



**SISC**

Self-Insured Schools  
of California

*Schools Helping Schools*

**PROPERTY AND LIABILITY  
BOARD OF DIRECTORS MEETING  
NOVEMBER 21, 2024  
10:30 A.M.**

**AGENDA**

**I. Consent Agenda**

- A. Approval of Minutes for October 2024 Board of Directors Meeting Dave Ostash
- B. Approval of Payment of Student Insurance Claims in the Amount of \$64,470.78 and Tackle Football Claims in the amount of \$430.00 for the Month of October 2024 Dave Ostash

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**II. Public Comment**

**III. Closed Session- Property and Liability Claims**

The board may be required to adjourn to closed session for discussion of matters regarding a claim for the payment of tort liability losses, public liability losses, or workers’ compensation liability, authorized by Government Code 54956.95.

| <b>District</b>   | <b>File Number</b> | <b>Claimant</b>         |
|---|--------------------|-------------------------|
| Merced County Office of Education<br>By Robert Kretzmer       | 2017024683         | M.T. (a minor)<br>L-SM  |
| Merced County Office of Education<br>By Robert Kretzmer       | 2017025182         | R.T. (a minor)<br>L-SM  |
| Panama Buena Vista Union School District<br>By Ryan Bourget   | 2024051408         | Property                |
| Panama Buena Vista Union School District<br>By Ryan Bourget   | 2025051762         | Property                |
| Panama Buena Vista Union School District<br>By Ryan Bourget   | 2024049784         | Isaac Contreras<br>L-BI |
| Antelope Valley Union High School District<br>By Ryan Bourget | 2023045569         | Frankie DeFabis<br>L-BI |
| Lone Pine Unified School District<br>By Hilda Hankins         | 2024049929         | Property                |
|   |                    |                         |
|   |                    |                         |
|   |                    |                         |

**IV. Reconvene To Open Session**

A. Reports from Closed Session, if Required

**V. Action Items**

- A. Report of Property and Liability Claims in the Amount of \$1,357,112.92 for the Month of October 2024 and Ratification of Payment of this Amount Robert Kretzmer

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

- B. Financial Report – Presentation of Financial Statements for the Month of October 2024 Will Be Submitted for Approval Kim Sloan

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

- C. Request Approval of the Property & Liability Independent Financial Audit Report for the Year Ended June 30, 2024 Megan Hanson

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**VI. Information and Discussion Items**

- A. SISC Defense Counsel Summit Robert Kretzmer

- B. CLM Article on Anchoring Robert Kretzmer

- C. Hall, Hieatt, Connely & Bowen Meeting Review Ty Taylor

- D. Comments from the Board of Directors Will Be Heard Dave Ostash

- E. Next Meeting: Dave Ostash  
Thursday, December 19, 2024  
10:30 a.m.  
SISC Board Room, 4<sup>th</sup> Floor – Larry E. Reider Education Center  
2000 K Street, Bakersfield, CA 93301

- F. Adjournment Dave Ostash

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

Any materials required by law to be made available to the public prior to a meeting of the Governing Board of the SISC II JPA can be inspected at the following address during normal business hours at:  
2000 K Street, Bakersfield, CA. 93301

For more information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation to participate in the public meeting, please contact Kristy Comstock at 661-636-4682 or [krcomstock@siscschools.org](mailto:krcomstock@siscschools.org)

\*The number of Board Members needed to form a quorum for this meeting is eight



## PROPERTY & LIABILITY TERMINOLOGY

1. **AMERICANS WITH DISABILITIES ACT (ADA)** - A federal act designed to set standards to remove the barriers to employment, transportation, public accommodations, public services, and telecommunications that exist for those members of our society who have physical disabilities. The act encompasses aspects of everyday life and generates wide ranging implications for almost every business or service.
2. **CIVIL RIGHTS VIOLATIONS** - The term applied to tort claims involving issues of sexual harassment; wrongful termination; employment, age, gender or race discrimination; ADA; employment harassment. If Plaintiff prevails, even partially, this type of case entitles plaintiff to also collect attorney fees.
3. **CLAIM TYPES** – The internal coding systems for claims includes:
 

|                            |                                     |                                    |
|----------------------------|-------------------------------------|------------------------------------|
| ABI – Auto Bodily Injury   | BM – Boiler/Machinery               | LPI – Liability Personal Injury    |
| ACL – Auto Collision       | CF – Crime/Fidelity                 | LPD–Liability Property Damage      |
| ACP – Auto Comprehension   | EP – Liability Employment Practices | P – Property                       |
| AGK – Auto Garage Keepers  | LBI – Liability Bodily Injury       | SE – Special Education             |
| APD – Auto Property Damage | LEO – Liability Errors & Omission   | SM – Liability – Sexual Misconduct |
4. **CLASS ACTION** – A lawsuit in which one person or a small group of people represent the interests of an entire class of people in litigation.
5. **COMPARATIVE NEGLIGENCE** - A more modern system of allocating damages between two or more persons than the method of contributory negligence. Under comparative negligence, the damages collectible in relation to another person are diminished in proportion to one's degree of negligence. In most instances, damages cannot be collected at all if the claimant's negligence were greater than that of the other party. Currently, in a few instances, the courts have awarded both parties damages as a percent of the total damages, depending on respective degrees of fault.
6. **CROSS COMPLAINT** – A claim asserted by a defendant against another party to the action. Also termed (in some jurisdictions) *cross petition*. A claim asserted by a defendant against a person not a party to the action for a matter relating to the subject of the action.
7. **DECLARATORY RELIEF ACTION** - Remedy for the determination of a judicial controversy where a plaintiff or defendant is in doubt as to their legal rights. No consequential relief is awarded.
8. **ERRORS AND OMISSIONS (E&O)** - A form of Professional Liability insurance which provides coverage for mistakes made in a profession not involved with the human body (lawyers, architects, engineers) or for mistakes made in a service business (insurance, real estate, and others). Also a form of coverage for financial institutions protecting against loss to lending institutions which fail to effect insurance coverage.
9. **HEARSAY** – Testimony by a witness based not on his or her own observations but on what someone else said, offered in evidence to prove the truth of what was said.
10. **HOLD HARMLESS AGREEMENT** - A contractual arrangement whereby one party assumes the liability inherent in a situation, thereby relieving the other party of responsibility. Such agreements are typically found in leases and easements and construction contract agreements. Agreement or contract in which one party agrees to hold the other without responsibility for damage or other liability arising out of the transaction involved.
11. **INCURRED LOSSES** – The amount equal to paid losses and losses for which the insurer is liable but has not yet paid.
12. **INJUNCTIVE RELIEF ACTION** - Legal action filed for prohibitive or equitable relief. An action filed to forbid an act or to restrain someone from continuing an act which is considered unjust or injurious.
13. **MORAL HAZARD** – A condition that may lead a person to intentionally cause or exaggerate a loss.
14. **MOTION FOR SUMMARY JUDGMENT** - Rule of civil procedure permitting either side in a civil suit to move for dismissal when it is believed that there is no genuine issue of material fact that would allow the other side to prevail as a matter of law. The "motion" may include all or part of a claim.
15. **MOTION IN LIMINE** – A pretrial request that certain inadmissible evidence not be referred to or offered at trial.
16. **PERSONAL INJURY** - Injury, other than bodily injury, results from oral or written communication.
17. **PUNITIVE DAMAGES (Exemplary)** - Damages awarded separately and in addition to compensatory damages, usually on account of malicious or wanton misconduct, to serve as a punishment for the wrongdoer and, possibly, as a deterrent to others. Sometimes referred to as "exemplary damages" when intended to "make an example" of the wrongdoer. By law, government entities are immune from punitive damages.
18. **RESERVATION OF RIGHTS LETTER** – An insurer's letter that specifies coverage issues and informs the insured that the insurer is handling a claim with the understanding that the insurer may later deny coverage should the facts warrant it.
19. **SUBROGATION** - In insurance, the substitution of one party (insurer) for another party (insured) to pursue any rights the insured may have against a third party liable for a loss paid by the insurer.
20. **TORT** - A legal wrong arising from a breach of duty fixed by law, except under contract, causing injury to persons or property and redressible by legal action for damages. Government entities are ruled by the Tort Claims Act.
21. **VENUE** – The locale in which the lawsuit may be brought.



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**PROPERTY AND LIABILITY  
BOARD OF DIRECTORS MEETING  
OCTOBER 17, 2024  
1:00 P.M.**

**MINUTES**

The Regular Meeting of the Board of Directors of SISC II Property and Liability Program was called to order by Director Ostash at 1:00 p.m. on Thursday, October 17, 2024 in the Georgie O'Connor Board Room – Lucia Mar Unified School District, 602 Orchard St., Arroyo Grande, CA 93420. The following individuals were in attendance:

**MEMBERS PRESENT:**

Dave Ostash  
Jennifer Hedge  
Ty Bryson  
Rhonda Phinney  
S. Aaron Resendez  
Sue Lemon  
Christine Cornejo  
Steve Torres  
Brad Pawlowski  
Robert Hughes

**ALTERNATES PRESENT:**

Christian Shannon  
Steve Martinez  
Jennifer Irvin  
Aaron Asplund

**OTHERS PRESENT:**

Kim Sloan  
Kristy Comstock  
Rich Edwards  
Fred Bayles  
Robert Kretzmer  
Ty Taylor  
Eric Covey  
Laurie Swan  
Robyn Valerio  
Jennifer Hews  
Brian Meyer  
Kelly Becker  
Stephen Peacock  
Jamie Oconnell  
Gabe Rodriguez  
Steve Cronin  
Diego Realpe  
Rich Cameron  
Ranee Findley

**Consent Agenda**

Motion was made by Director Bryson, seconded by Director Hughes and by roll call vote of 11-Yes, 0-No, and 0 Abstentions (11-0-0) to approve the Consent Agenda as follows:

**Minutes**

Approval of Minutes for September 2024 Board of Directors Meeting

**Student Insurance and Tackle Football Claims**

Approval of payment of Student Insurance Claims in the Amount of \$19,303.44 and Tackle Football Claims in the amount of \$1,056.09 for the month of September 2024.

**Public Comment**

None

**Closed Session – Property & Liability Claims**

The Board went into closed session at 1:01 p.m.

**Reconvene to Open Session**

The Board reconvened into open session at 1:29 p.m.

|   |
|---|
| <p>With respect to the claim filed by Antelope Valley Union High School District after discussion, motion was made by Director Cornejo, seconded by Director Phinney and by roll call vote of 11-0-0 the board approved the payment of \$348,695.55 for replacement of gym floor due to rainwater damage.</p>                                 |
| <p>With respect to the claim filed by Kern County Superintendent of Schools after discussion, motion was made by Director Torres, seconded by Director Resendez and by roll call vote of 11-0-0 the board approved the payment of \$59,343.55 for emergency work and demo needed to dry out building due to broken water pipe in ceiling.</p> |
| <p>With respect to the claim filed by Eva Mirmohamadi against Lake Elsinore Unified School District after discussion, motion was made by Director Hughes, seconded by Director Resendez and by roll call vote of 11-0-0 the board approved the payment of an undisclosed amount for settlement of this claim with Eva Mirmohamadi.</p>        |

**Action Items**

**Report of Property and Liability Claims – September 2024**

Robert Kretzmer presented the Report of Property and Liability Claims. There were 45 new claims, 47 claims were closed and no claims reopened in September, resulting in 563 pending claims. Robert reviewed the check register for September 2024, reporting on five checks that were in excess of \$50,000.00. After discussion, motion was made by Director Torres, seconded by Director Hughes and by roll call vote of 11-0-0, approving payment of Property and Liability Claims in the amount of \$1,447,455.79 for the month of September 2024.

**Financial Report**

Kim Sloan reviewed with the Board the Financial Report for the period ending September 30, 2024. Kim reported the LAIF rate for the month of September 2024 stayed the same as last month at 4.58%. After discussion, motion was made by Director Lemon, seconded by Director Bryson and by roll call vote of 11-0-0, approving the Financial Reports as submitted.

## **Information and Discussion Items**

### **SISC Property & Liability Website**

Robert Kretzmer informed the Board that on the website there is a new menu item “Articles & Documents of Interest”. This item will house current and up to date information for member districts. He encourages districts to take advantage of the information shared on the website.

### **CAJPA Litigation Basics – Part II**

Robert Kretzmer informed the Board of a webinar scheduled for November 12<sup>th</sup> discussing Litigation Basics. He encourages districts to attend.

### **Quarterly Report for September 2024**

Robert Kretzmer discussed the Quarterly Newsletter for September with the Board.

### **Comments from the Board**

None

### **Adjournment**

There being no further business to come before the Board, motion was made by Director Lemon, seconded by Director Pawlowski and by roll call vote of 11-0-0, adjourning the meeting at 1:46 p.m.

### **Next Meeting**

The next meeting of the Board of Directors will be held **Thursday, November 21<sup>st</sup> at 10:30 a.m.** in the SISC Board Room, 4<sup>th</sup> Floor – Larry E. Reider Education Center, 2000 K Street, Bakersfield, CA 93301.

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Robert Hughes, Secretary



**SISC**

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**SUMMARY OF ACTIVITY**  
**OCTOBER 2024**

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|                              | <b><u>STUDENT</u></b><br><b><u>INSURANCE</u></b> | <b><u>TACKLE</u></b><br><b><u>FOOTBALL</u></b> |
|------------------------------|--|--|
| Opened                       | 118  | 28   |
| Closed                       | 91   | 1  |
| Events                       | 28   | 0  |
| <br>                         |  |  |
| Total Open<br>& Event claims | 666  | 44   |
| <br>                         |  |  |
| Amount Paid                  | \$ 64,470.78                                     | \$ 430.00                                      |
| Credit                       | \$ (907.00)                                      | \$ -   |
| Net Paid Current Month       | \$ 63,563.78                                     | \$ 430.00                                      |
| <br>                         |  |  |
| Net Paid YTD                 | \$ 180,025.06                                    | \$ 1,485.27                                    |

**SISC - PROPERTY & LIABILITY  
CLAIM AND LOSS MANAGEMENT SUMMARY  
OCTOBER 2024**

|                               |                      |
|-------------------------------|----------------------|
| FILES REOPENED                | 0                    |
| FILES OPENED                  | 60                   |
| FILES CLOSED                  | 40                   |
| TOTAL PENDING CLAIMS          | 567                  |
| OPEN EVENT FILES              | 118                  |
| <br>                          |                      |
| PENDING INDEMNITY RESERVES    | \$46,314,704.88      |
| PENDING EXPENSE RESERVES      | \$11,963,056.84      |
|                               | <hr/>                |
| <i>TOTAL RESERVES</i>         | \$58,277,761.72      |
| <br>                          |                      |
| INDEMNITY PAID, CURRENT MONTH | \$706,418.13         |
| EXPENSES PAID, CURRENT MONTH  | \$650,694.80         |
|                               | <hr/>                |
| <i>SUB-TOTAL</i>              | \$1,357,112.93       |
| <br>                          |                      |
| PRIOR MONTH VOIDS (CREDITS)   | (\$27,381.50)        |
| RECOVERY                      | (\$249,046.83)       |
| REFUNDS                       | \$0.00               |
|                               | <hr/>                |
| <i>NET PAID CURRENT MONTH</i> | \$1,080,684.60       |
| <br>                          |                      |
| INDEMNITY PAID YEAR-TO-DATE   | \$3,916,189.71       |
| EXPENSES PAID YEAR-TO-DATE    | \$2,470,532.17       |
|                               | <hr/>                |
| <i>SUB-TOTAL</i>              | \$6,386,721.88       |
| <br>                          |                      |
| CREDITS YEAR-TO-DATE          | (\$99,106.07)        |
| RECOVERY YEAR-TO-DATE         | (\$601,398.42)       |
| REFUNDS YEAR-TO-DATE          | (\$63,109.56)        |
|                               | <hr/>                |
| <i>SUB-TOTAL</i>              | (\$763,614.05)       |
| <br>                          |                      |
| <i>NET PAID YEAR-TO-DATE</i>  | <hr/> \$5,623,107.83 |

**Check Register - Property & Liability**

| Check Number | Check Date | Payee                    | Claim Number | Claim Type | Payment Type   | Insured             | Check Amount |
|--------------|------------|--------------------------|--------------|------------|----------------|---------------------|--------------|
| 605987       | 10/01/2024 | DAVID AND LAURA GALVEZ   | 2024049996   | SI         | Medical        | Paso Robles Joint   | 170.68       |
| 605988       | 10/01/2024 | BAKERSFIELD MEMORIAL     | 2025052222   | SI         | Medical        | Bakersfield City    | 2,500.00     |
| 605989       | 10/01/2024 | LOMA LINDA UNIV MED CTR  | 2025051903   | SI         | Medical        | Lake Elsinore       | 450.00       |
| 605990       | 10/01/2024 | TYSON & MENDES LLP       | 2021040073   | LSM        | Attorney Fees  | Santa Barbara       | 3,066.35     |
| 605991       | 10/01/2024 | ADR SERVICES, INC.       | 2021040073   | LSM        | Legal-Other    | Santa Barbara       | 4,500.00     |
| 605992       | 10/01/2024 | MCCORMICK, BARSTOW,      | 2025051734   | ADM        | Attorney Fees  | Kern County Supt    | 10,699.50    |
| 605993       | 10/01/2024 | HALL, HIEATT, CONNELLY & | 2022043429   | LSM        | Attorney Fees  | Lucia Mar Unified   | 6,405.05     |
| 605994       | 10/01/2024 | MC LAW GROUP, APC        | 2022042051   | LBI        | Attorney Fees  | Santa Barbara       | 1,809.35     |
| 605995       | 10/01/2024 | MC LAW GROUP, APC        | 2022042672   | LBI        | Attorney Fees  | Santa Maria Joint   | 2,458.15     |
| 605996       | 10/01/2024 | MC LAW GROUP, APC        | 2022043499   | LEP        | Attorney Fees  | Carpinteria Unified | 14,142.90    |
| 605997       | 10/01/2024 | MC LAW GROUP, APC        | 2023046326   | LEP        | Attorney Fees  | Santa Ynez Valley   | 1,305.00     |
| 605998       | 10/01/2024 | MC LAW GROUP, APC        | 2023045353   | LEP        | Attorney Fees  | Santa Barbara       | 3,960.00     |
| 605999       | 10/01/2024 | MC LAW GROUP, APC        | 2023046181   | LSM        | Attorney Fees  | San Luis Coastal    | 1,551.00     |
| 606000       | 10/01/2024 | MC LAW GROUP, APC        | 2023044023   | LBI        | Attorney Fees  | Santa Barbara       | 8,378.50     |
| 606001       | 10/01/2024 | MC LAW GROUP, APC        | 2023045219   | LEP        | Attorney Fees  | Santa Maria Joint   | 1,798.00     |
| 606002       | 10/01/2024 | MC LAW GROUP, APC        | 2023043760   | LBI        | Attorney Fees  | Santa Barbara       | 1,433.50     |
| 606003       | 10/01/2024 | MC LAW GROUP, APC        | 2019034991   | LBI        | Attorney Fees  | Santa Barbara       | 2,809.00     |
| 606004       | 10/01/2024 | MC LAW GROUP, APC        | 2023046799   | LPI        | Attorney Fees  | Merced Union High   | 141.00       |
| 606005       | 10/01/2024 | MC LAW GROUP, APC        | 2023046799   | LPI        | Attorney Fees  | Merced Union High   | 2,115.00     |
| 606006       | 10/01/2024 | MC LAW GROUP, APC        | 2023046799   | LPI        | Attorney Fees  | Merced Union High   | 282.00       |
| 606007       | 10/01/2024 | MARIA ROSELIA LEMUS      | 2023044023   | LBI        | In Full        | Santa Barbara       | 20,000.00    |
| 606008       | 10/01/2024 | CALIBER COLLISION        | 2025052265   | APD        | Property       | Pond Union School   | 7,710.37     |
| 606009       | 10/01/2024 | LYNDA PLESCIA            | 2025052274   | LBI        | Bodily Injury  | Paso Robles Joint   | 9,000.00     |
| 606010       | 10/01/2024 | ALACRITY PARENT LLC,     | 2024050664   | APD        | Adjusting      | McKittrick School   | 296.16       |
| 606011       | 10/01/2024 | ALACRITY PARENT LLC,     | 2024051329   | ACL        | Adjusting      | Meadows Union       | 1,164.00     |
| 606012       | 10/01/2024 | ENTERPRISE RENT-A-CAR    | 2025052265   | APD        | Rental Vehicle | Pond Union School   | 875.99       |
| 606013       | 10/01/2024 | ENTERPRISE RENT-A-CAR    | 2025052296   | LPD        | Rental Vehicle | Fairfax School      | 689.14       |
| 606014       | 10/01/2024 | HALL, HIEATT, CONNELLY & | 2024051350   | LEP        | Attorney Fees  | Lucia Mar Unified   | 292.50       |
| 606015       | 10/02/2024 | UCLA IPN SCOI            | 2025052123   | SI         | Medical        | Kern Community      | 519.62       |

**Check Register - Property & Liability**

| Check Number | Check Date | Payee                    | Claim Number | Claim Type | Payment Type  | Insured             | Check Amount |
|--------------|------------|--------------------------|--------------|------------|---------------|---------------------|--------------|
| 606016       | 10/02/2024 | SISC II                  | 2025052123   | SI         | Interplan Fee | Kern Community      | 198.06       |
| 606017       | 10/02/2024 | SISC II                  | 2025052123   | SI         | Interplan Fee | Kern Community      | 19.31        |
| 606018       | 10/02/2024 | WEST SIDE URGENT CARE    | 2025052342   | SI         | Medical       | Taft City School    | 205.76       |
| 606019       | 10/02/2024 | SHAFTER URGENT CARE      | 2025052350   | SI         | Medical       | Wasco Union         | 105.00       |
| 606020       | 10/02/2024 | ADVENTIST HEALTH DELANO  | 2024051415   | SI         | Medical       | Delano Jt Union     | 873.90       |
| 606021       | 10/02/2024 | ADVENTIST HEALTH DELANO  | 2024051415   | SI         | Medical       | Delano Jt Union     | 20.70        |
| 606022       | 10/02/2024 | WEST SIDE URGENT CARE    | 2025052529   | TF         | Medical       | Taft Union High     | 45.00        |
| 606023       | 10/04/2024 | MC LAW GROUP, APC        | 2023047441   | LEP        | Attorney Fees | Orcutt Union        | 775.00       |
| 606024       | 10/04/2024 | MC LAW GROUP, APC        | 2022043499   | LEP        | Attorney Fees | Carpinteria Unified | 3,079.00     |
| 606025       | 10/04/2024 | MC LAW GROUP, APC        | 2024050415   | LBI        | Attorney Fees | Santa Barbara       | 1,010.50     |
| 606026       | 10/04/2024 | MC LAW GROUP, APC        | 2025052119   | LSM        | Attorney Fees | Santa Barbara       | 1,057.50     |
| 606027       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024048998   | LBI        | Attorney Fees | Tuolumne Cnty       | 505.50       |
| 606028       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024048766   | LPI        | Attorney Fees | Maricopa Unified    | 266.00       |
| 606029       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022041736   | LBI        | Attorney Fees | Mammoth Unified     | 9,290.00     |
| 606030       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022042091   | LPI        | Attorney Fees | Amador County       | 9,465.00     |
| 606031       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2025051734   | ADM        | Attorney Fees | Kern County Supt    | 275.00       |
| 606032       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2022040627   | LSM        | Attorney Fees | San Luis Coastal    | 1,665.00     |
| 606033       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2022043429   | LSM        | Attorney Fees | Lucia Mar Unified   | 4,505.35     |
| 606034       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2024051130   | LPI        | Attorney Fees | Los Olivos School   | 7,010.40     |
| 606035       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2024050955   | LBI        | Attorney Fees | Lucia Mar Unified   | 1,525.95     |
| 606036       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2025052120   | LPI        | Attorney Fees | Lucia Mar Unified   | 405.00       |
| 606037       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2024051277   | LEP        | Attorney Fees | Paso Robles Joint   | 3,034.50     |
| 606038       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2024051291   | LSM        | Attorney Fees | Santa Barbara       | 90.00        |
| 606039       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2022043499   | LEP        | Attorney Fees | Carpinteria Unified | 91.15        |
| 606040       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2024049789   | LBI        | Attorney Fees | Delano Jt Union     | 1,139.50     |
| 606041       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2022042923   | LBI        | Attorney Fees | Caruthers Unified   | 86.00        |
| 606042       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2022042672   | LBI        | Attorney Fees | Santa Maria Joint   | 21.50        |
| 606043       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2023047242   | LBI        | Attorney Fees | Antelope Valley     | 2,527.04     |
| 606044       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2025051751   | LEP        | Attorney Fees | Mojave Unified      | 2,214.50     |
| 606045       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2023046256   | LSM        | Attorney Fees | Kern High School    | 473.00       |
| 606046       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2024047711   | LBI        | Attorney Fees | Delano Jt Union     | 1,763.00     |



**Check Register - Property & Liability**

| Check Number | Check Date | Payee                    | Claim Number | Claim Type | Payment Type  | Insured           | Check Amount |
|--------------|------------|--------------------------|--------------|------------|---------------|-------------------|--------------|
| 606047       | 10/04/2024 | ZIMMER AND MELTON, LLP   | 2024050981   | LEP        | Attorney Fees | Madera County     | 258.00       |
| 606048       | 10/04/2024 | MC LAW GROUP, APC        | 2023045219   | LEP        | Attorney Fees | Santa Maria Joint | 1,574.50     |
| 606049       | 10/04/2024 | MC LAW GROUP, APC        | 2023044023   | LBI        | Attorney Fees | Santa Barbara     | 2,209.00     |
| 606050       | 10/04/2024 | MC LAW GROUP, APC        | 2022043429   | LSM        | Attorney Fees | Lucia Mar Unified | 4,982.00     |
| 606051       | 10/04/2024 | MC LAW GROUP, APC        | 2023046181   | LSM        | Attorney Fees | San Luis Coastal  | 2,538.00     |
| 606052       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2023043948   | ABI        | Attorney Fees | Paso Robles Joint | 270.00       |
| 606053       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2023046181   | LSM        | Attorney Fees | San Luis Coastal  | 1,537.50     |
| 606054       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2023047327   | LSM        | Attorney Fees | Lucia Mar Unified | 1,673.00     |
| 606055       | 10/04/2024 | HALL, HIEATT, CONNELLY & | 2024049119   | LBI        | Attorney Fees | Blochman Union    | 940.00       |
| 606056       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2021039753   | LSM        | Attorney Fees | Bakersfield City  | 12,029.88    |
| 606057       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022041926   | LSM        | Attorney Fees | Norris School     | 5,094.10     |
| 606058       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2023043663   | LSM        | Attorney Fees | Greenfield Union  | 12,966.75    |
| 606059       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2023043915   | LSM        | Attorney Fees | Tehachapi Unified | 217.45       |
| 606060       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022043462   | LBI        | Attorney Fees | Greenfield Union  | 47.00        |
| 606061       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2023045590   | LSM        | Attorney Fees | Southern Kern     | 2,112.00     |
| 606062       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2023046256   | LSM        | Attorney Fees | Kern High School  | 1,741.50     |
| 606063       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024047833   | LSM        | Attorney Fees | Southern Kern     | 1,170.20     |
| 606064       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022041753   | ABI        | Attorney Fees | Eastern Sierra    | 135.00       |
| 606065       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2023045988   | LBI        | Attorney Fees | Tehachapi Unified | 3,600.00     |
| 606066       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024049790   | LSM        | Attorney Fees | Bakersfield City  | 403.00       |
| 606067       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024050157   | LEP        | Attorney Fees | Amador County     | 4,164.00     |
| 606068       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024050276   | LSM        | Attorney Fees | Tehachapi Unified | 57.95        |
| 606069       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024051651   | LSM        | Attorney Fees | Kern High School  | 7,368.00     |
| 606070       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022043321   | LSM        | Attorney Fees | Mojave Unified    | 305.44       |
| 606071       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2022043606   | LBI        | Attorney Fees | Delhi Unified     | 190.60       |
| 606072       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024048665   | LBI        | Attorney Fees | Merced County     | 7,173.50     |
| 606073       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024049174   | LBI        | Attorney Fees | Pioneer Union     | 258.50       |
| 606074       | 10/04/2024 | DEMARIA LAW FIRM, APC    | 2024050021   | LSM        | Attorney Fees | Merced Union High | 784.45       |
| 606075       | 10/04/2024 | U.S. LEGAL SUPPORT       | 2023043969   | ABI        | Legal-Other   | Lake Elsinore     | 1,453.60     |
| 606076       | 10/04/2024 | ARROWHEAD EVALUATION     | 2022042967   | LBI        | Legal-Other   | Lake Elsinore     | 1,350.00     |
| 606077       | 10/04/2024 | MCLARENS, LLC            | 2024050853   | P          | Adjusting     | Santa Barbara     | 6,938.50     |

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| Check Number | Check Date | Payee                            | Claim Number | Claim Type | Payment Type   | Insured           | Check Amount |
|--------------|------------|----------------------------------|--------------|------------|----------------|-------------------|--------------|
| 606078       | 10/04/2024 | SANDERSON FIRM, PLLC             | 2024050813   | LBI        | Adjusting      | Paso Robles Joint | 575.00       |
| 606079       | 10/04/2024 | OLVERA COURT REPORTING           | 2022042967   | LBI        | Legal-Other    | Lake Elsinore     | 1,448.00     |
| 606080       | 10/04/2024 | Merced Union High School         | 2025052558   | P          | Fire Loss      | Merced Union High | 16,895.05    |
| 606081       | 10/04/2024 | Merced Union High School         | 2025052052   | ACL        | Collision Loss | Merced Union High | 583.14       |
| 606082       | 10/04/2024 | ALACRITY PARENT LLC,             | 2025052295   | ACL        | Adjusting      | Caruthers Unified | 249.69       |
| 606083       | 10/04/2024 | MARGARITA MARES                  | 2025052297   | LPD        | Property       | Fairfax School    | 5,770.57     |
| 606084       | 10/04/2024 | Santa Maria Joint Union High     | 2025052548   | ACL        | Collision Loss | Santa Maria Joint | 3,017.62     |
| 606085       | 10/04/2024 | DEMARIA LAW FIRM, APC            | 2024047705   | LBI        | Attorney Fees  | Merced County     | 860.00       |
| 606086       | 10/04/2024 | OLVERA COURT REPORTING           | 2022043321   | LSM        | Legal-Other    | Mojave Unified    | 1,857.00     |
| 606087       | 10/04/2024 | DEMARIA LAW FIRM, APC            | 2024050154   | LSM        | Attorney Fees  | Panama-Buena      | 1,342.00     |
| 606088       | 10/10/2024 | SOUTH COAST EMERGENCY            | 2025052716   | SI         | Medical        | Santa Barbara     | 347.89       |
| 606089       | 10/10/2024 | SANTA BARBARA COTTAGE            | 2025052716   | SI         | Medical        | Santa Barbara     | 1,053.70     |
| 606090       | 10/10/2024 | UCLA IPN SCOI                    | 2024051141   | SI         | Medical        | Kern Community    | 154.82       |
| 606091       | 10/10/2024 | ACCELERATED URGENT CARE          | 2025052423   | SI         | Medical        | Panama-Buena      | 200.41       |
| 606092       | 10/10/2024 | SHEALEIGH FAWCETT                | 2023044645   | SI         | Medical        | Santa Barbara     | 14.12        |
| 606093       | 10/10/2024 | RIGGS AMBULANCE SERVICE,         | 2025052161   | SI         | Medical        | Merced Union High | 2,500.00     |
| 606094       | 10/10/2024 | MICHELLE CONOVER, PH.D.          | 2023044768   | LSM        | Legal-Other    | Antelope Valley   | 3,000.00     |
| 606095       | 10/10/2024 | OLVERA COURT REPORTING           | 2022042967   | LBI        | Legal-Other    | Lake Elsinore     | 1,284.00     |
| 606096       | 10/10/2024 | AMS LEGAL SUPPORT                | 2023045569   | LBI        | Legal-Other    | Antelope Valley   | 383.86       |
| 606097       | 10/10/2024 | UNISOURCE DISCOVERY              | 2022042967   | LBI        | Legal-Other    | Lake Elsinore     | 240.39       |
| 606098       | 10/10/2024 | Greenfield Union School District | 2024049821   | CYB        | Cyber          | Greenfield Union  | 1,814.00     |
| 606099       | 10/10/2024 | DAPRA CONSTRUCTION               | 2025052077   | P          | Adjusting      | Weaver Union      | 1,085.00     |
| 606100       | 10/10/2024 | SAM POON                         | 2025051985   | LPD        | Property       | Antelope Valley   | 2,500.00     |
| 606101       | 10/10/2024 | ROBINSON & KELLAR                | 2022042967   | LBI        | Attorney Fees  | Lake Elsinore     | 6,321.90     |
| 606102       | 10/10/2024 | ROBINSON & KELLAR                | 2023045569   | LBI        | Attorney Fees  | Antelope Valley   | 5,020.90     |
| 606103       | 10/10/2024 | ROBINSON & KELLAR                | 2021039203   | LPI        | Attorney Fees  | Lake Elsinore     | 104.10       |
| 606104       | 10/10/2024 | ROBINSON & KELLAR                | 2023045038   | LBI        | Attorney Fees  | Lake Elsinore     | 3,411.10     |
| 606105       | 10/10/2024 | ROBINSON & KELLAR                | 2021039114   | LBI        | Attorney Fees  | Lake Elsinore     | 157.20       |
| 606106       | 10/10/2024 | ROBINSON & KELLAR                | 2023044642   | ABI        | Attorney Fees  | Upland USD (GL)   | 186.20       |
| 606107       | 10/10/2024 | HERR PEDERSEN &                  | 2024048665   | LBI        | Attorney Fees  | Merced County     | 316.50       |
| 606108       | 10/10/2024 | HERR PEDERSEN &                  | 2017027208   | ABI        | Attorney Fees  | Delano Union      | 1,622.00     |

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|--------------|------------|----------------------------|--------------|------------|---------------|--------------------|--------------|
| 606109       | 10/10/2024 | HERR PEDERSEN &            | 2018031218   | LBI        | Attorney Fees | Merced County      | 222.50       |
| 606110       | 10/10/2024 | HERR PEDERSEN &            | 2024048228   | ABI        | Attorney Fees | Kern County Supt   | 1,213.57     |
| 606111       | 10/10/2024 | HERR PEDERSEN &            | 2024048981   | LBI        | Attorney Fees | Bakersfield City   | 1,906.28     |
| 606112       | 10/10/2024 | ZIMMER AND MELTON, LLP     | 2024047710   | LBI        | Attorney Fees | Panama-Buena       | 523.60       |
| 606113       | 10/10/2024 | ZIMMER AND MELTON, LLP     | 2023043854   | ABI        | Attorney Fees | Delano Union       | 257.01       |
| 606114       | 10/10/2024 | ZIMMER AND MELTON, LLP     | 2023043661   | LBI        | Attorney Fees | Bakersfield City   | 697.19       |
| 606115       | 10/10/2024 | ZIMMER AND MELTON, LLP     | 2024049787   | LBI        | Attorney Fees | Fruitvale School   | 688.00       |
| 606116       | 10/10/2024 | ZIMMER AND MELTON, LLP     | 2024049461   | LPI        | Attorney Fees | Wilsona School     | 1,376.00     |
| 606117       | 10/10/2024 | TYSON & MENDES LLP         | 2023045990   | LEP        | Attorney Fees | Palmdale           | 452.00       |
| 606118       | 10/10/2024 | TYSON & MENDES LLP         | 2023045096   | LSM        | Attorney Fees | Fruitvale School   | 2,337.00     |
| 606119       | 10/10/2024 | DEMARIA LAW FIRM, APC      | 2024047705   | LBI        | Attorney Fees | Merced County      | 300.00       |
| 606120       | 10/10/2024 | DEMARIA LAW FIRM, APC      | 2023044138   | LEP        | Attorney Fees | Amador County      | 213.00       |
| 606121       | 10/10/2024 | DEMARIA LAW FIRM, APC      | 2023044468   | ABI        | Attorney Fees | Merced County      | 2,093.45     |
| 606122       | 10/10/2024 | CARPENTER, ROTHANS &       | 2020038667   | LBI        | Attorney Fees | Palmdale           | 4,791.09     |
| 606123       | 10/10/2024 | CARPENTER, ROTHANS &       | 2022043595   | LBI        | Attorney Fees | Palmdale           | 2,328.00     |
| 606124       | 10/10/2024 | CARPENTER, ROTHANS &       | 2019035044   | LBI        | Attorney Fees | Antelope Valley    | 160.00       |
| 606125       | 10/10/2024 | MC LAW GROUP, APC          | 2023043760   | LBI        | Attorney Fees | Santa Barbara      | 4,025.26     |
| 606126       | 10/10/2024 | MC LAW GROUP, APC          | 2019034991   | LBI        | Attorney Fees | Santa Barbara      | 1,245.50     |
| 606127       | 10/10/2024 | HERR PEDERSEN &            | 2023046609   | ABI        | Attorney Fees | Chowchilla         | 938.47       |
| 606128       | 10/11/2024 | BAKERSFIELD MEMORIAL       | 2025052111   | SI         | Medical       | Rio Bravo-Greeley  | 2,399.00     |
| 606129       | 10/11/2024 | BAKERSFIELD MEMORIAL       | 2025052111   | SI         | Medical       | Rio Bravo-Greeley  | 101.00       |
| 606130       | 10/11/2024 | KERN MEDICAL CENTER        | 2025052430   | SI         | Medical       | Bakersfield City   | 1,355.68     |
| 606131       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052590   | SI         | Medical       | Fruitvale School   | 257.94       |
| 606132       | 10/11/2024 | CA EMERG PHYSICIANS        | 2024051180   | SI         | Medical       | Santa Maria-Bonita | 333.82       |
| 606133       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052593   | SI         | Medical       | Greenfield Union   | 15.00        |
| 606134       | 10/11/2024 | CENTRAL COAST              | 2025052031   | TF         | Medical       | Lucia Mar Unified  | 15.00        |
| 606135       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052594   | SI         | Medical       | Richland School    | 208.50       |
| 606136       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052597   | SI         | Medical       | Rosedale Union     | 30.00        |
| 606137       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052599   | SI         | Medical       | Lamont School      | 138.75       |
| 606138       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052602   | SI         | Medical       | Panama-Buena       | 824.25       |
| 606139       | 10/11/2024 | SORENSEN, VERNON C., M.D., | 2025052524   | SI         | Medical       | Lamont School      | 587.81       |

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|--------------|------------|----------------------------|--------------|------------|---------------|-------------------|--------------|
| 606140       | 10/11/2024 | UCLA IPN SCOI              | 2025052569   | SI         | Medical       | Kern Community    | 408.27       |
| 606141       | 10/11/2024 | SISC II                    | 2025052569   | SI         | Interplan Fee | Kern Community    | 157.73       |
| 606142       | 10/11/2024 | CLINICA SIERRA VISTA       | 2025051928   | SI         | Medical       | Greenfield Union  | 68.00        |
| 606143       | 10/11/2024 | CLINICA SIERRA VISTA       | 2025051928   | SI         | Medical       | Greenfield Union  | 66.00        |
| 606144       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025051928   | SI         | Medical       | Greenfield Union  | 766.50       |
| 606145       | 10/11/2024 | NORTHERN INYO              | 2025052566   | SI         | Medical       | Bishop Unified    | 811.21       |
| 606146       | 10/11/2024 | NORTHERN INYO              | 2025052566   | SI         | Medical       | Bishop Unified    | 7.27         |
| 606147       | 10/11/2024 | NORTHERN INYO              | 2025052566   | SI         | Medical       | Bishop Unified    | 1.01         |
| 606148       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052605   | SI         | Medical       | Fruitvale School  | 405.75       |
| 606149       | 10/11/2024 | CLINICA SIERRA VISTA       | 2025052081   | SI         | Medical       | Bakersfield City  | 66.00        |
| 606150       | 10/11/2024 | DENA VERTREES              | 2024050053   | SI         | Medical       | Paso Robles Joint | 45.00        |
| 606151       | 10/11/2024 | ACCELERATED URGENT CARE    | 2025052609   | SI         | Medical       | Greenfield Union  | 101.25       |
| 606152       | 10/15/2024 | HALL AMBULANCE SERVICE     | 2025052183   | SI         | Medical       | McFarland Unified | 100.00       |
| 606153       | 10/15/2024 | WEST SIDE URGENT CARE      | 2025052730   | TF         | Medical       | Taft Union High   | 121.21       |
| 606154       | 10/15/2024 | ADVENTIST HEALTH DELANO    | 2025052365   | SI         | Medical       | McFarland Unified | 687.00       |
| 606155       | 10/15/2024 | ACCELERATED URGENT CARE    | 2025052366   | SI         | Medical       | Fruitvale School  | 707.00       |
| 606156       | 10/15/2024 | ADVENTIST HEALTH           | 2025052106   | SI         | Medical       | Tehachapi Unified | 394.60       |
| 606157       | 10/15/2024 | ADVENTIST HEALTH           | 2025052106   | SI         | Medical       | Tehachapi Unified | 2.92         |
| 606158       | 10/15/2024 | SHAFTER URGENT CARE        | 2025052575   | SI         | Medical       | Wasco Union       | 221.00       |
| 606159       | 10/15/2024 | KERN RADIOLOGY MEDICAL     | 2023047474   | SI         | Medical       | Fruitvale School  | 369.36       |
| 606160       | 10/15/2024 | UCLA IPN SCOI              | 2025052228   | SI         | Medical       | Kern Community    | 1,325.00     |
| 606161       | 10/15/2024 | UCLA IPN SCOI              | 2025052228   | SI         | Medical       | Kern Community    | 858.00       |
| 606162       | 10/15/2024 | ADVENTIST HEALTH           | 2024051228   | SI         | Medical       | Mojave Unified    | 26.00        |
| 606163       | 10/15/2024 | ADVENTIST HEALTH           | 2024051228   | SI         | Medical       | Mojave Unified    | 2,474.00     |
| 606164       | 10/15/2024 | TEMECULA VALLEY            | 2025051903   | SI         | Medical       | Lake Elsinore     | 87.30        |
| 606165       | 10/15/2024 | SHAFTER URGENT CARE        | 2025052701   | SI         | Medical       | Richland School   | 221.00       |
| 606166       | 10/15/2024 | UCLA IPN SCOI              | 2024048484   | SI         | Medical       | Kern Community    | 20.00        |
| 606167       | 10/15/2024 | SHAFTER URGENT CARE        | 2025052708   | SI         | Medical       | Wasco Union       | 225.00       |
| 606168       | 10/15/2024 | CLINICA SIERRA VISTA       | 2025052629   | SI         | Medical       | Bakersfield City  | 136.00       |
| 606169       | 10/15/2024 | Antelope Valley Union High | 2024050255   | P          | V & MM Loss   | Antelope Valley   | 1,759.42     |
| 606170       | 10/15/2024 | UNISOURCE DISCOVERY        | 2023044642   | ABI        | Legal-Other   | Upland USD (GL)   | 293.07       |

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|--------------|------------|--------------------------|--------------|------------|---------------|---------------------|--------------|
| 606171       | 10/15/2024 | ANDERSON GROUP           | 2024051408   | P          | Water Loss    | Panama-Buena        | 6,437.56     |
| 606172       | 10/15/2024 | FIRST LEGAL BUYER INC.   | 2023045998   | LBI        | Legal-Other   | Antelope Valley     | 37.95        |
| 606173       | 10/15/2024 | VERITEXT CORP            | 2024047711   | LBI        | Legal-Other   | Delano Jt Union     | 909.75       |
| 606174       | 10/15/2024 | DEPOVISION               | 2022043321   | LSM        | Legal-Other   | Mojave Unified      | 976.61       |
| 606175       | 10/15/2024 | SYLVIA MENDEZ &          | 2021039753   | LSM        | Legal-Other   | Bakersfield City    | 1,386.00     |
| 606176       | 10/15/2024 | ADR SERVICES, INC.       | 2024051274   | LEP        | Legal-Other   | Antelope Valley     | 4,645.00     |
| 606177       | 10/15/2024 | MACRO-PRO INC            | 2023047399   | LSM        | Legal-Other   | Panama-Buena        | 595.76       |
| 606178       | 10/15/2024 | ABI DOCUMENT SUPPORT     | 2022041926   | LSM        | Legal-Other   | Norris School       | 90.30        |
| 606179       | 10/15/2024 | STENO AGENCY, INC        | 2022041926   | LSM        | Legal-Other   | Norris School       | 3,628.55     |
| 606180       | 10/15/2024 | STENO AGENCY, INC        | 2023043663   | LSM        | Legal-Other   | Greenfield Union    | 624.00       |
| 606181       | 10/15/2024 | STENO AGENCY, INC        | 2023043663   | LSM        | Legal-Other   | Greenfield Union    | 625.00       |
| 606182       | 10/15/2024 | STENO AGENCY, INC        | 2023043663   | LSM        | Legal-Other   | Greenfield Union    | 755.00       |
| 606183       | 10/15/2024 | STENO AGENCY, INC        | 2023043663   | LSM        | Legal-Other   | Greenfield Union    | 375.00       |
| 606184       | 10/15/2024 | STENO AGENCY, INC        | 2023045590   | LSM        | Legal-Other   | Southern Kern       | 750.00       |
| 606185       | 10/15/2024 | STENO AGENCY, INC        | 2022041926   | LSM        | Legal-Other   | Norris School       | 1,601.50     |
| 606186       | 10/15/2024 | STENO AGENCY, INC        | 2022041780   | LBI        | Legal-Other   | Winton School       | 750.00       |
| 606187       | 10/15/2024 | STENO AGENCY, INC        | 2022041736   | LBI        | Legal-Other   | Mammoth Unified     | 750.00       |
| 606188       | 10/15/2024 | STENO AGENCY, INC        | 2022041736   | LBI        | Legal-Other   | Mammoth Unified     | 279.90       |
| 606189       | 10/15/2024 | STENO AGENCY, INC        | 2022041736   | LBI        | Legal-Other   | Mammoth Unified     | 280.00       |
| 606190       | 10/15/2024 | U.S. LEGAL SUPPORT       | 2023043969   | ABI        | Legal-Other   | Lake Elsinore       | 501.50       |
| 606191       | 10/15/2024 | FOZI DWORK & MODAFFERI,  | 2025051741   | LBI        | Attorney Fees | Brawley Union       | 2,945.00     |
| 606192       | 10/15/2024 | FOZI DWORK & MODAFFERI,  | 2024051303   | LSM        | Attorney Fees | Upland USD (GL)     | 1,030.00     |
| 606193       | 10/15/2024 | FOZI DWORK & MODAFFERI,  | 2024047934   | LBI        | Attorney Fees | Lake Elsinore       | 100.00       |
| 606194       | 10/15/2024 | FOZI DWORK & MODAFFERI,  | 2024051213   | LPI        | Attorney Fees | Kern County Supt    | 775.00       |
| 606195       | 10/15/2024 | HALL, HIEATT, CONNELLY & | 2023043783   | LBI        | Attorney Fees | San Luis Coastal    | 112.50       |
| 606196       | 10/15/2024 | DEMARIA LAW FIRM, APC    | 2024047874   | LPI        | Attorney Fees | Kern County Supt    | 8,298.85     |
| 606197       | 10/15/2024 | DEMARIA LAW FIRM, APC    | 2023044047   | LPI        | Attorney Fees | Muroc Joint Unified | 8,298.85     |
| 606198       | 10/15/2024 | DEMARIA LAW FIRM, APC    | 2021040054   | LPI        | Attorney Fees | Panama-Buena        | 433.00       |
| 606199       | 10/15/2024 | DEMARIA LAW FIRM, APC    | 2024050154   | LSM        | Attorney Fees | Panama-Buena        | 194.00       |
| 606200       | 10/15/2024 | DEMARIA LAW FIRM, APC    | 2024051133   | LPI        | Attorney Fees | Mark Twain Union    | 6,478.00     |
| 606201       | 10/15/2024 | ROBINSON & KELLAR        | 2024050597   | LSM        | Attorney Fees | Beardsley School    | 1,088.25     |

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|--------------|------------|--------------------------|--------------|------------|---------------|------------------|--------------|
| 606202       | 10/15/2024 | ROBINSON & KELLAR        | 2022043321   | LSM        | Attorney Fees | Mojave Unified   | 364.20       |
| 606203       | 10/15/2024 | ROBINSON & KELLAR        | 2023047399   | LSM        | Attorney Fees | Panama-Buena     | 414.60       |
| 606204       | 10/15/2024 | ROBINSON & KELLAR        | 2022042303   | LBI        | Attorney Fees | Lakeside Union   | 573.90       |
| 606205       | 10/15/2024 | DENISON WERNER MACIAS    | 2024050459   | LBI        | Attorney Fees | Kern County Supt | 139.75       |
| 606206       | 10/15/2024 | DENISON WERNER MACIAS    | 2024050460   | LBI        | Attorney Fees | Norris School    | 139.75       |
| 606207       | 10/15/2024 | DENISON WERNER MACIAS    | 2023046509   | LBI        | Attorney Fees | Standard School  | 21.50        |
| 606208       | 10/15/2024 | DENISON WERNER MACIAS    | 2024049978   | LBI        | Attorney Fees | Sierra Sands     | 301.00       |
| 606209       | 10/15/2024 | DENISON WERNER MACIAS    | 2023045998   | LBI        | Attorney Fees | Antelope Valley  | 774.00       |
| 606210       | 10/15/2024 | DENISON WERNER MACIAS    | 2023045998   | LBI        | Attorney Fees | Antelope Valley  | 731.00       |
| 606211       | 10/15/2024 | MCCORMICK, BARSTOW,      | 2013006822   | LBI        | Attorney Fees | Taft Union High  | 3,784.00     |
| 606212       | 10/15/2024 | MCCORMICK, BARSTOW,      | 2024047601   | ADM        | Attorney Fees | Kern County Supt | 560.00       |
| 606213       | 10/15/2024 | MCCORMICK, BARSTOW,      | 2025051734   | ADM        | Attorney Fees | Kern County Supt | 738.00       |
| 606214       | 10/15/2024 | MCCORMICK, BARSTOW,      | 2021040073   | LSM        | Attorney Fees | Santa Barbara    | 340.00       |
| 606215       | 10/15/2024 | HERR PEDERSEN &          | 2022041679   | LEP        | Attorney Fees | Merced County    | 469.73       |
| 606216       | 10/15/2024 | HERR PEDERSEN &          | 2024047700   | LEP        | Attorney Fees | Madera County    | 1,229.25     |
| 606217       | 10/15/2024 | HERR PEDERSEN &          | 2022042705   | LEP        | Attorney Fees | Tulare COE (GL)  | 9,838.95     |
| 606218       | 10/15/2024 | HERR PEDERSEN &          | 2017025182   | LSM        | Attorney Fees | Merced County    | 6,031.03     |
| 606219       | 10/15/2024 | DAVIS, BENGSTON & YOUNG, | 2022043495   | LBI        | Attorney Fees | Soulsbyville     | 110.00       |
| 606220       | 10/15/2024 | DAVIS, BENGSTON & YOUNG, | 2022043187   | LEP        | Attorney Fees | Amador County    | 47.00        |
| 606221       | 10/15/2024 | DAVIS, BENGSTON & YOUNG, | 2022043194   | LEP        | Attorney Fees | Amador County    | 47.00        |
| 606222       | 10/15/2024 | CARPENTER, ROTHANS &     | 2024048762   | LSM        | Attorney Fees | Lake Elsinore    | 187.40       |
| 606223       | 10/15/2024 | CARPENTER, ROTHANS &     | 2024048761   | LSM        | Attorney Fees | Lake Elsinore    | 695.35       |
| 606224       | 10/15/2024 | CARPENTER, ROTHANS &     | 2022042974   | LPI        | Attorney Fees | Antelope Valley  | 3,324.33     |
| 606225       | 10/15/2024 | CARPENTER, ROTHANS &     | 2023044768   | LSM        | Attorney Fees | Antelope Valley  | 2,204.87     |
| 606226       | 10/15/2024 | CARPENTER, ROTHANS &     | 2020036944   | LSM        | Attorney Fees | Antelope Valley  | 4,576.09     |
| 606227       | 10/15/2024 | CARPENTER, ROTHANS &     | 2023046823   | LBI        | Attorney Fees | Antelope Valley  | 8,876.00     |
| 606228       | 10/15/2024 | CARPENTER, ROTHANS &     | 2022042882   | LSM        | Attorney Fees | Antelope Valley  | 172.70       |
| 606229       | 10/15/2024 | CARPENTER, ROTHANS &     | 2022042977   | ABI        | Attorney Fees | Antelope Valley  | 2,465.45     |
| 606230       | 10/15/2024 | CARPENTER, ROTHANS &     | 2022042602   | LBI        | Attorney Fees | Antelope Valley  | 1,712.20     |
| 606231       | 10/15/2024 | CARPENTER, ROTHANS &     | 2024050163   | LEP        | Attorney Fees | Antelope Valley  | 945.00       |
| 606232       | 10/15/2024 | CARPENTER, ROTHANS &     | 2024047835   | LEP        | Attorney Fees | Palmdale         | 1,160.35     |

**Check Register - Property & Liability**

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|--------------|------------|-------------------------------|--------------|------------|-----------------|---------------------|--------------|
| 606233       | 10/15/2024 | CARPENTER, ROTHANS &          | 2023045606   | LBI        | Attorney Fees   | Antelope Valley     | 2,324.00     |
| 606234       | 10/15/2024 | CARPENTER, ROTHANS &          | 2023044769   | LEP        | Attorney Fees   | Palmdale            | 45.00        |
| 606235       | 10/15/2024 | CARPENTER, ROTHANS &          | 2021039887   | LBI        | Attorney Fees   | Palmdale            | 267.31       |
| 606236       | 10/15/2024 | CARPENTER, ROTHANS &          | 2019035125   | LBI        | Attorney Fees   | Palmdale            | 1,035.50     |
| 606237       | 10/15/2024 | CARPENTER, ROTHANS &          | 2020038371   | LPI        | Attorney Fees   | Palmdale            | 3,290.87     |
| 606238       | 10/15/2024 | DEMARIA LAW FIRM, APC         | 2021040054   | LPI        | Attorney Fees   | Panama-Buena        | 1,318.75     |
| 606239       | 10/15/2024 | JOSE LUIS MAGALLON            | 2025051894   | APD        | Property        | Orcutt Union        | 4,217.22     |
| 606240       | 10/15/2024 | NAJAR INVESTIGATIONS          | 2019034991   | LBI        | Legal-Other     | Santa Barbara       | 37,020.80    |
| 606241       | 10/15/2024 | Antelope Valley Union High    | 2024051585   | P          | Burglary Loss   | Antelope Valley     | 3,805.80     |
| 606242       | 10/15/2024 | BEVERLY LAW, A                | 2022041685   | LBI        | Attorney Fees - | Westside Union      | 6,450.00     |
| 606243       | 10/15/2024 | JASON WILLIS, AS TRUSTEE      | 2022041685   | LBI        | Full and Final  | Westside Union      | 17,550.00    |
| 606244       | 10/15/2024 | ERICA RICO                    | 2025051960   | LPD        | Property        | Antelope Valley     | 1,299.99     |
| 606245       | 10/15/2024 | ACTUM II, LLC                 | 2025051734   | ADM        | Adjusting       | Kern County Supt    | 500.00       |
| 606246       | 10/22/2024 | WEST SIDE URGENT CARE         | 2025052573   | SI         | Medical         | Taft City School    | 151.40       |
| 606247       | 10/22/2024 | ORTHOPAEDIC ASSOCIATES        | 2025052500   | SI         | Medical         | Kern Community      | 556.61       |
| 606248       | 10/22/2024 | ACCELERATED URGENT CARE       | 2025052034   | SI         | Medical         | Kern Community      | 45.18        |
| 606249       | 10/22/2024 | CENTRAL COAST                 | 2025052727   | SI         | Medical         | Santa Maria-Bonita  | 1,039.38     |
| 606250       | 10/22/2024 | MARIAN MEDICAL CENTER         | 2025052727   | SI         | Medical         | Santa Maria-Bonita  | 1,460.62     |
| 606251       | 10/22/2024 | BAHAMAS SURGERY CENTER        | 2025052106   | SI         | Medical         | Tehachapi Unified   | 118.54       |
| 606252       | 10/22/2024 | UCLA IPN SCOI                 | 2024050737   | SI         | Medical         | Kern Community      | 25.00        |
| 606253       | 10/22/2024 | WEST SIDE URGENT CARE         | 2025052364   | TF         | Medical         | Taft Union High     | 28.19        |
| 606254       | 10/22/2024 | SANTA YNEZ VALLEY             | 2024051690   | SI         | Medical         | College School      | 14.71        |
| 606255       | 10/22/2024 | ACCELERATED URGENT CARE       | 2025052615   | SI         | Medical         | Richland School     | 561.00       |
| 606256       | 10/22/2024 | RIDGECREST REGIONAL           | 2025052823   | SI         | Medical         | Trona Joint Unified | 1,745.71     |
| 606257       | 10/22/2024 | YASALAPU, SREELATHA DDS       | 2024050008   | SI         | Medical         | Fruitvale School    | 169.59       |
| 606258       | 10/22/2024 | UCLA IPN SCOI                 | 2025052576   | SI         | Medical         | Kern Community      | 1,147.00     |
| 606259       | 10/22/2024 | UCLA IPN SCOI                 | 2025052576   | SI         | Medical         | Kern Community      | 1,341.00     |
| 606260       | 10/22/2024 | SHAFTER URGENT CARE           | 2025052838   | SI         | Medical         | Semitropic School   | 150.00       |
| 606261       | 10/22/2024 | Buttonwillow Union School     | 2024051621   | CYB        | Cyber           | Buttonwillow Union  | 47,355.00    |
| 606262       | 10/22/2024 | Amador County Unified SD (GL) | 2023046511   | CYB        | Cyber           | Amador County       | 10,000.00    |
| 606263       | 10/22/2024 | HALLIWELL ENGINEERING         | 2023045456   | P          | Adjusting       | Merced County       | 2,318.76     |

**Check Register - Property & Liability**

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|--------------|------------|-----------------------|--------------|------------|--------------|-------------------|--------------|
| 606264       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046348   | P          | Adjusting    | Lone Pine Unified | 956.00       |
| 606265       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046348   | P          | Adjusting    | Lone Pine Unified | 5,417.70     |
| 606266       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046348   | P          | Adjusting    | Lone Pine Unified | 220.00       |
| 606267       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046348   | P          | Adjusting    | Lone Pine Unified | 1,137.00     |
| 606268       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046348   | P          | Adjusting    | Lone Pine Unified | 424.00       |
| 606269       | 10/22/2024 | HALLIWELL ENGINEERING | 2023045456   | P          | Adjusting    | Merced County     | 144.00       |
| 606270       | 10/22/2024 | HALLIWELL ENGINEERING | 2023045456   | P          | Adjusting    | Merced County     | 228.00       |
| 606271       | 10/22/2024 | HALLIWELL ENGINEERING | 2023045456   | P          | Adjusting    | Merced County     | 309.00       |
| 606272       | 10/22/2024 | HALLIWELL ENGINEERING | 2023045456   | P          | Adjusting    | Merced County     | 2,020.00     |
| 606273       | 10/22/2024 | HALLIWELL ENGINEERING | 2024047872   | P          | Adjusting    | Beardsley School  | 1,841.76     |
| 606274       | 10/22/2024 | HALLIWELL ENGINEERING | 2024047872   | P          | Adjusting    | Beardsley School  | 297.00       |
| 606275       | 10/22/2024 | HALLIWELL ENGINEERING | 2024047872   | P          | Adjusting    | Beardsley School  | 309.00       |
| 606276       | 10/22/2024 | HALLIWELL ENGINEERING | 2024047872   | P          | Adjusting    | Beardsley School  | 1,468.00     |
| 606277       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046384   | P          | Adjusting    | Delhi Unified     | 2,492.53     |
| 606278       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046384   | P          | Adjusting    | Delhi Unified     | 412.00       |
| 606279       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046384   | P          | Adjusting    | Delhi Unified     | 2,356.00     |
| 606280       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046384   | P          | Adjusting    | Delhi Unified     | 3,822.50     |
| 606281       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048985   | P          | Adjusting    | General Shafter   | 2,730.75     |
| 606282       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048985   | P          | Adjusting    | General Shafter   | 966.00       |
| 606283       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048985   | P          | Adjusting    | General Shafter   | 309.00       |
| 606284       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048985   | P          | Adjusting    | General Shafter   | 795.00       |
| 606285       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046982   | P          | Adjusting    | Sonora Union High | 3,154.51     |
| 606286       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046982   | P          | Adjusting    | Sonora Union High | 72.00        |
| 606287       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046982   | P          | Adjusting    | Sonora Union High | 969.00       |
| 606288       | 10/22/2024 | HALLIWELL ENGINEERING | 2023046982   | P          | Adjusting    | Sonora Union High | 309.00       |
| 606289       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048018   | P          | Adjusting    | Mammoth Unified   | 144.00       |
| 606290       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048018   | P          | Adjusting    | Mammoth Unified   | 840.00       |
| 606291       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048018   | P          | Adjusting    | Mammoth Unified   | 297.00       |
| 606292       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048018   | P          | Adjusting    | Mammoth Unified   | 309.00       |
| 606293       | 10/22/2024 | HALLIWELL ENGINEERING | 2024048018   | P          | Adjusting    | Mammoth Unified   | 2,138.00     |
| 606294       | 10/22/2024 | HALLIWELL ENGINEERING | 2023045483   | P          | Adjusting    | Merced County     | 289.00       |



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|--------------|------------|----------------------------|--------------|------------|---------------|--------------------|--------------|
| 606295       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023045483   | P          | Adjusting     | Merced County      | 2,615.83     |
| 606296       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023045483   | P          | Adjusting     | Merced County      | 1,065.00     |
| 606297       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023045483   | P          | Adjusting     | Merced County      | 805.00       |
| 606298       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023045483   | P          | Adjusting     | Merced County      | 378.00       |
| 606299       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024050853   | P          | Adjusting     | Santa Barbara      | 1,708.50     |
| 606300       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024050853   | P          | Adjusting     | Santa Barbara      | 3,267.00     |
| 606301       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024050853   | P          | Adjusting     | Santa Barbara      | 4,428.20     |
| 606302       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024048535   | P          | Adjusting     | Antelope Valley    | 138.00       |
| 606303       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024048535   | P          | Adjusting     | Antelope Valley    | 672.00       |
| 606304       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024048535   | P          | Adjusting     | Antelope Valley    | 3,198.66     |
| 606305       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024048535   | P          | Adjusting     | Antelope Valley    | 714.00       |
| 606306       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023047160   | P          | Adjusting     | Wasco Union High   | 3,950.50     |
| 606307       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023047160   | P          | Adjusting     | Wasco Union High   | 3,089.12     |
| 606308       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023047160   | P          | Adjusting     | Wasco Union High   | 14,693.00    |
| 606309       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023047160   | P          | Adjusting     | Wasco Union High   | 6,566.50     |
| 606310       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023047160   | P          | Adjusting     | Wasco Union High   | 1,597.00     |
| 606311       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023047160   | P          | Adjusting     | Wasco Union High   | 13,340.92    |
| 606312       | 10/22/2024 | HALLIWELL ENGINEERING      | 2024048018   | P          | Adjusting     | Mammoth Unified    | 9,271.10     |
| 606313       | 10/22/2024 | HALL, HIEATT, CONNELLY &   | 2023046181   | LSM        | Attorney Fees | San Luis Coastal   | 2,740.50     |
| 606314       | 10/22/2024 | Antelope Valley Union High | 2024050745   | P          | Attorney Fees | Antelope Valley    | 21,896.69    |
| 606315       | 10/22/2024 | HALLIWELL ENGINEERING      | 2023046211   | P          | Adjusting     | Standard School    | 713.83       |
| 606316       | 10/22/2024 | ACCLAIM RECOVERY           | 2023043969   | ABI        | Legal-Other   | Lake Elsinore      | 6,400.00     |
| 606317       | 10/22/2024 | ABI DOCUMENT SUPPORT       | 2023044468   | ABI        | Legal-Other   | Merced County      | 327.39       |
| 606318       | 10/22/2024 | ALACRITY PARENT LLC,       | 2025052679   | ACL        | Adjusting     | Upland USD (GL)    | 261.29       |
| 606319       | 10/22/2024 | ALACRITY PARENT LLC,       | 2025052394   | ACL        | Adjusting     | Merced County      | 531.39       |
| 606320       | 10/23/2024 | ANTONIA PEEL               | 2024050374   | SI         | Medical       | Merced Union High  | 747.00       |
| 606321       | 10/23/2024 | MARIAN MEDICAL CENTER      | 2024051180   | SI         | Medical       | Santa Maria-Bonita | 2,166.18     |
| 606322       | 10/23/2024 | ACCELERATED URGENT CARE    | 2025052595   | SI         | Medical       | Rosedale Union     | 336.75       |
| 606323       | 10/23/2024 | ACCELERATED URGENT CARE    | 2025052595   | SI         | Medical       | Rosedale Union     | 263.25       |
| 606324       | 10/23/2024 | ANY DANIELS                | 2023046580   | SI         | Medical       | Paso Robles Joint  | 320.00       |
| 606325       | 10/23/2024 | TERRIO THERAPY-FITNESS,    | 2024050586   | SI         | Medical       | McFarland Unified  | 147.87       |

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|--------------|------------|----------------------------------|--------------|------------|----------------|-------------------|--------------|
| 606326       | 10/23/2024 | MANICK BHARDWAJ MD               | 2025052396   | SI         | Medical        | Kern Community    | 21.41        |
| 606327       | 10/23/2024 | UCLA IPN SCOI                    | 2025052084   | SI         | Medical        | Kern Community    | 1,230.46     |
| 606328       | 10/23/2024 | SISC II                          | 2025052084   | SI         | Interplan Fee  | Kern Community    | 32.57        |
| 606329       | 10/23/2024 | ACCELERATED URGENT CARE          | 2025051911   | SI         | Medical        | Greenfield Union  | 246.75       |
| 606330       | 10/23/2024 | UCLA IPN SCOI                    | 2024048681   | SI         | Medical        | Kern Community    | 899.35       |
| 606331       | 10/23/2024 | ADVENTIST HEALTH                 | 2024051226   | SI         | Medical        | Bakersfield City  | 100.00       |
| 606332       | 10/23/2024 | ADVENTIST HEALTH                 | 2025052568   | SI         | Medical        | Tehachapi Unified | 219.65       |
| 606333       | 10/24/2024 | CENTRAL COAST                    | 2025052900   | TF         | Medical        | Lucia Mar Unified | 45.00        |
| 606334       | 10/24/2024 | CENTRAL COAST                    | 2025052900   | TF         | Medical        | Lucia Mar Unified | 25.00        |
| 606335       | 10/24/2024 | SHAFTER PEDIATRICS               | 2024051516   | SI         | Medical        | McFarland Unified | 130.44       |
| 606336       | 10/24/2024 | SHAFTER PEDIATRICS               | 2024051516   | SI         | Medical        | McFarland Unified | 88.94        |
| 606337       | 10/24/2024 | SHAFTER URGENT CARE              | 2024051518   | SI         | Medical        | Richland School   | 105.00       |
| 606338       | 10/24/2024 | KERN COUNTY HOSPITAL             | 2024051313   | SI         | Medical        | Richland School   | 310.02       |
| 606339       | 10/24/2024 | HALL AMBULANCE SERVICE           | 2025052037   | SI         | Medical        | Fruitvale School  | 200.00       |
| 606340       | 10/24/2024 | RIDGECREST REGIONAL              | 2024051316   | SI         | Medical        | Kern Community    | 65.65        |
| 606341       | 10/24/2024 | RIDGECREST REGIONAL              | 2024051316   | SI         | Medical        | Kern Community    | 2,491.48     |
| 606342       | 10/24/2024 | RIDGECREST REGIONAL              | 2024051316   | SI         | Medical        | Kern Community    | 65.70        |
| 606343       | 10/24/2024 | RIDGECREST REGIONAL              | 2024051316   | SI         | Medical        | Kern Community    | 156.93       |
| 606344       | 10/24/2024 | CHINA LAKE COMMUNITY             | 2024051316   | SI         | Medical        | Kern Community    | 16.72        |
| 606345       | 10/24/2024 | CHINA LAKE COMMUNITY             | 2025052072   | SI         | Medical        | Sierra Sands      | 706.31       |
| 606346       | 10/24/2024 | UCLA IPN SCOI                    | 2024049163   | SI         | Medical        | Kern Community    | 75.00        |
| 606347       | 10/24/2024 | Antelope Valley Union High       | 2024048535   | P          | Water Loss     | Antelope Valley   | 348,695.55   |
| 606348       | 10/24/2024 | IRENE ALVAREZ                    | 2024051554   | ABI        | Full and Final | Merced County     | 4,184.00     |
| 606349       | 10/24/2024 | IRENE ALVAREZ                    | 2024051554   | ABI        | Wage Loss (3rd | Merced County     | 21,177.23    |
| 606350       | 10/24/2024 | Greenfield Union School District | 2025052033   | ACL        | Collision Loss | Greenfield Union  | 5,286.93     |
| 606351       | 10/24/2024 | Kern County Supt of Schools      | 2024050846   | P          | Water Loss     | Kern County Supt  | 59,343.55    |
| 606352       | 10/24/2024 | POLLAK, VIDA & BARER             | 2021039203   | LPI        | Attorney Fees  | Lake Elsinore     | 76.50        |
| 606353       | 10/24/2024 | WINET PATRICK GAYER              | 2024048760   | LSM        | Attorney Fees  | Lake Elsinore     | 2,665.86     |
| 606354       | 10/24/2024 | POLLAK, VIDA & BARER             | 2024050842   | LBI        | Attorney Fees  | Merced County     | 390.00       |
| 606355       | 10/24/2024 | TYSON & MENDES LLP               | 2023045998   | LBI        | Attorney Fees  | Antelope Valley   | 4,372.45     |
| 606356       | 10/24/2024 | TYSON & MENDES LLP               | 2023045998   | LBI        | Attorney Fees  | Antelope Valley   | 8,140.50     |

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|--------------|------------|--------------------------------|--------------|------------|---------------|---------------------|--------------|
| 606357       | 10/24/2024 | IMAGING FORENSICS, INC.        | 2025051741   | LBI        | Legal-Other   | Brawley Union       | 600.00       |
| 606358       | 10/24/2024 | ALACRITY PARENT LLC,           | 2025052843   | ACL        | Adjusting     | Big Oak Flat-       | 476.19       |
| 606359       | 10/29/2024 | FOOT & ANKLE INSTITUTE         | 2024051238   | SI         | Medical       | Taft City School    | 20.00        |
| 606360       | 10/29/2024 | KERN RADIOLOGY MEDICAL         | 2025052610   | SI         | Medical       | Wasco Union High    | 290.00       |
| 606361       | 10/29/2024 | MERCY HOSPITAL                 | 2025052610   | SI         | Medical       | Wasco Union High    | 2,210.00     |
| 606362       | 10/29/2024 | MERCY HOSPITAL                 | 2025052499   | SI         | Medical       | Panama-Buena        | 50.00        |
| 606363       | 10/29/2024 | BAKERSFIELD MEMORIAL           | 2024050589   | SI         | Medical       | Panama-Buena        | 2,500.00     |
| 606364       | 10/29/2024 | SHAFTER PEDIATRICS             | 2025052734   | SI         | Medical       | Maple School        | 245.00       |
| 606365       | 10/29/2024 | OH, SAEKYU, D.M.D.             | 2025052872   | SI         | Medical       | McFarland Unified   | 105.00       |
| 606366       | 10/29/2024 | BAKERSFIELD MEMORIAL           | 2025052224   | SI         | Medical       | Kernville Union     | 887.97       |
| 606367       | 10/29/2024 | RIDGECREST REGIONAL            | 2025052823   | SI         | Medical       | Trona Joint Unified | 435.00       |
| 606368       | 10/29/2024 | OH, SAEKYU, D.M.D.             | 2025052964   | SI         | Medical       | McFarland Unified   | 105.00       |
| 606369       | 10/30/2024 | FLAVIO CORTEZ                  | 2025052171   | SI         | Medical       | Antelope Valley     | 225.00       |
| 606370       | 10/30/2024 | FLAVIO CORTEZ                  | 2025052171   | SI         | Medical       | Antelope Valley     | 150.00       |
| 606371       | 10/30/2024 | CENTRAL COAST                  | 2025052822   | TF         | Medical       | Lucia Mar Unified   | 150.60       |
| 606372       | 10/30/2024 | CALIFORNIA MANAGED             | 2024051596   | SI         | Medical       | Santa Maria-Bonita  | 60.00        |
| 606373       | 10/30/2024 | CA EMERG PHYSICIANS            | 2024051596   | SI         | Medical       | Santa Maria-Bonita  | 832.00       |
| 606374       | 10/30/2024 | MARIAN MEDICAL CENTER          | 2024051596   | SI         | Medical       | Santa Maria-Bonita  | 1,608.00     |
| 606375       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 30.00        |
| 606376       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 15.00        |
| 606377       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 15.00        |
| 606378       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 15.00        |
| 606379       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 10.60        |
| 606380       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 7.50         |
| 606381       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 7.50         |
| 606382       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 7.50         |
| 606383       | 10/30/2024 | CHADAM ASSOCIATES INC          | 2024050605   | SI         | Medical       | Taft City School    | 7.50         |
| 606384       | 10/30/2024 | BAKERSFIELD MEMORIAL           | 2024051597   | SI         | Medical       | Bakersfield City    | 1,250.00     |
| 606385       | 10/30/2024 | PINNACLE EMERG PHYS OF         | 2024051597   | SI         | Medical       | Bakersfield City    | 1,250.00     |
| 606386       | 10/30/2024 | Westside Union School District | 2025051948   | SE         | Attorney Fees | Westside Union      | 26,699.00    |
| 606387       | 10/30/2024 | ALACRITY PARENT LLC,           | 2025052846   | ACP        | Adjusting     | Merced County       | 471.31       |

**Check Register - Property & Liability**

| Check Number | Check Date | Payee                 | Claim Number | Claim Type | Payment Type  | Insured           | Check Amount |
|--------------|------------|-----------------------|--------------|------------|---------------|-------------------|--------------|
| 606388       | 10/30/2024 | DENISON WERNER MACIAS | 2024049404   | APD        | Attorney Fees | Norris School     | 387.00       |
| 606389       | 10/30/2024 | ABI DOCUMENT SUPPORT  | 2022041753   | ABI        | Legal-Other   | Eastern Sierra    | 111.76       |
| 606390       | 10/30/2024 | ABI DOCUMENT SUPPORT  | 2022041753   | ABI        | Legal-Other   | Eastern Sierra    | 807.51       |
| 606391       | 10/30/2024 | ABI DOCUMENT SUPPORT  | 2022041753   | ABI        | Legal-Other   | Eastern Sierra    | 176.64       |
| 606392       | 10/30/2024 | CARPENTER, ROTHANS &  | 2020038667   | LBI        | Attorney Fees | Palmdale          | 6.60         |
| 606393       | 10/30/2024 | CARPENTER, ROTHANS &  | 2022042589   | LBI        | Attorney Fees | Palmdale          | 3,589.90     |
| 606394       | 10/30/2024 | CARPENTER, ROTHANS &  | 2022043595   | LBI        | Attorney Fees | Palmdale          | 45.00        |
| 606395       | 10/30/2024 | CARPENTER, ROTHANS &  | 2019034513   | LBI        | Attorney Fees | Westside Union    | 102.95       |
| 606396       | 10/30/2024 | CARPENTER, ROTHANS &  | 2023047175   | LBI        | Attorney Fees | Antelope Valley   | 148.00       |
| 606397       | 10/30/2024 | CARPENTER, ROTHANS &  | 2022042602   | LBI        | Attorney Fees | Antelope Valley   | 22.50        |
| 606398       | 10/30/2024 | CARPENTER, ROTHANS &  | 2024049766   | LEP        | Attorney Fees | Palmdale          | 3,514.59     |
| 606399       | 10/30/2024 | CARPENTER, ROTHANS &  | 2020036944   | LSM        | Attorney Fees | Antelope Valley   | 1,100.00     |
| 606400       | 10/30/2024 | CARPENTER, ROTHANS &  | 2023044768   | LSM        | Attorney Fees | Antelope Valley   | 3,124.00     |
| 606401       | 10/30/2024 | CARPENTER, ROTHANS &  | 2024048761   | LSM        | Attorney Fees | Lake Elsinore     | 4,261.50     |
| 606402       | 10/30/2024 | CARPENTER, ROTHANS &  | 2022042882   | LSM        | Attorney Fees | Antelope Valley   | 2,599.62     |
| 606403       | 10/30/2024 | CARPENTER, ROTHANS &  | 2024048762   | LSM        | Attorney Fees | Lake Elsinore     | 22.50        |
| 606404       | 10/30/2024 | CARPENTER, ROTHANS &  | 2024047834   | LEP        | Attorney Fees | Palmdale          | 180.00       |
| 606405       | 10/30/2024 | CARPENTER, ROTHANS &  | 2022042974   | LPI        | Attorney Fees | Antelope Valley   | 156.50       |
| 606406       | 10/30/2024 | CARPENTER, ROTHANS &  | 2019035125   | LBI        | Attorney Fees | Palmdale          | 4,590.33     |
| 606407       | 10/30/2024 | CARPENTER, ROTHANS &  | 2023044769   | LEP        | Attorney Fees | Palmdale          | 45.00        |
| 606408       | 10/30/2024 | CARPENTER, ROTHANS &  | 2023045606   | LBI        | Attorney Fees | Antelope Valley   | 974.30       |
| 606409       | 10/30/2024 | CARPENTER, ROTHANS &  | 2021039887   | LBI        | Attorney Fees | Palmdale          | 586.07       |
| 606410       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2024047711   | LBI        | Attorney Fees | Delano Jt Union   | 3,668.77     |
| 606411       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2024050981   | LEP        | Attorney Fees | Madera County     | 623.50       |
| 606412       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2024051637   | LEP        | Attorney Fees | Standard School   | 1,928.00     |
| 606413       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2024049787   | LBI        | Attorney Fees | Fruitvale School  | 1,354.50     |
| 606414       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2024049461   | LPI        | Attorney Fees | Wilsona School    | 1,775.25     |
| 606415       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2022042923   | LBI        | Attorney Fees | Caruthers Unified | 77.70        |
| 606416       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2022041685   | LBI        | Attorney Fees | Westside Union    | 301.00       |
| 606417       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2023047242   | LBI        | Attorney Fees | Antelope Valley   | 2,108.42     |
| 606418       | 10/30/2024 | ZIMMER & MELTON, LLP  | 2025051751   | LEP        | Attorney Fees | Mojave Unified    | 709.50       |

**Check Register - Property & Liability**

| Check Number  | Check Date        | Payee                               | Claim Number      | Claim Type | Payment Type      | Insured             | Check Amount      |
|---------------|-------------------|-------------------------------------|-------------------|------------|-------------------|---------------------|-------------------|
| 606419        | 10/30/2024        | ZIMMER & MELTON, LLP                | 2024049784        | LBI        | Attorney Fees     | Panama-Buena        | 1,462.00          |
| 606420        | 10/30/2024        | ZIMMER & MELTON, LLP                | 2024049789        | LBI        | Attorney Fees     | Delano Jt Union     | 1,354.50          |
| 606421        | 10/30/2024        | HALLIWELL ENGINEERING               | 2024050212        | P          | Adjusting         | Mono County         | 72.00             |
| 606422        | 10/30/2024        | HALLIWELL ENGINEERING               | 2024050212        | P          | Adjusting         | Mono County         | 4,745.63          |
| 606423        | 10/30/2024        | HALLIWELL ENGINEERING               | 2024050212        | P          | Adjusting         | Mono County         | 409.00            |
| 606424        | 10/30/2024        | HALLIWELL ENGINEERING               | 2024050212        | P          | Adjusting         | Mono County         | 1,621.00          |
| 606425        | 10/30/2024        | HALLIWELL ENGINEERING               | 2024050212        | P          | Adjusting         | Mono County         | 377.50            |
| 606426        | 10/30/2024        | PEGASUS CLAIMS SERVICES,            | 2023045569        | LBI        | Legal-Other       | Antelope Valley     | 1,211.16          |
| 606427        | 10/30/2024        | DEPOVISION                          | 2023045569        | LBI        | Legal-Other       | Antelope Valley     | 857.36            |
| 606428        | 10/30/2024        | DILLING, JAMES A. ESQ               | 2024049789        | LBI        | Legal-Other       | Delano Jt Union     | 875.00            |
| 606429        | 10/30/2024        | ESQUIRE DEPOSITION                  | 2023045038        | LBI        | Legal-Other       | Lake Elsinore       | 810.50            |
| <b>606430</b> | <b>10/30/2024</b> | <b>Delano Union School District</b> | <b>2024051648</b> | <b>CR</b>  | <b>Crime Loss</b> | <b>Delano Union</b> | <b>100,000.00</b> |
| 606431        | 10/30/2024        | HEATHER OR TODD PLASTINO            | 2025052513        | SI         | Medical           | Lucia Mar Unified   | 265.00            |
| 606432        | 10/30/2024        | BAKERSFIELD MEMORIAL                | 2025052611        | SI         | Medical           | Arvin Union School  | 2,500.00          |
| 606433        | 10/30/2024        | RIDGECREST REGIONAL                 | 2025052990        | SI         | Medical           | Sierra Sands        | 938.64            |
| 606434        | 10/30/2024        | RIDGECREST REGIONAL                 | 2025052990        | SI         | Medical           | Sierra Sands        | 229.00            |
| 606435        | 10/30/2024        | RIDGECREST REGIONAL                 | 2025052990        | SI         | Medical           | Sierra Sands        | 1,332.36          |
| 606436        | 10/30/2024        | UCLA IPN SCOI                       | 2025052396        | SI         | Medical           | Kern Community      | 110.33            |
| 606437        | 10/30/2024        | UCLA IPN SCOI                       | 2025052396        | SI         | Medical           | Kern Community      | 430.54            |
| 606438        | 10/30/2024        | ORLANDO, CARLO A., MD APC           | 2024049515        | SI         | Medical           | Paso Robles Joint   | 45.42             |
| 606439        | 10/30/2024        | KERN COUNTY HOSPITAL                | 2024049799        | SI         | Medical           | Taft Union High     | 60.00             |
| 606440        | 10/30/2024        | WEST SIDE URGENT CARE               | 2025052435        | SI         | Medical           | Taft Union High     | 207.86            |

**Total For 122235821 158300179906**

1,422,013.71

Number of Check: 454  
 Number Of Payments: 454

First Check Number: 605987  
 Last Check Number: 606440  
 Check Sequence:

**SISC II**  
**INCOME STATEMENT**  
**OCTOBER 2024**

|                                   | BUDGET                 | YEAR-TO-DATE           | CURRENT MONTH          |
|-----------------------------------|------------------------|------------------------|------------------------|
| <b><u>REVENUES</u></b>            |                        |                        |                        |
| 8660.00 Interest-County Treasurer | \$2,095,238.00         | \$0.00                 | \$0.00                 |
| 8660.03 LAIF                      | \$309.00               | \$77.05                | \$77.05                |
| 8660.04 Investments               | \$4,764,648.00         | \$1,916,731.14         | \$1,916,731.14         |
| 8660.05 Bank                      | \$12,800.00            | \$11,564.11            | \$10,464.50            |
| 8674.02 Premiums-Prop & Liab      | \$56,933,716.00        | \$19,181,222.96        | \$4,774,703.00         |
| 8674.12 Student Ins               | \$1,144,929.00         | \$381,640.49           | \$95,411.00            |
| 8674.13 Tackle Football           | \$25,500.00            | \$15,660.00            | \$2,340.00             |
| 8674.14 Special Ed Defense        | \$492,530.00           | \$454,603.00           | \$98,379.00            |
| 8699.06 Administrative Fees       | \$100.00               | \$0.00                 | \$0.00                 |
| <b>TOTAL REVENUES</b>             | <b>\$65,469,770.00</b> | <b>\$21,961,498.75</b> | <b>\$6,898,105.69</b>  |
| <b><u>EXPENSES</u></b>            |                        |                        |                        |
| 4300.00 Supplies                  | \$500.00               | \$3,670.24             | \$788.59               |
| 5200.00 Travel/Conference         | \$5,000.00             | \$2,952.60             | \$946.24               |
| 5300.00 Dues and Memberships      | \$134,650.00           | \$133,045.88           | \$0.00                 |
| 5450.01 Insurance-Property & Fire | \$13,169,853.00        | \$3,873,324.00         | \$968,331.00           |
| 5450.02 Boiler & Machinery        | \$282,095.00           | \$76,155.00            | \$19,040.00            |
| 5450.04 Crime                     | \$72,834.00            | \$24,274.00            | \$6,070.00             |
| 5450.06 Excess Liability          | \$10,967,031.00        | \$3,515,375.93         | \$852,637.00           |
| 5450.17 Data Compromise           | \$261,252.00           | \$98,050.00            | \$24,512.00            |
| 5450.18 Concussion Coverage       | \$27,000.00            | \$9,000.00             | \$2,250.00             |
| 5450.19 Terrorism                 | \$41,170.00            | \$13,068.00            | \$3,267.00             |
| 5800.00 Miscellaneous             | \$500.00               | \$0.00                 | \$0.00                 |
| 5800.02 Audit                     | \$14,085.00            | \$4,500.00             | \$250.00               |
| 5800.10 Consulting                | \$165,590.00           | \$41,828.42            | \$13,687.92            |
| 5800.15 Property Appraisals       | \$174,365.00           | \$6,500.00             | \$6,500.00             |
| 5800.32 Bank Fees                 | \$8,000.00             | \$932.68               | \$932.68               |
| 5800.50 Administration - KCSOS    | \$4,072,845.00         | \$1,227,634.13         | \$306,546.15           |
| 5800.55 Student Ins Claims        | \$780,000.00           | \$147,923.05           | \$37,771.78            |
| 5800.56 Tackle FB Claims          | \$25,000.00            | \$1,485.27             | \$430.00               |
| 5800.58 Spec Ed VCP               | \$492,530.00           | \$0.00                 | \$0.00                 |
| 5800.66 Property Claims           | \$4,223,033.00         | \$2,509,562.93         | \$678,239.92           |
| 5800.67 Liability Claims          | \$13,956,835.00        | \$2,374,948.46         | \$333,810.30           |
| 5800.69 Auto Claims               | \$2,398,878.00         | \$206,389.33           | \$6,391.94             |
| 5800.90 Bill Review               | \$7,200.00             | \$1,258.34             | (\$71.58)              |
| 5800.94 Other Distributions       | \$0.00                 | \$0.00                 | \$0.00                 |
| 5800.95 Unpaid Claims Liab Adj    | \$9,442,000.00         | \$3,147,333.36         | \$786,833.33           |
| <b>TOTAL EXPENSES</b>             | <b>\$60,722,246.00</b> | <b>\$17,419,211.62</b> | <b>\$4,049,164.27</b>  |
| <b>CHANGE IN NET ASSETS</b>       | <b>\$4,747,524.00</b>  | <b>\$4,542,287.13</b>  | <b>\$2,848,941.42</b>  |
| <b>NET ASSETS - BEGINNING</b>     | <b>\$11,572,917.85</b> | <b>\$11,572,917.85</b> | <b>\$13,266,263.56</b> |
| <b>NET ASSETS - ENDING</b>        | <b>\$16,320,441.85</b> | <b>\$16,115,204.98</b> | <b>\$16,115,204.98</b> |

**SISC II**  
**BALANCE SHEET**  
**October 31, 2024**

|   | July 1, 2024<br>BALANCE | October 31, 2024<br>BALANCE |
|---|-------------------------|-----------------------------|
| <u>ASSETS</u>                                   |                         |                             |
| 9110.00 Cash in County Treasury                 | \$16,447,014.19         | \$53,777,664.78             |
| 9120.02 Bank Account-Claims Fund                | \$1,411,199.66          | \$1,605,531.98              |
| 9130.00 Revolving Fund                          | \$1,500.00              | \$0.00                      |
| 9150.01 Local Agency Investment Fund            | \$6,424.38              | \$6,573.92                  |
| 9150.03 Investments                             | \$83,353,981.92         | \$85,270,713.06             |
| 9200.00 Accounts Receivable                     | \$414,887.60            | \$56,149.72                 |
| 9330.00 Prepaid Insurance                       | \$5,831,838.00          | \$9,181,518.00              |
|   | <u>\$107,466,845.75</u> | <u>\$149,898,151.46</u>     |
| <b>TOTAL ASSETS</b>                             | <b>\$107,466,845.75</b> | <b>\$149,898,151.46</b>     |
| <br><u>LIABILITIES</u>                          |                         |                             |
| 9500.00 Current Liabilities                     | \$756,803.90            | \$278,730.47                |
| 9650.00 Deferred Income                         | \$0.00                  | \$35,219,758.65             |
| 9668.00 Unpd Clms Liab (90% Conf Lvl)           | \$95,137,124.00         | \$98,284,457.36             |
|   | <u>\$95,893,927.90</u>  | <u>\$133,782,946.48</u>     |
| <b>TOTAL LIABILITIES</b>                        | <b>\$95,893,927.90</b>  | <b>\$133,782,946.48</b>     |
| <br>NET ASSETS - Funding Stabilization Reserves | <u>\$11,572,917.85</u>  | <u>\$16,115,204.98</u>      |
| <br><b>TOTAL LIABILITIES AND NET ASSETS</b>     | <b>\$107,466,845.75</b> | <b>\$149,898,151.46</b>     |

\_\_\_\_\_  
 AUTHORIZED SIGNATURE

PREPARED BY: Nancy Russo

**SISC II  
Investments  
October 31, 2024**

**24-HOUR LIQUID FUNDS**

SISC II maintains much of its cash in the Kern County Treasury and Local Agency Investment Fund. Both agencies pool these funds with those of other entities in the state. These pooled funds are carried at cost which approximates market value.

| AGENCY                          | BALANCE         | RETURN | PERIOD         | DATES             |
|---------------------------------|-----------------|--------|----------------|-------------------|
| COUNTY OF KERN                  | \$53,777,664.78 | 3.53%  | LAST QUARTER   | JUL-SEP 2024      |
|                                 |                 | 1.96%  | 5 YEAR AVERAGE | OCT 2019-SEP 2024 |
| LOCAL AGENCY<br>INVESTMENT FUND | \$6,573.92      | 4.52%  | CURRENT MONTH  | October, 2024     |
|                                 |                 | 4.71%  | LAST QUARTER   | JUL-SEP 2024      |
|                                 |                 | 2.02%  | 5 YEAR AVERAGE | OCT 2019-SEP 2024 |

**INVESTMENT MANAGEMENT ACCOUNTS**

The investment securities portfolio is comprised of securities carried at fair market value.

The fair market value of the investment securities available for sale at September 30, 2024 was:

| INVESTMENT FIRM                               | MARKET VALUE           | QUARTERLY RETURN | ANNUALIZED RETURN | PERIOD            | DATES              |
|---|------------------------|------------------|-------------------|-------------------|--------------------|
| MADISON INVESTMENTS<br>(SISC INVESTMENT POOL) | \$26,658,302.00        | 2.92%            | 11.61%            | LAST QUARTER      | JUL-SEP 2024       |
|   |                        |                  | 1.57%             | 5 YEAR AVERAGE    | OCT 2019-SEP 2024  |
|   |                        |                  | 3.86%             | YIELD TO MATURITY | AS OF SEP 30, 2024 |
| WELLS FARGO ADVISORS<br>(RICH EDWARDS)        | \$58,612,411.06        | 2.02%            | 8.04%             | LAST QUARTER      | JUL-SEP 2024       |
|   |                        |                  | 1.19%             | 5 YEAR AVERAGE    | OCT 2019-SEP 2024  |
|   |                        |                  | 2.76%             | YIELD TO MATURITY | AS OF SEP 30, 2024 |
|   | <u>\$85,270,713.06</u> |                  |                   |                   |                    |

**5-YEAR HISTORY OF RETURNS - ANNUALIZED**

| Quarter Ending: | Co of Kern | LAIF  | INVESTMENT POOL | RICH WELLS FARGO | COMBINED WEIGHTED AVERAGE RETURN |
|-----------------|------------|-------|-----------------|------------------|----------------------------------|
| 9/30/2024       | 3.53%      | 4.71% | 11.61%          | 8.04%            | 7.16%                            |
| 6/30/2024       | 3.46%      | 4.55% | 3.67%           | 4.51%            | 4.12%                            |
| 3/31/2024       | 3.37%      | 4.30% | 1.19%           | 3.24%            | 2.76%                            |
| 12/31/2023      | 3.15%      | 4.00% | 10.98%          | 8.28%            | 7.37%                            |
| 9/30/2023       | 2.91%      | 3.93% | 2.14%           | 2.59%            | 2.60%                            |
| 6/30/2023       | 2.65%      | 3.15% | -0.66%          | -0.50%           | 0.42%                            |
| 3/31/2023       | 2.42%      | 2.74% | 6.06%           | 5.65%            | 4.63%                            |
| 12/31/2022      | 2.16%      | 2.07% | 3.47%           | 3.48%            | 2.89%                            |
| 9/30/2022       | 1.06%      | 1.35% | -4.79%          | -7.15%           | -2.24%                           |
| 6/30/2022       | 1.00%      | 0.75% | -2.22%          | -2.88%           | -1.35%                           |
| 3/31/2022       | 0.95%      | 0.32% | -9.06%          | -9.18%           | -5.11%                           |
| 12/31/2021      | 0.84%      | 0.23% | -2.39%          | -2.02%           | -0.55%                           |
| 9/30/2021       | 1.24%      | 0.24% | -0.20%          | 0.26%            | 0.69%                            |
| 6/30/2021       | 1.00%      | 0.33% | 0.80%           | 0.00%            | 0.65%                            |
| 3/31/2021       | 1.07%      | 0.44% | -1.86%          | -0.90%           | -0.47%                           |
| 12/31/2020      | 1.16%      | 0.63% | 0.18%           | 0.55%            | 0.72%                            |
| 9/30/2020       | 1.30%      | 0.84% | 0.43%           | 0.40%            | 0.83%                            |
| 6/30/2020       | 1.70%      | 1.47% | 2.89%           | 4.28%            | 3.23%                            |
| 3/31/2020       | 2.10%      | 2.03% | 8.05%           | 3.01%            | 5.13%                            |
| 12/31/2019      | 2.13%      | 2.29% | 1.12%           | 2.22%            | 1.80%                            |
| 5-Yr Average    | 1.96%      | 2.02% | 1.57%           | 1.19%            | 1.76%                            |



SISC INVESTMENT POOL  
 JUL-SEP 2024  
 MADISON INVESTMENT SUMMARY REPORT

| Type of Investment | Issuer                 | Purchase Date | Par/Face Value  | Dollar Amt Invested (cost) | Security Rating Moody's | Security Rating S & P | YTM Current Quarter 9/30/2024 | Maturity Date | Days to Maturity | INCEP-to-DATE UNREALIZED Gain/(Loss) (Mkt Vlu-Cost) | Market Value Current Qtr 9/30/2024 | Accrued Interest | Ending Portfolio Value (Mkt + Acc Int) |
|--------------------|------------------------|---------------|-----------------|----------------------------|-------------------------|-----------------------|-------------------------------|---------------|------------------|---|------------------------------------|------------------|--|
| CORPORATE BOND     | BANK OF NEW YORK MEL   | 11/04/2020    | \$653,000.00    | \$678,303.75               | A1                      | A                     | 4.67%                         | 04/24/2025    | 206              | (36,476.58)   | \$641,827.17                       | \$4,538.62       | \$646,365.79                           |
| CORPORATE BOND     | PECO ENERGY CO         | 07/19/2021    | \$144,000.00    | \$156,578.40               | Aa3                     | A                     | 4.27%                         | 10/15/2025    | 380              | (14,227.20)   | \$142,351.20                       | \$2,154.50       | \$144,505.70                           |
| CORPORATE BOND     | FLORDIA POWER LIGHT CO | 10/19/2021    | \$1,803,000.00  | \$1,934,078.10             | Aa2                     | A+                    | 4.04%                         | 12/01/2025    | 427              | (149,865.36)  | \$1,784,212.74                     | \$18,714.37      | \$1,802,927.11                         |
| CORPORATE BOND     | PRUDENTIAL FINANCIAL   | 11/22/2021    | \$975,000.00    | \$980,811.00               | A3                      | A                     | 4.03%                         | 03/10/2026    | 526              | (40,384.50)   | \$940,426.50                       | \$855.26         | \$941,281.76                           |
| CORPORATE BOND     | KIMBERLY CLARK CORP    | 12/13/2021    | \$750,000.00    | \$783,187.50               | A2                      | A                     | 4.85%                         | 03/01/2025    | 152              | (39,997.50)   | \$743,190.00                       | \$1,656.25       | \$744,846.25                           |
| CORPORATE BOND     | STATE STREET CORP      | 01/20/2022    | \$2,155,000.00  | \$2,203,422.85             | A1                      | A                     | 2.59%                         | 11/01/2025    | 397              | (53,982.75)   | \$2,149,440.10                     | \$21,113.41      | \$2,170,553.51                         |
| CORPORATE BOND     | PRUDENTIAL FINANCIAL   | 01/31/2022    | \$1,249,000.00  | \$1,232,413.28             | A3                      | A                     | 4.03%                         | 03/10/2026    | 526              | (27,702.82)   | \$1,204,710.46                     | \$1,084.72       | \$1,205,795.18                         |
| CORPORATE BOND     | MICROSOFT CORP         | 03/09/2022    | \$1,100,000.00  | \$1,117,809.00             | Aaa                     | AAA                   | 3.79%                         | 08/08/2026    | 677              | (45,221.00)   | \$1,072,588.00                     | \$3,882.78       | \$1,076,470.78                         |
| CORPORATE BOND     | PECO ENERGY CO         | 04/26/2022    | \$1,975,000.00  | \$1,951,319.75             | Aa3                     | A                     | 4.27%                         | 10/15/2025    | 380              | 1,066.50  | \$1,952,386.25                     | \$28,623.98      | \$1,981,010.23                         |
| CORPORATE BOND     | CHUBB INA HOLDINGS     | 08/29/2022    | \$2,175,000.00  | \$2,144,637.00             | A2                      | A                     | 4.11%                         | 05/03/2026    | 580              | 4,763.25  | \$2,149,400.25                     | \$30,028.96      | \$2,179,429.21                         |
| CORPORATE BOND     | METLIFE INC            | 10/07/2022    | \$340,000.00    | \$328,004.80               | A3                      | A-                    | 4.27%                         | 11/13/2025    | 409              | 9,520.00  | \$337,524.80                       | \$4,422.34       | \$341,947.14                           |
| CORPORATE BOND     | PRUDENTIAL FINANCIAL   | 10/07/2022    | \$160,000.00    | \$143,377.60               | A3                      | A                     | 4.03%                         | 03/10/2026    | 526              | 10,948.80   | \$154,326.40                       | \$146.02         | \$154,472.42                           |
| CORPORATE BOND     | FLORDIA POWER LIGHT CO | 10/14/2022    | \$415,000.00    | \$393,926.30               | Aa2                     | A+                    | 4.04%                         | 12/01/2025    | 427              | 16,749.40   | \$410,675.70                       | \$4,389.80       | \$415,065.50                           |
| CORPORATE BOND     | BANK OF NY MELLON      | 02/07/2023    | \$1,670,000.00  | \$1,568,413.90             | A1                      | A                     | 4.67%                         | 04/24/2025    | 206              | 73,012.40   | \$1,641,426.30                     | \$11,670.76      | \$1,653,097.06                         |
| CORPORATE BOND     | NATIONAL RURAL UTIL    | 02/28/2023    | \$700,000.00    | \$648,347.00               | A1                      | A-                    | 4.10%                         | 02/07/2028    | 1225             | 36,309.00   | \$684,656.00                       | \$3,629.15       | \$688,285.15                           |
| CORPORATE BOND     | HONEYWELL INTER        | 03/03/2023    | \$2,480,000.00  | \$2,153,582.40             | A2                      | A                     | 3.84%                         | 03/01/2027    | 882              | 169,384.00  | \$2,322,966.40                     | \$2,273.33       | \$2,325,239.73                         |
| CORPORATE BOND     | JOHNSON JOHNSON        | 03/08/2023    | \$2,280,000.00  | \$2,138,662.80             | Aaa                     | AAA                   | 3.85%                         | 03/01/2026    | 517              | 97,333.20   | \$2,235,996.00                     | \$4,655.00       | \$2,240,651.00                         |
| CORPORATE BOND     | BERKSHIRE HATHAWAY     | 03/27/2023    | \$2,235,000.00  | \$2,190,143.55             | Aa2                     | AA                    | 3.98%                         | 03/15/2026    | 531              | 17,768.25   | \$2,207,911.80                     | \$3,104.17       | \$2,211,015.97                         |
| CORPORATE BOND     | STATE STREET CORP      | 07/21/2023    | \$135,000.00    | \$129,161.25               | A1                      | A                     | 2.59%                         | 11/01/2025    | 397              | 5,490.45  | \$134,651.70                       | \$1,347.67       | \$135,999.37                           |
| CORPORATE BOND     | NATIONAL RURAL UTIL    | 08/11/2023    | \$450,000.00    | \$422,451.00               | A1                      | A-                    | 4.10%                         | 02/07/2028    | 1225             | 17,685.00   | \$440,136.00                       | \$2,298.47       | \$442,434.47                           |
| CORPORATE BOND     | MICROSOFT CORP         | 08/18/2023    | \$140,000.00    | \$130,967.20               | Aaa                     | AAA                   | 3.75%                         | 08/28/2026    | 697              | 5,544.00  | \$136,511.20                       | \$470.64         | \$136,981.84                           |
| CORPORATE BOND     | NATIONAL RURAL UTIL    | 08/22/2023    | \$125,000.00    | \$116,165.00               | A1                      | A-                    | 4.10%                         | 02/07/2028    | 1225             | 6,095.00  | \$122,260.00                       | \$604.86         | \$122,864.86                           |
| CORPORATE BOND     | CUBBS INA HOLDINGS     | 08/23/2023    | \$195,000.00    | \$185,864.25               | A2                      | A                     | 4.11%                         | 05/03/2026    | 580              | 6,840.60  | \$192,704.85                       | \$2,611.21       | \$195,316.06                           |
| CORPORATE BOND     | ALABAMA PWR CO         | 11/21/2023    | \$700,000.00    | \$667,352.00               | A1                      | A                     | 3.92%                         | 09/01/2027    | 1066             | 29,309.00   | \$696,661.00                       | \$2,187.50       | \$698,848.50                           |
| CORPORATE BOND     | NATIONAL RURAL UTIL    | 11/21/2023    | \$1,097,000.00  | \$1,018,718.08             | A1                      | A-                    | 4.10%                         | 02/07/2028    | 1225             | 54,235.68   | \$1,072,953.76                     | \$5,564.72       | \$1,078,518.48                         |
| CORPORATE BOND     | MICROSOFT CORP         | 12/11/2023    | \$425,000.00    | \$403,023.25               | Aaa                     | AAA                   | 3.79%                         | 08/08/2026    | 677              | 11,385.75   | \$414,409.00                       | \$1,529.58       | \$415,938.58                           |
| CORPORATE BOND     | METLIFE INC            | 04/15/2024    | \$1,949,000.00  | \$1,897,955.69             | A3                      | A-                    | 4.27%                         | 11/13/2025    | 409              | 36,855.59   | \$1,934,811.28                     | \$27,165.86      | \$1,961,977.14                         |
| CORPORATE BOND     | TARGET CORP            | 07/18/2024    | \$2,437,000.00  | \$2,291,754.80             | A2                      | A                     | 3.74%                         | 01/15/2027    | 837              | 49,227.40   | \$2,340,982.20                     | \$10,032.32      | \$2,351,014.52                         |
| CORPORATE BOND     | MIDAMERICAN ENERGY CO  | 09/05/2024    | \$2,074,000.00  | \$2,028,849.02             | Aa2                     | A                     | 4.07%                         | 04/15/2029    | 1658             | 8,648.58  | \$2,037,497.60                     | \$34,906.57      | \$2,072,404.17                         |
|                    |                        |               | \$32,986,000.00 | \$32,039,280.52            |                         |                       |                               |               |                  | \$260,314.14  | \$32,299,594.66                    | \$235,662.82     | \$32,535,257.48                        |
| MORTGAGE PASSTHRU  | FNMA AM 7620           | 07/31/2020    | \$924,548.64    | \$917,301.42               | Aaa                     | AA+                   | 6.04%                         | 01/01/2025    | 93               | (91,202.23)   | \$826,099.19                       | \$2,058.47       | \$828,157.66                           |
| MORTGAGE PASSTHRU  | FHLMC RMIC SERIES      | 07/31/2020    | \$3,945,000.00  | \$4,328,573.70             | Aaa                     | AA+                   | 4.52%                         | 07/25/2025    | 298              | (471,487.96)  | \$3,857,085.74                     | \$9,467.29       | \$3,866,553.03                         |
| MORTGAGE PASSTHRU  | FNMA REMIC TRUST       | 11/06/2020    | \$3,200,000.00  | \$1,239,573.55             | Aaa                     | AA+                   | 4.34%                         | 10/25/2025    | 390              | (331,611.65)  | \$907,961.90                       | \$3,438.25       | \$911,400.15                           |
| MORTGAGE PASSTHRU  | FNMA REMIC TRUST       | 11/06/2020    | \$1,000,000.00  | \$1,099,375.00             | Aaa                     | AA+                   | 4.34%                         | 10/25/2025    | 390              | (114,145.00)  | \$985,230.00                       | \$1,085.76       | \$986,315.76                           |
| MORTGAGE PASSTHRU  | FNMA REMIC TRUST       | 02/12/2021    | \$1,795,000.00  | \$862,804.75               | Aaa                     | AA+                   | 4.97%                         | 01/25/2025    | 117              | (155,569.47)  | \$707,235.28                       | \$2,612.78       | \$709,848.06                           |
| MORTGAGE PASSTHRU  | FHMS K730 A2           | 11/05/2021    | \$1,210,000.00  | \$1,061,567.88             | Aaa                     | AA+                   | 4.91%                         | 01/25/2025    | 117              | (92,017.17)   | \$969,550.71                       | \$2,846.36       | \$972,397.07                           |
| MORTGAGE PASSTHRU  | FNMA GTD REMIC         | 11/18/2021    | \$1,000,000.00  | \$1,052,656.25             | Aaa                     | AA+                   | 4.97%                         | 01/25/2025    | 117              | (59,226.26)   | \$993,429.99                       | \$1,428.87       | \$994,858.86                           |
| MORTGAGE PASSTHRU  | FNMA GTD REMIC         | 11/19/2021    | \$176,791.08    | \$84,416.10                | Aaa                     | AA+                   | 7.67%                         | 10/25/2024    | 25               | (8,434.25)  | \$75,981.85                        | \$167.23         | \$76,149.08                            |
| MORTGAGE PASSTHRU  | FNMA AN2426A           | 06/09/2022    | \$1,993,107.11  | \$1,836,237.02             | Aaa                     | AA+                   | 4.05%                         | 09/01/2026    | 701              | 7,724.18  | \$1,843,961.20                     | \$3,413.01       | \$1,847,374.21                         |
| MORTGAGE PASSTHRU  | FNMA PARTN CERT POOL   | 11/01/2023    | \$1,480,000.00  | \$1,458,694.18             | Aaa                     | AA+                   | 4.84%                         | 04/01/2028    | 1279             | 44,712.17   | \$1,503,406.35                     | \$6,483.21       | \$1,509,889.56                         |
| MORTGAGE PASSTHRU  | FHMS K730 A2           | 05/28/2024    | \$61,435.74     | \$60,619.80                | Aaa                     | AA+                   | 5.22%                         | 01/25/2025    | 117              | 497.70  | \$61,117.50                        | \$149.80         | \$61,267.30                            |
| MORTGAGE PASSTHRU  | FNMA REMIC TRUST       | 05/15/2024    | \$35,640.01     | \$34,999.60                | Aaa                     | AA+                   | 4.97%                         | 01/25/2025    | 117              | 406.25  | \$35,405.85                        | \$40.83          | \$35,446.68                            |
|                    |                        |               | \$16,821,522.58 | \$14,036,819.25            |                         |                       |                               |               |                  | (\$1,270,353.69)                                    | \$12,766,465.56                    | \$33,191.86      | \$12,799,657.42                        |

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|--------------------|------------------|---------------|------------------|----------------------------|-------------------------|-----------------------|-------------------------------|---------------|------------------|---|------------------------------------|------------------|--|
| US TREASURY NOTE   | US TREAS NTS     | 04/09/2019    | \$845,000.00     | \$791,593.36               | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | 20,468.54   | \$812,061.90                       | \$1,649.34       | \$813,711.24                           |
| US TREASURY NOTE   | US TREAS NTS     | 04/18/2019    | \$579,000.00     | \$539,827.03               | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | 16,603.55   | \$556,430.58                       | \$1,178.10       | \$557,608.68                           |
| US TREASURY NOTE   | US TREAS NTS     | 10/01/2019    | \$1,275,000.00   | \$1,302,043.95             | Aaa                     | AA+                   | 4.49%                         | 02/15/2025    | 138              | (38,965.20)   | \$1,263,078.75                     | \$3,197.54       | \$1,266,276.29                         |
| US TREASURY NOTE   | US TREAS NTS     | 10/01/2019    | \$550,000.00     | \$545,531.25               | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | (16,970.25)   | \$528,561.00                       | \$1,060.29       | \$529,621.29                           |
| US TREASURY NOTE   | US TREASURY NOTE | 09/02/2021    | \$1,950,000.00   | \$2,018,713.55             | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | (144,724.55)  | \$1,873,989.00                     | \$3,769.91       | \$1,877,758.91                         |
| US TREASURY NOTE   | US TREASURY NOTE | 11/03/2021    | \$1,385,000.00   | \$1,409,729.05             | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | (78,716.35)   | \$1,331,012.70                     | \$2,591.82       | \$1,333,604.52                         |
| US TREASURY NOTE   | US TREASURY NOTE | 11/03/2021    | \$8,165,000.00   | \$8,481,740.03             | Aaa                     | AA+                   | 4.49%                         | 02/15/2025    | 138              | (393,082.78)  | \$8,088,657.25                     | \$20,929.31      | \$8,109,586.56                         |
| US TREASURY NOTE   | US TREASURY NOTE | 11/17/2021    | \$850,000.00     | \$860,329.02               | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | (43,462.02)   | \$816,867.00                       | \$1,649.34       | \$818,516.34                           |
| US TREASURY NOTE   | US TREASURY NOTE | 01/19/2022    | \$1,334,000.00   | \$1,360,215.49             | Aaa                     | AA+                   | 4.49%                         | 02/15/2025    | 138              | (38,688.39)   | \$1,321,527.10                     | \$3,488.22       | \$1,325,015.32                         |
| US TREASURY NOTE   | US TREASURY NOTE | 04/22/2022    | \$2,100,000.00   | \$1,972,448.44             | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | 45,693.56   | \$2,018,142.00                     | \$4,005.53       | \$2,022,147.53                         |
| US TREASURY NOTE   | US TREASURY NOTE | 06/23/2022    | \$2,000,000.00   | \$1,853,756.70             | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | 68,283.30   | \$1,922,040.00                     | \$3,769.91       | \$1,925,809.91                         |
| US TREASURY NOTE   | US TREASURY NOTE | 10/04/2022    | \$4,050,000.00   | \$3,761,925.69             | Aaa                     | AA+                   | 3.57%                         | 08/15/2027    | 1049             | 142,071.81  | \$3,903,997.50                     | \$11,673.02      | \$3,915,670.52                         |
| US TREASURY NOTE   | US TREASURY NOTE | 12/01/2022    | \$1,200,000.00   | \$1,109,113.39             | Aaa                     | AA+                   | 3.57%                         | 08/15/2027    | 1049             | 47,626.61   | \$1,156,740.00                     | \$3,335.15       | \$1,160,075.15                         |
| US TREASURY NOTE   | US TREASURY NOTE | 01/13/2023    | \$2,040,000.00   | \$1,885,731.83             | Aaa                     | AA+                   | 3.65%                         | 08/15/2026    | 684              | 74,748.97   | \$1,960,480.80                     | \$3,887.70       | \$1,964,368.50                         |
| US TREASURY NOTE   | US TREASURY NOTE | 02/02/2023    | \$2,190,000.00   | \$2,063,483.50             | Aaa                     | AA+                   | 3.57%                         | 08/15/2027    | 1049             | 47,567.00   | \$2,111,050.50                     | \$6,336.79       | \$2,117,387.29                         |
| US TREASURY NOTE   | US TREASURY NOTE | 02/16/2023    | \$700,000.00     | \$647,146.88               | Aaa                     | AA+                   | 3.57%                         | 08/15/2027    | 1049             | 27,618.12   | \$674,765.00                       | \$2,001.08       | \$676,766.08                           |
| US TREASURY NOTE   | US TREASURY NOTE | 04/06/2023    | \$606,000.00     | \$586,425.39               | Aaa                     | AA+                   | 4.49%                         | 02/15/2025    | 138              | 13,908.51   | \$600,333.90                       | \$1,453.41       | \$601,787.31                           |
| US TREASURY NOTE   | US TREASURY NOTE | 05/16/2023    | \$3,466,000.00   | \$3,292,576.23             | Aaa                     | AA+                   | 3.57%                         | 08/15/2027    | 1049             | 48,474.47   | \$3,341,050.70                     | \$10,005.44      | \$3,351,056.14                         |
| US TREASURY NOTE   | US TREASURY NOTE | 05/16/2023    | \$1,725,000.00   | \$1,668,202.06             | Aaa                     | AA+                   | 3.57%                         | 02/15/2028    | 1233             | 11,516.69   | \$1,679,718.75                     | \$6,190.31       | \$1,685,909.06                         |
| US TREASURY NOTE   | US TREASURY NOTE | 08/17/2023    | \$6,325,000.00   | \$5,896,354.19             | Aaa                     | AA+                   | 3.57%                         | 02/15/2028    | 1233             | 262,614.56  | \$6,158,968.75                     | \$22,285.09      | \$6,181,253.84                         |
| US TREASURY NOTE   | US TREASURY NOTE | 10/03/2023    | \$8,150,000.00   | \$7,399,654.26             | Aaa                     | AA+                   | 3.59%                         | 02/28/2027    | 881              | 427,198.24  | \$7,826,852.50                     | \$13,118.59      | \$7,839,971.09                         |
| US TREASURY NOTE   | US TREASURY NOTE | 10/30/2023    | \$975,000.00     | \$886,834.32               | Aaa                     | AA+                   | 3.59%                         | 02/28/2027    | 881              | 49,506.93   | \$936,341.25                       | \$1,543.36       | \$937,884.61                           |
| US TREASURY NOTE   | US TREASURY NOTE | 02/01/2024    | \$2,890,000.00   | \$2,714,238.98             | Aaa                     | AA+                   | 3.59%                         | 02/28/2027    | 881              | 61,172.52   | \$2,775,411.50                     | \$4,630.09       | \$2,780,041.59                         |
| US TREASURY NOTE   | US TREASURY NOTE | 02/01/2024    | \$3,700,000.00   | \$3,539,438.17             | Aaa                     | AA+                   | 3.57%                         | 02/15/2028    | 1233             | 63,436.83   | \$3,602,875.00                     | \$12,793.28      | \$3,615,668.28                         |
| US TREASURY NOTE   | US TREASURY NOTE | 07/02/2024    | \$3,593,000.00   | \$3,411,116.41             | Aaa                     | AA+                   | 3.78%                         | 02/15/2026    | 503              | 77,902.17   | \$3,489,018.58                     | \$7,456.94       | \$3,496,475.52                         |
| US TREASURY NOTE   | US TREASURY NOTE | 07/02/2024    | \$7,912,000.00   | \$7,876,484.32             | Aaa                     | AA+                   | 3.59%                         | 08/31/2028    | 1431             | 263,935.12  | \$8,140,419.44                     | \$29,642.68      | \$8,170,062.12                         |
| US TREASURY NOTE   | US TREASURY NOTE | 08/23/2024    | \$1,925,000.00   | \$1,744,161.73             | Aaa                     | AA+                   | 3.53%                         | 08/15/2029    | 1780             | 16,539.52   | \$1,760,701.25                     | \$3,995.16       | \$1,764,696.41                         |
|                    |                  |               | \$72,480,000.00  | \$69,618,815.23            |                         |                       |                               |               |                  | \$1,032,277.47                                      | \$70,651,092.70                    | \$187,637.40     | \$70,838,730.10                        |
|                    |                  | Subtotal      | \$122,287,522.58 | \$115,694,914.99           |                         |                       |                               |               |                  | \$22,237.93   | \$115,717,152.92                   | \$456,492.08     | \$116,173,645.00                       |

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|--------------------|--------------|------------------|------------------|----------------------------|-------------------------|-----------------------|-------------------------------|---------------|------------------|---|------------------------------------|------------------|--|
| MONEY MARKET       | MONEY MARKET |                  | \$1,689,206.36   | \$1,689,206.36             |                         |                       | 0.00%                         |               |                  |   | \$1,689,206.36                     | \$5,675.96       | \$1,694,882.32                         |
|                    |              |                  |                  | \$3,920,775.70             | Principal Pay Downs     |                       |                               |               |                  | (\$3,920,775.70)                                    |                                    |                  |  |
| Total              |              | \$123,976,728.94 | \$121,304,897.05 |                            |                         |                       |                               |               |                  | (\$3,898,537.77)                                    | \$117,406,359.28                   | \$462,168.04     | \$117,868,527.32                       |

| Percentage of Portfolio (by type) |          |
|-----------------------------------|----------|
| CORPORATE BOND                    | 27.60%   |
| US TREASURY NOTE                  | 60.10%   |
| MORTGAGE PASSTHRU                 | 10.86%   |
| MONEY MARKET                      | 1.44%    |
| <hr/>                             |          |
|                                   | 100.000% |

| Portfolio         | Weighted      |
|-------------------|---------------|
| Yield to Maturity | Avg. Maturity |
| <u>3.86%</u>      | <u>756</u>    |

|  |                        |
|--|------------------------|
| Cash Invested:                                 | <u>\$67,617,209.22</u> |
| <b>Inception-to-Date return</b>                | <u>\$50,251,318.10</u> |
| (Includes earnings +/- change in market value) |                        |

SISC II's proportionate share of Ending Portfolio Value \$26,658,302

**NOTES:**

- 1) Self-Insured Schools of California's investment portfolio is in compliance with the SISC Investment Policy
- 2) To the best of our knowledge and belief at this date, SISC has sufficient liquidity to meet its cash requirements for the next six months.
- 3) The source of security market value and the accrued interest is the monthly statement provided by US Bank.
- 4) Please refer to the attached for a description of the investments managed by the Kern County Treasurer and LAIF.

9/30/2024

SISC II  
 JUL-SEP 2024  
 WELLS FARGO ADVISORS INVESTMENT SUMMARY REPORT - RICH EDWARDS

| Type of Investment | Issuer              | Purchase Date | Par/Face Value  | Dollar Amt Invested (cost) | Security Rating Moody's | Security Rating S & P | YTM Current Quarter 9/30/2024 | Maturity Date | Days to Maturity | Incept-toDate UNREALIZED Gain/(Loss) (Mkt Vlu-Cost) | Market Value Current Qtr 9/30/2024 | Accrued Interest | Ending Portfolio Value (Mkt + Acc Int) |
|--------------------|---------------------|---------------|-----------------|----------------------------|-------------------------|-----------------------|-------------------------------|---------------|------------------|---|------------------------------------|------------------|--|
| Federal Agency     | FANNIE MAE          | 12/15/2020    | \$500,000.00    | \$509,715.00               | AAA                     | AA+                   | 4.286%                        | 4/22/2025     | 204              | (\$19,825.00)                                       | \$489,890.00                       | \$1,380.21       | \$491,270.21                           |
| Federal Agency     | FANNIE MAE          | 1/14/2021     | \$500,000.00    | \$528,000.00               | AAA                     | AA+                   | 3.081%                        | 4/22/2025     | 204              | (\$32,035.00)                                       | \$495,965.00                       | \$1,895.83       | \$497,860.83                           |
| Federal Agency     | FEDERAL HOME LOAN   | 5/12/2021     | \$500,000.00    | \$543,276.05               | AAA                     | AA+                   | 4.633%                        | 12/13/2024    | 74               | (\$45,176.05)                                       | \$498,100.00                       | \$4,125.00       | \$502,225.00                           |
| Federal Agency     | FEDERAL NATL MTG    | 7/12/2021     | \$500,000.00    | \$498,740.00               | AAA                     | AA+                   | 3.914%                        | 8/25/2025     | 329              | (\$14,415.00)                                       | \$484,325.00                       | \$187.50         | \$484,512.50                           |
| Federal Agency     | FEDERAL FARM CREDIT | 10/29/2021    | \$1,000,000.00  | \$993,953.44               | AAA                     | AA+                   | 4.561%                        | 1/15/2025     | 107              | (\$6,143.44)  | \$987,810.00                       | \$791.67         | \$988,601.67                           |
| Federal Agency     | FHLMC               | 1/20/2022     | \$1,000,000.00  | \$983,110.00               | AAA                     | AA+                   | 4.398%                        | 4/21/2025     | 203              | (\$3,650.00)  | \$979,460.00                       | \$2,933.33       | \$982,393.33                           |
| Federal Agency     | FHLB                | 1/20/2022     | \$1,000,000.00  | \$995,980.00               | AAA                     | AA+                   | 3.899%                        | 5/22/2026     | 599              | (\$36,520.00)                                       | \$959,460.00                       | \$4,837.50       | \$964,297.50                           |
| Federal Agency     | FHLMC               | 1/20/2022     | \$1,000,000.00  | \$1,011,190.00             | AAA                     | AA+                   | 4.636%                        | 2/12/2025     | 135              | (\$22,690.00)                                       | \$988,500.00                       | \$2,041.67       | \$990,541.67                           |
| Federal Agency     | FHLB                | 2/23/2022     | \$1,000,000.00  | \$998,000.00               | AAA                     | AA+                   | 3.882%                        | 2/18/2026     | 506              | (\$27,590.00)                                       | \$970,410.00                       | \$2,018.61       | \$972,428.61                           |
| Federal Agency     | FNMA                | 4/18/2022     | \$1,500,000.00  | \$1,477,125.00             | AAA                     | AA+                   | 3.726%                        | 4/24/2026     | 571              | (\$13,620.00)                                       | \$1,463,505.00                     | \$13,901.04      | \$1,477,406.04                         |
| Federal Agency     | FHLB                | 5/26/2022     | \$500,000.00    | \$499,105.00               | AAA                     | AA+                   | 3.690%                        | 6/12/2026     | 620              | (\$8,905.00)  | \$490,200.00                       | \$3,784.72       | \$493,984.72                           |
| Federal Agency     | FHLB                | 5/26/2022     | \$500,000.00    | \$511,168.04               | AAA                     | AA+                   | 3.700%                        | 6/12/2026     | 620              | (\$15,903.04)                                       | \$495,265.00                       | \$4,730.90       | \$499,995.90                           |
| Federal Agency     | FFCB                | 6/23/2022     | \$1,000,000.00  | \$941,700.00               | AAA                     | AA+                   | 3.735%                        | 1/13/2026     | 470              | \$28,940.00   | \$970,640.00                       | \$3,033.33       | \$973,673.33                           |
| Federal Agency     | FFCB                | 6/23/2022     | \$1,000,000.00  | \$947,961.12               | AAA                     | AA+                   | 3.734%                        | 1/27/2026     | 484              | \$24,418.88   | \$972,380.00                       | \$2,844.44       | \$975,224.44                           |
| Federal Agency     | FHLB                | 9/28/2022     | \$500,000.00    | \$470,180.36               | AAA                     | AA+                   | 3.688%                        | 12/11/2026    | 802              | \$18,599.64   | \$488,780.00                       | \$4,010.42       | \$492,790.42                           |
| Federal Agency     | FHLB                | 9/29/2022     | \$500,000.00    | \$482,180.00               | AAA                     | AA+                   | 3.692%                        | 12/11/2026    | 802              | \$10,515.00   | \$492,695.00                       | \$4,583.33       | \$497,278.33                           |
| Federal Agency     | FFCB                | 1/27/2023     | \$1,000,000.00  | \$1,002,100.00             | AAA                     | AA+                   | 3.627%                        | 4/26/2027     | 938              | (\$2,150.00)  | \$999,950.00                       | \$15,607.64      | \$1,015,557.64                         |
| Federal Agency     | FFCB                | 3/27/2023     | \$750,000.00    | \$771,375.00               | AAA                     | AA+                   | 3.699%                        | 11/23/2026    | 784              | (\$12,832.50)                                       | \$758,542.50                       | \$11,333.33      | \$769,875.83                           |
| Federal Agency     | FHLB                | 4/26/2023     | \$2,000,000.00  | \$2,061,860.00             | AAA                     | AA+                   | 3.597%                        | 12/10/2027    | 1166             | (\$22,420.00)                                       | \$2,039,440.00                     | \$26,208.33      | \$2,065,648.33                         |
| Federal Agency     | FHLMC               | 10/27/2023    | \$500,000.00    | \$500,860.00               | AAA                     | AA+                   | 5.668%                        | 7/26/2028     | 1395             | (\$1,170.00)  | \$499,690.00                       | \$5,100.69       | \$504,790.69                           |
| Federal Agency     | FHLB                | 1/23/2024     | \$2,000,000.00  | \$2,013,500.00             | AAA                     | AA+                   | 4.013%                        | 1/19/2029     | 1572             | \$13,200.00   | \$2,026,700.00                     | \$17,400.00      | \$2,044,100.00                         |
| Federal Agency     | FHLB                | 4/24/2024     | \$500,000.00    | \$500,245.00               | AAA                     | AA+                   | 4.644%                        | 10/2/2028     | 1463             | \$3,995.00  | \$504,240.00                       | \$11,916.67      | \$516,156.67                           |
| Federal Agency     | FHLMC               | 7/25/2024     | \$2,500,000.00  | \$2,478,075.00             | AAA                     | AA+                   | 4.242%                        | 7/18/2029     | 1752             | \$28,675.00   | \$2,506,750.00                     | \$21,545.14      | \$2,528,295.14                         |
|                    |                     |               | \$21,750,000.00 | \$21,719,399.00            |                         |                       |                               |               |                  | (\$156,701.50)                                      | \$21,562,697.50                    | \$166,211.30     | \$21,728,908.80                        |
| Treasury           | US TREASURY         | 12/19/2022    | \$500,000.00    | \$512,359.38               | AAA                     | AA+                   | 3.561%                        | 9/30/2027     | 1095             | (\$4,329.37)  | \$508,030.00                       | \$56.66          | \$508,086.66                           |
| Treasury           | US TREASURY BILL    | 5/9/2024      | \$5,000,000.00  | \$4,892,133.35             | AAA                     | AA+                   | 4.236%                        | 10/10/2024    | 10               | \$102,066.65  | \$4,994,200.00                     | \$0.00           | \$4,994,200.00                         |
| Treasury           | US TREASURY BILL    | 6/13/2024     | \$5,000,000.00  | \$4,888,167.65             | AAA                     | AA+                   | 4.620%                        | 11/21/2024    | 52               | \$79,032.35   | \$4,967,200.00                     | \$0.00           | \$4,967,200.00                         |
| Treasury           | US TREASURY BILL    | 8/15/2024     | \$5,000,000.00  | \$4,918,280.00             | AAA                     | AA+                   | 0.008%                        | 12/19/2024    | 80               | \$32,270.00   | \$4,950,550.00                     | \$0.00           | \$4,950,550.00                         |
| Treasury           | US TREASURY BILL    | 9/23/2024     | \$8,000,000.00  | \$7,889,017.76             | AAA                     | AA+                   | 0.011%                        | 1/16/2025     | 108              | \$4,662.24  | \$7,893,680.00                     | \$0.00           | \$7,893,680.00                         |
|                    |                     |               | \$23,500,000.00 | \$23,099,958.14            |                         |                       |                               |               |                  | \$213,701.87  | \$23,313,660.00                    | \$56.66          | \$23,313,716.66                        |

9/30/2024

SISC II  
 JUL-SEP 2024  
 WELLS FARGO ADVISORS INVESTMENT SUMMARY REPORT - RICH EDWARDS

| Type of Investment | Issuer                | Purchase Date | Par/Face Value  | Dollar Amt Invested (cost) | Security Rating Moody's | Security Rating S & P | YTM Current Quarter 9/30/2024 | Maturity Date | Days to Maturity | Incept-toDate UNREALIZED Gain/(Loss) (Mkt Vlu-Cost) | Market Value Current Qtr 9/30/2024 | Accrued Interest | Ending Portfolio Value (Mkt + Acc Int) |
|--------------------|-----------------------|---------------|-----------------|----------------------------|-------------------------|-----------------------|-------------------------------|---------------|------------------|---|------------------------------------|------------------|--|
| Corpoate Note      | MICROSOFT CORP        | 2/15/2022     | \$500,000.00    | \$521,825.00               | AAA                     | AAA                   | 4.007%                        | 11/3/2025     | 399              | (\$26,545.00)                                       | \$495,280.00                       | \$6,423.61       | \$501,703.61                           |
| Corpoate Note      | CHEVRON CORP          | 2/15/2022     | \$500,000.00    | \$522,890.00               | AA2                     | AA-                   | 4.080%                        | 11/17/2025    | 413              | (\$27,060.00)                                       | \$495,830.00                       | \$6,190.06       | \$502,020.06                           |
| Corpoate Note      | ABBOTT LABORATORIES   | 3/16/2022     | \$500,000.00    | \$510,500.00               | AA3                     | AA-                   | 4.703%                        | 3/15/2025     | 166              | (\$14,445.00)                                       | \$496,055.00                       | \$655.56         | \$496,710.56                           |
| Corpoate Note      | LAM RESEARCH CORP     | 3/16/2022     | \$500,000.00    | \$521,250.00               | A2                      | A-                    | 4.898%                        | 3/15/2025     | 166              | (\$23,720.00)                                       | \$497,530.00                       | \$844.44         | \$498,374.44                           |
| Corpoate Note      | TEXAS INSTRUMENTS INC | 3/15/2022     | \$500,000.00    | \$490,900.00               | AA3                     | A+                    | 4.578%                        | 3/12/2025     | 163              | \$2,020.00  | \$492,920.00                       | \$362.85         | \$493,282.85                           |
| Corpoate Note      | PEPSICO INS           | 3/15/2022     | \$500,000.00    | \$501,750.00               | A1                      | A+                    | 4.526%                        | 3/19/2025     | 170              | (\$6,995.00)  | \$494,755.00                       | \$375.00         | \$495,130.00                           |
| Corpoate Note      | JOHN DEERE CORP.      | 7/26/2022     | \$500,000.00    | \$493,565.00               | A2                      | A                     | 3.981%                        | 6/10/2026     | 618              | (\$4,465.00)  | \$489,100.00                       | \$4,085.42       | \$493,185.42                           |
| Corpoate Note      | APPLIED MATERIALS INC | 9/20/2022     | \$500,000.00    | \$499,880.00               | A2                      | A                     | 4.299%                        | 10/1/2025     | 366              | (\$1,840.00)  | \$498,040.00                       | \$9,750.00       | \$507,790.00                           |
| Corpoate Note      | MORGAN STANLEY        | 1/31/2023     | \$500,000.00    | \$488,250.00               | A1                      | A-                    | 4.034%                        | 1/20/2027     | 842              | \$7,240.00  | \$495,490.00                       | \$3,574.65       | \$499,064.65                           |
| Corpoate Note      | TOYOTA MOTOR          | 6/29/2023     | \$500,000.00    | \$500,205.00               | A1                      | A+                    | 4.024%                        | 1/12/2028     | 1199             | \$9,050.00  | \$509,255.00                       | \$5,074.65       | \$514,329.65                           |
| Corpoate Note      | JOHN DEERE CAP        | 7/27/2023     | \$1,000,000.00  | \$1,004,690.00             | A2                      | A                     | 3.995%                        | 2/20/2028     | 1238             | \$19,300.00   | \$1,023,990.00                     | \$9,368.06       | \$1,033,358.06                         |
| Corpoate Note      | MERRILL LYNCH         | 7/27/2023     | \$700,000.00    | \$765,282.00               | A1                      | A-                    | 4.270%                        | 6/1/2028      | 1340             | (\$6,181.00)  | \$759,101.00                       | \$15,750.00      | \$774,851.00                           |
|                    |                       |               | \$6,700,000.00  | \$6,820,987.00             |                         |                       |                               |               |                  | (\$73,641.00)                                       | \$6,747,346.00                     | \$62,454.30      | \$6,809,800.30                         |
| Money Market       | Money Market          |               | \$6,728,727.70  | \$6,728,727.70             |                         |                       | 0.000%                        |               |                  |   | \$6,728,727.70                     | \$31,257.60      | \$6,759,985.30                         |
|                    | Grand Total           |               | \$58,678,727.70 | \$58,369,071.84            |                         |                       |                               |               |                  | (\$16,640.63)                                       | \$58,352,431.20                    | \$259,979.86     | \$58,612,411.06                        |

| Percentage of Portfolio (by type) |         |
|-----------------------------------|---------|
| Federal Agency                    | 37.07%  |
| Treasury                          | 39.78%  |
| Corpoate Note                     | 11.62%  |
| Money Market                      | 11.53%  |
|                                   | 100.00% |

|                             |              |                        |            |
|-----------------------------|--------------|------------------------|------------|
| Portfolio Yield to Maturity | <u>2.76%</u> | Weighted Avg. Maturity | <u>422</u> |
|-----------------------------|--------------|------------------------|------------|

| Cash Invested: |                        |
|----------------|------------------------|
| 10/01/92       | \$1,040,768.34         |
| 05/12/93       | \$504,743.06           |
| 05/19/93       | \$1,084,246.67         |
| 08/26/93       | \$300,000.00           |
| 12/17/96       | \$1,000,000.00         |
| 07/01/98       | \$4,000,000.00         |
| 07/03/00       | (\$5,000,000.00)       |
| 04/01/05       | \$1,000,000.00         |
| 9/29/2005      | \$2,000,000.00         |
| 1/6/2010       | \$2,500,000.00         |
| 1/4/2012       | \$4,000,000.00         |
| 1/13/2022      | \$8,000,000.00         |
| 12/9/2022      | \$8,000,000.00         |
| 8/25/2023      | \$20,000,000.00        |
|                | <u>\$48,429,758.07</u> |

(Includes earnings +/- change in market value)

NOTES:

- 1) Self-Insured Schools of California's investment portfolio is in compliance with the SISC Investment Policy
- 2) To the best of our knowledge and belief at this date, SISC has sufficient liquidity to meet its cash requirements for the next six months.
- 3) The source of security market value and accrued interest is the monthly statement provided by US Bank.
- 4) Please refer to the attached for a description of the investments managed by the Kern County Treasurer and LAIF.

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## Quarterly Report

For Quarter Ended September 30, 2024

[Letter to the Board](#)

[Portfolio Report](#)

### Investment Earnings

Kern County Treasurer-Tax Collector's Comparative Statement of Interest Earnings and Statistical Data

| Quarter Ending     | Interest Earnings | Net Avg. Daily Balance | Co. Treasury Annualized Yield | T-Bill (91 day) Daily Avg. | Money Market Fund Daily Avg. |
|--------------------|-------------------|------------------------|-------------------------------|----------------------------|------------------------------|
| September 30, 2024 | \$57,731,749.82   | \$6,492,827,189.93     | 3.528 %                       | 4.62 %                     | 4.91 %                       |
| June 30, 2024      | \$59,313,597.94   | \$6,867,501,459.65     | 3.464 %                       | 5.35 %                     | 5.22 %                       |
| June 30, 2024      | \$59,313,597.94   | \$6,867,501,459.65     | 3.464 %                       | 5.35 %                     | 5.22 %                       |
| March 31, 2024     | \$55,301,737.80   | \$6,744,363,669.45     | 3.370 %                       | 5.36 %                     | 5.23 %                       |

Interest is computed on the accrual basis of accounting on the average daily balance method of apportionment, simple interest method, and net of all administrative costs.



[\\*\\*\\*Website Usage Policy\\*\\*\\*](#)

[\\*\\*\\*Free Speech Policy\\*\\*\\*](#)

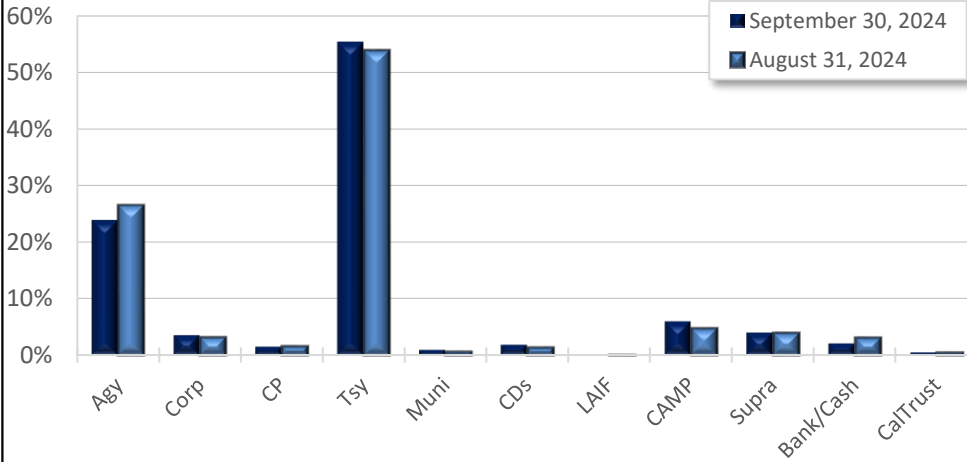


# Kern County Treasurer's Pooled Cash Portfolio Summary

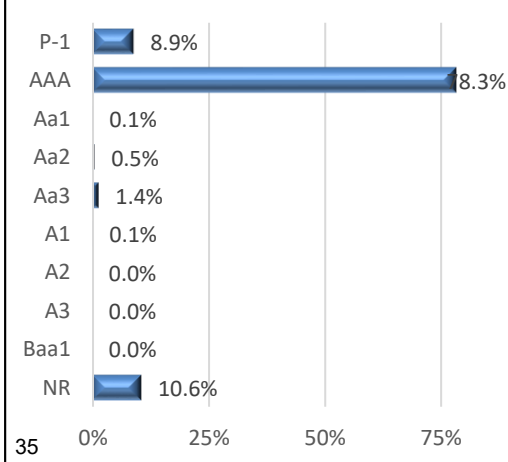
9/30/2024

| Sector                              | Par Amount    | Original Cost | Market Value  | Original Yield | % of Total Assets | Policy Limit Rating | Days to Maturity |
|-------------------------------------|---------------|---------------|---------------|----------------|-------------------|---------------------|------------------|
| Local Agency Investment Fund        | 1,862,870     | 1,862,870     | 1,862,870     | 3.64%          | 0.03%             | \$75 Million        | 1                |
| California Asset Management Program | 398,066,175   | 398,066,175   | 398,066,175   | 5.29%          | 5.99%             | 10%                 | 1                |
| CalTRUST                            | 34,957,685    | 34,957,685    | 34,957,685    | 5.24%          | 0.53%             | 10%                 | 1                |
| Money Markets                       | 99,825,571    | 99,825,571    | 99,825,571    | 5.08%          | 1.50%             | 10%                 | 1                |
| Bank Sweep (ICS)                    | 21,218,392    | 21,218,392    | 21,218,392    | 4.27%          | 0.32%             | 10%                 | 1                |
| U.S. Treasuries                     | 3,760,500,000 | 3,658,929,100 | 3,679,146,131 | 3.20%          | 55.39%            | 100%                | 769              |
| Federal Agencies                    | 1,604,761,000 | 1,580,352,584 | 1,595,421,793 | 3.93%          | 24.02%            | 75%                 | 587              |
| Municipal Bonds                     | 64,740,000    | 64,677,807    | 64,971,083    | 2.64%          | 0.98%             | 10%                 | 1,030            |
| Supranationals                      | 267,834,000   | 264,313,578   | 267,280,134   | 3.42%          | 4.02%             | 10%                 | 1,051            |
| Negotiable CDs                      | 125,000,000   | 125,000,000   | 125,234,836   | 5.05%          | 1.89%             | 30%                 | 174              |
| Commercial Paper                    | 105,000,000   | 103,058,803   | 103,090,316   | 4.48%          | 1.55%             | 40%                 | 151              |
| Corporate Notes                     | 242,454,000   | 237,654,268   | 234,776,778   | 2.08%          | 3.53%             | 30%                 | 534              |
| <b>Total Securities</b>             | 6,726,219,692 | 6,589,916,832 | 6,625,851,765 | 3.56%          | 99.76%            |                     | 645              |
| <b>Total Cash</b>                   | 16,215,380    | 16,215,380    | 16,215,380    |                | 0.24%             |                     |                  |
| <b>Total Assets</b>                 | 6,742,435,073 | 6,606,132,213 | 6,642,067,145 |                | 100.00%           |                     |                  |

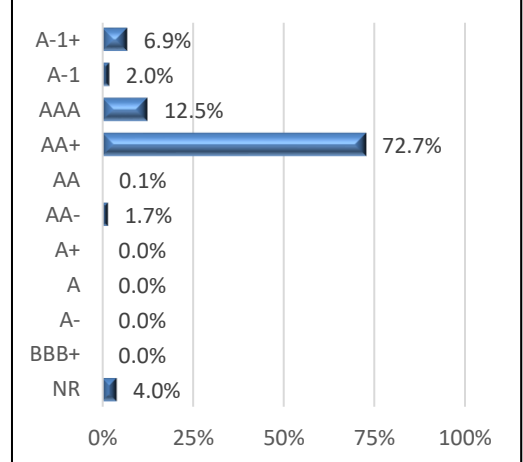
**Sector Allocations**



**Moody's Ratings**



**S&P Ratings**







# PMIA/LAIF Performance Report as of 10/23/24



## Quarterly Performance Quarter Ended 09/30/24

|  |                     |
|--|---------------------|
| LAIF Apportionment Rate <sup>(2)</sup> :   | 4.71                |
| LAIF Earnings Ratio <sup>(2)</sup> :       | 0.00012912073474208 |
| LAIF Administrative Cost <sup>(1)*</sup> : | 0.26                |
| LAIF Fair Value Factor <sup>(1)</sup> :    | 1.002061084         |
| PMIA Daily <sup>(1)</sup> :                | 4.58                |
| PMIA Quarter to Date <sup>(1)</sup> :      | 4.56                |
| PMIA Average Life <sup>(1)</sup> :         | 231                 |

## PMIA Average Monthly Effective Yields<sup>(1)</sup>

|           |       |
|-----------|-------|
| September | 4.575 |
| August    | 4.579 |
| July      | 4.516 |
| June      | 4.480 |
| May       | 4.332 |
| April     | 4.272 |

## Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 9/30/24 \$161.6 billion

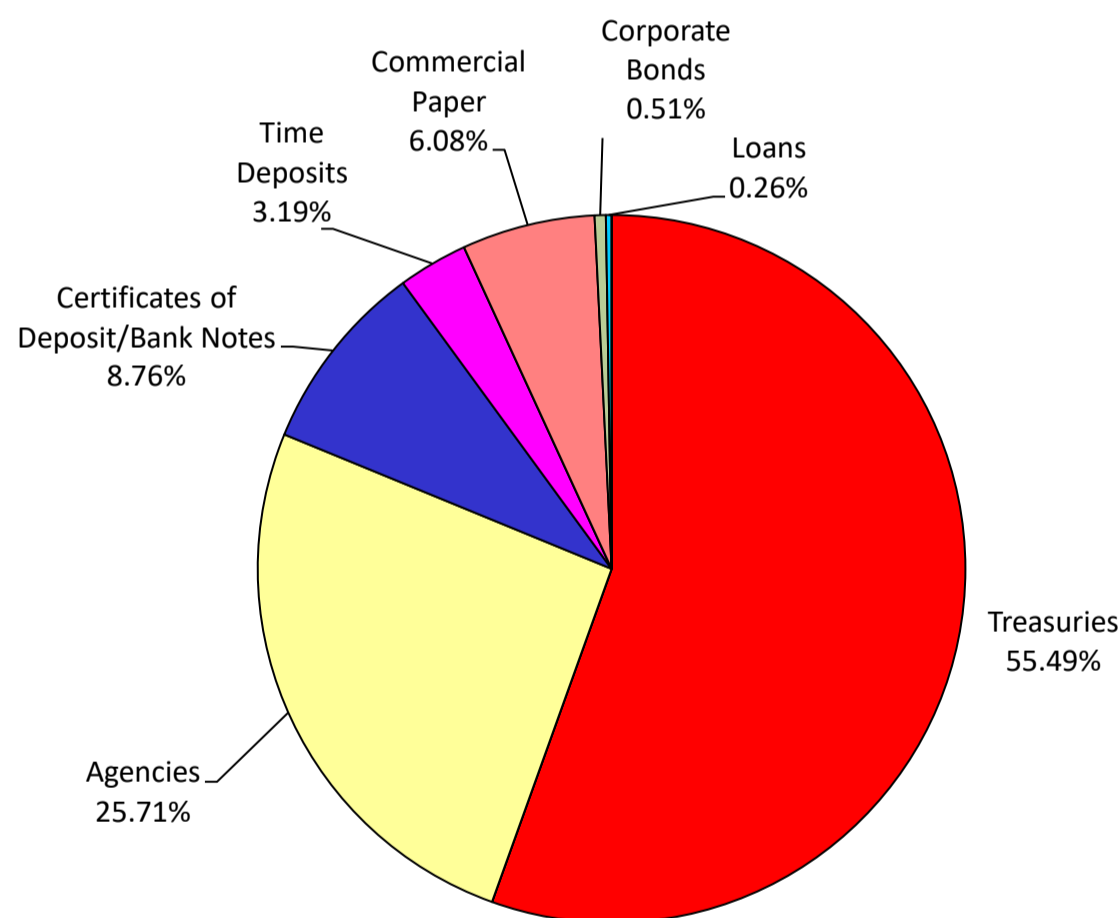


Chart does not include \$1,343,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller





## State of California Pooled Money Investment Account Market Valuation 9/30/2024

| Description                 | Carrying Cost Plus<br>Accrued Interest Purch. | Amortized Cost               | Fair Value                   | Accrued Interest         |
|-----------------------------|---|------------------------------|------------------------------|--------------------------|
| United States Treasury:     |   |                              |                              |                          |
| Bills                       | \$ 37,219,132,119.94                          | \$ 37,611,761,722.45         | \$ 37,649,874,730.00         | NA                       |
| Notes                       | \$ 52,438,209,673.44                          | \$ 52,431,249,843.99         | \$ 52,628,447,237.50         | \$ 338,916,414.00        |
| Federal Agency:             |   |                              |                              |                          |
| SBA                         | \$ 234,789,566.25                             | \$ 234,789,566.25            | \$ 239,688,922.19            | \$ 1,137,293.83          |
| MBS-REMICs                  | \$ 1,343,330.39                               | \$ 1,343,330.39              | \$ 1,333,133.17              | \$ 5,860.17              |
| Debentures                  | \$ 8,551,295,296.41                           | \$ 8,550,807,275.58          | \$ 8,572,162,650.00          | \$ 88,174,874.00         |
| Debentures FR               | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| Debentures CL               | \$ 1,900,000,000.00                           | \$ 1,900,000,000.00          | \$ 1,915,595,500.00          | \$ 23,839,290.00         |
| Discount Notes              | \$ 27,802,855,756.89                          | \$ 28,183,541,083.32         | \$ 28,201,570,100.00         | NA                       |
| Supranational Debentures    | \$ 3,045,579,031.00                           | \$ 3,045,427,121.27          | \$ 3,058,954,350.00          | \$ 30,087,194.50         |
| Supranational Debentures FR | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| CDs and YCDs FR             | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| Bank Notes                  | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| CDs and YCDs                | \$ 14,150,000,000.00                          | \$ 14,150,000,000.00         | \$ 14,167,238,042.50         | \$ 234,857,430.54        |
| Commercial Paper            | \$ 9,817,309,625.04                           | \$ 9,932,313,000.02          | \$ 9,943,126,375.07          | NA                       |
| Corporate:                  |   |                              |                              |                          |
| Bonds FR                    | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| Bonds                       | \$ 841,781,179.90                             | \$ 841,450,311.84            | \$ 839,516,915.00            | \$ 7,674,799.03          |
| Repurchase Agreements       | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| Reverse Repurchase          | \$ -  | \$ -                         | \$ -                         | \$ -                     |
| Time Deposits               | \$ 5,149,000,000.00                           | \$ 5,149,000,000.00          | \$ 5,149,000,000.00          | NA                       |
| PMIA & GF Loans             | \$ 419,106,000.00                             | \$ 419,106,000.00            | \$ 419,106,000.00            | NA                       |
| <b>TOTAL</b>                | <b>\$ 161,570,401,579.26</b>                  | <b>\$ 162,450,789,255.11</b> | <b>\$ 162,785,613,955.43</b> | <b>\$ 724,693,156.07</b> |

Fair Value Including Accrued Interest

\$ 163,510,307,111.50

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.002061084). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,041,221.68 or \$20,000,000.00 x 1.002061084.



[Home](#) ->> [PMIA](#) ->> PMIA Average Monthly Effective Yields



**LOCAL AGENCY INVESTMENT FUND**

## PMIA Average Monthly Effective Yields

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1977 | 5.770  | 5.660  | 5.660  | 5.650  | 5.760  | 5.850  | 5.930  | 6.050  | 6.090  | 6.090  | 6.610  | 6.730  |
| 1978 | 6.920  | 7.050  | 7.140  | 7.270  | 7.386  | 7.569  | 7.652  | 7.821  | 7.871  | 8.110  | 8.286  | 8.769  |
| 1979 | 8.777  | 8.904  | 8.820  | 9.082  | 9.046  | 9.224  | 9.202  | 9.528  | 9.259  | 9.814  | 10.223 | 10.218 |
| 1980 | 10.980 | 11.251 | 11.490 | 11.480 | 12.017 | 11.798 | 10.206 | 9.870  | 9.945  | 10.056 | 10.426 | 10.961 |
| 1981 | 10.987 | 11.686 | 11.130 | 11.475 | 12.179 | 11.442 | 12.346 | 12.844 | 12.059 | 12.397 | 11.887 | 11.484 |
| 1982 | 11.683 | 12.044 | 11.835 | 11.773 | 12.270 | 11.994 | 12.235 | 11.909 | 11.151 | 11.111 | 10.704 | 10.401 |
| 1983 | 10.251 | 9.887  | 9.688  | 9.868  | 9.527  | 9.600  | 9.879  | 10.076 | 10.202 | 10.182 | 10.164 | 10.227 |
| 1984 | 10.312 | 10.280 | 10.382 | 10.594 | 10.843 | 11.119 | 11.355 | 11.557 | 11.597 | 11.681 | 11.474 | 11.024 |
| 1985 | 10.579 | 10.289 | 10.118 | 10.025 | 10.180 | 9.743  | 9.656  | 9.417  | 9.572  | 9.482  | 9.488  | 9.371  |
| 1986 | 9.252  | 9.090  | 8.958  | 8.621  | 8.369  | 8.225  | 8.141  | 7.844  | 7.512  | 7.586  | 7.432  | 7.439  |
| 1987 | 7.365  | 7.157  | 7.205  | 7.044  | 7.294  | 7.289  | 7.464  | 7.562  | 7.712  | 7.825  | 8.121  | 8.071  |
| 1988 | 8.078  | 8.050  | 7.945  | 7.940  | 7.815  | 7.929  | 8.089  | 8.245  | 8.341  | 8.397  | 8.467  | 8.563  |
| 1989 | 8.698  | 8.770  | 8.870  | 8.992  | 9.227  | 9.204  | 9.056  | 8.833  | 8.801  | 8.771  | 8.685  | 8.645  |
| 1990 | 8.571  | 8.538  | 8.506  | 8.497  | 8.531  | 8.538  | 8.517  | 8.382  | 8.333  | 8.321  | 8.269  | 8.279  |
| 1991 | 8.164  | 8.002  | 7.775  | 7.666  | 7.374  | 7.169  | 7.098  | 7.072  | 6.859  | 6.719  | 6.591  | 6.318  |
| 1992 | 6.122  | 5.863  | 5.680  | 5.692  | 5.379  | 5.323  | 5.235  | 4.958  | 4.760  | 4.730  | 4.659  | 4.647  |
| 1993 | 4.678  | 4.649  | 4.624  | 4.605  | 4.427  | 4.554  | 4.438  | 4.472  | 4.430  | 4.380  | 4.365  | 4.384  |
| 1994 | 4.359  | 4.176  | 4.248  | 4.333  | 4.434  | 4.623  | 4.823  | 4.989  | 5.106  | 5.243  | 5.380  | 5.528  |
| 1995 | 5.612  | 5.779  | 5.934  | 5.960  | 6.008  | 5.997  | 5.972  | 5.910  | 5.832  | 5.784  | 5.805  | 5.748  |
| 1996 | 5.698  | 5.643  | 5.557  | 5.538  | 5.502  | 5.548  | 5.587  | 5.566  | 5.601  | 5.601  | 5.599  | 5.574  |
| 1997 | 5.583  | 5.575  | 5.580  | 5.612  | 5.634  | 5.667  | 5.679  | 5.690  | 5.707  | 5.705  | 5.715  | 5.744  |
| 1998 | 5.742  | 5.720  | 5.680  | 5.672  | 5.673  | 5.671  | 5.652  | 5.652  | 5.639  | 5.557  | 5.492  | 5.374  |
| 1999 | 5.265  | 5.210  | 5.136  | 5.119  | 5.086  | 5.095  | 5.178  | 5.225  | 5.274  | 5.391  | 5.484  | 5.639  |
| 2000 | 5.760  | 5.824  | 5.851  | 6.014  | 6.190  | 6.349  | 6.443  | 6.505  | 6.502  | 6.517  | 6.538  | 6.535  |
| 2001 | 6.372  | 6.169  | 5.976  | 5.760  | 5.328  | 4.958  | 4.635  | 4.502  | 4.288  | 3.785  | 3.526  | 3.261  |
| 2002 | 3.068  | 2.967  | 2.861  | 2.845  | 2.740  | 2.687  | 2.714  | 2.594  | 2.604  | 2.487  | 2.301  | 2.201  |
| 2003 | 2.103  | 1.945  | 1.904  | 1.858  | 1.769  | 1.697  | 1.653  | 1.632  | 1.635  | 1.596  | 1.572  | 1.545  |
| 2004 | 1.528  | 1.440  | 1.474  | 1.445  | 1.426  | 1.469  | 1.604  | 1.672  | 1.771  | 1.890  | 2.003  | 2.134  |
| 2005 | 2.264  | 2.368  | 2.542  | 2.724  | 2.856  | 2.967  | 3.083  | 3.179  | 3.324  | 3.458  | 3.636  | 3.808  |
| 2006 | 3.955  | 4.043  | 4.142  | 4.305  | 4.563  | 4.700  | 4.849  | 4.946  | 5.023  | 5.098  | 5.125  | 5.129  |
| 2007 | 5.156  | 5.181  | 5.214  | 5.222  | 5.248  | 5.250  | 5.255  | 5.253  | 5.231  | 5.137  | 4.962  | 4.801  |
| 2008 | 4.620  | 4.161  | 3.777  | 3.400  | 3.072  | 2.894  | 2.787  | 2.779  | 2.774  | 2.709  | 2.568  | 2.353  |
| 2009 | 2.046  | 1.869  | 1.822  | 1.607  | 1.530  | 1.377  | 1.035  | 0.925  | 0.750  | 0.646  | 0.611  | 0.569  |
| 2010 | 0.558  | 0.577  | 0.547  | 0.588  | 0.560  | 0.528  | 0.531  | 0.513  | 0.500  | 0.480  | 0.454  | 0.462  |
| 2011 | 0.538  | 0.512  | 0.500  | 0.588  | 0.413  | 0.448  | 0.381  | 0.408  | 0.378  | 0.385  | 0.401  | 0.382  |
| 2012 | 0.385  | 0.389  | 0.383  | 0.367  | 0.363  | 0.358  | 0.363  | 0.377  | 0.348  | 0.340  | 0.324  | 0.326  |
| 2013 | 0.300  | 0.286  | 0.285  | 0.264  | 0.245  | 0.244  | 0.267  | 0.271  | 0.257  | 0.266  | 0.263  | 0.264  |
| 2014 | 0.244  | 0.236  | 0.236  | 0.233  | 0.228  | 0.228  | 0.244  | 0.260  | 0.246  | 0.261  | 0.261  | 0.267  |
| 2015 | 0.262  | 0.266  | 0.278  | 0.283  | 0.290  | 0.299  | 0.320  | 0.330  | 0.337  | 0.357  | 0.374  | 0.400  |
| 2016 | 0.446  | 0.467  | 0.506  | 0.525  | 0.552  | 0.576  | 0.588  | 0.614  | 0.634  | 0.654  | 0.678  | 0.719  |
| 2017 | 0.751  | 0.777  | 0.821  | 0.884  | 0.925  | 0.978  | 1.051  | 1.084  | 1.111  | 1.143  | 1.172  | 1.239  |
| 2018 | 1.350  | 1.412  | 1.524  | 1.661  | 1.755  | 1.854  | 1.944  | 1.998  | 2.063  | 2.144  | 2.208  | 2.291  |
| 2019 | 2.355  | 2.392  | 2.436  | 2.445  | 2.449  | 2.428  | 2.379  | 2.341  | 2.280  | 2.190  | 2.103  | 2.043  |
| 2020 | 1.967  | 1.912  | 1.787  | 1.648  | 1.363  | 1.217  | 0.920  | 0.784  | 0.685  | 0.620  | 0.576  | 0.540  |
| 2021 | 0.458  | 0.407  | 0.357  | 0.339  | 0.315  | 0.262  | 0.221  | 0.221  | 0.206  | 0.203  | 0.203  | 0.212  |
| 2022 | 0.234  | 0.278  | 0.365  | 0.523  | 0.684  | 0.861  | 1.090  | 1.276  | 1.513  | 1.772  | 2.007  | 2.173  |
| 2023 | 2.425  | 2.624  | 2.831  | 2.870  | 2.993  | 3.167  | 3.305* | 3.434  | 3.534  | 3.670  | 3.843  | 3.929  |
| 2024 | 4.012  | 4.122  | 4.232  | 4.272  | 4.332  | 4.480  | 4.516  | 4.579  | 4.575  | 4.518  |        |        |

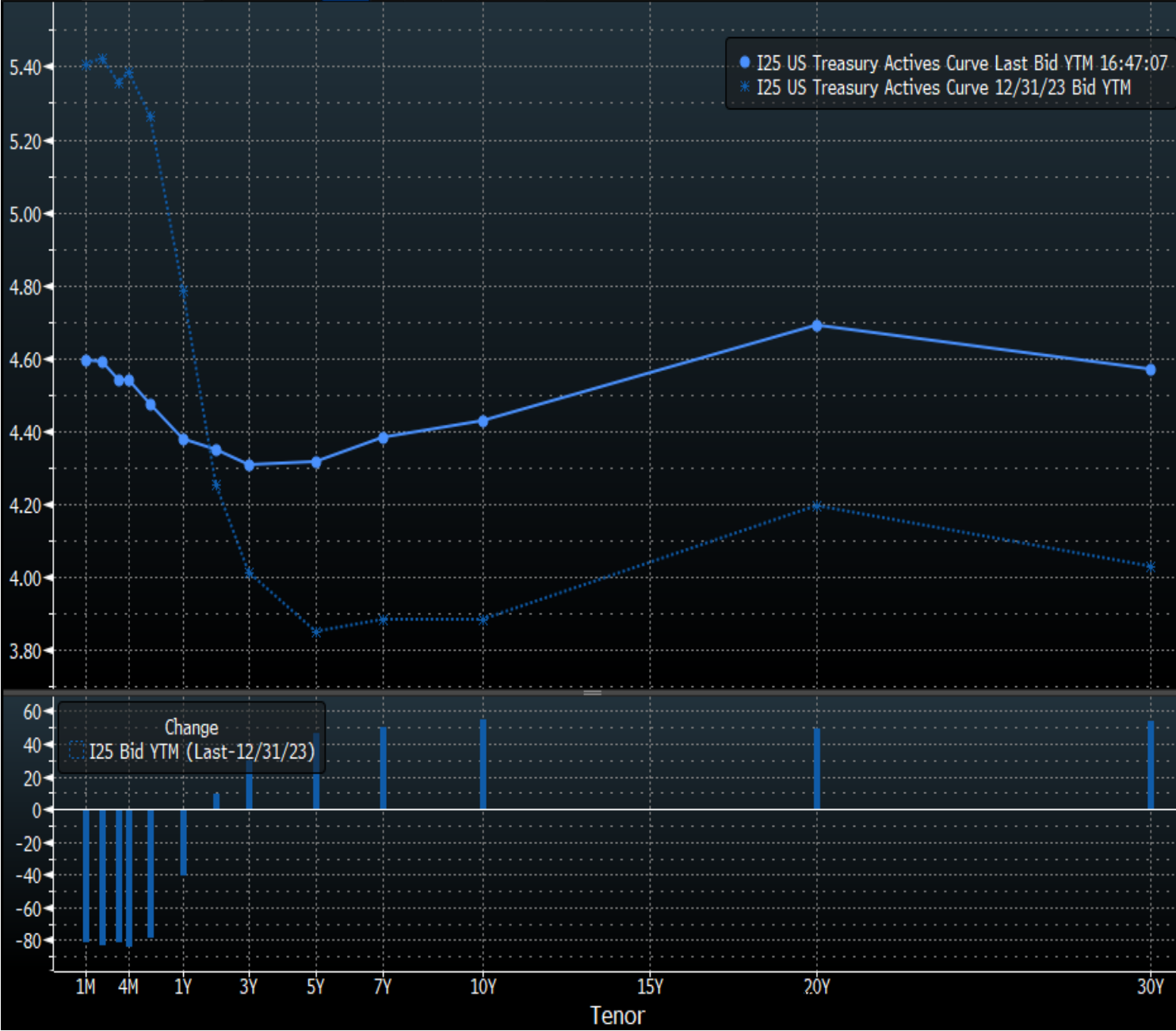
\* Revised

Asset Class: Corp Enter search terms.

X-Axis Tenor Currency None PCS BGN Specific 12/31/23 Relative Last 1D 1W 1M Modify

Lower Chart History Chart

Curves & Relative Value



**Plot Curves**

Add Curve Browse | CRVF »

- US Treasury Actives Curve
  - Mid YTM
  - Bid YTM
  - + Add Field

Base Curve I25 Bid YTM

Show Constituents on Base Curve

**Recent Curves**

- + USD SOFR (vs. FIXED RATE)
- + USD US Bancorp BVAL Yield Curve
- Curves related to US Treasury Actives ...

**Bond Spread to Curve**

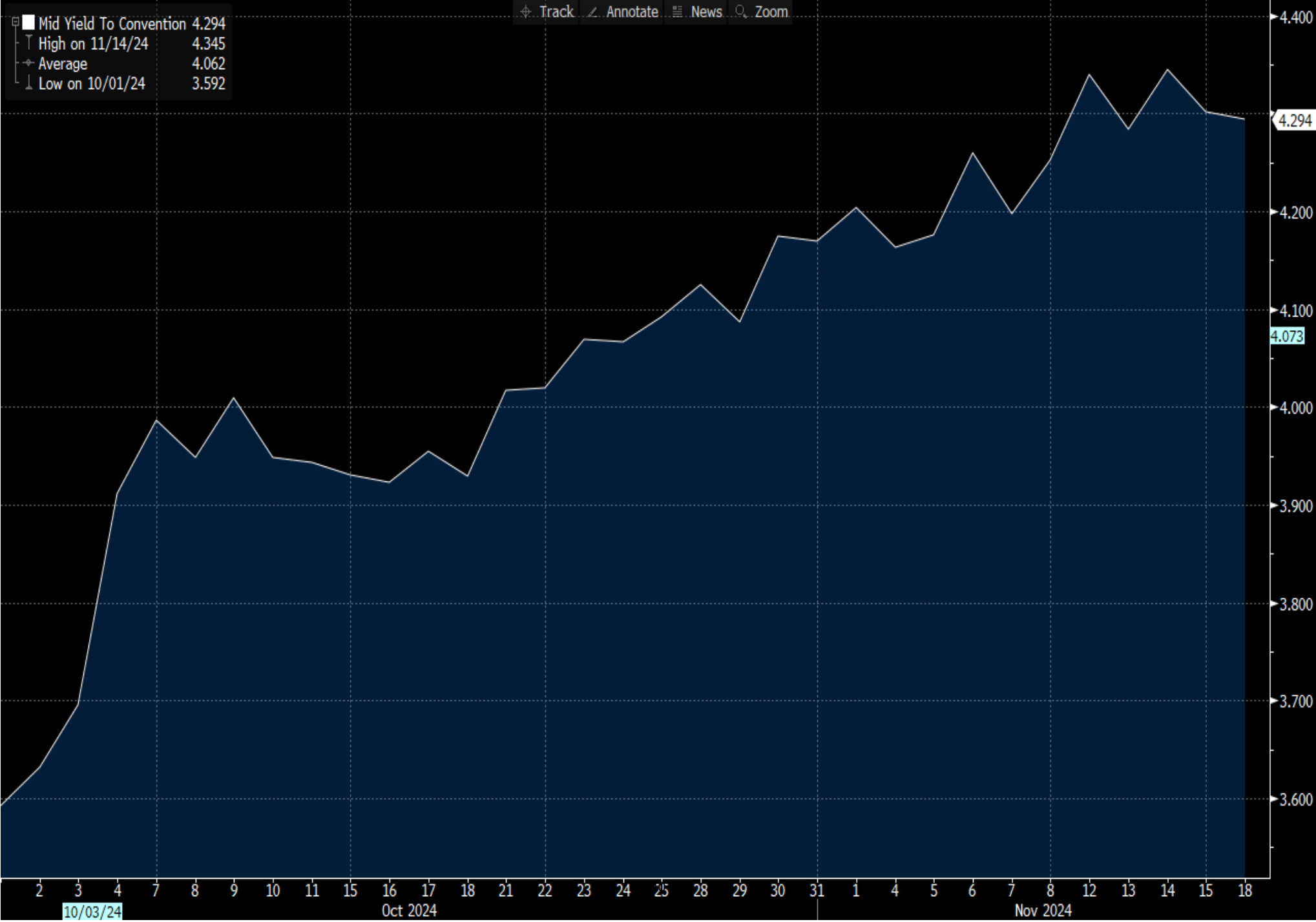
Add Security

▸ Plot New Issues / Points

▸ Interpolate Curves

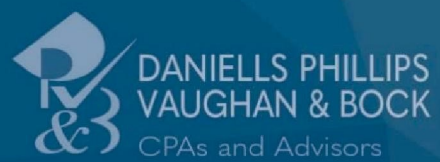
10/01/2024 - 11/18/2024 Mid YTW BGN Local CCY ▾ Mov Avgs ▾ Key Events

1D 3D 1M 6M YTD 1Y 5Y Max Daily ▾ Table + Related Data ▾ Add Data << Edit Chart ⚙



**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

Report to the Board of Directors  
November 14, 2024



PATRICK W. PAGGI

Board of Directors  
**Self-Insured Schools of California  
Property and Liability Program (SISC II)**  
2000 K Street  
Bakersfield, California 93301

Attention: Dr. Dave Ostash, Chief Executive Officer

We are pleased to present this report related to our audit of the financial statements of **Self-Insured Schools of California Property and Liability Program (SISC II)** for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for **SISC II**'s financial reporting process.

This report is intended solely for the information and use of the Board of Directors and is not intended to be and should not be used by anyone other than this specified party. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to **SISC II**.

*Daniells Phillips Vaughan & Bock*

November 14, 2024

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| Required Communications .....                     | 1-2 |
| Summary of Significant Accounting Estimates ..... | 3   |
| Exhibit A – Representation Letter .....           | 4-7 |



# Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

| <b>Area</b>  | <b>Comments</b>   |
|--|---|
| <b>Our Responsibilities with regard to the Financial Statement Audit</b>         | Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated July 1, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.  |
| <b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b> | We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.   |
| <b>Accounting Policies and Practices</b>   | <p><b>Preferability of Accounting Policies and Practices</b><br/>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p><b>Adoption of, or Change in, Accounting Policies</b><br/>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the SISC II. SISC II did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b><br/>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b><br/>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates".</p> |



| <b>Area</b>   | <b>Comments</b>  |
|---|--|
| <b>Audit Adjustments</b>  | There were no audit adjustments made to the original trial balance presented to us to begin our audit.   |
| <b>Uncorrected Misstatements</b>                                      | We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.   |
| <b>Disagreements with Management</b>                                  | We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements. |
| <b>Consultations with Other Accountants</b>                           | We are not aware of any consultations management had with other accountants about accounting or auditing matters.  |
| <b>Significant Issues Discussed with Management</b>                   | No significant issues arising from the audit were discussed with or were the subject of correspondence with management.  |
| <b>Significant Difficulties Encountered in Performing the Audit</b>   | We did not encounter any significant difficulties in dealing with management during the audit.   |
| <b>Certain Written Communications Between Management and Our Firm</b> | Copies of significant written communications between our firm and the management of the SISC II, including the representation letter provided to us by management, are attached as Exhibit A.  |

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**Summary of Significant Accounting Estimates  
Year Ended June 30, 2024**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the **SISC II**'s June 30, 2024 financial statements:

| Estimate                       | Accounting Policy               | Management’s Estimation Process                           | Basis for Our Conclusions on Reasonableness of Estimate |
|--------------------------------|---------------------------------|---|---|
| <b>Unpaid Claims Liability</b> | Accrue estimated unpaid claims. | Amounts estimated based upon yearly actuarial valuations. | Method is acceptable and fluctuates with claim history. |

**Exhibit A**  
**Representation Letter**



November 14, 2024

Daniells, Phillips, Vaughan & Bock  
300 New Stine Road  
Bakersfield, CA 93309

This representation letter is provided in connection with your audit of the financial statements of **Self-Insured Schools of California Property and Liability Program (SISC II)** as of and for the years ended June 30, 2024 and 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of November 14, 2024:

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 1, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
9. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.

P.O. Box 1847, Bakersfield, CA 93303-1847  
2000 K St. • Larry E. Reider Education Center, Bakersfield, CA 93301  
ph: 661.636.4710 fx: 661.636.4156 • [sisc.kern.org](http://sisc.kern.org)

*A Joint Powers Authority administered by the Kern County Superintendent of Schools Office, John G. Mendiburu, Ed.D., Superintendent*

10. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
11. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
12. We believe the implementation of the GASB Statements listed below is appropriate:
  - a. GASB Statement No. 100, Accounting Changes and Error Corrections
13. We have no knowledge of any uncorrected misstatements in the financial statements.  
  
the information would be changed or influenced by the omission or misstatement.

### **Information Provided**

14. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audits.
  - c. Unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
15. All transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
17. We have no knowledge of allegations of fraud or suspected fraud affecting the Entity's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.
19. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
20. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
21. We have disclosed to you the identity of all of the Entity's related parties and all the related-party relationships and transactions of which we are aware.

22. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the Entity's ability to record, process, summarize and report financial data.
23. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
24. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.
25. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

### **Supplementary Information**

26. With respect to supplementary information presented in relation to the financial statements as a whole:
  - a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
27. With respect to the schedule of 10-year trend data presented as required by accounting standards generally accepted in the United States of America to supplement the financial statements:
  - a. We acknowledge our responsibility for the presentation of such required supplementary information.
  - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

### **Compliance Considerations**

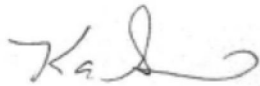
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

28. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
29. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
30. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.



31. Is responsible 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.
32. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
33. Has a process to track the status of audit findings and recommendations.
34. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.
35. Has identified for the auditor any investigations or legal proceedings that have been initiated with respect to the period under audit.

**Self-Insured Schools of California Property and Liability Program (SISC II)**



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Kim Sloan,  
Chief Financial Officer



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Dr. Dave Ostash,  
Chief Executive Officer



**SISC**

Self-Insured Schools  
of California  
*Schools Helping Schools*

## **PROPERTY AND LIABILITY PROGRAM (SISC II)**

### **FINANCIAL REPORT**

June 30, 2024



**DANIELLS PHILLIPS  
VAUGHAN & BOCK**  
CPAs and Advisors



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PATRICK W. PAGGI

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
**Self-Insured Schools of California**  
**Property and Liability Program (SISC II)**  
Bakersfield, California

### **Opinion**

We have audited the financial statements of **Self-Insured Schools of California Property and Liability Program (SISC II)**, which comprise the balance sheets as of June 30, 2024 and 2023, the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **SISC II** as of June 30, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **SISC II** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **SISC II'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 **SISC II'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 **SISC II's** ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, reconciliation of claims liability by type of claim on page 24 and schedule of 10 year trend data on page 25 be presented to supplement the basic financial statements. Such information, 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 audits 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024 on our consideration of **SISC II**'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 **SISC II**'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 **SISC II**'s internal control over financial reporting and compliance.

*Daniells Phillips Vaughan & Bock*

Bakersfield, California

November 14, 2024

# **SELF-INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II) MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2024**

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The following report reflects on the financial condition of SELF-INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II) for the fiscal years ended June 30, 2024 and 2023. It is provided in order to enhance the information in the financial audit, and should be reviewed in conjunction with that report.

## **Financial Highlights**

- Total revenues were \$56,881,041, up 13.55% from the previous year total of \$50,093,587. The increase is related to an increase in premiums of 7.20% combined with an increase in investment income of 252.68%. The districts saw rate increases for property and liability. Investment income increased due to higher performance in the bond market.
- Total expenses were \$59,884,163, an increase of 6.85% from the previous year or \$3,836,479. The increase in expenses is mostly due to an increase in claims paid and excess insurance premiums. Claims paid increased due to an increase in property claims. Many districts faced damages from storms and fires in the current year. Excess insurance premiums were up 8.20% over the previous year. This is due to the increase in high dollar claims being paid by the excess carriers throughout the insurance industry.

## **Overview of the Financial Statements**

The SISC II financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and necessarily include amounts based upon reliable estimates and judgments. Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows are included along with Notes to Financial Statements to clarify unique accounting policies and financial information.

The Balance Sheet provides information regarding SISC II Assets and Liabilities, with the difference reported as Net Position. Net Position may be an indicator of the overall financial changes across years. The Statement of Revenues, Expenses and Changes in Net Position presents information showing total revenues versus total expenses and the resulting outcome on Net Position.

Daniells Phillips Vaughan & Bock (DPV&B) performed an independent audit of our financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. An opinion from DPV&B regarding the financial position of SISC II at June 30, 2024 is provided in the Independent Auditor's Report.

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2024**

**Balance Sheet**

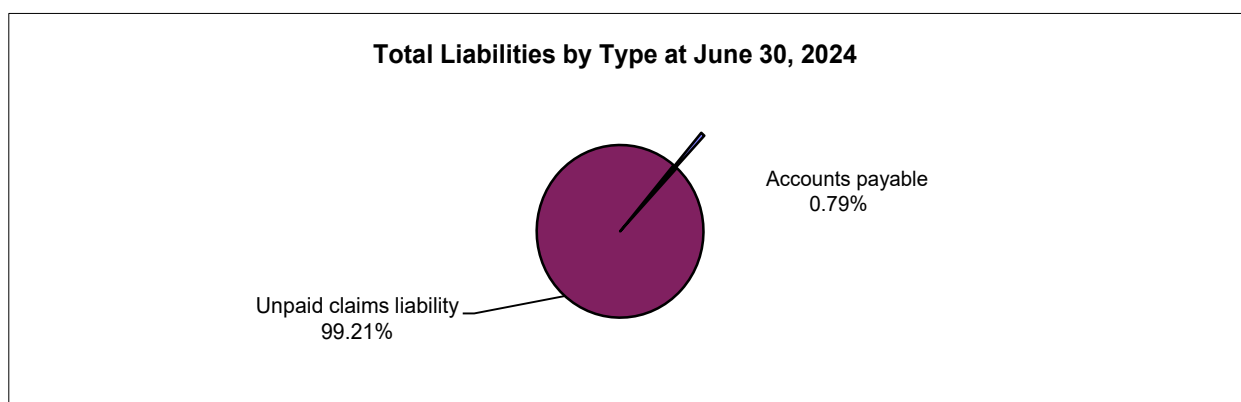
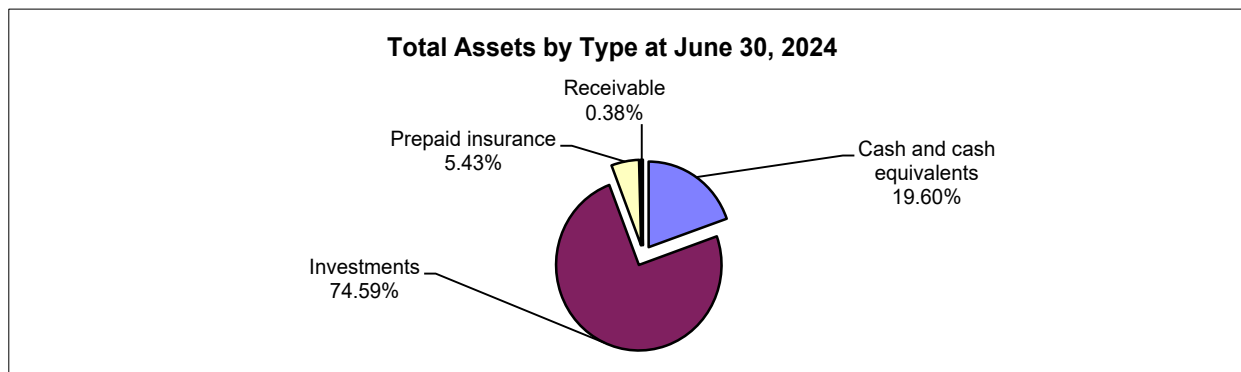
Total assets increased \$13,033,331 from \$94,433,514 as of June 30, 2023 to \$107,466,845 at June 30, 2024. The majority of the increase is related to higher premiums being collected and an increase in investment income. Investment revenues are used to offset program costs wherever possible and reduce the required member contributions. In August 2023, a \$20,000,000 transfer from cash and cash equivalents was made to investments. SISC II invests those funds not immediately necessary for the payment of claims in order to optimize the rate of return. Funds are invested in a manner that will protect principal, allow for cash flow needs and optimize returns, and are in conformity with all federal, state and local statutes governing such investment of public funds. Current investment instruments include the Kern County Treasury, Local Agency Investment Fund (LAIF), Wells Fargo Advisors, Morgan Stanley and the SISC Investment Pool managed by Madison Investments.

Total liabilities increased \$16,036,453 from \$79,857,475 as of June 30, 2023 to \$95,893,928 at June 30, 2024. The increase in liabilities resulted from the change in unpaid claims liability, based on the most current actuarial study. SISC II engaged Bickmore Actuarial to conduct the annual actuarial valuation, which required increasing the unpaid claims liability by \$16,070,856 to maintain the 90% confidence level at June 30, 2024.

|   | As of                 |                | As of                |                | As of                |                |
|---|-----------------------|----------------|----------------------|----------------|----------------------|----------------|
|   | June 30, 2024         | %              | June 30, 2023        | %              | June 30, 2022        | %              |
| <b>ASSETS</b>                             |                       |                |                      |                |                      |                |
| Cash and cash equivalents                 | \$ 21,061,057         | 19.60%         | \$ 29,325,535        | 31.05%         | \$ 29,102,961        | 34.35%         |
| Investments                               | 80,159,063            | 74.59%         | 58,746,980           | 62.21%         | 50,499,580           | 59.60%         |
| Prepaid insurance                         | 5,831,838             | 5.43%          | 5,219,088            | 5.53%          | 4,359,462            | 5.14%          |
| Receivables                               | 414,887               | 0.38%          | 1,141,911            | 1.21%          | 770,798              | 0.91%          |
| <b>Total assets</b>                       | <b>\$ 107,466,845</b> | <b>100.00%</b> | <b>\$ 94,433,514</b> | <b>100.00%</b> | <b>\$ 84,732,801</b> | <b>100.00%</b> |
| <b>LIABILITIES AND NET POSITION</b>       |                       |                |                      |                |                      |                |
| Liabilities                               |                       |                |                      |                |                      |                |
| Accounts payable                          | \$ 756,804            | 0.79%          | \$ 791,207           | 0.99%          | \$ 794,545           | 1.24%          |
| Unpaid claims liability                   | 95,137,124            | 99.21%         | 79,066,268           | 99.01%         | 63,408,120           | 98.76%         |
| <b>Total liabilities</b>                  | <b>95,893,928</b>     | <b>100.00%</b> | <b>79,857,475</b>    | <b>100.00%</b> | <b>64,202,665</b>    | <b>100.00%</b> |
| Net Position                              | 11,572,917            | 100.00%        | 14,576,039           | 100.00%        | 20,530,136           | 100.00%        |
| <b>Total liabilities and net position</b> | <b>\$ 107,466,845</b> | <b>100.00%</b> | <b>\$ 94,433,514</b> | <b>100.00%</b> | <b>\$ 84,732,801</b> | <b>100.00%</b> |

# SELF-INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II) MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2024**



## Revenues and Expenses

Revenues increased from \$50,093,587 to \$56,881,041, because of a combined increase in premiums and investment income. Premiums increased due to increases in property and liability rates. Investment income also increased due to higher performance in the bond market.

A large portion of expenses are claims payments, which increased 9.90% from the previous year. Excess insurance premiums increased, 8.20%, due to rate increases from the excess carriers. Rates are increasing throughout the insurance industry due to heavier reliance on excess policies. The unpaid claims liability adjustment, at the 90% confidence level, increased \$412,708 from the prior year, as indicated in the current actuarial valuation. Overall, total expenses increased 6.85% from \$56,047,684 in 2022-2023 to \$59,884,163 in 2023-2024.

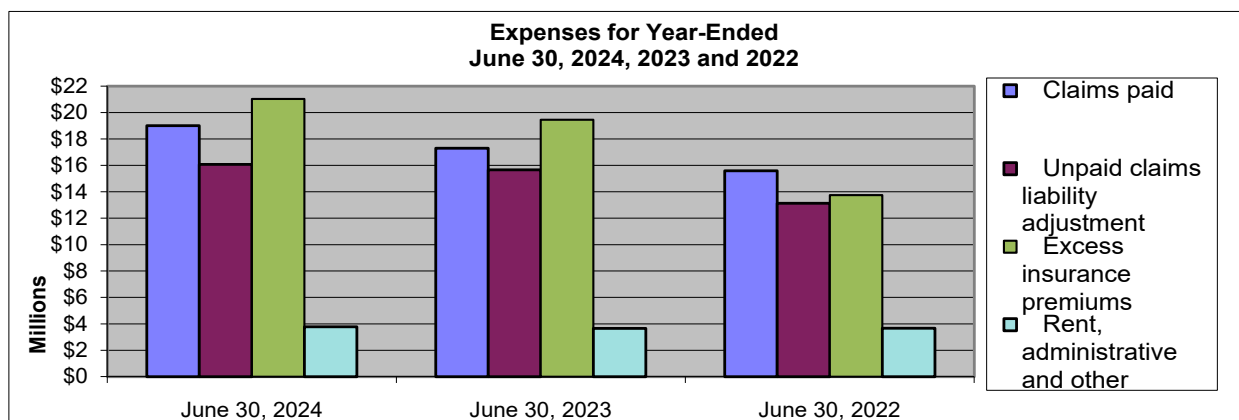
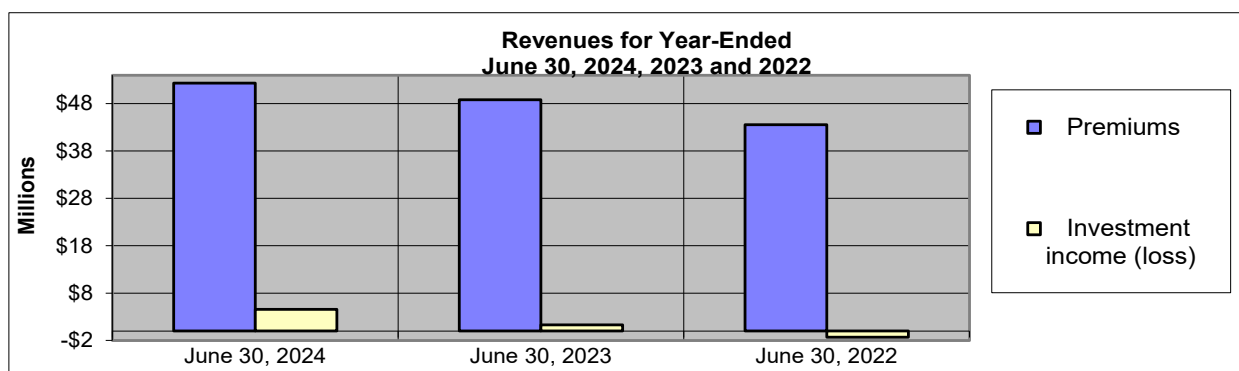
Property and liability excess insurance expenses are dependent upon the cyclical insurance market. The policies and rates are set on a calendar year basis for excess property coverage and a fiscal year basis ending on June 30<sup>th</sup> for excess liability coverage. Excess property and liability insurance premiums are paid based on total insured values and P-1 ADA as reported on the California Department of Education (CDE) website.

Expenses exceeded revenues by \$3,003,122 for the year ended June 30, 2024, as compared to expenses exceeding revenues by \$5,954,097 for the year ended June 30, 2023.

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2024**

|                                    | Fiscal Year Ended<br>June 30, 2024 | Fiscal Year Ended<br>June 30, 2023 | Fiscal Year Ended<br>June 30, 2022 |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Operating revenues:</b>         |                                    |                                    |                                    |
| Premiums                           | \$ 52,311,508                      | \$ 48,797,921                      | \$ 43,520,960                      |
| Investment income (loss)           | 4,569,533                          | 1,295,666                          | (1,290,939)                        |
| <b>Total revenues</b>              | <b>56,881,041</b>                  | <b>50,093,587</b>                  | <b>42,230,021</b>                  |
| <b>Operating expenses:</b>         |                                    |                                    |                                    |
| Claims paid                        | 19,004,007                         | 17,292,597                         | 15,589,016                         |
| Unpaid claims liability adjustment | 16,070,856                         | 15,658,148                         | 13,129,230                         |
| Excess insurance premiums          | 21,039,601                         | 19,445,021                         | 13,753,537                         |
| Rent, administrative and other     | 3,769,699                          | 3,651,918                          | 3,661,756                          |
| <b>Total expenses</b>              | <b>59,884,163</b>                  | <b>56,047,684</b>                  | <b>46,133,539</b>                  |
| <b>Change in net position</b>      | <b>(3,003,122)</b>                 | <b>(5,954,097)</b>                 | <b>(3,903,518)</b>                 |
| <b>Net position, beginning</b>     | <b>14,576,039</b>                  | <b>20,530,136</b>                  | <b>24,433,654</b>                  |
| <b>Net position, ending</b>        | <b>\$ 11,572,917</b>               | <b>\$ 14,576,039</b>               | <b>\$ 20,530,136</b>               |





**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2024**

**Budgetary Highlights**

Each year the SISC II Board of Directors approves a budget and establishes rates and funding levels for all member districts. The fiscal year for the SISC II – Property & Liability program is July to June. The budget is brought to the Board in June for approval. The budget incorporates various fiscal and economic factors such as insurance trends, claims history, administrative costs, level of reinsurance coverage, and investment performance. Below is a summary of the 2023-2024 budget information with a comparison to actual results.

**Budget Comparison**

|                                    | <b>Budget</b>        | <b>Actual Results</b> | <b>\$ Variance</b>     | <b>% Variance</b> |
|------------------------------------|----------------------|-----------------------|------------------------|-------------------|
| <b>Operating revenues:</b>         |                      |                       |                        |                   |
| Premiums                           | \$ 52,298,033        | \$ 52,311,508         | \$ 13,475              | 0.03%             |
| Investment income                  | 4,447,834            | 4,569,533             | 121,699                | 2.74%             |
| <b>Total revenues</b>              | <b>56,745,867</b>    | <b>56,881,041</b>     | <b>135,174</b>         | <b>0.24%</b>      |
| <b>Operating expenses:</b>         |                      |                       |                        |                   |
| Claims paid                        | 17,941,190           | 19,004,007            | 1,062,817              | 5.92%             |
| Unpaid claims liability adjustment | 4,084,000            | 16,070,856            | 11,986,856             | 293.51%           |
| Excess insurance premiums          | 22,099,252           | 21,039,601            | (1,059,651)            | -4.79%            |
| Rent, administrative and other     | 4,229,877            | 3,769,699             | (460,178)              | -10.88%           |
| <b>Total expenses</b>              | <b>48,354,319</b>    | <b>59,884,163</b>     | <b>11,529,844</b>      | <b>23.84%</b>     |
| <b>Change in net position</b>      | <b>8,391,548</b>     | <b>(3,003,122)</b>    | <b>(11,394,670)</b>    |                   |
| <b>Net position, beginning</b>     | <b>14,576,039</b>    | <b>14,576,039</b>     | <b>-</b>               |                   |
| <b>Net position, ending</b>        | <b>\$ 22,967,587</b> | <b>\$ 11,572,917</b>  | <b>\$ (11,394,670)</b> |                   |

Discussion follows regarding significant changes between the final budget and actual results.

- Premiums came in slightly higher than budgeted.
- Investment income was higher than budgeted due to rates of return being higher than anticipated.
- Claims paid were \$1,062,817 more than the estimate provided by the actuary, or 5.92%.
- The final unpaid claims liability figure is based on the most current actuarial valuation. The final adjustment was higher than originally projected.
- Excess insurance premiums were less than budgeted due to a lower increase in rates than expected.
- The difference for rent and administrative expenses is mainly due to Kern County Superintendent of Schools unfilled/vacant positions.

# **SELF-INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II) MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2024**

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## **Other Information**

A Joint Powers Agreement created SISC II in July 1979, in accordance with the California Government Code Sections 53200, etc. seq. Our philosophy is "Schools Helping Schools."

The purpose of SISC II is to pool resources and provide a means of combining the administration of claims and obtain lower insurance rates for the benefit of public schools, colleges or other educational agencies. SISC II provides a very cost effective rate environment, which reflects its commitment to preventing losses and controlling expenditures. SISC II has made a great effort to manage the cost of claims through the implementation of creative and innovative programs.

SISC II is funded by its member districts. Members include educational agencies throughout the state of California. The program is governed by a Board of Directors that is elected from and by representatives of member districts.

Material estimates that are particularly susceptible to significant change relate to the determination of the unpaid claims liability. In connection with the determination of the unpaid claims liability, management obtains an independent actuarial study. While management uses the actuarial study and other available information to recognize adjustments to the unpaid claims liability, adjustments may be necessary. It is reasonably possible that the allowance for unpaid claims liability may change materially in the near term. SISC II establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expense) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR).

SISC II offers its member districts certain value-added, as well as the services of a very comprehensive and active Risk Management department. SISC staff provides training, communication materials, inspection and other support to members in the Property & Liability program with the goal of controlling loss frequency and severity. SISC II self-administers this program with an in-house claims staff. The SISC II program also includes a Student Insurance plan that is self-administered. The goals of the Student Insurance program are to achieve savings in claims dollars by preventing simple injuries from becoming liability cases. Student Insurance provides protection for uninsured students, and promotes positive public relations with schools. We believe these programs assist employers by minimizing administration and costs, while providing the best services at the lowest price.

SISC II believes ethically responsible organizations service not only their members, but also all stakeholders: employees, employers, providers, vendors and local communities. SISC II's commitment is to demand standards of behavior which support professional practices. All decisions must take into account and reflect a concern for the interests of all members.

## **Contacting SISC II's Management**

This financial report is designed to provide the Board and members with a general overview of SISC II's accountability for the assets it receives and manages. If you have questions about this report or need additional information, please contact Kim Sloan, CFO, at 2000 K Street, Bakersfield, California 93301.

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**BALANCE SHEETS**

**June 30, 2024 and 2023**

|                                     | 2024                  | 2023                 |
|-------------------------------------|-----------------------|----------------------|
| <b>ASSETS</b>                       |                       |                      |
| Cash and cash equivalents (Note 2)  | \$ 21,061,057         | \$ 29,325,535        |
| Investments (Note 3)                | 80,159,063            | 58,746,980           |
| Receivables                         | 414,887               | 1,141,911            |
| Prepaid insurance                   | 5,831,838             | 5,219,088            |
|                                     | <u>\$ 107,466,845</u> | <u>\$ 94,433,514</u> |
| <b>LIABILITIES AND NET POSITION</b> |                       |                      |
| Liabilities                         |                       |                      |
| Accounts payable                    | \$ 756,804            | \$ 791,207           |
| Unpaid claims liability (Note 6)    | 95,137,124            | 79,066,268           |
|                                     | <u>95,893,928</u>     | <u>79,857,475</u>    |
| Contingencies (Note 5)              |                       |                      |
| Net Position                        | <u>11,572,917</u>     | <u>14,576,039</u>    |
|                                     | <u>\$ 107,466,845</u> | <u>\$ 94,433,514</u> |

See Notes to Financial Statements.

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

**Years Ended June 30, 2024 and 2023**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Operating revenues:                       |                      |                      |
| Premiums                                  | \$ 52,311,508        | \$ 48,797,921        |
| Investment income                         | 4,569,533            | 1,295,666            |
|   | <u>56,881,041</u>    | <u>50,093,587</u>    |
| Operating expenses:                       |                      |                      |
| Claims paid                               | 19,004,007           | 17,292,597           |
| Unpaid claims liability adjustment        | 16,070,856           | 15,658,148           |
| Excess insurance premiums                 | 21,039,601           | 19,445,021           |
| Rent and administrative expenses (Note 4) | 3,381,852            | 3,372,208            |
| Other                                     | 387,847              | 279,710              |
|   | <u>59,884,163</u>    | <u>56,047,684</u>    |
| Change in net position                    | <u>(3,003,122)</u>   | <u>(5,954,097)</u>   |
| Net position, beginning                   | 14,576,039           | 20,530,136           |
| Net position, ending                      | <u>\$ 11,572,917</u> | <u>\$ 14,576,039</u> |

See Notes to Financial Statements.

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2024 and 2023**

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>  |                      |                      |
| Receipts from districts  | \$ 52,261,313        | \$ 48,889,306        |
| Claims paid  | (19,004,007)         | (17,292,597)         |
| Payments for reinsurance   | (20,931,533)         | (20,633,398)         |
| Payments for administration services   | (3,804,102)          | (3,655,256)          |
| Investment income  | 3,018,322            | 1,843,394            |
| <b>Net cash provided by operating activities</b>   | <b>11,539,993</b>    | <b>9,151,449</b>     |
| <b>Cash Flows from Investing Activities</b>  |                      |                      |
| Purchase of investment securities  | (74,685,148)         | (40,318,211)         |
| Proceeds from sale and maturities of investment securities   | 54,880,677           | 31,389,336           |
| <b>Net cash (used in) investing activities</b>   | <b>(19,804,471)</b>  | <b>(8,928,875)</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>(8,264,478)</b>   | <b>222,574</b>       |
| Cash and cash equivalents, beginning of the year   | 29,325,535           | 29,102,961           |
| Cash and cash equivalents, end of the year   | <b>\$ 21,061,057</b> | <b>\$ 29,325,535</b> |
| <b>Adjustments to reconcile change in net position to net cash provided by operating activities:</b> |                      |                      |
| Change in net position   | \$ (3,003,122)       | \$ (5,954,097)       |
| Realized and unrealized (gain) loss on investments   | (1,607,612)          | 681,475              |
| Adjustments to reconcile change in net position to net cash provided by operating activities:        |                      |                      |
| (Increase) decrease in:  |                      |                      |
| Interest receivable  | (50,195)             | (133,747)            |
| Other receivable   | 777,219              | (237,366)            |
| Prepaid insurance  | (612,750)            | (859,626)            |
| Increase (decrease) in:  |                      |                      |
| Accounts payable   | (34,403)             | (3,338)              |
| Unpaid claims liabilities  | 16,070,856           | 15,658,148           |
| <b>Net cash provided by operating activities</b>   | <b>\$ 11,539,993</b> | <b>\$ 9,151,449</b>  |

See Notes to Financial Statements.

# SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Nature of Business and Significant Accounting Policies

*Nature of Business:* The **Self-Insured Schools of California Property and Liability Program (SISC II)** is a joint powers authority organized under the provisions of Section 6500 et. seq. of the California Government Code for the purpose of establishing a risk management pool for the benefit of public schools, colleges or other educational agencies. **SISC II** began operations in 1979 by providing property and liability coverage for its members, and added student insurance and tackle football insurance in 1988.

**SISC II** is funded by its member participants and, at the discretion of its Board of Directors, may assess its members for additional premiums in the event **SISC II** assets at any time are insufficient to discharge its liabilities. Currently there are 135 school districts and 20 other educational agencies as members.

A summary of **SISC II**'s significant accounting policies follows:

*Cash, Cash Equivalents and Investments:* Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by **SISC II**.

Investments have been pooled and reported at fair value. See Note 3 for further information regarding valuation of investments. The difference between amortized cost and fair value of investments is not considered material. Cash flows from purchases, sales, and maturities of investments are classified as cash flows from investing activities.

*Premiums:* Premiums are recognized on a pro rata basis over the term of the policy. Premiums applicable to unexpired terms of the policies in force are reported as unearned at the balance sheet date.

*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 that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the unpaid claims liability. In connection with the determination of the unpaid claims liability, management obtains an independent actuarial study. While management uses the actuarial study and other available information to calculate the unpaid claims liability, adjustments may be necessary. It is reasonably possible that the allowance for unpaid claims liability may change materially in the near term.

# SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)

## NOTES TO FINANCIAL STATEMENTS

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*Unpaid Claims Liabilities:* **SISC II** establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

*Excess Insurance and Reinsurance:* **SISC II** enters into excess insurance agreements, whereby it cedes various amounts of risk to other insurance companies. At June 30, 2023, **SISC II** retained the first \$2,000,000 of auto and general liability risk, \$2,500,000 of sexual assault and molestation risk, and \$250,000 of general property risk per incident. Insurance coverage is in effect for losses between \$2,000,000 and \$38,000,000 for auto and general liability claims, \$2,500,000 to \$15,000,000 for sexual assault and molestation claims, and \$250,000 to \$150,000,000 for property claims to reduce its exposure to large losses on insured events. At June 30, 2024, **SISC II** retained the first \$2,000,000 of auto and general liability risk, \$2,500,000 of sexual assault and molestation risk, and \$250,000 of general property risk per incident. Insurance coverage is in effect for losses between \$2,000,000 and \$38,000,000 for auto and general liability claims, \$2,500,000 to \$15,000,000 for sexual assault and molestation claims, and \$250,000 to \$150,000,000 for property claims to reduce its exposure to large losses on insured events. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of **SISC II** as direct insurer of the risks insured. **SISC II** does not report excess insured risks as liabilities, as it is probable that those risks will be covered by excess insurers. Premiums ceded to reinsurers during the years ended June 30, 2024 and 2023 were \$21,039,601 and \$19,445,021, respectively, and the amount deducted from claims liabilities as of June 30, 2024 and 2023 was \$4,495,056 and \$1,531,906, respectively.

*Premium Deficiency:* **SISC II** recognizes a premium deficiency if the sum of expected claims costs (including IBNR), claim adjustment expenses, and unamortized acquisition costs exceed related premiums and anticipated investment income. Deficiencies resulting from risk-sharing pools are reported as revenue and assessments receivable at the time **SISC II** determines that a deficiency is reasonably estimable.

*Termination and Withdrawal:* Upon termination or withdrawal of any member from the **SISC II** program, the member is entitled to its share of the pool's fund balance, after considering all expected claims costs (including IBNR) and claim adjustment expenses. If upon termination or withdrawal the member's share of fund balance is a deficit, the member must pay **SISC II** the deficit within ninety (90) days of the termination or withdrawal.

# SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)

## NOTES TO FINANCIAL STATEMENTS

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*Authoritative Pronouncements Adopted:* **SISC II** has adopted all current Statements of Governmental Accounting Standards Board (GASB) that are applicable. For the year ended June 30, 2024, **SISC II** implemented the following new standards issued by GASB:

- In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting --understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.



# SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)

## NOTES TO FINANCIAL STATEMENTS

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*Authoritative Pronouncements Not Yet Adopted:* The following statements issued by the GASB are effective for years ending after June 30, 2024 and management is evaluating the impact of the implementation of these statements on their financial statements.

- In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

# SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)

## NOTES TO FINANCIAL STATEMENTS

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- In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

**SELF- INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**NOTES TO FINANCIAL STATEMENTS**

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund’s current or future fees and charges lower than they would be otherwise, (2) resources provided to

another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund’s current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

*Subsequent Events:* **SISC II** has evaluated subsequent events through November 14, 2024, the date on which the financial statements were available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

**Note 2. Cash and Cash Equivalents**

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

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| Deposits                               |                      |                      |
| Cash in SISC consolidated bank account | \$ 1,411,200         | \$ 1,885,323         |
| Revolving cash                         | 1,500                | 1,500                |
| Money market funds                     | 3,194,919            | 949,622              |
| Pooled Funds                           |                      |                      |
| Cash in County Treasury                | 16,447,014           | 26,482,902           |
| Local Agency Investment Fund           | 6,424                | 6,188                |
|  | <u>\$ 21,061,057</u> | <u>\$ 29,325,535</u> |

# **SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)**

## **NOTES TO FINANCIAL STATEMENTS**

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The bank balance of deposits at June 30, 2024 and 2023 was \$2,185,589 and \$2,528,403, respectively. Deposits were insured or collateralized by the pledging bank's trust department in **SISC II's** name.

**SISC II** consolidates its cash with the Self-Insured Schools of California Workers' Compensation Program (SISC I) and Self-Insured Schools of California Health and Welfare Benefits Program (SISC III). These three organizations are collectively referred to as "SISC". Cash in SISC's consolidated bank account is held by SISC's agent in SISC's name.

**SISC II** maintains cash in the Kern County Treasury, which pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates fair value. Interest earned is deposited quarterly and any investment losses are proportionately shared by all entities in the pool.

### **Note 3. Investments**

**SISC II's** investments are measured and reported within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

- Level 1 – Investments reflect prices quoted in active markets.
- Level 2 – Investments reflect prices that are based on a similar observable asset, either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 – Investments reflect prices based on unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt and equities classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

**SELF- INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**NOTES TO FINANCIAL STATEMENTS**

SISC II has the following fair value measurements as of June 30, 2024 and 2023:

|  | 6/30/2024     | Fair Value Measurements Using  |   |  |
|--|---------------|--|---|--|
|  |               | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Investments by fair value level</b> |               |  |   |  |
| Debt securities                        |               |  |   |  |
| U.S. Treasury securities               | \$ 43,480,909 | \$ 43,480,909  | \$ -  | \$ -   |
| U.S. agencies mortgage passthrough     | 3,049,022     | -  | 3,049,022   | -  |
| Corporate bonds                        | 14,847,576    | -  | 14,847,576  | -  |
| U.S. agencies                          | 18,781,556    | -  | 18,781,556  | -  |
| Total investments by fair value level  | \$ 80,159,063 | \$ 43,480,909  | \$ 36,678,154   | \$ -   |
|  | 6/30/2023     | (Level 1)  | (Level 2)   | (Level 3)  |
| <b>Investments by fair value level</b> |               |  |   |  |
| Debt securities                        |               |  |   |  |
| U.S. Treasury securities               | \$ 22,644,784 | \$ 22,644,784  | \$ -  | \$ -   |
| U.S. agencies mortgage passthrough     | 3,170,275     | -  | 3,170,275   | -  |
| Corporate bonds                        | 14,122,584    | -  | 14,122,584  | -  |
| U.S. agencies                          | 18,809,337    | -  | 18,809,337  | -  |
| Total investments by fair value level  | \$ 58,746,980 | \$ 22,644,784  | \$ 36,102,196   | \$ -   |

SISC II pools a portion of their investments with SISC I, SISC III, and other SISC member districts. SISC II's pro-rata share of the pooled investments have been identified and reported by security type.

Investments Authorized by the Entity's Investment Policy and Concentration of Credit Risk

State of California Government Code 53601 authorizes SISC II to invest in certain investments. The SISC II investment policy further restricts investments to the following: U.S. Treasury obligations, Federal agency securities, corporate medium-term notes, mortgage pass-through securities, consumer receivable pass-through certificates, commercial paper, bankers acceptances, negotiable certificates of deposit, cash equivalent securities, California Local Agency Investment Fund and the local treasury.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The SISC II investment policy limits investments in U.S. Treasury obligations and Federal agency securities to ten years, corporate medium-term notes, mortgage pass-through securities and consumer receivable pass-through certificates to five years, commercial paper to 270 days, bankers acceptances to 180 days and negotiable certificates of deposit to ten years.

# SELF- INSURED SCHOOLS OF CALIFORNIA PROPERTY AND LIABILITY PROGRAM (SISC II)

## NOTES TO FINANCIAL STATEMENTS

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### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. **SISC II**'s investment policy requires that investments in corporate securities have to be rated at least 'A' by Moody's and 'A' by Standard and Poor's rating agencies at the time of purchase. If a security rating drops below 'A,' the security will be evaluated by the SISC Finance Department for continuance in the portfolio. A report of the downgrade and the course of action taken will be presented to the SISC Board at the next regularly scheduled meeting. The investment policy also limits investments in corporate medium-term notes to thirty percent, investments in mortgage pass-through securities and consumer receivable pass-through securities to twenty percent, commercial paper to ten percent, bankers acceptances to forty percent and negotiable certificates of deposit to thirty percent of the total investment portfolio.

### Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and **SISC II**'s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure **SISC II**'s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and **SISC II**'s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

**SISC II** invests in a professionally managed portfolio that contains common shares and bonds of publicly traded companies, U.S. and Canadian Government obligations, mutual funds, and money market funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

**SELF- INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Transactions With Related Party**

**SISC II** is related to the Kern County Superintendent of Schools (KCSOS) through common management. KCSOS provides office space, equipment, and administrative personnel to **SISC II**. **SISC II** reimbursed KCSOS \$3,381,852 and \$3,372,208 for the years ended June 30, 2024 and 2023, respectively, for the above items.

**Note 5. Litigation**

**SISC II** has claims and pending legal proceedings that involve general business matters. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by **SISC II**. In the opinion of management and **SISC II**'s outside legal counsel, the ultimate disposition of such proceedings are not expected to have a material adverse effect on **SISC II**'s financial position, results of operations or cash flows.

**Note 6. Unpaid Claims Liability**

As discussed in Note 1, **SISC II** establishes a liability for reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses. The following represents changes in those aggregate liabilities for **SISC II** during the past two years:

|   | June 30,       |           |
|---|----------------|-----------|
|   | 2024           | 2023      |
|   | (In thousands) |           |
| Unpaid claims and claim adjustment expenses at beginning of year                        | \$ 79,066      | \$ 63,408 |
| Incurred claims and claim adjustment expenses:  |                |           |
| Provision for insured events of the current year  | 80,254         | 70,008    |
| Decrease in provision for insured events of prior years                                 | (45,179)       | (37,057)  |
| Total incurred claims and claim adjustment expenses                                     | 35,075         | 32,951    |
| Payments:   |                |           |
| Claims and claim adjustment expenses attributable to insured events of the current year | 3,260          | 2,084     |
| Claims and claim adjustment expenses attributable to insured events of prior years      | 15,744         | 15,209    |
| Total payments  | 19,004         | 17,293    |
| Total unpaid claims and claim adjustment expenses at the end of the year                | \$ 95,137      | \$ 79,066 |

**SELF- INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)**

**NOTES TO FINANCIAL STATEMENTS**

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At June 30, 2024, \$100,396,994 of unpaid claims and claims adjustment expense are presented at their net present value of \$95,137,124. These claims are discounted at an annual rate of 3 percent to account for the estimated earnings on investment held by **SISC II** from the date of calculation to the estimated date(s) the claims will be paid. **SISC II** has purchased no annuities in claimant's names to settle their claims.



**REQUIRED SUPPLEMENTARY INFORMATION**

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)  
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CLAIM  
YEARS ENDED JUNE 30, 2024 AND 2023**

The schedule below presents (in thousands) the changes in claims liabilities for the risk sharing pools for SISC II's three types of contracts: property and liability, student insurance and tackle football.

|   | Property and Liability |           | Student Insurance |        | Tackle Football |      | Total     |           |
|---|------------------------|-----------|-------------------|--------|-----------------|------|-----------|-----------|
|   | 2024                   | 2023      | 2024              | 2023   | 2024            | 2023 | 2024      | 2023      |
| Unpaid claims and claim adjustment expenses at beginning of year                        | \$ 78,716              | \$ 63,022 | \$ 344            | \$ 382 | \$ 6            | \$ 4 | \$ 79,066 | \$ 63,408 |
| Incurred claims and claim adjustment expenses:  |                        |           |                   |        |                 |      |           |           |
| Provision for insured events of the current year  | 79,962                 | 69,658    | 289               | 344    | 3               | 6    | 80,254    | 70,008    |
| Increase (decrease) in provision for insured events of prior years                      | (45,628)               | (37,358)  | 437               | 279    | 12              | 22   | (45,179)  | (37,057)  |
| Total incurred claims and claim adjustment expenses                                     | 34,334                 | 32,300    | 726               | 623    | 15              | 28   | 35,075    | 32,951    |
| Payments:   |                        |           |                   |        |                 |      |           |           |
| Claims and claim adjustment expenses attributable to insured events of the current year | 2,703                  | 1,590     | 540               | 469    | 17              | 25   | 3,260     | 2,084     |
| Claims and claim adjustment expenses attributable to insured events of prior years      | 15,502                 | 15,016    | 241               | 192    | 1               | 1    | 15,744    | 15,209    |
| Total payments  | 18,205                 | 16,606    | 781               | 661    | 18              | 26   | 19,004    | 17,293    |
| Total unpaid claims and claim adjustment expenses at end of year                        | \$ 94,845              | \$ 78,716 | \$ 289            | \$ 344 | \$ 3            | \$ 6 | \$ 95,137 | \$ 79,066 |

**SELF-INSURED SCHOOLS OF CALIFORNIA  
PROPERTY AND LIABILITY PROGRAM (SISC II)  
SCHEDULE OF 10 YEAR TREND DATA  
JUNE 30, 2024**

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the past ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows each fiscal year's other operating costs of the Pool including overhead and claims expense not allocable to individual claims. (3) This line shows the Pool's gross incurred claims and allocated claims adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each policy year. (5) This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each accident year. (6) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known). (7) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

| Fiscal and policy year ended (in thousands)   | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1. Required contribution and investment revenue:  |           |           |           |           |           |           |           |           |           |           |
| Earned  | \$ 26,695 | \$ 26,045 | \$ 26,930 | \$ 31,096 | \$ 38,336 | \$ 45,454 | \$ 50,930 | \$ 55,984 | \$ 69,539 | \$ 77,921 |
| Ceded   | 4,860     | 5,029     | 5,214     | 5,903     | 7,439     | 9,878     | 11,856    | 13,754    | 19,445    | 21,040    |
| Net earned  | 21,835    | 21,016    | 21,716    | 25,193    | 30,897    | 35,576    | 39,074    | 42,230    | 50,094    | 56,881    |
| 2. Unallocated expenses   | 8,091     | 8,439     | 9,405     | 9,492     | 11,243    | 13,559    | 15,210    | 17,415    | 23,097    | 24,809    |
| 3. Estimated incurred claims and expenses,<br>end of policy year                                |           |           |           |           |           |           |           |           |           |           |
| Incurred  | 19,530    | 18,157    | 22,361    | 29,056    | 27,506    | 20,218    | 12,023    | 21,538    | 25,833    | 33,411    |
| Ceded   | -         | 474       | 3,834     | 7,576     | 1,062     | 420       | 217       | 2,072     | 1,532     | 4,495     |
| Net incurred  | 19,530    | 17,683    | 18,527    | 21,480    | 26,444    | 19,798    | 11,806    | 19,466    | 24,301    | 28,916    |
| 4. Paid (cumulative) as of:   |           |           |           |           |           |           |           |           |           |           |
| End of policy year  | 5,265     | 3,901     | 4,955     | 4,600     | 8,949     | 2,240     | 1,907     | 2,374     | 2,084     | 3,260     |
| One year later  | 8,671     | 5,332     | 10,660    | 11,275    | 11,808    | 4,239     | 2,873     | 5,395     | 7,805     |           |
| Two years later   | 9,074     | 8,857     | 13,459    | 15,977    | 13,226    | 4,785     | 3,623     | 8,418     |           |           |
| Three years later   | 11,146    | 10,954    | 16,028    | 17,257    | 15,746    | 8,677     | 4,452     |           |           |           |
| Four years later  | 12,697    | 14,041    | 17,209    | 21,272    | 17,351    | 10,619    |           |           |           |           |
| Five years later  | 14,576    | 15,442    | 20,768    | 22,126    | 17,947    |           |           |           |           |           |
| Six years later   | 15,191    | 15,695    | 22,832    | 22,705    |           |           |           |           |           |           |
| Seven years later   | 15,419    | 16,021    | 22,931    |           |           |           |           |           |           |           |
| Eight years later   | 15,482    | 16,048    |           |           |           |           |           |           |           |           |
| Nine years later  | 15,528    |           |           |           |           |           |           |           |           |           |
| 5. Reestimated ceded claims and expenses  | -         | 474       | 3,834     | 7,576     | 1,062     | 420       | 217       | 2,072     | 1,532     | 4,495     |
| 6. Reestimated incurred claims and expenses:  |           |           |           |           |           |           |           |           |           |           |
| End of policy year  | 19,530    | 17,683    | 18,527    | 21,480    | 26,444    | 19,798    | 11,806    | 19,466    | 24,301    | 28,916    |
| One year later  | 17,125    | 16,716    | 21,073    | 24,644    | 25,889    | 17,776    | 10,279    | 24,184    | 30,110    |           |
| Two years later   | 12,504    | 17,071    | 21,439    | 22,455    | 23,239    | 18,479    | 9,380     | 22,302    |           |           |
| Three years later   | 13,122    | 14,451    | 22,185    | 23,416    | 23,604    | 15,924    | 8,808     |           |           |           |
| Four years later  | 14,316    | 16,866    | 23,075    | 26,211    | 22,262    | 15,696    |           |           |           |           |
| Five years later  | 14,900    | 16,139    | 24,185    | 25,622    | 21,455    |           |           |           |           |           |
| Six years later   | 15,404    | 16,643    | 26,689    | 25,369    |           |           |           |           |           |           |
| Seven years later   | 16,006    | 17,817    | 25,283    |           |           |           |           |           |           |           |
| Eight years later   | 16,305    | 18,363    |           |           |           |           |           |           |           |           |
| Nine years later  | 16,368    |           |           |           |           |           |           |           |           |           |
| 7. Increase (decrease) in estimated net incurred<br>claims and expenses from end of policy year | (3,162)   | 680       | 6,756     | 3,889     | (4,989)   | (4,102)   | (2,998)   | 2,836     | 5,809     | -         |

PATRICK W. PAGGI

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
**Self-Insured Schools of California**  
**Property and Liability Program (SISC II)**  
Bakersfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of **Self-Insured Schools of California Property Liability Program (SISC II)**, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise **SISC II's** basic financial statements, and have issued our report thereon dated November 14, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

*Daniells Phillips Vaughan & Bock*

Bakersfield, California  
November 14, 2024

# Drop the Anchor

Why presenting a case for damages before the jury works for the defense

By Bill Bower for Claims and Litigation Management (CLM) Magazine  
October 3, 2024

According to the U.S. Chamber of Commerce, the number of verdicts above \$100 million reached a record in 2023, up nearly 400% from 2013. Although there is relative consistency of thought among the defense bar as to the likely factors at play in the cause of this increase (see root causes below), one method offered for controlling these awards has proven more daunting to accept: anchoring.

## *Defensive Anchoring Explained*

Defensive anchoring involves the defense presenting a case for damages before the jury, aiming to introduce and support a reasonable sum if the jury finds in favor of the plaintiff.

When I started practicing, it was essentially unheard of for a defense attorney to present a case for damages or suggest a verdict number to a jury. The focus was solely on liability, with any mention of damages considered a sign of weakness or an admission of fault. Indeed, the standard response to the plaintiff's damages claims before a jury was, basically, no response at all. We would label the plaintiff's demand "excessive" or "outrageous" without any real substance to our position. We would simply advise the jury that if they found in favor of the defendant, as they must, there would be no occasion to consider damages. And we would move on. However, focus groups and juror interviews have shown that jurors want to hear the defense's perspective on damages and do not view it as an admission of liability.

The paradigm shift in thinking regarding defensive anchoring is driven by the increasing disparity between verdicts and reasonable damages. Verdicts are becoming wildly disproportionate to the actual damages suffered, affecting various industries, such as trucking, manufacturing, and medical liability. In healthcare, specifically, increasing medical, claim, and litigation costs, on top of rising social inflation, pose a significant threat to healthcare organizations when combined because of adverse outcomes.

This exponential rise in verdicts and settlements cannot be ignored, and action needs to be taken to address this issue. Humbly, the defense bar remaining steadfast in its refusal to introduce and prove a damages case, from the defense perspective, is going to continue to yield excessive damages.

## *The Importance of Defensive Anchoring*

Defensive anchoring is important with juries for several reasons. First, it allows the defense to present a reasonable and persuasive case for damages. By introducing and supporting a specific sum, the defense can provide the jury with a clear and coherent perspective on the appropriate compensation for the plaintiff. This helps to guide the jury's

decision-making process and ensures that they have a well-informed understanding of the damages at stake.

Second, defensive anchoring helps to counteract the potential bias and influence of the plaintiff's damages presentation. If the defense remains silent on damages, it may create the perception that they are conceding value or that they have no valid counterarguments to the plaintiff's claims. By actively addressing damages and presenting their own evidence and expert witnesses, the defense can challenge the plaintiff's position and provide a balanced view of the case.

Furthermore, defensive anchoring allows the defense to shape the narrative and frame the discussion around damages. By presenting their own valuation and supporting evidence, the defense can influence the jury's perception of what constitutes a reasonable and fair compensation in the event the defense is found to be at fault. This can help to mitigate the risk of excessive or inflated verdicts that are disconnected from the actual damages suffered.

Defensive anchoring helps to establish credibility and trust with the jury. By openly addressing damages and providing a well-reasoned argument, the defense demonstrates their commitment to transparency and fairness. This can enhance the defense's overall credibility and increase the likelihood that the jury will consider their perspective when deliberating on the case.

Defensive anchoring aligns with the expectations and preferences of jurors. Focus groups and juror interviews have consistently shown that jurors want to hear the defense's perspective on damages and do not view it as an admission of liability, as previously thought by defense attorneys. By addressing damages and providing a reasonable financial anchor, the defense can meet these expectations and engage the jury in a more meaningful and productive way.

### ***Benefits of Defensive Anchoring***

Throwing a stake in the ground helps to shape the narrative. The jury will have heard the number/value during *voir dire* (if allowed in the jurisdiction) and will be allowed to consider concrete evidence of a claim's value. By introducing and supporting a specific sum, the defense can shape the narrative and guide the jury's understanding of the appropriate compensation for the plaintiff, if necessary. This helps to ensure that the defense's viewpoint is well-represented and considered during deliberations. It also gets the jury thinking about a specific number that is, in many instances, vastly different from that which is being argued by the plaintiff. If the defense does not provide a specific value, and the foundation for the value, the only "number" they'll hear will be that of the plaintiff. And it will serve as the starting point to their deliberations.

By actively addressing damages, the defense can present a persuasive case and increase the likelihood of a favorable outcome in the litigation.

## *Excessive Jury Damages*

There are a variety of reasons why exorbitant damages have been increasing dramatically over the last decade:

**Increase in public distrust of companies.** There is a general lack of trust in corporations, including healthcare companies. This skepticism can have a negative influence on jurors' perception of damages and for how much money a company should be held liable.

**"Diminished" value of money.** The public has been desensitized to large sums of money and doesn't fully grasp what \$10 million looks like. This is evident in billion-dollar lotteries and sports contracts and can affect jurors' perception of actual damages and what compensation for those damages should look like.

**Social inflation.** The gap has continued to widen between insurers' claims costs and general economic inflation largely due to unrealistic expectations of what an insured individual should receive in damages.

**Reptile theory/tactics.** Often a plaintiff attorney will employ tactics that appeal to jurors' primal fears, using the reptile theory to raise a sense of fear and transform jurors into community protectors, charged with the responsibility of public safety.

**Third-party funding.** While relatively new in the United States, third-party funding has been around for decades in other parts of the world. The involvement of third-party funders in litigation can influence the perception of increased damages to the plaintiff, which leads to increased pressure on defendants.

## *Counteracting the Tactics*

Defense attorneys can counteract tactics used by plaintiffs' attorneys to help reduce the chances of receiving excessive damages from a jury. Strategies include:

**Humanizing the corporate defendant.** By humanizing the defendant, the defense can counteract the public distrust in companies and present a more relatable perspective in a more neutral tone that may resonate better with juries.

**Normalizing the value of a dollar.** Defense counsel can attempt to normalize the value of money and can help jurors make more reasonable assessments of damages to the plaintiffs and their awards.



**Counter the reptile theory.** Through motion practice and procedure, the defense can challenge the validity of fears raised through the reptile theory and counteract its potential influence on jurors.

**Defensive anchoring of the jury.** Providing a defensive anchor is not a new concept and has been used by plaintiffs, defendants, and even used car salesmen, for years. The defense can utilize anchoring through motions and other strategic approaches.

### *Implementing Defensive Anchoring*

Defensive anchoring begins when the lawsuit is filed. From the outset, the defense should consider the evidence it has to support its desired damages outcome. During discovery, it is crucial to build evidence that counters the plaintiff's position, such as expert witnesses, economists, and attorneys specializing in damages assessment. Focus groups can also be invaluable in assessing the effectiveness of damages evidence and ensuring whatever is put forth will resonate well with jurors.

Using defensive anchoring as a tool for litigation is an important tactic with juries because it allows the defense to present a persuasive case for damages, counteract potential bias, shape the narrative, and establish credibility. By actively addressing damages up front, the defense can ensure a fair and balanced consideration of the case and increase the likelihood of a more favorable outcome for the client.

The increasing medical, claim, and litigation costs, on top of rising social inflation, pose a significant threat to organizations when combined as a result of adverse outcomes.

# MEDIATION AND SETTLEMENT PROCEDURES

**HHC & B**

**Hall Heatt Connely & Bowen LLP**  
Attorneys at Law

STEPHANIE A. BOWEN

86

CATHERINE H. DEVLIN



# Discussion Roadmap



Overview of Pre-Trial Resolution in CA Litigation



Mediation

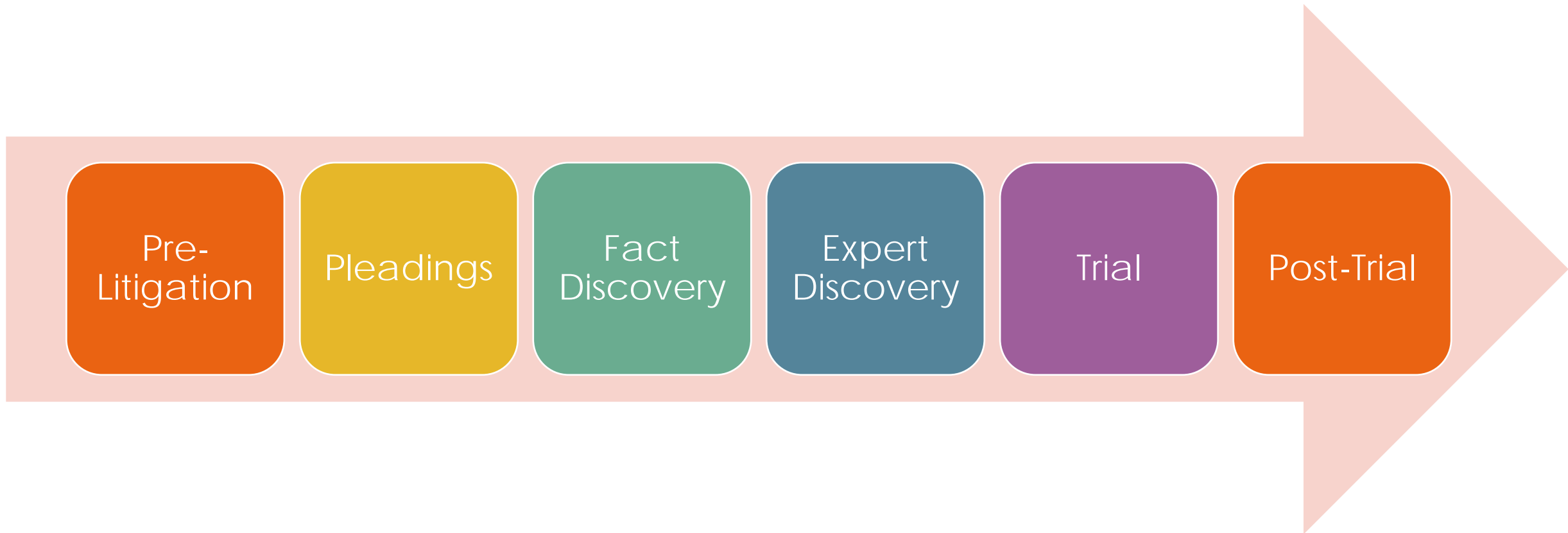


Statutory Offers to Compromise (C.C.P. § 998)



Settlement Agreements

# Stages of a Civil Case





Wanna get away  
(from trial)?

## Vehicles for pre-trial resolution in CA litigation:

### Involuntary Dismissal (Law and Motion)

- Demurrer
- Motion to Dismiss
- Motion for Judgment on the Pleadings
- Motion for Summary Judgment
- Motion for Terminating Sanctions

### Voluntary Dismissal and Settlement

- Informal Negotiations
- Alternative Dispute Resolution (ADR) Process
  - Private Mediation
  - (Mandatory) Settlement Conference
  - Neutral Evaluation
  - Nonbinding Judicial Arbitration
  - Binding Private Arbitration
- Statutory Offer to Compromise (C.C.P. § 998)





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# MEDIATION

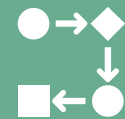
# The Basics of Mediation



When / Why



Who



How / Where



WHEN to mediate depends on  
WHY to mediate

Early in  
litigation

Middle of  
litigation

Late in  
litigation

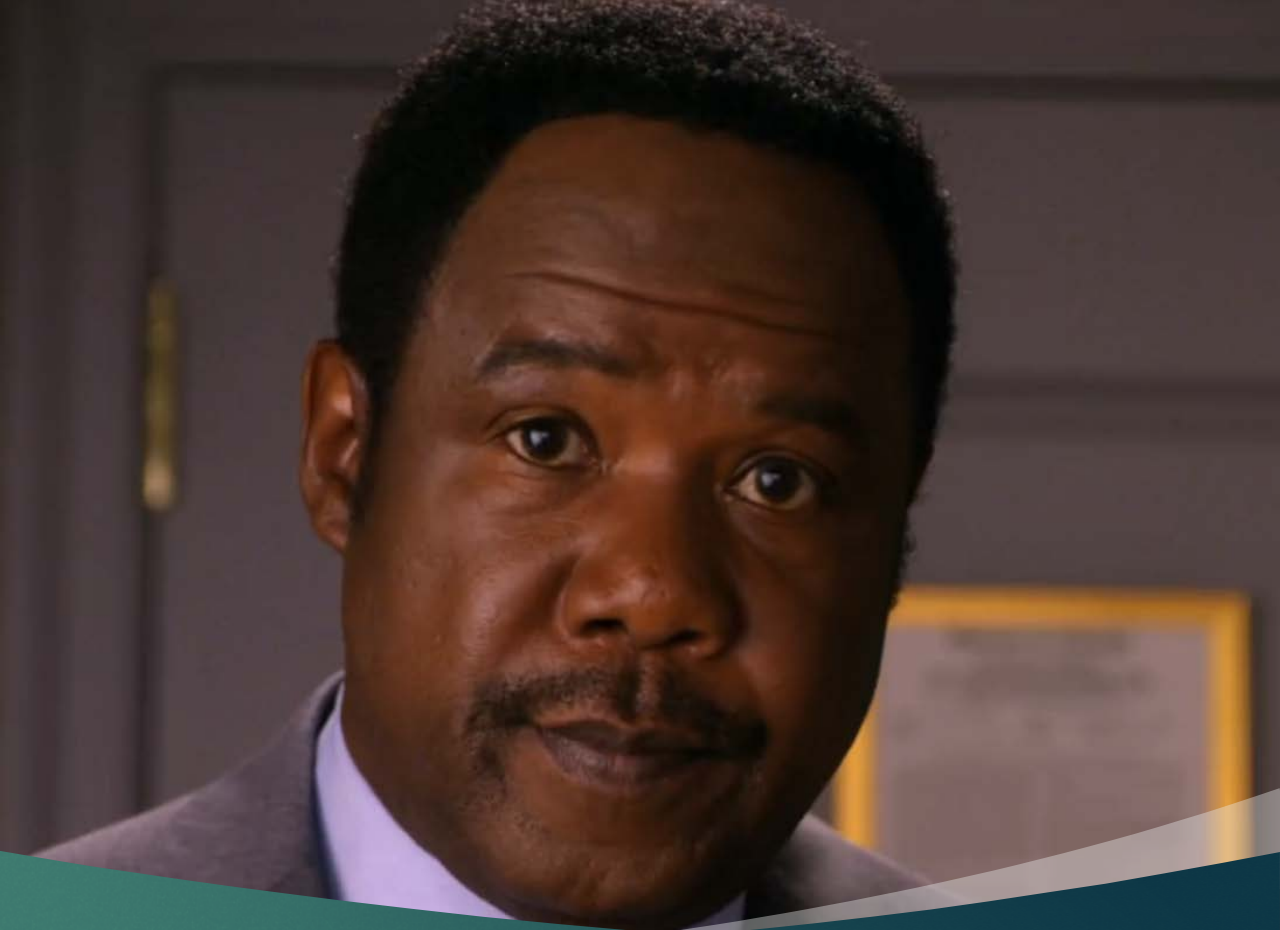


# WHO participates in a mediation?

- ▶ Mediator
- ▶ Each party OR a party representative with the authority to make a deal
- ▶ Each party's attorney







HOW the mediation process works  
and WHERE it takes place

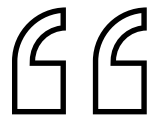
# To Zoom or not to Zoom



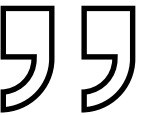


# CONFIDENTIALITY is CRITICAL

California's Evidence Code (§§ 703.5, 1119, and 1121)



**unqualifiedly** bars disclosure of communications made during **mediation** absent an **express** statutory exception.

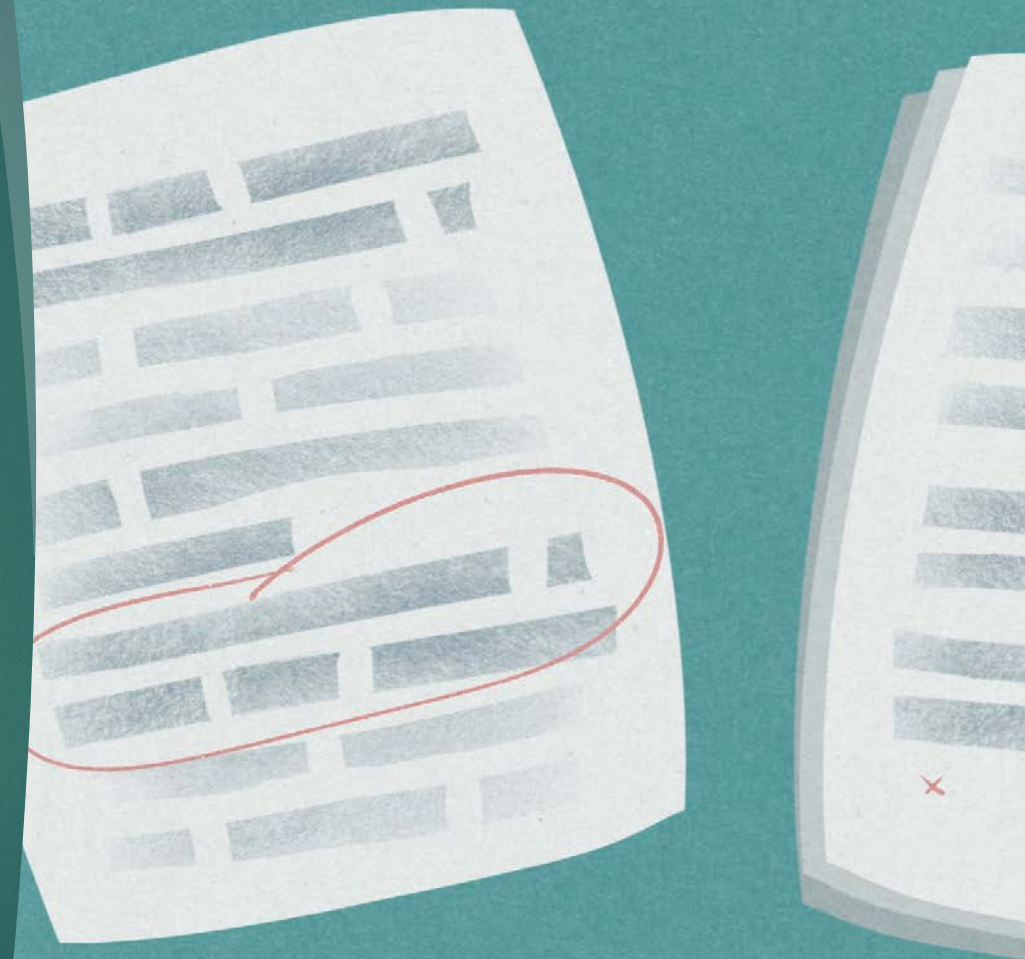


# Mediator findings and reports = inadmissible

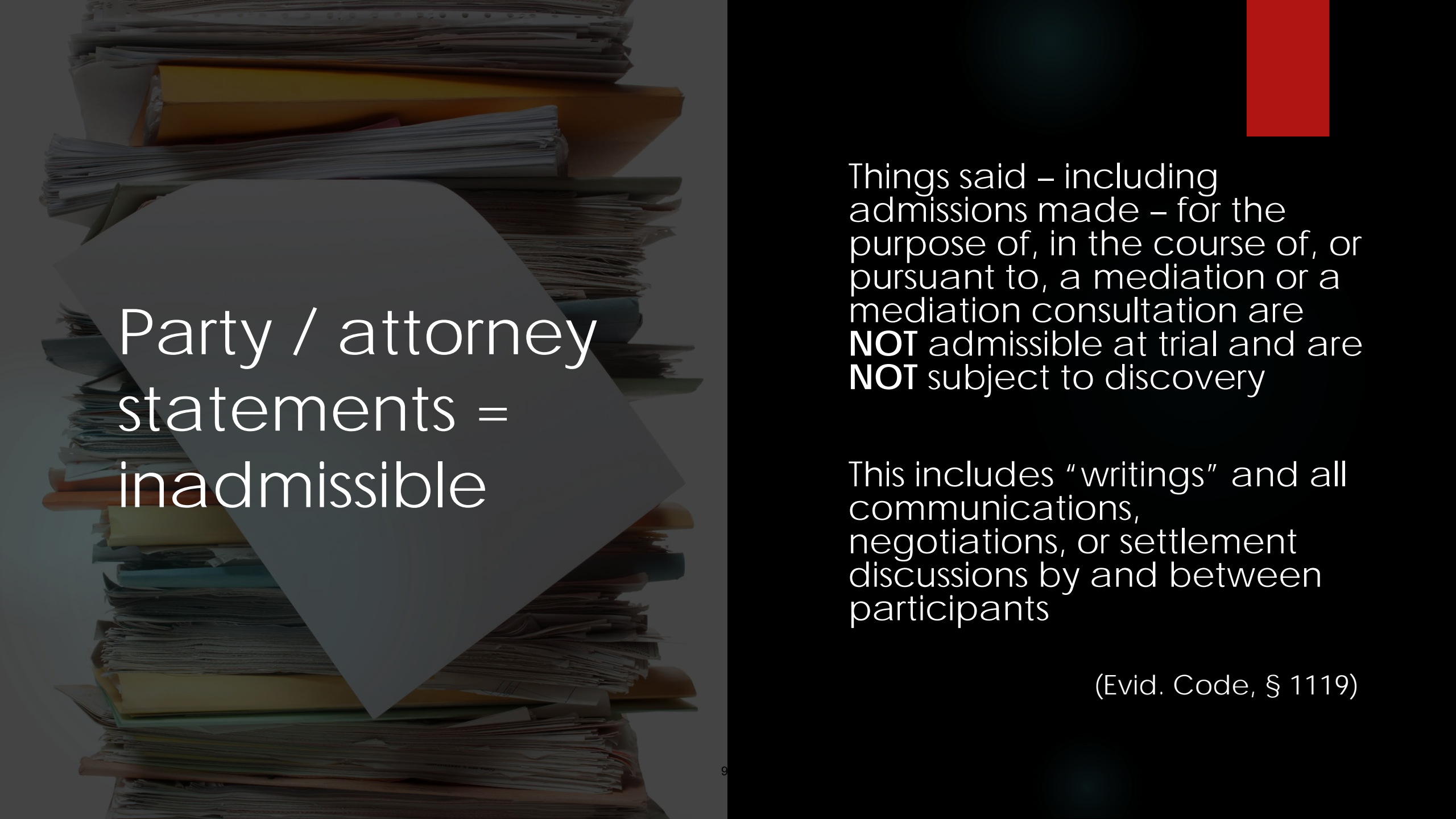
A court **may not** consider any “report, assessment, evaluation, recommendation, or finding of any kind by the mediator concerning [the] mediation” **unless**

1. A report is required by court rule or law stating whether an agreement was reached
2. The parties expressly agree otherwise

(Evid. Code, § 1121)







Party / attorney  
statements =  
inadmissible

Things said – including admissions made – for the purpose of, in the course of, or pursuant to, a mediation or a mediation consultation are **NOT** admissible at trial and are **NOT** subject to discovery

This includes “writings” and all communications, negotiations, or settlement discussions by and between participants

(Evid. Code, § 1119)

# Examples of protected "writings"



# Exceptions (when “writings” are admissible / discoverable)

- ▶ **Consent to disclosure:** When all participants in the mediation, including the mediator, consent to disclosure.
- ▶ **Evidence otherwise admissible:** When the writing would have been prepared and exchanged even if there was no mediation.
- ▶ **Equitable estoppel:** When all of the elements for an equitable estoppel finding are present.
- ▶ **Raw physical evidence:** When it is a piece of raw physical evidence, like a physical sample (but the *recorded analyses* of the physical samples are protected).



# Closing Time...

For purposes of confidentiality, when is mediation **over** – so that later writings may be admissible?

**Settlement:** The parties sign a written settlement or reach an oral settlement that either fully or partially resolves the dispute

**Notice from mediator:** The mediator notifies the parties in writing that the mediation is terminated (or words to that effect)

**Notice from party:** A party notifies the mediator and other parties in writing that the mediation is terminated (or words to that effect) - remaining parties may continue the mediation

**10-day lapse in communications:** There is no communication between the parties and the mediator relating to the dispute for a period of 10 calendar days (or another agreed-upon period)

# Admissibility of Settlement Agreements

## Written Settlement Agreements

Can be disclosed if **any** of the following conditions apply:

- the agreement provides that it is “admissible” or “subject to disclosure,” or words to that effect; or
- the agreement provides that it is “enforceable” or “binding,” or words to that effect; or
- all parties *expressly consent* to its disclosure; or
- the agreement is used to show *fraud, duress or illegality* that is relevant to an issue in dispute

## Oral Settlement Agreements

Can be disclosed if **all** of the following conditions apply:

- the oral agreement is *recorded* by a court reporter, tape recorder or other “reliable means of audio recording”;
- the terms of the agreement are *recited on the record* in the presence of the parties *and the mediator*, and the parties expressly state on the record that they *agree to the terms* recited;
- the parties expressly state on the record that the agreement is “binding” or “enforceable,” or words to that effect; *and*
- the recording was *reduced to writing* and the writing was *signed within 72 hours* after it was recorded





# STATUTORY OFFERS TO COMPROMISE

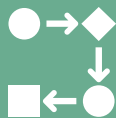
# The Basics of C.C.P. § 998 Offers



What



When / Why



How

# WHAT is it?

A written offer to allow judgment to be taken or an award entered in accordance with the terms and conditions stated at that time – which, if done right, **can shift costs** to the other party in certain circumstances

Contains:

- (1) a statement of the offer with specific terms and conditions, and
- (2) a provision that allows the accepting party to indicate acceptance of the offer by signing a statement that the offer is accepted



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2 CATHERINE H. DEVLIN/S.B. #322128  
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6 Telephone: (805) 544-3830  
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8 [bowen@hhcb-slo.com](mailto:bowen@hhcb-slo.com)  
9 [devlin@hhcb-slo.com](mailto:devlin@hhcb-slo.com)

10 Attorneys for Defendant,  
11 COSMO KRAMER

12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
13 **COUNTY OF KERN**

14 GEORGE COSTANZA, ) No. 20CV-0185  
15 Plaintiff, ) [Assigned to Honorable Rita C. Federman]  
16 vs. ) OFFER TO COMPROMISE TO PLAINTIFF  
17 COSMO KRAMER, ) GEORGE COSTANZA BY DEFENDANT  
18 Defendant. ) COSMO KRAMER  
19 ) [C.C.P. SECTION 998]

20 TO PLAINTIFF AND HIS COUNSEL OF RECORD:

21 Pursuant to California Code of Civil Procedure section 998, Defendant COSMO KRAMER  
22 hereby offers to compromise and to settle the above-captioned action and all claims against him as  
23 follows:

24 Defendant offers to pay to Plaintiff GEORGE COSTANZA a total sum of Thirty Thousand  
25 Dollars and No Cents (\$30,000.00), in exchange for dismissal of Plaintiff's action with prejudice,  
26 with each party to bear their own attorneys' fees, costs, and/or interest that may exist in relation to  
27 this action, and with Plaintiff to be solely responsible for any and all liens related to this action.

28 If Plaintiff accepts this Offer, please sign and date the "Acceptance of Offer to Compromise"  
set forth herein on page 3 of the Offer, and serve the written acceptance to the attorneys of record for  
Defendant within thirty (30) days of the date of mailing of this Offer. This Offer is deemed withdrawn  
if written acceptance is not received by Defendant's counsel of record within thirty (30) days from  
the date of mailing of this Offer or the commencement of trial, as defined in Code of Civil Procedure,

1 section 998, subdivision (b)(3).

2 Please note that if Plaintiff does not accept this Offer in writing within the earlier of thirty (30)  
3 days from the date hereof or the commencement of trial, as defined in Code of Civil Procedure,  
4 section 998, subdivision (b)(3), and if Plaintiff fails to recover a more favorable judgment or award,  
5 Defendant will seek recovery from Plaintiff for its post-Offer costs of suit and expert witness fees,  
6 as provided in Code of Civil Procedure, section 998.

7 Dated: November 8, 2024

HALL HIEATT CONNELLY & BOWEN LLP

8 By: \_\_\_\_\_  
9 STEPHANIE A. BOWEN  
10 CATHERINE H. DEVLIN  
11 Attorneys for Defendant,  
12 COSMO KRAMER

13 **ACCEPTANCE OF OFFER TO COMPROMISE**

14 Plaintiff GEORGE COSTANZA accepts the Offer to Compromise made by Defendant  
15 COSMO KRAMER pursuant to California Code of Civil Procedure section 998 on the terms and  
16 conditions as set forth above.

17 Dated: \_\_\_\_\_, 2024

DEWEY CHEATEM & HOWE

18 By: \_\_\_\_\_  
19 BOB LOBLAW  
20 Attorneys for Plaintiff,  
21 GEORGE COSTANZA



# WHEN to make it (mostly) depends on WHY to make it

- ▶ CANNOT be made less than 10 days prior to commencement of trial or arbitration
- ▶ Otherwise,
  - ▶ Should NOT be made too early (e.g., with service of complaint), or it runs the risk of being deemed in bad faith
  - ▶ SHOULD be made at a time that maximizes or minimizes cost-shifting



# WHAT are “costs”

- ▶ Incurred (whether or not already paid)
- ▶ Reasonably necessary to the conduct of the litigation (rather than merely convenient or beneficial to preparation)
- ▶ Reasonable in amount
- ▶ 16 items + discretionary catch-all
  - ▶ Filing, motion, and jury fees
  - ▶ Deposition costs
  - ▶ Models, enlargements and photocopies of exhibits, electronic presentation of exhibits
  - ▶ Attorneys' fees when fee award would be authorized by contract, statute, or law





Plaintiff George doesn't accept Defendant Kramer's Offer, they go to trial,\* and Plaintiff George fails to get a better judgment – what happens?

▶ **Mandatory penalties:**

- ▶ Plaintiff George cannot recover his own court costs incurred *after* the § 998 offer was made (but *pre-offer* costs are still recoverable if Plaintiff George is the prevailing party)
- ▶ Plaintiff George must pay Defendant Kramer's *post-offer* court costs (and *pre-offer* costs if Defendant Kramer is the prevailing party) – if these exceed Plaintiff George's verdict, a judgment will be entered against Plaintiff George for the balance

▶ **Discretionary penalty:**

- ▶ The court *may* order Plaintiff George to pay a reasonable sum to cover Defendant Kramer's *post-offer* expert witness fees both for preparation and during trial or arbitration of the case



Defendant Kramer doesn't accept Plaintiff George's Offer, they go to trial, and Defendant Kramer fails to get a better judgment – what happens?

▶ **Mandatory penalties:**

- ▶ Defendant Kramer must pay Plaintiff George's costs
- ▶ In personal injury actions, Defendant Kramer must also pay 10% interest on the judgment from the date of the Offer (this does **not** apply to public entities or employees for acts in the course of their public employment)

▶ **Discretionary penalty:**

- ▶ The court *may* order Defendant Kramer to pay a reasonable sum to cover Plaintiff George's *post-offer* expert witness fees both for preparation and during trial or arbitration of the case

# When does a party fail to obtain a “better” (more favorable) judgment?

Plaintiff George did not accept Offer and:

The verdict/award is in favor of Defendant Kramer **OR**  
The verdict/award is in favor of Plaintiff George but it is **less** than the amount of Defendant Kramer’s Offer

Defendant Kramer did not accept Offer and:

The verdict/award is in favor of Plaintiff George and it is **greater** than the amount of Plaintiff George’s Offer

Calculating the amount of the verdict/award in favor of Plaintiff George:

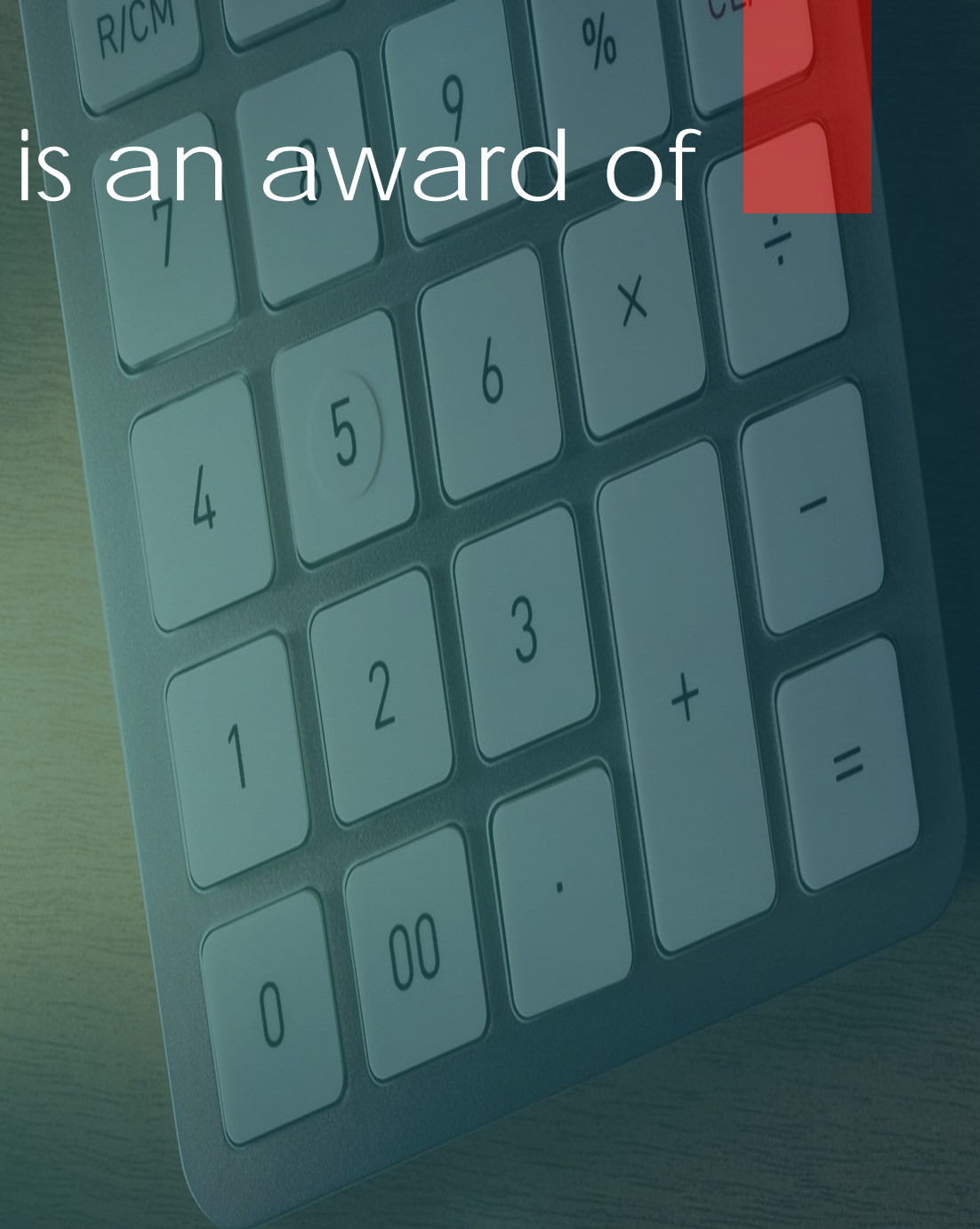
- Howell / Government Code § 985 reduction
- Liens are NOT considered
- Settlements with other defendants
- Costs



# What happens if there is an award of periodic payments?

The present value of such a judgment must be determined – which means that the jury must be instructed to ascertain “the amount in current dollars paid at the time of judgment that will compensate a plaintiff for future pain and suffering” (e.g., the cost of an annuity that could be purchased to provide the periodic payments over plaintiff's lifetime)

*Salgado v. County of Los Angeles* (1998) 19 Cal.4th 629, 643



# What happens if a party makes another C.C.P. § 998 Offer?

## If Defendant makes another Offer

The last Offer is the **only** operative Offer for the cost-shifting provisions

(a subsequent offer *not* under § 998 may extinguish an earlier § 998 Offer)

## If Plaintiff makes another Offer

If Defendant fails to obtain a judgment better than **either** Offer, the trial court retains discretion to order payment of expert witness costs incurred from the date of the first Offer



# HOW to make a valid Offer

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State terms and conditions that are **sufficiently certain** to be **capable of valuation**

(otherwise, the offeree will escape the offer's cost-shifting consequences)

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- May contain non-monetary terms that can be valued in monetary terms
- Cannot be conditional
- Cannot seek to dispose of claims beyond those at issue in pending lawsuit

# Offers found to be invalid

Offer required confidentiality. (*Barella v. Exchange Bank* (2000) 84 Cal.App.4th 793)

Offer to repurchase car so long as it was in "undamaged condition, save normal wear and tear." (*MacQuiddy v. Mercedes-Benz USA, LLC* (2015) 233 Cal.App.4th 1036)

Offer required offeree to release "all claims" where claimant had at least one claim not part of present lawsuit. (*Chen v. Interinsurance Exch. of the Auto. Club* (2008) 164 Cal.App.4th 117)

Offer required execution of settlement and release agreement but did not attach written agreement or describe terms in any meaningful detail. (*K.M. v. Grossmont Union High School Dist.* (2022) 84 Cal.App.5th 717)

# Offers found to be **valid**

Offer to waive costs in exchange for dismissal with prejudice. (*Hartline v. Kaiser Found. Hosps.* (2005) 132 Cal.App.4th 458)

Offer to pay "statutory costs including attorney's fees, incurred to the date of this offer *in the amount determined by the Court, according to proof,*" was enforceable upon acceptance. (*Seever v. Copley Press, Inc.* (2006) 141 Cal.App.4th 1550)

Offer for settlement that provided: "1. This is an offer to settle, not an offer to have judgment taken. 2. This offer is subject to a good faith determination order. 3. [Plaintiff] must dismiss her complaint for damages against [Defendant], in its entirety, with prejudice. 4. [Plaintiff] must execute a release of all claims in favor of [Defendant]. 5. The parties will bear their own costs. 6. [Plaintiff] will be liable for all medical bills, liens or other financial obligations resulting from the accident." (*Menges v. Department of Transportation* (2020) 59 Cal.App.5th 13)



# The more, NOT always the merrier

To several plaintiffs

Must be allocated to each plaintiff (unless there is a "unity of interest")

Invalid if requires acceptance by all of them

By several plaintiffs

Should be allocated to each plaintiff

(if not allocated, can still be valid if *absolutely clear* that verdict was greater than Offer)

To several defendants

Must be allocated to each defendant when defendants are not jointly liable for full amount of damages

Invalid if requires acceptance by all of them

By several defendants

Valid  
(but different approaches for determining whether plaintiff beats the Offer)

# Concept of **Good Faith** can invalidate nominal or token offers

## Offers found to be **invalid**

- A \$15,001 offer in a case in which damages were ultimately determined to be in excess of \$1,000,000 (*Elrod v. Oregon Cummins Diesel, Inc.* (1987) 195 Cal.App.3d 692)
- A \$2,500 offer in a wrongful death case properly denied even though liability was tenuous (*Pineda v. Los Angeles Turf Club, Inc.* (1980) 112 Cal.App.3d 53)

## Offers found to be **valid**

- An offer to waive costs had significant monetary value even though no net sum established (*Jones v. Dumrichob* (1998) 63 Cal.App.4th 1258)
- An offer of \$100 and waiver of costs and attorney fees was made in good faith in light of circumstances at time offer made, evaluated from defendants' perspective (*Carver v. Chevron USA, Inc.* (2002) 97 Cal.App.4th 132)
- A \$30,000 offer was reasonable even though plaintiff's potential damages over \$500,000 based on determination that defendant had no liability (*Najah v. Scottsdale Ins. Co.* (2014) 230 Cal.App.4th 125)

# Two Major Traps for the Unwary

- ▶ The term “costs” does not need to be mentioned in the Offer
  - ▶ If the Offer is rejected and the offeror beats the Offer, offeror still entitled to receive costs
  - ▶ But if the Offer is accepted, acceptance may entitle the offeree to costs as prevailing party
- ▶ The statutory default is to allow entry of judgment
  - ▶ If the Offer fails to specify whether acceptance would result in judgment or dismissal, judgment will be entered



# Options for **Responding** to an Offer

## **Acceptance**

must be an unequivocal written statement (on Offer document or separate document), signed by counsel for accepting party, **and** communicated to the offeror within 30 days of service or before start of trial

## **Objection**

written objection to set the stage for later argument that it was not a valid Offer

## **Expiration**

if not accepted within 30 days of service or by start of trial, Offer expires and is deemed withdrawn

## **Rejection**

must be an unequivocal statement of rejection (a criticism of the Offer, a request for better terms, or a counter-offer do **not** cut off the offeree's power to accept)



# Is there a way out of an Offer or judgment?

- ▶ Revoking or Withdrawing Offer
  - ▶ May be revoked/withdrawn (in writing) prior to notice of acceptance
  - ▶ Automatically revoked upon death of offeror or offeree
  - ▶ No § 998 penalties for failure to accept revoked Offer
- ▶ Vacating Judgment
  - ▶ The trial court can vacate a judgment pursuant to C.C.P. § 473(b) for "mistake, inadvertence, surprise or excusable neglect"
  - ▶ But an attorney's intrinsic *mistake as to the terms* of a § 998 offer is *not* ground for relief because it is not the kind of mistake ordinarily made by a reasonably prudent attorney





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# SETTLEMENT AGREEMENTS



# Basic Components

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Recitals

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Release

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Payment

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Special Terms

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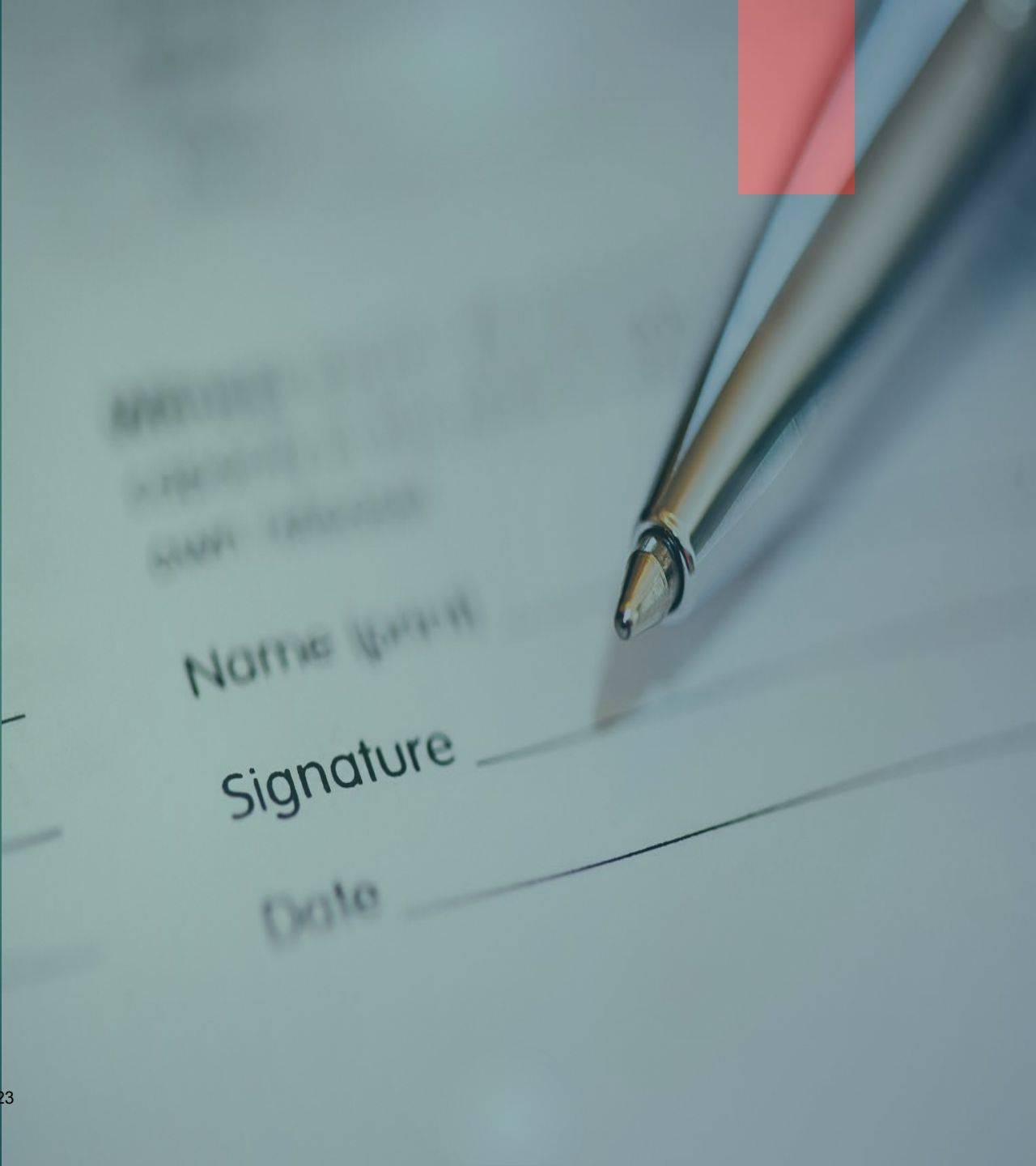
General Terms

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Date / Signature

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(Attorney Approval)





# Some Special Terms

(to consider in every civil case)

- **Civil Code 1542 Waiver:** waives Civil Code 1542, which states that a general release does not extend to claims that the releasing party does not know or suspect to exist in their favor at time of executing the release and that, if known, would have materially affected their settlement
- **C.C.P. § 664.6 Enforcement:** allows Court to retain jurisdiction to enforce settlement without having to file a new lawsuit
- **Liens:** representation of no liens OR address responsibility for any and all liens
- **Confidentiality/Non-Disparagement Clause:** however, 1) cannot be included in cases involving public entities, and (2) cannot prevent employee complainant from disclosing factual information related to discrimination, harassment, assault, or retaliation (but can prohibit disclosure of amount paid, and complainant can protect their identity)



# Some Special Terms

(to consider depending on parties/claims in civil case)

- If Plaintiff is a **beneficiary of Medicare** (or other government-funded plan): include specific language to protect plan's interest in reimbursement
- If Plaintiff is a **minor or incapacitated**: include contingency on Court's approval of compromise (otherwise, until approved, agreement is voidable by minor but not by defendant)
- If there is **more than one** defendant / tortfeasor: include contingency on Court's approval / finding of good faith
- If Plaintiff in **employment** lawsuit is **over 40 years old**: include (1) waiver of right to bring federal and state age claim (regardless of whether there is an age claim in the lawsuit) and (2) 21-day consideration and 7-day revocation periods (or, in certain circumstances, "reasonable amount of time" to consider effect of release)
- If Plaintiff was Defendant's **employee**: cannot restrict Plaintiff's return to work ("no rehire" clause) unless employee engaged in sexual harassment or sexual assault or there is a legitimate, non-discriminatory reason for not rehiring employee

# Key Takeaway Points

- ▶ Mediation and C.C.P. § 998 Offers are two common ways (but not the only ways) to achieve pre-trial resolution in civil cases
- ▶ Mediation:
  - ▶ When/why, who, and where should be considered in the context of each case
  - ▶ Confidentiality is critical
- ▶ C.C.P. § 998 Offers:
  - ▶ If done right, they can have huge financial implications for the case
  - ▶ To do it right, the drafter must be very careful to craft clear terms
- ▶ Settlement Agreements: must pay special attention to
  - ▶ (1) who is the plaintiff and
  - ▶ (2) what is the case about





Questions?





# THANK YOU!

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