Report of Independent Auditors and
Financial Statements

Yolo County Public Agency Risk Management Insurance Authority

June 30, 2024

MOSSADAMS

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Report of Independent Auditors

The Board of Directors
Yolo County Public Agency Risk Management Insurance Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yolo County Public Agency Risk Management Insurance Authority (the Authority), which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Yolo County Public Agency Risk Management Insurance Authority as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Authority 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 the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10, schedule of changes in total other postemployment benefit liability, schedule of the Authority's proportionate share of the net pension liability, schedule of the Authority's contributions, reconciliation of claims liabilities by type of contract, and claims development information on pages 39 through 49, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Yolo County Public Agency Risk Management Insurance Authority's basic financial statements. The combining statement of net position and combining statement of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and 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. In our opinion, the combining statement of net position and combining statement of revenues, expenses, and changes in net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025, on our consideration of Yolo County Public Agency Risk Management Insurance Authority'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 Yolo County Public Agency Risk Management Insurance Authority'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 Yolo County Public Agency Risk Management Insurance Authority's internal control over financial reporting and compliance.

Moss Adams LLP

Sacramento, California
April 11, 2025

Management's Discussion and Analysis

This section of Yolo County Public Agency Risk Management Insurance Authority's (YCPARMIA or the Authority) annual financial report presents management's discussion and analysis of its financial performance during the fiscal year that ended June 30, 2024. This document should be read in conjunction with the accompanying basic financial statements.

YCPARMIA is a joint powers authority and separate public entity, created in 1979, that manages a risk management and insurance pool for thirty-two (32) participating Yolo County public entities, which includes YCPARMIA as a covered entity. The Authority has a governing board comprised of six governmental entities. In addition to a staff of six, the Authority retains outside providers to function as board counsel; adjust workers' compensation claims; assist with accounting tasks; and conduct annual financial audits and actuarial studies. It is the stated mission of the Authority "to protect the members' resources from the impact of loss through a program of prevention, education, training, service and insurance coverage." Member entities are assessed annual cash contributions for participation in the Authority's programs and services.

YCPARMIA reports as a governmental enterprise fund because its activities, the development and operation of a public entity risk pool (retained risk), and the group purchase of insurance (transferred risk) are by and for its' member users.

The Financial Statements are designed to provide readers with a broad overview of YCPARMIA's finances in a manner like a private-sector business.

The Statement of Net Position presents information on YCPARMIA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets plus deferred outflows of resources minus liabilities and deferred inflows of resources are reported as net position. Net position includes the amount invested in capital assets.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing total revenues and total expenses, and how YCPARMIA's net position changed during the most recent fiscal year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. - claims incurred but not paid, unrealized market gains on investments, earned but unused compensated absences, and net pension and OPEB liabilities).

The Statement of Cash Flows presents information on the sources and uses of cash during the most recent fiscal year. The Statement of Cash Flows is subdivided into three major sections to show cash provided or used by Operating, Capital and Related Financing (when applicable), and Investing Activities.

The Financial Statements can be found on pages 13 through 16 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements and can be found beginning on page 17 of this report.

Required supplementary information includes this management discussion and analysis the reconciliation of claims liabilities and claims development information as required elements.

CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023
ASSETS		
Current and other assets	$ 37,869,376	$ 29,348,005
Capital assets	143,242	149,154
TOTAL ASSETS	**38,012,618**	**29,497,159**
DEFERRED OUTFLOWS OF RESOURCES	**676,675**	**725,074**
LIABILITIES		
Claims liabilities	33,942,815	25,376,708
Other long term liabilities	4,815,612	1,875,971
Other liabilities	1,358,794	314,641
TOTAL LIABILITIES	**40,117,221**	**27,567,320**
DEFERRED INFLOW OF RESOURCES	**260,098**	**475,980**
NET POSITION		
Net invested in capital assets	143,242	149,154
Unrestricted	(1,831,268)	2,029,779
TOTAL NET POSITION	**$ (1,688,026)**	**$ 2,178,933**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

OPERATING REVENUES	**$ 26,435,315**	**$ 20,548,586**
OPERATING EXPENSES		
Claims expense	16,222,298	11,499,360
Insurance expense	14,180,708	7,870,387
OPEB	(157,292)	(160,691)
Member services and pool operations	1,540,468	1,070,377
TOTAL OPERATING EXPENSES	**31,786,182**	**20,279,433**
OPERATING INCOME (LOSSES)	**(5,350,867)**	**269,153**
NON-OPERATING REVENUES (EXPENSE)		
Investment income	836,677	557,251
Net change in FMV of investments	647,231	(239,168)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,483,908	318,083
CHANGE IN NET POSITION	**(3,866,959)**	**587,236**
Net position beginning of year	2,178,933	1,591,697
Net position, end of year	$ (1,688,026)	$ 2,178,933

Overall Financial Position

Total assets increased by $8.5 million, representing a 29% growth compared to the prior year. This increase is primarily driven by cash and investments, which rose by $6.4 million. Currently, cash and investments comprise approximately 97.6% of total assets. Funds collected during the year are earmarked for payments on claims that occur in that year, and current year operating expenses. Funds for current expenses are invested in two Local Government Investment Funds: the Yolo County Treasury pool, and the Local Agency Investment Fund (LAIF), until needed, and then transferred to the YCPARMIA checking account for disbursement. Funds not needed in the current year are invested by Chandler Investment Management, in accordance with the YCPARMIA investment policy.

Total liabilities increased by $12.5 million compared to the prior year. Claims liabilities, which account for 85% of total liabilities, rose by $8.6 million. Within claims liabilities, claim reserves increased by $6.6 million, while claims incurred but not reported (IBNR), which is actuarially driven, grew by $1.7 million over the prior year. Additionally, other long-term liabilities increased by $2.5 million, due to the recording of a California Join Powers Risk Management Authority (CJPRMA) excess liability pool assessment and potential assessment totaling $3.5 million.

Net position represents the difference between Total Assets plus Deferred Outflows and Total Liabilities plus Deferred Inflows. YCPARMIA began fiscal year 2023-24 with a net position of $2.2 million. By June 30, 2024, the net position showed a deficit of $1.7 million, reflecting a $3.9 million decrease from the end of the prior year.

Revenue for YCPARMIA consists of investment income and member cash payments. Investment earnings increased $1.2 million over prior year due to active investing and favorable market conditions. Cash payments are calculated to fully cover the cost of retained risk, transferred risk (excess insurance and reinsurance premiums) and operating expenses. Revenues increased by $4 million from prior year due to the rising cost of excess insurance and anticipated higher costs in the pooled layer.

Total expenses increased by $11.5 million, or 57% compared to the prior year, primarily due to higher claims and insurance expenses. The actuary revised older policy years' ultimate losses upward by $2 million and increased the 2023-24 policy year ultimate loss by $2.2 million compared to the 2022-23 valuation policy year, contributing significantly to the rise in claims expenses. Additionally, insurance expenses rose by $6.3 million; $2.8 million was due to increased reinsurance premiums, and $3.5 million due to the recording of an assessment and potential assessment from the excess carrier CJPRMA. Member services and pool operations accounts for 4.85% of the overall expenses.

Overview of program funding

Member contributions are calculated to fully fund YCPARMIA's operations for each program and include charges to cover administrative costs, a charge for retained risk, and charges for the cost of transferred risk and any program-specific loss control programs. Changes in premium payments to the pool are driven by member loss experience, legislative changes, increases in environmental risk factors, and economic factors that impact the global insurance market. Assuming these factors are accurately reflected in our actuarial valuations of the pooled layer, members' risk costs are expected to be capped at the premium/cash payments that they make to YCPARMIA, plus any applicable claim deductibles. Savings in program-specific expenditures flow directly to that program's equity. Savings in administrative costs are allocated to each program based on the same percentage of cost originally budgeted for that program.

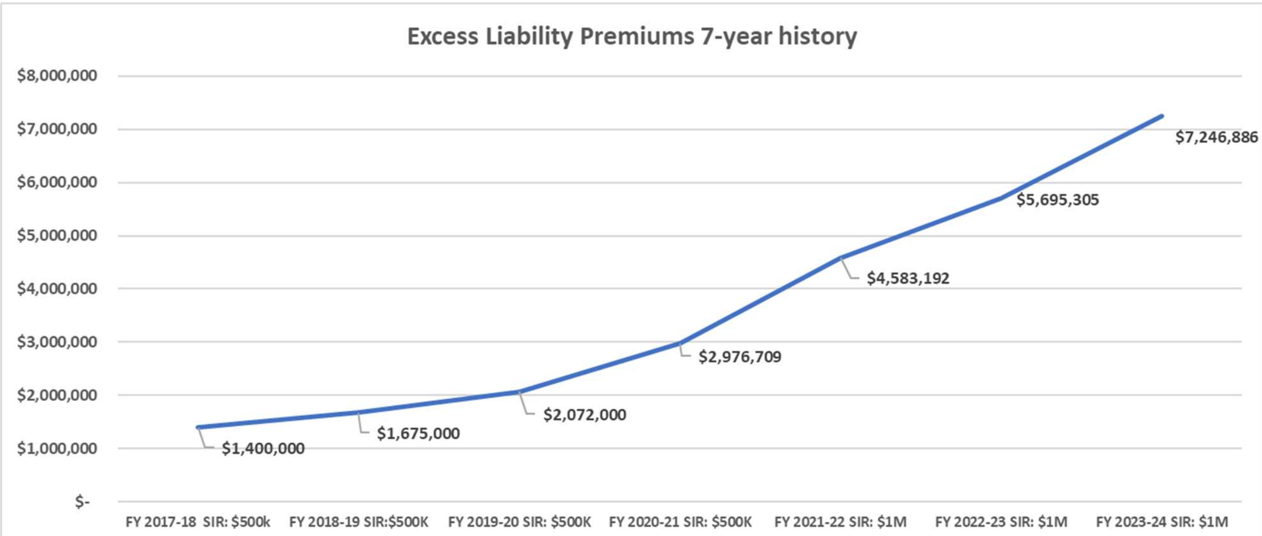
Accounting standards call for the Authority to book actuarially determined program reserves at the expected level. Due to inherent volatility in claim outcomes, the Board policy requires that an additional amount actuarially determined at an 80% confidence level, be included in the rate calculation for the liability and workers' compensation programs. The Board also strives to maintain additional funding equal to three times the self-insured retention (SIR) for the liability and workers' compensation program, and set targeted dollar amounts for the Fidelity and Property programs. As of June 30, 2024, the financial position of the individual YCPARMIA programs is as follows:

- The Liability Program is funded between the expected and 70% confidence level.
- The Workers' Compensation Program is funded below the expected level.
- The Property Program is above its target funding of $100,000.
- The Fidelity Program is funded above its targeted level of $25,000.

Liability Program: Funded between 75% and 80% confidence level, prior to CJPRMA Assessment; below expected level after liability was recorded.

For FY 2023-24, the retained limit for the liability program remained at $1,000,000. Excess coverage, up to $40 million per occurrence, is provided through membership in CJPRMA. Members are subject to per occurrence deductibles ranging between $1,000-$5,000.

The pooled layer of the program (retained risk) experienced overall unfavorable loss experience during FY 2023-24, with an increase of $3.3M in older policy year ultimate losses. in total, the claims reserves at year end increased by $4.3M when compared to the prior year.



Excess premium costs continued to skyrocket for the pool and globally. The chart above shows that the pool's excess liability insurance premium has more than quintupled over the past 7 years. Increases in the cost of transferred risk are due to forces in the global market, extremely high jury verdicts, an increase in verdicts awarded in civil rights lawsuits, social inflation, and the rise of third-party litigation funding are all adding to the cost of excess insurance.

Impact of CJPRMA assessment on funded status of YCPARMIA liability pool

In December 2023, CJPRMA, the excess liability pool in which YCPARMIA participates, declared an assessment of $1,839,724 for coverage years 2012-2017, payable over three years, with the first installment due July 2024. At the time of the assessment, CJPRMA also published a schedule indicating, but not assessing, a $1,697,718 funding deficiency for coverage years 2017-2019. However, this additional amount was recorded as a liability, bringing the total liability for CJPRMA assessments and potential assessments to $3,537,442.

The impact of recording this potential liability for program years 2017-2019 has been a reduction in the confidence level of funding of the liability program from between 75%-80% to between the expected level and the 70% confidence level. Should CJPRMA declare an assessment for this potential liability, YCPARMIA policy dictates that an additional amount equal to the assessment would be collected from members, which would result in a rebounding to the higher confidence level.

Workers' Compensation Program: Funded below the expected level.

YCPARMIA pools losses up to $1,000,000 per occurrence, subject to a $1,000 per claim member deductible. Excess coverage to statutory limits is provided through membership in Public Risk Innovation, Solutions, and Management (PRISM) JPA.

This program continues to face cost increases due to the expansion of benefits by the California legislature and increases to the medical fee schedule. The actuary increased older policy year projected ultimate losses by $1.5M due to unfavorable claims development. Claims reserves at the end of year increased by $2.3M when compared to prior year.

Critical loss prevention measures at the member level include member safety committees that address the root cause of employee injuries, ergonomic workspaces, utilization of culturally competent employee assistance programs (EAP) and peer support networks, and return to work programs. YCPARMIA is currently reviewing potential programmatic changes, as well as increasing the confidence level at which this program will be funded for FY 2025-26, to address the funding deficiency.

Property Program: Above historical targeted funding of $100,000; Funded above new 85% targeted confidence level.

The Property Program includes Boiler and Machinery and Vehicle Physical Damage coverage. The retention level for most real property losses was $25,000, through March 31, 2023, when it increased to $50,000 for all losses on or after March 31, 2023. Excess coverage is provided through membership in PRISM JPA. The all-risk property program has a deductible of $1,000. The deductible for auto physical damage is $15,000 for vehicles under $250,000 and $100,000 for vehicles over $250,000. Flood and earthquake coverage are also provided, with slightly different limits and deductibles.

Claim volume remains low, with only nine claims reported in FY 2023-24, and eight in FY2022-23. Property premiums continue to increase faster than the total insured values of the program due to an increase in wildfires and vandalism in California, and catastrophic storm losses worldwide which have impacted premiums for all policyholders.

Fidelity Program: Fully funded above targeted level of $25,000.

The Fidelity Program covers the dishonest acts of all employees and elected officials. YCPARMIA retains the first $25,000 per occurrence, inclusive of the $1,000 member deductible. Coverage for losses between $25,000 and $2,000,000 is provided by a commercial insurance policy through the Fidelity and Deposit Company of Maryland.

Critical loss prevention efforts include positive pay controls on banking accounts and requiring confirmation of changes in vendor accounts to which electronic payments are sent. YCPARMIA has never sustained a loss under this program.

Other Programs

YCPARMIA also provides cyber liability and pollution liability insurance to members. However, members bear the full cost of the deductibles under these programs and YCPARMIA does not retain any risk, so there are no long-term liabilities associated with these programs. All other programs are maintained on a pass-through basis with members who choose to participate bearing the full cost of any deductible and reimbursing their premium costs after the Authority has purchased various coverages at their direction, and on their behalf.

This financial report is designed to provide a general overview of YCPARMIA's finances. Questions concerning any of the information should be addressed to the Executive Director, YCPARMIA 77 West Lincoln Avenue, Woodland, CA 95695.

Financial Statements

Yolo County Public Agency Risk Management Insurance Authority
Statement of Net Position
June 30, 2024

ASSETS	
Current assets	
Cash and cash equivalents	$ 20,331,122
Receivables	1,212,556
Deposits	63,620
Investments maturing within one year (Note 3)	817,169
Prepaid expenses	58,408
Total current assets	22,482,875
Noncurrent Assets	
Investments, less portion maturing within one year	14,160,018
Receivables, net of current portion	1,226,483
Capital assets, net	143,242
Total non-current assets	15,529,743
Total assets	38,012,618
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - OPEB (Note 5)	118,613
Deferred outflows of resources - pensions (Note 10)	558,062
Total deferred outflows of resources	676,675

See accompanying notes.

Yolo County Public Agency Risk Management Insurance Authority
Statement of Net Position (Continued)
June 30, 2024

LIABILITIES	
Current liabilities	
Accounts payable	597,592
Payroll payable	147,961
CJPRMA assessment, current portion	613,241
Current portion of unpaid claims and claim adjustment expenses, net of deductible recoveries:	
Liability and workers' compensation (Note 6)	9,203,000
Property and other	400,000
Total current liabilities	10,961,794
Noncurrent liabilities	
CJPRMA assessment	2,924,201
Other postemployment benefits (Note 5)	381,652
Net pension liability (Note 10)	1,509,759
Unpaid claims and claim adjustment expenses net of deductible recoveries and current portion:	
Liability and workers' compensation (Note 6)	24,339,815
Total non-current liabilities	29,155,427
Total liabilities	40,117,221
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB (Note 5)	157,348
Deferred inflows of resources - pensions	102,750
Total deferred inflows of resources	260,098
NET POSITION	
Net position	
Net invested in capital assets	143,242
Unrestricted	(1,831,268)
Total net position	$ (1,688,026)

See accompanying notes.

Yolo County Public Agency Risk Management Insurance Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024

OPERATING REVENUES	
Member contributions	$ 26,394,280
Other income	41,035
Total operating revenues	26,435,315
OPERATING EXPENSES	
Claims expense	15,245,646
Claims administration	338,388
Insurance expense	14,180,708
Fraud assessment expense	352,286
Loss control	285,978
General and administrative	1,383,176
Total operating expenses	31,786,182
Operating loss	(5,350,867)
NON-OPERATING REVENUES	
Investment income	1,483,908
Total non-operating revenues	1,483,908
Change in net position	(3,866,959)
Net position, beginning of year	2,178,933
Net position, end of year	$ (1,688,026)

See accompanying notes.

Yolo County Public Agency Risk Management Insurance Authority
Statement of Cash Flows
Year Ended June 30, 2024

Cash flows provided by operating activities	
Contributions received	$ 24,352,908
Claims expenses paid	(6,635,557)
Insurance premiums paid	(10,739,672)
Claims administration expenses paid	(338,388)
General and administrative expense paid	(1,684,025)
Other income	41,035
Net cash provided by operating activities	4,996,301
Cash flows provided by investing activities	
Investments purchased	(7,113,144)
Investments sold and matured	7,863,678
Capital assets purchased	(2,723)
Interest received	894,523
Net cash provided by investing activities	1,642,334
Net change in cash and cash equivalents	6,638,635
Cash and cash equivalents, beginning of year	13,692,487
Cash and cash equivalents, end of year	20,331,122
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	(5,350,867)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	8,635
(Increase) decrease in assets	
Receivables	(2,041,372)
Deposits	24,996
Prepaid expenses	(30,723)
Deferred outflows of resources	48,399
Increase (decrease) in liabilities	
Accounts payable	367,937
CJPRMA Assessment	3,537,442
Payroll payable	47,442
Pension liability	15,202
Deferred inflows	(215,882)
Unpaid claims and claims adjustment expenses	8,585,092
Total adjustments	10,347,168
Net cash provided by operating activities	$ 4,996,301
SUPPLEMENTARY INFORMATION	
Noncash financing and investing activities	
Change in fair market value of investments	$ 647,231

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

General – Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA and / or the Authority) is a Joint Powers Authority (JPA) that provides pooled risk management services to thirty-two public entities located in Yolo County. The members, including the county, four cities, a school district, and various other special districts participate in pooled programs covering liability, workers' compensation, property, and fidelity; other more unique exposures are addressed through the group purchase of commercial insurance. A variety of risk management, claims administration, and loss prevention services are also offered to the members. In addition to the protection afforded by participation in YCPARMIA's primary pool, the Authority's membership in the California Joint Powers Risk Management Authority (CJPRMA) for liability, and Public Risk Innovation, Solutions and Management (PRISM) for property and workers' compensation provides higher excess limits above the Authority's self-insurance retention (SIR).

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

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

Investments – Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment earnings reported for that fiscal year. Net change in fair value of investments include changes in fair value and any gains or losses realized upon the liquidation, maturity or sale of investments and are included in non-operating revenue.

Deposits – Deposits represent amounts advanced to companies for payment of claims. They are classified as current assets.

Capital Assets – Capital assets are capitalized for amounts over $1,000 and are carried at cost less accumulated depreciation. Depreciation is computed over respective estimated lives ranging from 3 to 30 years using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is recognized in income for the period. Maintenance and repairs are charged to expense as incurred.

Revenue Recognition – Member contributions are recognized as revenue when earned based upon the coverage period of the related insurance. Operating revenues and expenses include all activities necessary to achieve the objectives of the Authority. Non-operating revenues include investment activities.

Receivables –Receivables include interest, unsecured amounts due from members, and other receivables at June 30. No allowances for doubtful accounts have been recorded because amounts are expected to be collected. Receivables as of June 30, 2024 consisted of the following:

Interest receivable	$ 309,900
Member receivables	2,069,898
Other receivables	59,241
Total receivables	$ 2,439,039

CJPRMA Assessment – CJPRMA assessment represents an assessment declared by CJPRMA to all participating members for coverage years 2012-2017, payable over three years, with the first installment due July 2024. At the time of the assessment, CJPRMA also published a schedule indicating, but not assessing, a $1,697,718 funding deficiency for coverage years 2017-2019. At June 30, 2024, YCPARMIA recorded a liability of $3,537,442 to recognize the declared assessment for 2012-2017 coverage years and probable assessment for coverage years 2017-2019.

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

Deferred Outflows/Inflows or Resources – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The Authority has recognized a deferred outflow of resources related to other postemployment benefits and pensions which is reported in the statement of net position.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The Authority has recognized a deferred inflow of resources related to other postemployment benefits and pensions which is reported in the statement of net position.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous 2.5% at 55 Risk Pool and the PEPRA Miscellaneous Plan under the California Public Employees' Retirement System (CalPERS) Public Employers Retirement Fund C and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Pool. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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

Net position – Net position is displayed in two components:

Net invested in capital assets – Consists of capital assets, net of accumulated depreciation.

Unrestricted – All other net position that do not meet the definition of or "net invested in capital assets".

Member Participation – Under the Authority's Joint Powers Agreement, members must make a three-year commitment to participate in the Authority. Mid-term cancellation or withdrawal is not permitted, and notice must be given to the Authority six months in advance. Withdrawing members are not entitled to a refund, nor does it terminate their responsibility to contribute to their share of annual charges.

Coverage Limits – The Authority provides coverage for Liability claims up to $1,000,000 and for Workers' Compensation claims up to $1,000,000. The authority provides coverage for Property claims up to $25,000 for claims prior to March 31, 2023 and up to $50,000 for claims on or after March 31, 2023. Excess insurance is through third parties, see Note 8.

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

Subsequent Events – The Authority has reviewed all events occurring from June 30, 2024 through April 11, 2025, the date the financial statements were available to be issued.

Note 2 – Cash and Cash Equivalents

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

Cash and cash equivalents	
Cash in bank	$ 18,094
Money market	106,517
Cash in County Treasury/LAIF	20,206,511
Total cash and cash equivalents	$ 20,331,122

Custodial Credit Risk – Cash in Bank – The Authority limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Interest-bearing cash balances held in banks are insured up to $250,000 and non-interest bearing cash balances held in banks are fully insured by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the Authority's accounts was $18,094, the bank balances were fully insured and collateralized.

Money Market – The Authority has a portion of its cash and equivalents in a money market account at a third-party Custodian. The money market account is not covered by FDIC insurance but is fully collateralized.

Local Agency Investment Fund (LAIF) – The Authority places certain funds with LAIF. The Authority is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferrable to the master account with twenty-four hours' notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. LAIF is currently unrated and has an average life of 217 days.

The monies held in the pooled investment funds are not subject to categorization by risk category. LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office located at 915 Capitol Mall, Sacramento, CA 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain their goal of safety, liquidity, and yield are not jeopardized.

Note 3 – Investments

Investments – Investments at June 30, 2024 are reported at fair value and consisted of the following:

	Rating	
Investments		
US Government sponsored entities and agencies	AA+	$ 2,245,401
Asset backed securities	AAA	704,280
Asset backed securities	*	328,484
Mortgages	AAA	477,228
Mortgages	AA+	803,435
Supranational	AAA	970,060
US Corporate Notes	AA+	84,608
US Corporate Notes	AA	255,500
US Corporate Notes	AA-	179,968
US Corporate Notes	A+	1,225,938
US Corporate Notes	A	991,462
US Corporate Notes	A-	816,336
US Treasury	TSY	5,894,487
Total investments		$ 14,977,187

Investment security ratings reported as of June 30, 2024 are defined by Standard & Poors. Securities of the United States Treasury (TSY) are not rated for credit worthiness as they are fully backed by the United States Government.

*Those that are Not Rated are rated by either Moody's or Fitch as AAA.

The following presents information about the Authority's assets and liabilities measured at fair value on a recurring basis as of June 30, 2024, and indicates the fair value hierarchy of the valuation techniques utilized by the Authority to determine such fair value based on the hierarchy:

Level 1 - Quoted market prices or identical instruments traded in active exchange markets.

Level 2 - Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

The Authority is required or permitted to record the following assets at fair value on a recurring basis:

Description	Fair Value	Level 1	Level 2	Level 3
US Government sponsored entities and agencies	$ 2,245,401	$ -	$ 2,245,401	$ -
Asset backed securities	1,032,764	-	1,032,764	-
Mortgages	1,280,663	-	1,280,663	-
Supranational	970,060	-	970,060	-
US Corporate bonds	3,553,812	-	3,553,812	-
US Treasury	5,894,487	-	5,894,487	-
	$ 14,977,187	$ -	$ 14,977,187	$ -

Valuation Approach – The Authority's investments are generally classified in Level 2 of the fair value hierarchy because they are valued using broker or dealer quotations or alternative pricing sources with reasonable level of price transparency. The types of investments valued based on observable inputs includes U.S. Government sponsored entities and agencies, mortgages, supranational, U.S. corporate notes and treasury are classified within Level 2 of the fair value hierarchy.

Investment Interest Rate Risk – The Authority's investment policy limits the cash and investment maturity to five years for most investments as a means of managing fair value losses arising from increasing interest rates. Effective March 28, 2024, the investment policy was revised to allow maturities up to 10 years for US Treasuries, Federal Agencies and Municipal Securities. As of June 30, 2024, the Authority had no investments with maturity dates beyond five years. Maturities of investments held at June 30, 2024 consist of the following:

		Maturity	
	Fair Value	Less than One Year	Greater than One Year
US Government sponsored entities and agencies	$ 2,245,401	$ 540,481	$ 1,704,920
Asset backed securities	1,032,764	-	1,032,764
Mortgages	1,280,663	-	1,280,663
Supranational	970,060	-	970,060
US Corporate bonds	3,553,812	276,688	3,277,124
US Treasury	5,894,487	-	5,894,487
	$ 14,977,187	$ 817,169	$ 14,160,018

Investment Credit Risk – The Authority does not have a formal investment policy that limits its investment choices other than the limitations of state law.

The table below identified investment types that are authorized for YCPARMIA by the California Government Code and YCPARMIA's investment policy. The table also identified certain provisions of the California Government Code (or YCPARMIA's investment policy, if more restrictive) that address interest rate risk and concertation of credit risk.

Authorized By Investment Policy	Authorized by investment policy	*Maximum Maturity	*Maximum Percentage Of Portfolio	*Maximum Portfolio Investment In One Issuer
Municipal Bonds	Yes	10 Years	30%	5%
U.S. Treasury Obligations	Yes	10 Years	None	None
U.S. Agency Securities	Yes	10 Years**	None	None
Banker's Acceptance	Yes	180 Days	40%	5%
Commercial Paper	Yes	270 Days	25%	5%
Certificate of Deposit	Yes	5 Years	30%	5%
Repurchase Agreements	Yes	1 year	None	5%
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Medium-Term Corporate Notes	Yes	5 Years	30%	5%
Supranational Debt	Yes	5 Years	30%	10%
Asset Backed Securities	Yes	5 Years	20%	5%
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Collateralized Mortgage Obligations	Yes	5 Years	20%	5%
Mortgage-backed Securities	Yes	5 Years	20%	5%
Mortgage Pass-Through Securities	Yes	5 years	20%	5%
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	Yes	N/A	Statutory maximum = $75 Million	None
California Asset Management Program (CAMP)	Yes	N/A	N/A	None
JPA Pools (other investment pools)	Yes	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.
**Pursuant to government code, YCPARMIA has authorized certain investments up to 10 years maximum maturity.

Concentration of Investment Credit Risk –At June 30, 2024, the Authority had the following investments that represent more than five percent of the Authority's net investments:

United States Treasury Notes	39%
Federal Home Loan Mortgage Co.	11%
Federal National Mortgage Associate	6%
Federal Home Loan Bank	5%

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	June 30, 2023	Additions	Deletions	June 30, 2024
Nondepreciable				
Land	$ 93,005	$ -	$ -	$ 93,005
Depreciable				
Furniture and equipment	114,537	2,723	-	117,260
Building	356,631	-	-	356,631
Building improvements	44,724	-	-	44,724
Total capital assets	608,897	2,723	-	611,620
Less accumulated depreciation	459,743	8,635	-	468,378
Capital assets, net	$ 149,154	$ (5,912)	$ -	$ 143,242

Note 5 – Other Postemployment Benefits

Plan Description – The Authority provides healthcare benefits under a single employer defined benefit OPEB plan (the Retiree Health Plan). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the PERS membership plan, which covers both active and qualified retired members, along with a dental plan.

The Authority's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The Authority's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2024, the Authority has accumulated assets in a qualified trust for the purpose of paying the benefits related to the Authority's Total OPEB Liability. There is no separate report issued for the defined benefit healthcare plan.

Medical Benefits Provided – As a Public Employees' Medical and Hospital Care Act (PEMHCA) employer, YCPARMIA is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. YCPARMIA PEMHCA resolution on file with CalPERS defines YCPARMIA's contribution toward the cost of medical plan premiums for employees and retirees to be 100% of the applicable premium, but not more than $415.25 per month, nor less than the required PEMHCA minimum employer contribution (MEC).

Dental Benefits Provided – YCPARMIA also pays 100% of the retiree dental premium which is $88 per month in 2024.

Employees Covered by Benefit Terms – The following is a table of plan participants at June 30, 2024:

	Participants
Inactive plan members currently receiving benefits	6
Active plan members	6
	12

Contributions – The contribution requirements of plan members and the Authority are established and may be amended by the Authority's Governing Board and by contractual agreements with employees.

YCPARMIA contributions to the Plan occur as benefits are paid to or on behalf of retirees. Benefit payments may occur in the form of direct payments for premiums and taxes ("explicit subsidies") and/or indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies"). Contributions to the Plan from the Authority were $94,554 for the year ended June 30, 2024. Employees are not required to contribute to the OPEB plan.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024, actuarial valuation, measurement date of June 30, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Important Dates	
Fiscal Year End	June 30, 2024
GASB 75 Measurement Date	June 30, 2023 (last day of the prior fiscal year)
Valuation Date	June 30, 2023
Valuation Methods	
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs - From Birth to Death," sponsored by the Society of Actuaries.

Pre-Medicare retiree premiums are blended with premiums for active members. Medicare-eligible retirees are covered by plans which are rated solely on the experience of Medicare retirees with no subsidy by active employee premiums.

Monthly baseline premium costs were set equal to the active single premiums shown in the chart below. Representative claims costs derived from the dataset provided by CalPERS for pre-Medicare retirees are shown in the chart on the following page. Age-based claims were applied (a) for all retirees not yet eligible for Medicare and (b) for Medicare retirees receiving benefits in excess of the PEMHCA minimum and covered by Medicare Supplement plans.

		Expected Monthly Claims by Medical Plan for Selected Ages - Male											
		Non-Medicare Retirees					Medicare Retirees						
Region	Medical Plan	50	53	56	59	62	65	70	75	80	85	90	95
Region 1	Anthem Traditional HMO	$1,295	$1,527	$1,774	$2,033	$2,311	*Claims not developed for Medicare Advantage plans*						
	Blue Shield Access+ HMO & Blue Shield EPO	1,186	1,398	1,624	1,861	2,116	*Claims not developed for Medicare Advantage plans*						
	Kaiser HMO	934	1,102	1,280	1,467	1,667	*Claims not developed for Medicare Advantage plans*						
	PERS Platinum PPO	1,299	1,531	1,779	2,039	2,318	381	427	464	486	480	458	454
	Western Health Advantage HMO	835	984	1,143	1,310	1,490	*Claims not developed for Medicare Advantage plans*						
Region 2	Kaiser HMO	839	989	1,149	1,317	1,497	*Claims not developed for Medicare Advantage plans*						
		Expected Monthly Claims by Medical Plan for Selected Ages - Female											
		Non-Medicare Retirees					Medicare Retirees						
Region	Medical Plan	50	53	56	59	62	65	70	75	80	85	90	95
Region 1	Anthem Traditional HMO	$1,605	$1,763	$1,897	$2,049	$2,259	*Claims not developed for Medicare Advantage plans*						
	Blue Shield Access+ HMO & Blue Shield EPO	1,469	1,614	1,736	1,876	2,068	*Claims not developed for Medicare Advantage plans*						
	Kaiser HMO	1,158	1,272	1,368	1,479	1,630	*Claims not developed for Medicare Advantage plans*						
	PERS Platinum PPO	1,609	1,768	1,902	2,055	2,266	365	413	447	467	471	462	454
	Western Health Advantage HMO	1,035	1,136	1,223	1,321	1,456	*Claims not developed for Medicare Advantage plans*						
Region 2	Kaiser HMO	1,040	1,142	1,229	1,328	1,464	*Claims not developed for Medicare Advantage plans*						

Economic Assumptions

Municipal Bond Index	S&P General Obligation 20-Year High Grade Municipal Bond Index
Discount Rates	5.05% as of June 30, 2023, and 4.09% as of June 30, 2022, net of plan investment expenses
General Inflation Rate	2.5% per year
Salary Increase	3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Healthcare Trend	Medical plan premiums and estimated claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.8%
2025	6.5%	2044-2049	4.7%
2026	6.0%	2050-2059	4.6%
2027	5.5%	2060-2065	4.5%
2028	5.4%	2066-2067	4.4%
2029	5.3%	2068-2069	4.3%
2030	5.2%	2070	4.2%
2031	5.1%	2071-2072	4.1%
2032-2037	5.0%	2073-2074	4.0%
2038-2039	4.9%	2075 & Later	3.9%

The healthcare trend shown above was developed using the Getzen Model 2023 published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2032 20%; Resistance Point 21%; Year after which medical growth is limited to growth in GDP 2075.

Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.
Employer Benefit Cap	It is assumed that there will be no future increases in the employer monthly benefit cap.

Participant Election Assumptions

Participation rate	Eligible active employees: 100% are assumed to continue their current medical plan election in retirement; if currently waiving medical coverage, the employee is assumed to elect coverage in the Kaiser Region 1 plan in retirement. All eligible active employees are also assumed to elect YCPARMIA's dental plan coverage in retirement.
Spouse Coverage	Active employees and retired participants: Existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Demographic Assumptions

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were the published CalPERS rates, then projected as described below.

Mortality Before Retirement	None assumed, due to the small size of the employee group and low likelihood of occurrence
Mortality Improvement	Macleod Watts Scale 2022 applied generationally from 2017

For sample rates of assumed mortality, service and disability retirement and separation (termination) prior to retirement at selected ages, please refer to our June 30, 2023, valuation report and/or the CalPERS experience study referenced above.

Changes in assumptions or methods since the prior Measurement Date

Trust rate of return and discount rate	*Funding purposes:* Increased from 5.45% to 5.55%, reflecting long-term rates of return provided by CalPERS in March 2022. *Accounting purposes:* Increased from 4.09% to 5.05%, reflecting long-term rates of return provided by CalPERS and the analysis described in paragraphs 36-41 of GASB 75.
Demographic Assumptions	Updated demographic assumptions from those in the 2017 CalPERS Experience Study to those recommended in the CalPERS 2021 Experience Study report issued November 2021.
Healthcare Trend	Updated the base healthcare trend scale from Getzen Model 2022_b to Getzen Model 2023, as published by the Society of Actuaries.

Discount Rate – For funding purposes, the rate increased from 5.45% to 5.55%, reflecting long-term rates of return provided by CalPERS in March 2022. For accounting purposes, the rate increased from 4.09% to 5.05%, reflecting long-term rates of return provided by CalPERS.

Changes in Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance June 30, 2023	$ 432,857	$ -	$ 432,857
Changes for the year			
Service cost	16,133	-	16,133
Interest	17,725	-	17,725
Expected investment income	-	1,325	(1,325)
Benefit payments	(31,249)	(31,249)	-
YCPARMIA contributions	-	96,056	(96,056)
Differences between expected and actual investment experience	-	(915)	915
Differences between expected and actual experience	22,355	-	22,355
Changes in assumptions	(10,952)	-	(10,952)
Net change	14,012	65,217	(51,205)
Balance June 30, 2024	$ 446,869	$ 65,217	$ 381,652

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	Discount Rate 1% Lower 4.05%	Valuation Discount Rate 5.05%	Discount Rate 1% Higher 6.05%
Net OPEB Liability	$ 426,357	$ 381,652	$ 343,732

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

Healthcare Cost Trend Rate was assumed to start at 6.5% and grade down to 3.9% for years 2075 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	$ 367,636	$ 381,652	$ 403,523

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Authority recognized OPEB expense of $62,738. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 18,230	$ 64,962
Change of assumptions	5,097	92,386
Net difference between projected and actual earnings on investments	732	-
Contributions made subsequent to measurement date	94,554	-
Total	$ 118,613	$ 157,348

$94,554 is reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the measure period ending June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (84,751)
2026	(55,046)
2027	3,338
2028	2,287
2029	883
Thereafter	-

See required supplementary information following the notes to the financial statements, which presents multi-year trend information on whether assets are increasing or decreasing over time relative to the plan liabilities.

Note 6 – Unpaid Claims and Claim Adjustment Expenses

The schedule below presents the changes in claims liabilities of the Authority:

Unpaid claims and claim adjustment expenses at beginning of fiscal year	$ 25,357,719
Incurred claims and claim adjustment expenses	
Provision for covered events of current fiscal year	10,502,869
Change in provision for covered events of prior fiscal years	4,742,777
Total incurred claims and claim adjustment expenses	15,245,646
Payments	
Claims and claim adjustment expenses attributable to covered events of current fiscal year	1,233,533
Claims and claim adjustment expenses attributable to covered events of prior fiscal years	5,427,017
Total payments	6,660,550
Unpaid claims and claim adjustment expenses at end of fiscal year	$ 33,942,815

The components of the unpaid claims and claim adjustment expenses for the Liability and Workers' Compensation Programs as of June 30, 2024 were as follows:

Current portion	$ 9,603,000
Long-term portion	24,339,815
Total incurred claims and claim adjustment expenses	$ 33,942,815
Claims reserves	$ 18,639,463
Claims incurred but not reported (IBNR)	13,394,865
Unallocated loss adjustment expense (ULAE)	1,908,487
Total unpaid claims and claim adjustment expenses at end of the fiscal year	$ 33,942,815

These liabilities are presented at undiscounted value for June 30, 2024.

Note 7 – Net Position

By Board policy, the Authority creates two funds in its net position designed to add to the economic stability and flexibility of the Authority. The "confidence margin" is designed to increase program reserves above expected, while the "catastrophic fund" is intended to protect the Authority against unanticipated and/or unbudgeted expenses caused by large losses or sudden shifts in claims frequency or severity.

Confidence Margin – The Programs strive to maintain a confidence level margin with net assets equal to the difference between expected liabilities and discounted liabilities at a 90% confidence level.

Pooled Program	Expected level	90% Targeted confidence level	Difference between expected and target	Assets available for pooled liabilities	Assets above (below) expected level	Assets above (below) target	Funded level at 6/30/24
Property	515	751	236	1,369	854	618	99%
Liability	12,478	17,282	4,804	15,345	2,867	(1,937)	75%-80%
Workers' Compensation	20,950	26,418	5,468	19,045	(1,905)	(7,373)	Below 50%
Fidelity	N/A	25	N/A	194	N/A	169	99%

Confidence levels for liabilities are based on the December 12, 2024 actuarial report for each program which uses exposure and loss data as of 6/30/24. Actuarial valuations are not performed for the fidelity program. There have been no losses under the program. A target funded level of $25,000 was set by the YCPARMIA Board. Amounts for the liability program are shown prior to recording the CJPRMA assessment, since funding for that liability is being separately collected. If the liability for the CJPRMA assessment were included here, the liability program would be below the expected level. Assets are based on financial statements as of 6/30/24, and are net of capital assets.

Note 8 – Reinsurance Premiums

The Authority enters into reinsurance agreements, whereby it cedes various amounts of risk to other insurance companies. The Authority had the following self-insured retention levels for each of its programs as follows:

	Liability	Workers' Compensation	Property
Prior to July 1, 1986	$ 350,000	$ 200,000	$ 25,000
July 1, 1986 to June 30, 1989	350,000	250,000	25,000
July 1, 1989 to June 30, 1990	500,000	250,000	25,000
July 1, 1990 to December 31, 2003	500,000	300,000	25,000
January 1, 2004 to June 30, 2020	500,000	500,000	25,000
July 1, 2020 to June 30, 2021	500,000	1,000,000	25,000
July 1, 2021 to June 30, 2022	1,000,000	1,000,000	25,000
July 1, 2022 to June 30, 2023	1,000,000	1,000,000	25,000
July 1, 2023 to June 30, 2024	1,000,000	1,000,000	50,000

Excess coverage for workers' compensation is provided up to statutory limits. Excess liability coverage is provided up to $40 million per occurrence. Excess property coverage is provided up to $600 million per occurrence. All coverages are subject to the self-insured retention levels and a deductible for each member.

Reinsurance premiums incurred for the year ended June 30, 2024 was as follows:

Property and other	$ 2,243,443
Liability	10,817,154
Workers' compensation	1,120,111
	$ 14,180,708

Note 9 – Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all Authority employees, permits them to defer a portion of their salaries until future years. Participants can elect to contribute up to 25% of their annual compensation, not to exceed $23,000. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. The plan assets are held in trust for the exclusive benefit of plan participants and their beneficiaries and, therefore, are excluded from the accompanying financial statements. There were no contributions made by the Authority for the years ended June 30, 2024.

Note 10 – Net Pension Liability - Public Employer's Retirement Fund

General Information about the Public Employer's Retirement Fund

Plan Description – The Authority contributes to the Miscellaneous 2% at 62 Risk Pool and the Miscellaneous 2.5% at 55 Risk Pool under the California Public Employees' Retirement System (CalPERS) California Employer's Retirement Fund C (PERF C), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues a separate comprehensive annual financial report. CalPERS issues a publicly available financial report that can be obtained at https://www.calpers.ca.gov.

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

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

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

Members – Under the Miscellaneous 2.5% at 55 plan, the member contribution rate was 8.0 percent of applicable member earnings. The same rate applied for fiscal years 2022-23, 2021-22, and 2020-21. Under the Miscellaneous 2% at 62 plan, the member contribution rate was 7.75% of applicable member earnings. This is 1% higher than the rate applied in fiscal years 2023-22, 2021-22, and 2020-21.

Employers – At June 30, 2024, the effective employer contribution rate was 14.06% under the Miscellaneous and 7.68% under the Public Employees' Pension Reform Act (PEPRA) Plans, of applicable member earnings.

For the years ended June 30, 2024, 2023, and 2022, the Authority's annual pension cost of $193,061, $173,501, and $149,102, respectively and the Authority contributed to CalPERS for the fiscal years ending June 30, 2024, 2023, and 2022 were $193,061, $173,501 and $149,102, respectively.

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

As of June 30, 2024, the JPA reported a liability of $1,509,759 for its proportionate share of the net pension liability. The JPA’s net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2023 using standard update procedures. The JPA’s proportion of the net pension liability was based on a projection of the it’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the JPA’s proportion was .010 percent, which was a .019 decrease from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the JPA recognized pension expense of $193,061. At June 30, 2024, the JPA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 77,126	$ 11,964
Changes of assumptions	91,151	-
Net differences between projected and actual earnings on investments	244,444	-
Changes in proportion and differences between JPA contributions and proportionate share of contributions	20,534	16,019
Change in Employer's proportion	-	74,767
Contributions made subsequent to measurement date	124,807	-
Total	$ 558,062	$ 102,750

$124,807 is reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the years ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 78,372
2026	58,167
2027	186,953
2028	7,013

There were no changes between the measurement date and the year ended June 30, 2024, which had a significant effect on the Authority's total net pension liability.

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

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality	Derived using CalPERS(1) membership data for all funds
Post retirement benefit increase	2.30%

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a December 2022 actuarial experience study. Further details of the Experience Study can be found on the CalPERS website.

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

Asset Class	Current Target Allocation	Real Return Years 1–10 (a), (b)
Global Equity - cap weighted	30.00%	4.54%
Global Equity ii - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021-22 Asset Liability Management study.

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

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

Sensitivity of the JPA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – For the year ended June 30, 2024, the following presents the JPA's proportionate share of the net pension liability calculated using the discount rate of 6.90, as well as what the JPA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
JPA's proportionate share of the net pension liability	$ 2,187,740	$ 1,509,759	$ 951,723

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

Note 11 – Joint Powers Agreement

The Authority participates in two joint powers agreements with CJPRMA and PRISM. The relationship between the Authority and the JPAs is such that the JPAs are not component units of the Authority for financial reporting purposes.

CJPRMA arranges for and provides excess liability coverage up to $40 million less the Authority's self-insured retention. PRISM arranges for and provides excess property coverage up to $600 million less the Authority's self-insured retention. PRISM also arranges for and provides excess workers' compensation coverage for losses up to statutory limits less the Authority's self-insured retention. The joint powers agreements are governed by boards of directors consisting of representatives of the member agencies. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. Each member agency pays a premium commensurate with the amount of coverage requested. As a member of the JPAs, the Authority is entitled to retrospective premium adjustments for those claim years where costs were less than expected. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage in the prior year.

Condensed financial information for the fiscal years ended June 30 (the most current information available) is as follows:

	CJPRMA June 30, 2023	PRISM June 30, 2024
Total assets	$ 58,401,422	$ 1,447,905,143
Deferred outflows of resources	786,775	4,372,357
Total liabilities	115,889,876	1,226,661,370
Deferred inflows of resources	1,381,136	4,005,637
Net (deficit) position	$ (58,082,815)	$ 221,610,493
Revenues	$ 54,525,764	$ 1,967,378,528
Expenses	79,602,748	2,075,317,896
Change in net position	$ (25,076,984)	$ (107,939,368)

Failure of CJPRMA and PRISM to fulfill their obligations could have a significant negative impact on the Authority.

Required Supplementary Information

Yolo County Public Agency Risk Management Insurance Authority
Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability
June 30, 2024

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total OPEB Liability							
Service Cost	$ 41,413	$ 38,796	$ 42,186	$ 24,730	$ 26,137	$ 21,955	$ 16,133
Interest Cost	23,658	27,105	27,388	16,405	16,010	11,541	17,725
Difference between expected and actual experience	-	-	(188,432)	-	(91,519)	-	22,355
Changes in benefit terms	-	-	-	-	-	-	-
Changes of assumptions	(49,975)	16,902	(157,940)	8,047	12,004	(93,253)	(10,952)
Benefits payments	(24,820)	(33,709)	(32,482)	(41,201)	(32,191)	(29,658)	(31,249)
Net changes in total OPEB liability	(9,724)	49,094	(309,280)	7,981	(69,559)	(89,415)	14,012
Total OPEB liability - beginning	853,760	844,036	893,130	583,850	591,831	522,272	432,857
Total OPEB liability - ending	$ 844,036	$ 893,130	$ 583,850	$ 591,831	$ 522,272	$ 432,857	$ 446,869
Plan fiduciary net position							
Employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ 96,056
Net investment income	-	-	-	-	-	-	1,325
Benefit payments	-	-	-	-	-	-	(31,249)
Net change in fiduciary net position	-	-	-	-	-	-	65,217
Fiduciary trust net position - beginning	-	-	-	-	-	-	-
Fiduciary trust net position - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ 65,217
Net OPEB liability	$ 844,036	$ 893,130	$ 583,850	$ 591,831	$ 522,272	$ 591,831	$ 381,652
Covered-employee payroll	$ 624,000	$ 613,000	$ 552,000	$ 636,000	$ 354,000	$ 534,000	$ 638,931
Total OPEB liability as a percentage of covered payroll	135.26%	145.70%	105.77%	93.06%	147.53%	81.06%	59.73%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior. All years prior to 2018 are not available.

Yolo County Public Agency Risk Management Insurance Authority
Schedule of Plan Contributions - OPEB
June 30, 2024

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Contractually required contribution	$ 33,709	$ 32,482	$ 41,201	$ 32,191	$ 29,179	$ 96,056	$ 96,056
Contributions in relation to the contractually required contribution	(33,709)	(32,482)	(41,201)	(32,191)	(29,179)	(96,056)	(96,056)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 624,000	$ 613,000	$ 552,000	$ 636,000	$ 354,000	$ 534,000	$ 638,931
Contributions as a percentage of covered payroll	5.40%	5.30%	7.46%	5.06%	8.24%	17.99%	15.03%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior. All years prior to 2018 are not available.

Yolo County Public Agency Risk Management Insurance Authority
Schedule of the Authority's Proportionate Share of the Net Pension Liability
June 30, 2024

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Authority's proportion of the net pension liability	0.010%	0.029%	0.030%	0.029%	0.029%	0.029%	0.030%	0.042%	0.031%	0.030%
Authority's proportionate share of the net pension liability	$ 631,635	$ 858,293	$ 1,028,615	$ 1,129,568	$ 1,101,214	$ 1,181,557	$ 1,264,911	$ 805,261	$ 1,443,115	$ 1,509,759
Authority's covered payroll	584,000	570,000	574,000	583,000	611,000	542,000	568,000	354,000	534,000	639,000
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	108.2%	150.58%	179.20%	193.75%	180.23%	217.99%	222.70%	227.47%	270.25%	236.3%
Plan fiduciary net position as a percentage of the total pension liability	81.2%	79.9%	75.9%	75.4%	77.7%	75.3%	76.0%	76.0%	76.0%	69.9%

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

Yolo County Public Agency Risk Management Insurance Authority
Schedule of the Authority's Contributions
June 30, 2024

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Contractually required contribution	$ 92,026	$ 51,023	$ 53,461	$ 52,990	$ 43,052	$ 40,893	$ 31,963	$ 12,247	$ 68,687	$ 100,100
Contributions in relation to the contractually required contribution	(92,026)	(51,023)	(53,461)	(52,990)	(43,052)	(40,893)	(31,963)	(12,247)	(68,687)	(100,100)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 570,000	$ 574,000	$ 583,000	$ 611,000	$ 542,000	$ 568,000	$ 354,000	$ 421,000	$ 534,000	$ 639,000
Contributions as a percentage of covered payroll	16.16%	8.88%	9.17%	8.67%	7.94%	7.20%	9.03%	2.91%	12.86%	15.67%

Note 1 – Purpose of Schedules

A - Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability

The schedule is presented to illustrate the elements of the Authority's Total OPEB liability. There is a requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available. The Authority has not accumulated assets in qualified trust for the purpose of paying the benefits related to the Authority's Total OPEB liability.

B - Schedule of the Authority's Proportionate Share of the Net Pension Liability

The Schedule of the Authority's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the Authority's Net Pension Liability.

C - Schedule of the Authority's Contributions

The Schedule of Authority's Contributions is presented to illustrate the Authority's required contributions relating to the pensions.

Note 2 – Changes in Benefit Terms and Assumptions

A - Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information. B - Changes of Assumptions

The discount rate for Public Employer's Retirement Fund C was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, and 6.90 percent in the June 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2021 actuarial reports, respectively. The discount rate for OPEB was 2.68, 3.13, 2.98, 2.79, 2.66, 2.18, and 4.09 percent as of the June 30, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial valuation reports, respectively.

Yolo County Public Agency Risk Management Insurance Authority
Reconciliation of Claims Liabilities by Type of Contract
June 30, 2024

The schedule below presents the changes in claims liabilities for the past year of the Programs:

	Workers' Compensation	Liability	Property	Total
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	$ 17,309,590	$ 7,682,072	$ 366,057	$ 25,357,719
Incurred claims and claim adjustment expenses:				
Provision for covered events of the current fiscal year	7,308,869	2,934,000	260,000	10,502,869
Changes in provision for covered events of prior fiscal years	1,503,194	3,305,689	(66,106)	4,742,777
Total incurred claims and claim adjustment expenses	8,812,063	6,239,689	193,894	15,245,646
Payments				
Claims and claim adjustment expenses attributable to covered events of the current fiscal year	989,806	243,727	-	1,233,533
Claims and claim adjustment expenses attributable to covered events of prior fiscal years	4,182,152	1,199,857	45,008	5,427,017
Total payments	5,171,958	1,443,584	45,008	6,660,550
Total unpaid claims and claim adjustment expenses at end of the fiscal year	$ 20,949,695	$ 12,478,177	$ 514,943	$ 33,942,815

	Workers' Compensation	Liability	Property	Total
Claims Reserves	$ 10,952,621	$ 7,320,987	$ 365,855	$ 18,639,463
Claims IBNR	8,923,346	4,346,952	124,567	13,394,865
Claims ULAE	1,073,728	810,238	24,521	1,908,487
Claims Liabilities	$ 20,949,695	$ 12,478,177	$ 514,943	$ 33,942,815

The tables that follow illustrate how the JPA's earned revenues (net of reinsurance) and investment income compared to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Authority as of the end of each of the previous ten years for the Liability and Workers' Compensation Programs. The rows of the tables are defined as follows:

1. Total of each fiscal year's gross earned premiums and reported investment revenue, amounts of premiums ceded, reported premiums (net of reinsurance), and reported investment revenue.

2. Total dividends/rebate credited, reported in year declared.

3. Total of each fiscal year's premium rebate received from reinsurance carriers (Liability Program only).

4. Each fiscal year's other operating costs of the Program including overhead and loss adjustment expenses not allocable to individual claims.

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

6. The cumulative net amounts paid as of the end of successive years for each policy year.

7. The latest re-estimated amount of losses assumed by reinsurers for each policy year.

8. Policy year's incurred net claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.

9. Compares the latest re-estimated net incurred claims amount to the amount originally established (line 5) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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

Yolo County Public Agency Risk Management Insurance Authority
Claims Development Information – Liability Program
As of June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Premiums and Investment Revenue										
Earned	$ 2,747,237	$ 2,732,636	$ 3,271,336	$ 3,521,624	$ 4,022,142	$ 4,688,196	$ 6,419,741	$ 8,144,612	$ 10,495,499	$ 12,870,389
Ceded	(1,118,678)	(1,209,678)	(1,444,881)	(1,662,543)	(1,633,495)	(2,150,213)	(2,976,709)	(3,819,327)	(5,695,305)	(10,817,154)
Net Earned	1,628,559	1,522,958	1,826,455	1,859,081	2,388,647	2,537,983	3,443,032	4,325,285	4,800,194	2,053,235
Members Dividends/Rebates - FY credited	-	-	-	-	-	-	502,000	-	-	-
Reinsurance Premium Rebate - FY paid	138,821	196,382	182,683	7,937	-	-	-	-	-	-
Unallocated Expenses	450,040	434,299	446,681	503,682	374,146	422,275	399,991	385,100	232,267	504,875
Estimated Losses and Expenses, end of policy year										
Incurred	1,400,620	1,363,399	1,605,217	1,747,696	1,697,857	2,237,074	1,986,492	2,197,896	1,152,124	2,934,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	1,400,620	1,363,399	1,605,217	1,747,696	1,697,857	2,237,074	1,986,492	2,197,896	1,152,124	2,934,000
Net Paid (cumulative) as of										
End of policy year	57,702	172,801	81,124	149,492	69,632	131,519	91,543	31,189	116,186	243,727
One year later	518,545	352,825	484,545	751,046	167,712	591,953	880,381	266,534	992,843	
Two years later	979,174	773,910	757,244	990,257	394,500	1,028,109	1,133,072	773,515		
Three years later	1,702,980	853,517	993,243	1,577,133	637,599	1,211,941	1,085,443			
Four years later	1,737,501	1,040,454	1,158,260	1,638,634	1,366,233	1,658,437				
Five years later	1,950,690	1,073,148	1,405,500	1,655,764	1,094,992					
Six years later	1,952,814	1,088,263	1,471,686	1,658,976						
Seven years later	1,962,207	1,087,503	1,486,298							
Eight years later	1,962,207	1,087,503								
Nine years later	1,962,254									
Re-estimated ceded Losses and Expenses	-	-	2,011,000	-	536,227	2,045,237	1,306,313	8,413,950	4,015,000	-
Re-estimated Net Incurred Losses and Expenses										
End of policy year	1,400,620	1,363,399	1,605,217	1,747,696	1,697,857	2,237,074	1,986,492	2,197,896	1,152,124	2,934,000
One year later	1,397,626	1,089,104	1,489,396	1,938,142	1,408,546	2,240,178	1,946,959	2,487,813	4,759,453	
Two years later	1,584,011	1,124,165	1,087,025	2,280,911	850,378	2,356,154	2,123,189	4,096,000		
Three years later	2,044,264	1,129,807	1,630,340	2,030,283	906,421	2,531,409	1,974,000			
Four years later	1,911,664	1,262,013	1,542,547	2,050,647	1,011,958	1,959,000				
Five years later	1,971,475	1,159,095	1,598,059	2,100,942	1,212,000					
Six years later	1,979,815	1,163,634	1,627,456	1,658,976						
Seven years later	1,982,148	1,172,441	1,608,566							
Eight years later	1,984,499	1,087,503								
Nine years later	1,962,254									
Increase (decrease) in estimated net incurred losses and expenses from end of policy year	$ 561,634	$ (275,896)	$ 3,349	$ (88,720)	$ 117,008	$ (278,074)	$ (12,492)	$ 1,898,104	$ 3,607,329	$ -

Yolo County Public Agency Risk Management Insurance Authority
Claims Development Information – Workers' Compensation Program
As of June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Premiums and Investment Revenue										
Earned	$ 5,027,054	$ 5,251,017	$ 5,767,568	$ 5,806,268	$ 6,103,926	$ 6,114,597	$ 7,132,242	$ 7,762,719	$ 8,520,635	$ 11,004,996
Ceded	(866,862)	(954,814)	(1,172,652)	(1,117,249)	(1,128,962)	(1,144,621)	(663,472)	(697,398)	(928,317)	(1,120,111)
Net Earned	4,160,192	4,296,203	4,594,916	4,689,019	4,974,964	4,969,976	6,468,770	7,065,321	7,592,318	9,884,885
Members Dividends/Rebates - fiscal year credited	-	300,000	618,500	650,000	-	-	-	-	-	-
Reinsurance Premium Rebate - fiscal year paid	-	-	-	-	-	-	-	-	-	-
Unallocated Expenses	1,234,927	1,240,113	1,330,537	1,282,613	682,266	770,031	729,395	702,300	397,559	1,778,819
Estimated Losses and Expenses, end of policy year										
Incurred	2,627,009	2,712,888	2,992,620	2,995,809	3,037,791	3,408,855	3,918,290	5,085,205	5,192,599	6,985,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	2,627,009	2,712,888	2,992,620	2,995,809	3,037,791	3,408,855	3,918,290	5,085,205	5,192,599	6,985,000
Net Paid (cumulative) as of										
End of policy year	241,641	405,147	409,129	318,651	507,025	554,324	725,655	719,525	1,131,980	989,806
One year later	813,210	1,308,258	1,001,098	767,427	1,449,417	1,907,358	2,480,544	2,773,260	2,869,729	
Two years later	1,053,256	2,148,510	1,516,176	1,075,210	2,226,365	2,930,266	3,974,279	3,901,417		
Three years later	1,284,359	2,576,315	1,796,116	1,102,498	3,367,136	3,387,862	4,495,756			
Four years later	1,496,093	2,749,662	2,047,458	1,156,290	3,921,060	3,651,761				
Five years later	1,723,831	3,436,753	2,490,053	1,244,964	4,107,301					
Six years later	1,772,032	3,704,245	2,548,485	1,247,877						
Seven years later	1,807,191	3,717,258	2,561,532							
Eight years later	1,803,332	3,722,746								
Nine years later	1,793,070									
Re-estimated ceded Losses and Expenses	-	-	-	-	-	-	-	-	-	
Re-estimated Net Incurred Losses and Expenses										
End of policy year	2,627,009	2,712,888	2,992,620	2,995,809	3,037,791	3,408,855	3,918,290	5,085,205	5,192,599	6,985,000
One year later	2,251,344	2,627,469	2,369,519	2,073,102	3,494,290	3,693,200	4,703,730	6,194,936	6,915,000	
Two years later	2,050,784	3,297,571	2,374,666	1,834,438	4,010,078	4,460,663	5,196,200	7,367,000		
Three years later	1,797,784	3,482,469	2,470,624	1,490,206	4,527,093	4,331,802	6,020,000			
Four years later	1,908,692	3,364,038	3,057,784	1,551,826	4,569,236	4,453,000				
Five years later	2,065,427	3,852,345	2,971,303	1,529,132	4,734,589					
Six years later	2,069,793	3,926,334	3,001,161	1,329,000						
Seven years later	1,960,298	3,911,961	2,954,000							
Eight years later	1,952,694	3,932,000								
Nine years later	1,934,000									
Increase (decrease) in estimated net incurred losses and expenses from end of policy year	$ (693,009)	$ 1,219,112	$ (38,620)	$ (1,666,809)	$ 1,696,798	$ 1,044,145	$ 2,101,710	$ 2,281,795	$ 1,722,401	$ -

Yolo County Public Agency Risk Management Insurance Authority
Claims Development Information – Property Program
As of June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Premiums and Investment Revenue										
Earned	-	-	-	-	-	-	-	-	-	$ 2,138,066
Ceded	-	-	-	-	-	-	-	-	-	(2,230,153)
Net Earned	-	-	-	-	-	-	-	-	-	(92,087)
Members Dividends/Rebates - FY credited	-	-	-	-	-	-	-	-	-	-
Reinsurance Premium Rebate - FY paid	-	-	-	-	-	-	-	-	-	-
Unallocated Expenses	-	-	-	-	-	-	-	-	-	63,848
Estimated Losses and Expenses, end of policy year										
Incurred	-	-	-	-	-	-	-	-	-	260,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	-	-	-	-	-	-	-	-	-	260,000
Net Paid (cumulative) as of:										
End of policy year	-	-	-	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-	-	55,173	
Two years later	-	-	-	-	-	-	-	24,405		
Three years later	-	-	-	-	-	-	91,478			
Four years later	-	-	-	-	-	27,540				
Five years later	-	-	-	-	96,785					
Six years later	-	-	-	86,598						
Seven years later	-	-	58,207							
Eight years later	-	30,692								
Nine years later	82,785									
Re-estimated ceded Losses and Expenses	-	-	-	-	-	-	-	-	-	-
Re-estimated Net Incurred Losses and Expenses										
End of policy year	-	-	-	-	-	-	-	-	-	260,000
One year later	-	-	-	-	-	-	-	-	224,000	
Two years later	-	-	-	-	-	-	-	86,000		
Three years later	-	-	-	-	-	-	91,478			
Four years later	-	-	-	-	-	27,540				
Five years later	-	-	-	-	96,785					
Six years later	-	-	-	86,598						
Seven years later	-	-	58,207							
Eight years later	-	30,692								
Nine years later	82,785									
Increase (decrease) in estimated net incurred losses and expenses from end of policy year	$ 82,785	$ 30,692	$ 58,207	$ 86,598	$ 96,785	$ 27,540	$ 91,478	$ 86,000	$ 224,000	$ -

*Prior policy year information was not available.

Supplementary Information

Yolo County Public Agency Risk Management Insurance Authority
Combining Statement of Net Position
As of June 30, 2024

	Workers Compensation	Liability	Property	Fidelity	Passthrough	Total
Assets						
Current assets						
Cash and cash equivalents	$ 9,376,525	$ 9,969,249	$ 885,175	$ 40,655	$ 59,518	$ 20,331,122
Receivables	318,923	837,895	34,330	2,954	18,454	1,212,556
Deposits	63,620	-	-	-	-	63,620
Investments, current	506,646	277,854	24,521	8,148	-	817,169
Prepaid expenses	-	58,408	-	-	-	58,408
Total current assets	10,265,714	11,143,406	944,026	51,757	77,972	22,482,875
Non-current assets						
Investments, non-current	8,779,247	4,814,684	424,895	141,192	-	14,160,018
Receivables, net of current portion	0	1,226,483	0	0	-	1,226,483
Capital assets, net	88,904	48,619	4,289	1,430	-	143,242
Total Non-current assets	8,868,151	6,089,786	429,184	142,622	-	15,529,743
Total assets	19,133,865	17,233,192	1,373,210	194,379	77,972	38,012,618
Deferred outflow of resources						
Deferred outflow on pensions	345,998	189,741	16,742	5,581	-	558,062
Deferred outflow on OPEB	73,540	40,328	3,559	1,186	-	118,613
Total Deferred outflow of resources	419,538	230,069	20,301	6,767	-	676,675
Liabilities						
Current liabilities						
Accounts payable	25,447	37,755	533,980	410	-	597,592
Payroll payable	91,737	50,308	4,438	1,478	-	147,961
CJPRMA assessment, current portion	-	613,241	-	-	-	
Current potion of unpaid claims and claim adjustment, net	5,503,000	3,700,000	400,000	-	-	9,603,000
Total Current liabilities	5,620,184	4,401,304	938,418	1,888	-	10,961,794
Non-Current liabilities						
CJPRMA Assessment	-	2,924,201	-	-	-	2,924,201
Net OPEB liability	236,624	129,761	11,450	3,817	-	381,652
Pension Liability	936,052	513,318	45,292	15,097	-	1,509,759
Unpaid claims and claim adjustment, net of current	15,446,695	8,778,177	114,943	-	-	24,339,815
Total Non-Current Liabilities	16,619,371	12,345,457	171,685	18,914	-	29,155,427
Total Liabilities	22,239,555	16,746,761	1,110,103	20,802	-	40,117,221
Deferred inflow of resources						
Deferred inflow on pensions	63,705	34,935	3,082	1,028	-	102,750
Deferred inflow on OPEB	97,556	53,499	4,720	1,573	-	157,348
Total Deferred inflow of resources	161,261	88,434	7,802	2,601	-	260,098
Net position	($2,847,413)	$628,066	$275,606	$177,743	$77,972	($1,688,026)

Yolo County Public Agency Risk Management Insurance Authority
Combining Statement of Revenues, Expenses, and Changes in Net Position
As of June 30, 2024

	Workers' Compensation	Liability	Property	Fidelity	Passthrough	Total
Operating income						
Contributions	$ 10,084,700	$ 14,204,897	$ 2,068,279	$ 36,404	$ -	$ 26,394,280
Other income	-	-	24,999	-	16,036	41,035
Total Operating Income	10,084,700	14,204,897	2,093,278	36,404	16,036	26,435,315
Operating expenses						
Program expenses						
Claims expense	8,812,063	6,239,689	193,894	-	-	15,245,646
Claims administration	338,388	-	-	-	-	338,388
Insurance expense	1,120,111	10,817,154	2,230,153	13,290	-	14,180,708
Fraud assessment	352,286	-	-	-	-	352,286
Loss control	273,408	12,570	-	-	-	285,978
Total Program expenses	10,896,256	17,069,413	2,424,047	13,290	-	30,403,006
General and administrative expenses						
Human resources	604,117	332,175	29,224	8,772	-	974,288
Supplies and services	30,950	17,013	1,500	500	(300)	49,663
Contractual services	128,117	73,213	9,596	2,092	-	213,018
Staff and board development	30,963	15,406	1,354	451	-	48,174
Capital expenses	5,352	2,936	260	85	-	8,633
Loss prevention	15,238	7,586	670	223	-	23,717
Other expenses	-	43,976	21,244	-	463	65,683
Total General and administrative expenses	814,737	492,305	63,848	12,123	163	1,383,176
Total Operating expenses	11,710,993	17,561,718	2,487,895	25,413	163	31,786,182
Operating income (loss)	(1,626,293)	(3,356,821)	(394,617)	10,991	15,873	(5,350,867)
Non-operating income						
Investment income	920,296	505,216	44,788	13,608	-	1,483,908
Total Non-operating income	920,296	505,216	44,788	13,608	-	1,483,908
Change in net position	(705,997)	(2,851,605)	(349,829)	24,599	15,873	(3,866,959)
Beginning net position	(2,141,416)	3,479,671	625,435	153,144	62,099	2,178,933
Ending net position	$ (2,847,413)	$ 628,066	$ 275,606	$ 177,743	$ 77,972	$ (1,688,026)

Report of Independent Auditors 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*

The Board of Directors
Yolo County Public Agency Risk Management Insurance Authority

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 the Yolo County Public Agency Risk Management Insurance Authority (the Authority), which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 11, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yolo County Public Agency Risk Management Insurance Authority'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 Yolo County Public Agency Risk Management Insurance Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Yolo County Public Agency Risk Management Insurance Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yolo County Public Agency Risk Management Insurance Authority'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2024-001.

Yolo County Public Agency Risk Management Insurance Authority 's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Yolo County Public Agency Risk Management Insurance Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Yolo County Public Agency Risk Management Insurance's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Moss Adams LLP

Sacramento, California
April 11, 2025

2024-001 SIGNIFICANT DEFICIENCIES – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria: Design and implementation of internal controls.

Condition: We consider the following deficiency in the Authority' internal controls to be a significant deficiency:

Financial close and reporting

Through discussions with management, we became aware of a post close entry required to recognize an assessment receivable and assessment revenue in the June 30, 2024 trial balance. While the entry was properly identified and adjusted, the entry was not identified until after the year end close process was complete and audit procedures over the final trial balance were completed. The Authority is responsible for reviewing the final trial balance for completeness and performing timely close process. The transaction which required adjustment was unusual in nature and not in the standard course of business, which contributed to this finding and increased risk of unidentified errors and processing.

Context: The deficiency listed above was identified by management.

Effect: Risk of misstatement of the financial statements.

Cause: Adequate internal control procedures have not been implemented and enforced.

Recommendation: To address this control deficiency and enhance the communication process between the accounting team and management, we recommend the following actions:

- Schedule regular meetings: Implement regular meetings (e.g., monthly or quarterly) between management and the outsourced accounting team to discuss financial performance, address any issues, and ensure timely communication of critical information.

Views of Responsible Officials and Planned Corrective Actions:

Financial Close and Reporting:

1) The Authority agrees with the finding. Management with the accounting team will ensure that any nonstandard transaction – and how it will be reported - will be discussed among the team members at the earliest possible date.

MOSSADAMS