable	5,063,162						5,063,162
Investments, net of amount maturing within one year	78,615,517	176,952,654	20,113,007		12,938,868		288,620,046
Deposits			4,718,422				4,718,422
Capital assets, net	4,331,706	15,974,238					20,305,944
Intangible right-to-use lease asset		6,767,423					6,767,423
Total noncurrent assets	88,010,385	199,694,315	24,831,429		12,938,868		325,474,997
Total assets	207,427,480	237,605,105	48,112,583	32,300,914	28,269,798	(3,020,592)	550,695,288
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred outflows of resources for pension	1,976,828	203,734	364,994				2,545,556
LIABILITIES:							
Current liabilities:							
Accounts payable	3,077,232	3,551,102	5,675,315	2,094	1,180,659	(936,201)	12,550,201
Unearned premium revenues			3,805		3,052,059	(2,084,391)	971,473
Premium dividend payable		602,241	76,769				679,010
Member risk management fund	13,127,091	1,333,541					14,460,632
Safety credit payable	1,068,458	671,441					1,739,899
Current portion of unpaid claims	44,861,000	16,440,000	4,996,377	32,273,116	8,391,809		106,962,302
Unallocated claims adjustment expenses	7,187,509	13,518,412	166,835		525,946		21,398,702
Total current liabilities	69,321,290	36,116,737	10,919,101	32,275,210	13,150,473	(3,020,592)	158,762,219
Noncurrent liabilities:							
Unpaid claims and claim adjustment expenses, net of current portion	106,110,638	88,744,920			5,103,783		199,959,341
Net pension liability	2,555,287	451,070	767,914				3,774,271
Deferred retirement benefit	393,352	49,053	65,651				508,056
Lease liability	-	7,002,627					7,002,627
Total noncurrent liabilities	109,059,277	96,247,670	833,565		5,103,783		211,244,295
Total liabilities	178,380,567	132,364,407	11,752,666	32,275,210	18,254,256	(3,020,592)	370,006,514
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflows of resources for pension	23,515	2,244	4,153				29,912
NET POSITION:							
Invested in capital assets	4,331,706	15,739,034					20,070,740
Restricted		4,990,836			5,250,000		10,240,836
Unrestricted	26,668,520	84,712,318	36,720,758	25,704	4,765,542		152,892,842
Total net position	$ 31,000,226	$ 105,442,188	$ 36,720,758	$ 25,704	$ 10,015,542	$	$ 183,204,418

See accompanying note to supplementary information.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Property & Liability	Workers' Compensation	Health Benefits	AB218	CIPA	EJE	Total
OPERATING REVENUES:							
Premium contributions from members	$ 78,416,342	$ 52,103,487	$ 182,869,567	$ 40,000,000	$ 3,232,745	$ (2,643,521)	$ 353,978,620
Other income	140,693	1,113	612				142,418
Total operating revenues	78,557,035	52,104,600	182,870,179	40,000,000	3,232,745	(2,643,521)	354,121,038
OPERATING EXPENSES:							
Claims expense, net of reimbursements of $17,538,582	50,416,889	22,982,950	78,619,065	7,726,884	2,118,175		161,863,963
Provision for IBNR and case reserves	(20,333,256)	18,580,997	(1,265,201)	32,273,116	857,883		30,113,539
Provision for ULAE reserves	(50,962)	1,930,774	(6,148)		(132,669)		1,740,995
Excess/reinsurance premiums	28,159,927	2,414,976	4,980,165		45,585	(2,643,521)	32,957,132
Health benefits insurance premiums			83,691,737				83,691,737
Contract services	2,384,685	5,298,462	4,880,654		91,650		12,655,451
Loss control and risk management	2,039,924	1,769,191	140,472				3,949,587
General and administrative	5,068,256	4,628,928	4,356,005	336	508,558		14,562,083
Premium dividends		9,778,176	12,302,956				22,081,132
Total operating expenses	67,685,463	67,384,454	187,699,705	40,000,336	3,489,182	(2,643,521)	363,615,619
Operating income (loss)	10,871,572	(15,279,854)	(4,829,526)	(336)	(256,437)		(9,494,581)
NON-OPERATING REVENUES:							
Interest and dividend income, net of fees	4,770,090	3,950,892	1,703,853	26,040	990,589		11,441,464
Net realized/unrealized gain on investments	3,557,809	3,172,883	359,526		170,047		7,260,265
Total non-operating revenues	8,327,899	7,123,775	2,063,379	26,040	1,160,636		18,701,729
Increase (decrease) in net position	19,199,471	(8,156,079)	(2,766,147)	25,704	904,199		9,207,148
Net position, beginning of year	11,800,755	113,598,267	39,486,905		9,111,343		173,997,270
Net position, end of year	$ 31,000,226	$ 105,442,188	$ 36,720,758	$ 25,704	$ 10,015,542	$	$ 183,204,418

See accompanying note to supplementary information.

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Property & Liability	Workers' Compensation	Health Benefits	AB218	CIPA	EJE	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from premium contributions and other income	$ 73,772,774	$ 51,977,600	$ 181,987,993	$ 15,765,307	$ 5,697,299	$ (4,969,317)	$ 324,231,656
Cash paid for claims	(50,416,889)	(22,982,950)	(78,619,065)	(7,726,884)	(2,118,174)		(161,863,962)
Cash paid for claims in excess layer	(13,763,929)	(79)		(3,774,574)			(17,538,582)
Cash received from reinsurer	18,794,658	79		60,027			18,854,764
Cash paid to benefits, insurance, and other expenses	(32,329,620)	(25,372,374)	(111,193,579)	1,758	(2,383,204)	4,969,317	(166,307,702)
Cash paid to employees	(7,000,047)	(801,889)	(1,170,865)				(8,972,801)
Cash paid to pension plan and retirees	(644,027)	(68,091)	(119,767)				(831,885)
Net cash provided (used) by operating activities	(11,587,080)	2,752,296	(9,115,283)	4,325,634	1,195,921		(12,428,512)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Purchase of capital assets	(954,670)	(3,283,990)					(4,238,660)
Net cash used by capital and financing activities	(954,670)	(3,283,990)					(4,238,660)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of investments	(127,184,215)	(20,386,260)	(2,109,806)		(21,796,889)		(171,477,170)
Proceeds from sale or maturity of investments	124,597,390	16,665,152	3,962,757		16,285,634		161,510,933
Interest and investment income received	1,673,698	5,324,435	2,078,357	26,040	359,594		9,462,124
Net cash provided (used) by investing activities	(913,127)	1,603,327	3,931,308	26,040	(5,151,661)		(504,113)
Net increase (decrease) in cash and cash equivalents	(13,454,877)	1,071,633	(5,183,975)	4,351,674	(3,955,740)		(17,171,285)
Cash and cash equivalents, beginning of year	30,785,743	5,865,377	17,487,251		6,004,630		60,143,001
Cash and cash equivalents, end of year	$ 17,330,866	$ 6,937,010	$ 12,303,276	$ 4,351,674	$ 2,048,890	$	$ 42,971,716
RECONCILIATION TO STATEMENT OF NET POSITION							
Cash and cash equivalents	$ 3,135,317	$ 4,932,028	$ 12,303,276	$ 4,351,674	$ 2,048,890		$ 26,771,185
Restricted cash and cash equivalents	14,195,549	2,004,982					16,200,531
Cash and cash equivalents, end of year	$ 17,330,866	$ 6,937,010	$ 12,303,276	$ 4,351,674	$ 2,048,890	$	$ 42,971,716
CASH FLOWS FROM OPERATING ACTIVITIES:							
Operating income (loss)	$ 10,871,572	$ (15,279,854)	$ (4,829,526)	$ (336)	$ (256,437)		$ (9,494,581)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization expense	284,585		108,240				392,825
(Increase) decrease in:							
Accounts receivable and other receivable	969,031	342,643	(881,040)	(27,949,240)	902,159	$ 3,020,592	(23,595,855)
Prepaid expenses and other assets and deposits	24,789	43,662	2,668		42,382	(1,948,725)	(1,835,224)
Deferred outflows of resources	(198,148)	29,664	68,347				(100,137)
Increase (decrease) in:							
Accounts payable and other liabilities	701,271	(2,425,821)	(2,303,540)	2,094	(283,618)	(936,201)	(5,245,815)
Unearned premium revenues			(1,146)		66,220	(135,666)	(70,592)
Member risk management fund	(4,437,110)	(469,643)					(4,906,753)
Unpaid claims and claim adjustment expense	(20,384,218)	20,511,771	(1,271,349)	32,273,116	725,215		31,854,535
Net pension liability	476,762	45,490	84,215				606,467
Deferred retirement benefit	(17,488)	(3,326)	129				(20,685)
Deferred inflows of resources	121,874	(42,290)	(92,281)				(12,697)
Net cash provided (used) by operating activities	$ (11,587,080)	$ 2,752,296	$ (9,115,283)	$ 4,325,634	$ 1,195,921	$	$ (12,428,512)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Unrealized gain on investments	$ 4,596,638	$ 1,834,034	$ 63,820	$	$ 170,047	$	$ 6,664,539

See accompanying note to supplementary information.

OTHER INDEPENDENT AUDITOR'S REPORT

GILBERT
Relax. We got this.℠

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*

Governing Board
Alliance of Schools for Cooperative Insurance Programs
Cerritos, 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 Alliance of Schools for Cooperative Insurance Programs (ASCIP) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise ASCIP's basic financial statements, and have issued our report thereon dated December 9, 2024. The financial statements of Captive Insurance for Public Agencies Limited (CIPA) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with CIPA or that are reported on separately by those auditors who audited the financial statements of CIPA.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ASCIP'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 ASCIP's internal control. Accordingly, we do not express an opinion on the effectiveness of ASCIP's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 9, 2024