

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
FRESNO, CALIFORNIA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](https://CLAcconnect.com)

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>5</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>6</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>CLAIMS DEVELOPMENT INFORMATION</b>	<b>19</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>21</b>
<b>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</b>	<b>23</b>
<b>SCHEDULE OF THE STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS</b>	<b>24</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
San Joaquin Valley Insurance Authority  
Fresno, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of San Joaquin Valley Insurance Authority (the Authority), a component unit of the County of Fresno, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Claims Development Information on pages 19-20 be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that GAAS require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sacramento, California  
April 6, 2026

## **BASIC FINANCIAL STATEMENTS**

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

**ASSETS**

Current assets:

Cash and cash equivalents	371,135
Cash and investments - external pool	51,860,703
Intergovernmental receivables	4,398,812
Investment income receivable	367,105
Prepaid expenses	10,249
Total current assets	57,008,004

Total assets	57,008,004
--------------	------------

**LIABILITIES**

Current liabilities:

Accounts payable	6,625,480
Intergovernmental payables	43,760
Unearned member contributions	4,925,154
Unpaid claims and claims adjustment expenses	10,613,090
Total current liabilities	22,207,484

Noncurrent liabilities:

Intergovernmental payables	884,432
Total noncurrent liabilities	884,432

Total liabilities	23,091,916
-------------------	------------

**NET POSITION**

Unrestricted	33,916,088
--------------	------------

Total net position	\$ 33,916,088
--------------------	---------------

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2025**

<b>OPERATING REVENUES</b>	
Member contributions	117,969,272
Total operating revenues	<u>117,969,272</u>
<b>OPERATING EXPENSES</b>	
Claims and claims adjustment expenses	109,135,133
Administrative expenses	6,433,445
Total operating expenses	<u>115,568,578</u>
<b>OPERATING INCOME (LOSS)</b>	2,400,694
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Government grant (ARPA)	400,000
Interest revenue	1,369,396
Total nonoperating revenues (expenses)	<u>1,769,396</u>
<b>CHANGE IN NET POSITION</b>	4,170,090
Net position - beginning of year	<u>29,745,998</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 33,916,088</u></u>

See accompanying Notes to Financial Statements.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from members	\$ 142,761,056
Cash received from reinsurance and refunds	9,916,136
Cash paid to vendors	(4,202,965)
Cash paid for claims	<u>(144,701,909)</u>
Net cash provided by operating activities	3,772,318

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	<u>(5,089,385)</u>
Net cash used by investing activities	(5,089,385)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash received from government grant (ARPA)	400,000
Cash received from intergovernmental loan and interest payable	<u>7,049</u>
Net cash provided by noncapital financing activities	<u>407,049</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(910,018)

Cash and cash equivalents - beginning of year

1,281,153

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 371,135

**RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 2,400,694
Adjustments to reconcile operating income (loss) to net cash	
Provided (used) by operating activities:	
(Increase) decrease in:	
Due from other governmental units	(805,993)
Other receivables	(52,863)
Prepaid expenses	(1,353)
Increase (decrease) in:	
Accounts payable	1,982,563
Unpaid claims and claims adjustment	<u>249,270</u>
Total adjustments	<u>1,371,624</u>

**Net cash provided by operating activities**

\$ 3,772,318

See accompanying Notes to Financial Statements.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

In November 1989, GASB issued Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. GASB Statement No. 10 establishes accounting and financial reporting standards for risk financing and insurance-related activities for state and local governmental entities, including public entity risk pools. These financial statements have been prepared in accordance with GASB Statement No. 10, as amended by GASB Statement No. 30, *Risk Financing Omnibus*.

**A. Reporting Entity**

On October 6, 2009, the County of Fresno and the County of Tulare entered into an agreement creating the San Joaquin Valley Insurance Authority (the Authority) to negotiate, purchase or otherwise fund health, vision, dental, and life insurance for the employees of the County of Fresno and certain employees of the County of Tulare, in all instances subject to obtaining a financial commitment by the County of Fresno and the County of Tulare to pay for their respective costs. Both counties desire to secure such coverage for the purpose of obtaining other coverage and/or insurance policies at more favorable rates, and for the purpose of administering such insurance programs with greater efficiency, than they could obtain by their individual efforts.

The Authority is governed by the Board of Directors (the Board) which is composed of seven directors. Four of the directors are appointed by the County of Fresno Board of Supervisors and three of the directors are appointed by the County of Tulare Board of Supervisors. The Board of Directors, President, and Vice President serve two-year terms. The County of Fresno or the County of Tulare may withdraw from the Authority by giving 120 days' written notice to the Board. Upon the dissolution, all assets of the Authority will be distributed among the County of Fresno and the County of Tulare in proportion to their cash contributions.

The Authority's Board voted to keep health insurance costs neutral and moved from a claims-servicing pool to a risk-sharing pool and insurance-purchasing pool effective January 1, 2012. The result is that the claims experience of all member entities is pooled, and risk is shared among all members, or the risk is transferred to commercial insurers by purchasing insurance. The County of Fresno and the County of Tulare have transferred their reserve funding for incurred but not reported (IBNR) claims to the Authority.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

The Authority is legally separate from the County of Fresno (the County). However, the Authority is a component unit of the County due to the fact that the County appoints a voting majority of the Authority's Board and, accordingly, can significantly influence the activities and level of services performed by the Authority.

The Authority itself does not employ any personnel. The County of Fresno and the County of Tulare staff provide the necessary services such as maintenance and accounting to the Authority on a reimbursement basis.

The Authority's Board has elected to open membership consideration to other public agencies to increase membership, further reduce imbedded overhead cost, and leverage additional growth to improve the Authority's negotiating capabilities with plan vendors in California.

During this fiscal period, there were no new membership applications. As of June 30, 2025, membership in the Authority consists of the County of Fresno and the County of Tulare, its founding entities.

**B. Basis of Accounting**

The Authority complies with Generally Accepted Accounting Principles (GAAP). The Authority's reporting entity applies all relevant GASB pronouncements.

The Authority is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the enterprise fund are those revenues that are generated from the primary operations of the Authority. These revenues include premiums for insurance coverage. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the Authority. All other expenses are reported as nonoperating expenses.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (Continued)**

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Basis of Presentation**

Since the Authority is both an insurance-purchasing pool and a risk-sharing pool, the Authority's activities include both acting as an insurer purchaser and as an insurer. For activities for which the Authority was acting as an insurance purchaser, GASB Statement No. 10 states that public entity risk pools that do not accept, transfer, or pool risk among participants but instead transfer that risk to commercial insurers by purchasing insurance are acting as insurance purchasers and not insurers. Accordingly, operating statements of these pools should report insurance purchasing service revenue (if any) and administrative costs. Amounts collected or due from pool participants and remitted to the insurance carriers should be reported as net liability. For the activities for which the Authority was acting as an insurer, operating statements should report member contributions as well as claims and administrative expenses.

**D. Assets, Liabilities, and Net Position**

**1. Cash**

For purposes of the Statement of Cash Flows, the Authority considered all cash in banks to be cash. This includes two active bank accounts with JPMorgan Chase Bank, one used for claims funding and the other for reserves.

**2. Investments**

Investments are recorded at fair value. Investment income is recorded as earned.

**3. Intergovernmental Receivables**

Certain revenues are earned by the Authority during the current reporting period but are not received until after the beginning of the next fiscal year. These revenues are reported as intergovernmental receivables on the financial statements.

**4. Deposits Receivable**

There were no deposit receivables for the fiscal year 2025.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position (Continued)**

**5. Member Contribution**

Each member is assessed a premium which is intended to cover the Authority's claims, operating costs, claim expenses, and any premiums for any risk transferred to commercial insurers by purchasing insurance for the insurance programs. Premiums are based upon the approved rates by the Authority's Board. All premiums are recognized as revenue when earned, based upon the period covered by the premiums. In determining if a premium deficiency exists, the pool does not consider anticipated investment income.

**6. Accounts Payable**

Certain costs are incurred by the Authority during the current reporting period but are not paid until after the beginning of the next fiscal year. These costs are reported as payables in the financial statements. The Authority's current accounts payable balance of \$6,625,480 as of June 30, 2025, is related to certain contract services and payments for eligibility administration and consulting fees as well as amounts collected or due from pool participants and remitted to the insurance carriers. Adjustments to estimates are charged or credited to expense in the periods in which they are made.

**7. Intergovernmental Payables**

The County of Fresno has made a required minimum claims deposit of \$884,432 to Anthem Blue Cross on behalf of the Authority. The Authority will repay the County of Fresno after receiving refunds from Anthem Blue Cross. The full deposit amount of \$884,432 is recognized as a noncurrent intergovernmental payable as of June 30, 2025.

Current intergovernmental payables are the Patient-Centered Outcomes Research fee (PCOR), which is an annual fee imposed on the sponsors of self-insured health insurance plans by the Internal Revenue Service (IRS). Current intergovernmental payables totaled \$43,760.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position (Continued)**

**8. Unpaid Claims and Claims Adjustment Expenses**

The Authority 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). 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. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**9. Reinsurance**

In the ordinary course of business, the Authority reinsures certain risks with commercial insurers through contractual agreements, commonly referred to as reinsurance ceded. These agreements serve to limit the Authority's potential losses for large aggregate and individual losses. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Authority as direct insurer of the risks reinsured. A contingent liability exists with respect to reinsurance ceded to the extent that any reinsurer is unable to meet its obligation assumed under the reinsurance agreements. The Authority does not report reinsured risk as liabilities unless it is probable that those risks will not be covered by reinsurers. Premiums ceded to reinsurers during fiscal year 2025 was \$2,929,309, and the amounts recovered from reinsurers during fiscal year 2025 was \$1,809,287.

**10. Net Position**

Net position is reported in three categories as follows:

- **Net investment in capital assets.** This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition.
- **Restricted net position.** This amount is committed by external creditors, grantors, contributors, or laws or regulations of other governments.
- **Unrestricted net position.** This amount represents all resources that do not meet the definition of "net investment in capital assets" or "committed net position."

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 CASH AND CASH EQUIVALENTS**

**A. Summary of Deposits**

Cash and cash equivalents as of June 30, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 371,135
Total	<u>\$ 371,135</u>

Cash and cash equivalents as of June 30, 2025, consist of the following:

Deposits with Financial Institutions	\$ 371,135
Total	<u>\$ 371,135</u>

**B. 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 the Authority'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.

As of June 30, 2025, the Authority's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 INTERGOVERNMENTAL RECEIVABLES**

The Authority's current intergovernmental receivables balance of \$4,398,812 as of June 30, 2025, is related to insurance premiums, claims reserve, eligibility administration service fees, consulting fees, and other administrative fees due from the County of Fresno. As of June 30, 2025, all of the intergovernmental receivables are considered by management to be collectible. Therefore, no allowance for doubtful accounts has been recognized.

**NOTE 4 CASH AND INVESTMENTS – EXTERNAL POOL**

Cash and investments – external pool authorized by the Authority's Investment Policy at June 30, 2025, consist of the following:

External Pool - Fresno County:	
Cash - Stabilization Reserve	\$ 21,483,058
Treasury Investment Pool	<u>30,377,645</u>
Total Cash and Investments - External Pool	<u><u>\$ 51,860,703</u></u>

The Authority maintains its external cash and investments with the County of Fresno Auditor-Controller/Treasurer-Tax Collector as part of the common investment pool. The County of Fresno is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

State statutes and the County of Fresno's investment policy authorize the County Treasurer to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchase agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices provided by ICE data services through SymPro. The balance available for withdrawal is based on the accounting records maintained by the County of Fresno Auditor-Controller/Treasurer-Tax Collector.

Credit quality ratings are not available for the Authority's investments as all cash is invested as part of the common investment pool of the County of Fresno Auditor-Controller/Treasurer-Tax Collector. Cash in the County Treasury is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

Information about the Fresno County Treasury Investment Pool can be found in the County's annual comprehensive financial report, which is available on the County's website.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 RECONCILIATION OF CLAIMS LIABILITIES**

Liabilities for claims are based on undiscounted estimates of the ultimate net cost of settling all claims, which are incurred but unpaid at year-end, including claims incurred but not reported. The following represents changes in liabilities for the Authority during the fiscal years ended June 30:

	2025	2024
Unpaid Claims and Claim Adjustment Expenses - Beginning of Year	\$ 10,363,820	\$ 10,363,820
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of Current Year	109,135,133	89,452,588
Total Incurred Claims and Claim Adjustment Expenses	109,135,133	89,452,588
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of Current Year	98,272,773	79,088,768
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Year	10,613,090	10,363,820
Total Payments	108,885,863	89,452,588
Total Unpaid Claims and Claim Adjustment Expenses - End of Year	\$ 10,613,090	\$ 10,363,820

**NOTE 6 LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Intergovernmental Payables	\$ 884,432	\$ -	\$ -	\$ 884,432
Total	\$ 884,432	\$ -	\$ -	\$ 884,432

**NOTE 7 COMMITMENTS AND CONTINGENCIES**

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation. In the opinion of management, based upon discussion with legal counsel, there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Authority.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omission. During the year ended June 30, 2025, the Authority carried insurance through various commercial carriers for all risks of losses. No settlements have exceeded coverage levels in place during the fiscal year ended June 30, 2025.

The Authority participated in the following insurance coverage programs with various commercial carriers:

Coverage Type	Description	Limit	Deductible
Master Crime Policy	Coverage is provided for incidents such as public employee dishonesty, forgery or alteration, theft, computer fraud and embezzlement.	\$10 Million	\$ 25,000
Trustees Errors & Omissions	Fiduciary liability insurance is a popular vehicle for the financial protection of fiduciaries of employee benefit plans against legal liability arising out of their role as fiduciaries, including the cost of defending those claims that seek to establish such liability. Coverage is provided for incidents such as miscalculation, a class action lawsuit, and enrollment errors.	\$10 Million	\$ 25,000
Special Liability	This program provides coverage for claims from third parties alleging damages due to negligence arising out of personal injury and property damage.	\$10 Million	\$ 50,000
Fiduciary Liability	Pays the legal liability arising from claims for alleged failure to act prudently. Protects the assets of a plan fiduciary due to allegations of breach of fiduciary duties. ERISA explicitly allows for the purchase of fiduciary insurance. It could be a breach of fiduciary duty if a claim arises and no insurance is in place that was readily available.	\$5 Million	\$ 25,000

**NOTE 9 GOVERNMENT GRANT (ARPA)**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, that established the Coronavirus State and Local Fiscal Recovery (SLFRF) Program. This initiative was designed to provide financial assistance to state and local governments as they navigate the challenges posed by the COVID-19 public health crisis and work towards recovery.

Subsequently, on March 5, 2024, the County of Tulare formalized an agreement with the Authority, designating it as a subrecipient. Under Section 6029(c) (3) of the ARPA, the County has the authority to transfer SLFRF funds to a special purpose unit of state or local government for eligible purposes aligned with ARPA's goals. Pursuant to this agreement, SJVIA received a grant in the amount of \$400,000, serving as a reimbursement for eligible expenditures related to COVID-19 during fiscal years 2021-2025. The Authority recorded this grant as "Government grant (ARPA)" on the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2025.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated and concluded that there are no subsequent events that have occurred from June 30, 2025 through the date the financials were available to be issued at April 6, 2026, that would require disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
CLAIMS DEVELOPMENT INFORMATION  
YEAR ENDED JUNE 30, 2025**

The following table illustrates how the Authority's earned revenue (net of reinsurance) and investment income compares to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Authority as of the end of the previous nine fiscal 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 Authority including overhead and claims expenses.
- (3) This line shows the Authority's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called fiscal year).
- (4) This section of one row shows the cumulative net amounts paid as of the end of successive years for each fiscal year.
- (5) This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of current year for each fiscal year.
- (6) This section of one row shows how each fiscal year's net incurred losses increased or decreased as of the end of successive years. (This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.)
- (7) This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought.

As data for individual fiscal years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature fiscal years. The columns of the table show data for successive fiscal years.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
CLAIMS DEVELOPMENT INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(1) Required Contribution and Investment Revenue:										
Eamed	\$ 110,381,036	\$ 101,397,579	\$ 80,398,094	\$ 82,018,812	\$ 91,839,197	\$ 93,964,685	\$ 90,202,266	\$ 94,716,808	\$ 105,255,936	\$ 121,543,887
Ceded	(2,761,514)	(2,235,292)	(1,881,130)	(1,263,754)	(1,970,531)	(1,845,070)	(1,401,126)	(1,615,892)	(2,130,112)	(2,929,309)
Net Earned	107,619,522	99,162,287	78,516,964	80,755,058	89,868,666	92,119,615	88,801,140	93,100,916	103,125,824	118,614,578
(2) Unallocated Expenses	7,622,465	6,308,763	5,709,359	6,362,834	7,349,777	5,431,701	5,551,133	5,495,195	5,899,120	6,433,445
(3) Estimated Claims and Expenses, End of Fiscal Year:										
Incurred	111,419,173	98,934,822	68,802,180	70,424,244	72,853,476	78,250,954	86,000,514	91,263,756	90,191,052	110,944,420
Ceded	(198,626)	(323,314)	(99,361)	(554,547)	(454,775)	(692,752)	(620,529)	(1,990,843)	(738,464)	(1,809,287)
Net Incurred	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	109,135,133
(4) Net Paid (Cumulative) as of:										
End of Fiscal Year	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	103,688,630
One Year Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Two Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Three Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Four Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Five Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Six Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Seven Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Eight Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
Nine Years Later	100,151,412	92,775,406	65,559,526	72,139,822	71,812,035	72,847,735	78,463,365	80,374,384	80,316,771	-
(5) Re-Estimated Ceded Claims and Expenses	198,626	323,314	99,361	554,547	454,775	692,752	620,529	1,990,843	738,464	1,809,135,133
(6) Re-Estimated Net Incurred Claims and Expenses:										
End of Fiscal Year	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	109,135,133
One Year Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Two Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Three Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Four Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Five Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Six Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Seven Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Eight Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
Nine Years Later	111,220,547	98,611,508	68,702,819	69,869,697	72,398,701	77,558,202	85,379,985	89,272,913	88,452,588	-
(7) Increase (Decrease) in Estimated Net Incurred Losses and Expenses from End of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**INDEPENDENT AUDITORS' 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  
San Joaquin Valley Insurance Authority  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of San Joaquin Valley Insurance Authority (the Authority), a component unit of the County of Fresno, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 6, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Authority’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 Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sacramento, California  
April 6, 2026

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2025**

**CURRENT YEAR FINDINGS:**

No current year findings.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY  
SCHEDULE OF THE STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2025**

**PRIOR YEAR FINDINGS:**

No prior year findings.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.