YOUR BEST PROTECTION

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2022

Presented by

ACWA JPIA FINANCE DEPARTMENT

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Year Ended September 30, 2022

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February 7, 2023

Members, Board of Directors
Association of California Water Agencies
Joint Powers Insurance Authority

Ladies and Gentlemen:

The Comprehensive Report of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) for the year ended September 30, 2022, is hereby respectfully submitted. The JPIA Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the JPIA. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the JPIA as measured by the financial activity of its various programs and policy periods; and that all disclosures necessary to enable the reader to gain the maximum understanding of the JPIA's financial affairs have been included.

Gilbert CPAs, a firm of licensed certified public accountants, has audited the JPIA's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the JPIA for the fiscal year ended September 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Also included is an assessment of the accounting principles used, significant estimates made by management, and an evaluation of the overall financial statement presentation. The auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the JPIA's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY PROFILE

The JPIA is a public entity formed in 1979 by 83 California water agencies. It is a special district in the state of California and its formation and operation are subject to the provisions of the California Government Code.

The JPIA is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverage and related services to its member agencies. The JPIA provides risk-sharing pools to meet the needs of its members for Liability, Property, Workers' Compensation and Employee Benefits coverage. Besides handling covered claims for its members, it provides risk management services and training programs. Additionally, the JPIA continues to provide members with a training library to help prevent losses.

As of September 30, 2022, the JPIA had 401 members. Each member selects one representative to serve as a director on the ACWA JPIA Board of Directors. From this body, eight members are elected to serve with staggered terms as members of ACWA JPIA's Executive Committee. The current vice president of the Association of California Water Agencies also serves as a voting member on the Executive Committee.

The JPIA's reporting entity includes all activities of the Board of Directors and staff considered part of and controlled by the JPIA. This includes financial activities relating to all programs and insurance pools of the JPIA.

LOCAL ECONOMY

The national economy has been recovering from the worldwide pandemic caused by COVID 19. From October 2021 through September 2022, the national unemployment rate decreased from 4.5% to 3.5%. This has been a positive trend. Meanwhile in the State of California, the unemployment rate went from 6.1 % in October 2021, to 3.8% at the end of September 2022. Also garnering much attention in the past year has been inflation. The U.S.A. inflation rate has gone from 6.22% to 8.202% from October 2021 to September 2022. This data suggests the economic downturns from the pandemic in California have been abated. Rising inflation and interest rates look to be an ongoing challenge. The UCLA Anderson Forecast has indicated several strong sectors in California, including leisure and hospitality, health care and social services, technology, and construction each of which posted solid gains in 2021. Increases in defense spending and demand for technology will likely keep the state's economy growing. In the City of Roseville, where the JPIA office resides, the unemployment rate has moved from 5.2% in October 2021 to 3.3% in September 2022. This change closely mirrors the overall change in the State. Roseville continues to demonstrate better unemployment rates than the State as a whole. Investments are the area that the JPIA operates in that are most affected by the overall economy. Staffing continues to be stable within the JPIA. The number of JPIA employees have increased from 42 to 51 from fiscal year 2012 to fiscal year 2022. The JPIA continues to experience employees retiring as the employment force ages. Market conditions for both the Liability and Property Programs have been challenging. The JPIA implemented a 10% rate increase in the Liability Program. For the Property Program the JPIA increased rates by 20% to keep up with increased excess insurance costs. The Workers' Compensation Program has continued to see favorable loss experience. The Employee Benefits Program experienced a rebounding year from the pandemic with claim levels approximating pre-pandemic times.

LONG-TERM FINANCIAL PLANNING

In August of 2015, the ACWA JPIA Executive Committee approved a goal for reserves in the Employee Benefits Program. This goal was set using an actuary estimate of incurred but not reported losses using a 99% confidence level. Confidence level refers to the degree of certainty the actuary has those losses will be equal to or less than the estimate provided. Based on the most recent actuarial report, the Employee Benefits Reserve Fund was targeted just over $20 million. The JPIA management intends to budget the program accordingly in the future years to bring the current reserves to the stated goal.

In August of 2013, the JPIA held a strategic planning meeting with its Executive Committee. The purpose of this meeting was to better develop plans for the future. Establishing relationships, communication, expansion of services, marketing and exploring different layers of self-insured retentions were the topics discussed at the strategic planning meeting. There were no actions taken by the ACWA JPIA Executive Committee because of this meeting. The JPIA had a strategic planning meeting in March 2020 where a SWOT analysis of the JPIA was the main discussion point. A strategic planning session was held in June of 2022. In these meetings the programs in detail were reviewed. Financial considerations for funding were brought forward. The implications of the JPIA captive, CWIF, were also considered.

In September 2012, the ACWA JPIA Executive Committee approved a monetary policy to cover funding for the Liability and Workers' Compensation Programs. The policy is two-fold, covering both the Rate Stabilization Fund and the Catastrophic Reserve Fund. The Rate Stabilization Fund is used to add and subtract monies from individual members' accounts as needed to true up policy years annually based on new actuary estimates of losses. This process commences when a policy year reaches four years of history. The monies in these individual accounts kept on behalf of the members are capped at 70% of their basic deposit premium, or approximately $17 million in the aggregate. The Catastrophic Reserve Fund consists of funds set aside to be used in time of need. Such funds are subject to ACWA JPIA Executive Committee approval and are most likely to be used when the JPIA experiences adverse claims experience. The Catastrophic Reserve Fund is targeted using the ultimate losses estimated by the actuary for all open policy years using a 99% confidence level as a guide. The Catastrophic Fund goals are $25 million for the Liability Program and $15 million for the Workers' Compensation Program.

Management believes the above funding policy covers a great deal of scenarios that the future could hold and thus is confident these goals are best for the organization.

The JPIA owns its building and does not foresee any significant capital projects related to buildings or structures.

The JPIA created a fully owned captive in the State of Utah for purposes of housing strategically selected self-insured risks. Management believes that by housing some risks in the new captive long term investments will be better leveraged over time.

INTERNAL ACCOUNTING CONTROLS

The JPIA’s accounting system is organized so that each program can be accounted for and evaluated independently. Policy periods are also accounted for separately within each program. The assets, liabilities, revenues, and expenses of each year are reported on a full accrual basis. All transactions are accounted for in an enterprise fund.

JPIA management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles, and the activities and reporting of the JPIA are following relevant laws and regulations. Internal accounting controls are designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control decisions are made within the above guidelines. Management believes that the JPIA’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the JPIA for its comprehensive report for the fiscal year ended September 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The JPIA is a member of the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation’s first risk management accreditation program. This program establishes a model of professional standards, which serves as a guideline for all risk management pools regardless of size, scope of operation or membership structure. The accreditation process entails a detailed examination of legal and operational documents, risk management, loss control and claims programs, and statutory compliance by an independent examiner. The JPIA has received CAJPA's "Accreditation with Excellence," the highest form of accreditation, for a three-year period ending in May 2024.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report.

Our sincere appreciation is expressed to the members of ACWA JPIA's Finance & Audit Committee and Executive Committee for their support in maintaining the highest standards of professionalism in the management of JPIA finances.

Our appreciation is also extended to each director and alternate director of the Board of Directors and to all Committee members for their commitment to the JPIA.

We stand ready to answer any questions you may have regarding the contents of this report.

Respectfully Submitted,

X Walt A. Sells

Walter "Andy" Sells
Chief Executive Officer

X David deBernardi

David deBernardi
Director of Finance

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

COMPREHENSIVE REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

EXECUTIVE COMMITTEE

Name	Office	District
Melody A. McDonald	President	San Bernardino Valley WCD
David A. Drake	Vice-President	Rincon del Diablo MWD
Fred Bockmiller	Director	Mesa Water District
Cathy Green	Director	Orange County WD
Brent Hastey	Director	Yuba Water Agency
Chris Kapheim	Director	Kings River CD
Randall Reed	Director	Cucamonga Valley WD
J. Bruce Rupp	Director	Humboldt Bay Municipal WD
Walter “Andy” Sells	Chief Executive Officer	ACWA JPIA

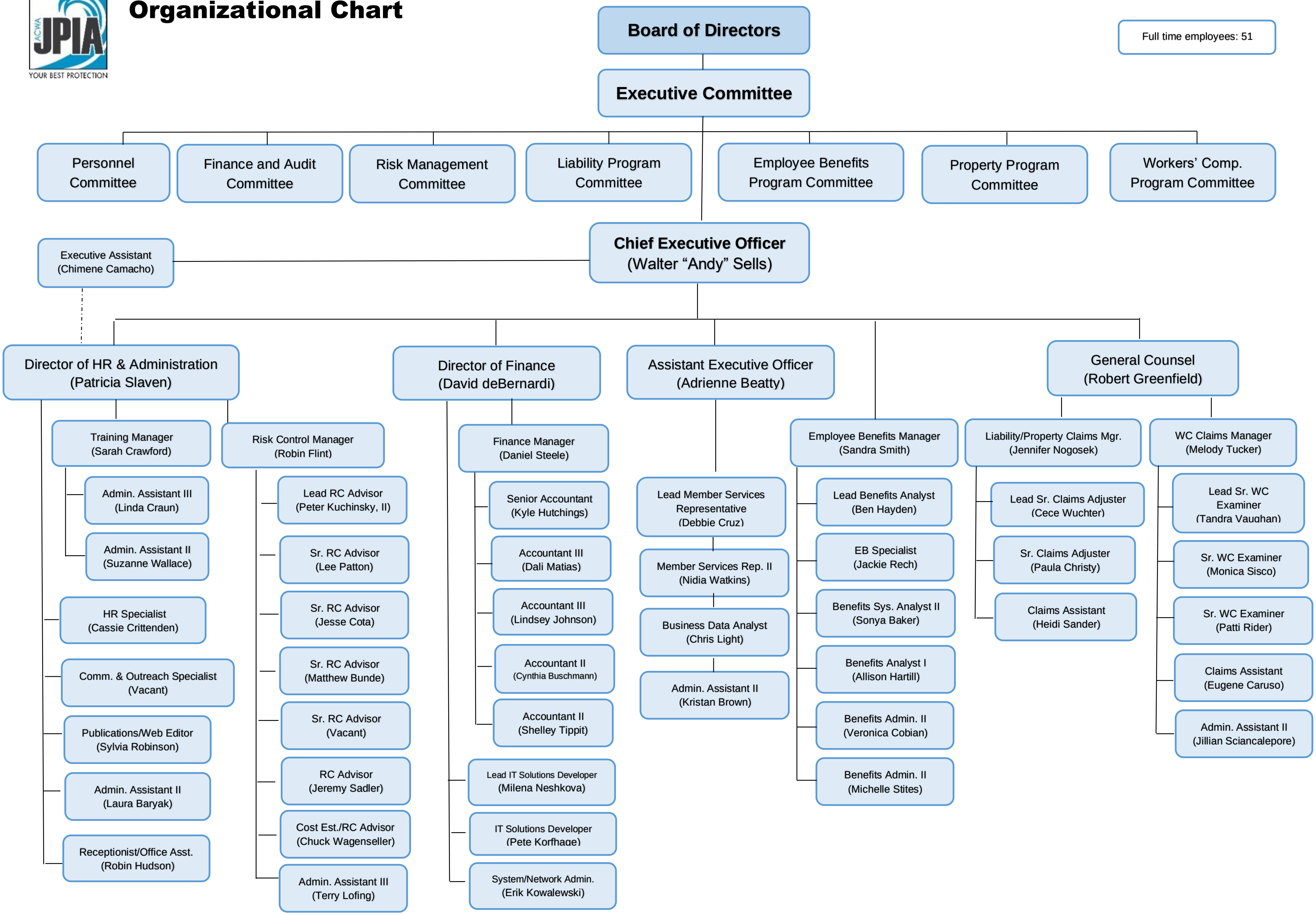
Office Address

2100 Professional Drive
Roseville, California 95661

Report Prepared by the
JPIA Finance Department

David deBernardi, CPA, Director of Finance
Dan Steele, Finance Manager
Kyle Hutchings, Senior Accountant
Dalisay Matias, Accountant III
Lindsey Johnson, Accountant III
Cynthia Buschmann, Accountant II
Shelley Tippit, Accountant II

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Association of California Water Agencies
Joint Powers Insurance Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

CAJPA
California Association of Joint Powers Authorities

Trusted Leadership for California's Public Risk Sharing Pools

It is the purpose of this organization to give professional recognition to properly qualified self-insurance pools.

THEREFORE, the Board of Directors of the California Association of Joint Powers Authorities, has conferred upon

Association of California Water Agencies Joint Powers Insurance Authority

This

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.

California Association of Joint Powers Authorities
With Excellence
ACCREDITED

Accreditation Period: May 19, 2021 – May 19, 2024

Gina Dean
President

Kimberly Dennis
Chair, Accreditation Committee

James P. Marta
Accreditation Program Manager

FINANCIAL SECTION

Relax. We got this.℠

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association of California Water Agencies
Joint Powers Insurance Authority
Roseville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise ACWA JPIA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACWA JPIA as of September 30, 2022, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ACWA JPIA 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 ACWA JPIA'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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACWA JPIA'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 ACWA JPIA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, reconciliation of claims liabilities by type of contract, ten-year claims development information, schedule of changes in the net OPEB asset and related ratios, schedule of OPEB contributions, schedule of the proportionate share of the net pension liability (NPL), and schedule of contributions to the defined benefit pension plan on pages 16-28, 57-62, and 64-67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and the "comparative totals" column in the basic financial statements but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023, on our consideration of ACWA JPIA'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 ACWA JPIA'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 ACWA JPIA's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

March 22, 2023

YOUR BEST PROTECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA), we offer readers of the JPIA financial statements this narrative overview and analysis of the financial activities of the JPIA for the fiscal year ended September 30, 2022. We encourage readers to consider the information here in conjunction with the additional information that has been furnished in the letter of transmittal, which can be found on pages 3 to 7 of this report.

DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The JPIA operates as an enterprise fund and utilizes an accrual basis of accounting. The report includes the basic financial statements for the JPIA in accordance with Generally Accepted Accounting Principles (GAAP). The Statement of Net Position presents a snapshot of the JPIA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of September 30, 2022. The Statement of Revenues, Expenses, and Changes in Net Position reports the revenues and expenses for the fiscal year resulting in the changes to net position. The Statement of Cash Flows reports changes in net position and income accounts that affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. The Notes to the Financial Statements present the reader with additional information to enhance and complement understanding of the financial statements.

Comparative financial information is often presented alongside current year information for analysis of changes from the prior year. In the following comparative tables, 2021 balances are presented as originally reported in the financial statements.

CAPTIVE

In September of 2019, the Executive Committee voted to approve the formation of a captive insurance agency. California Water Insurance Fund (CWIF), domiciled in Utah and subject to the Utah Department of Insurance regulations, began its operations.

CWIF allows the JPIA to transfer risk at competitive rates with the long-term goal of better serving member districts by investing their premiums at a more appropriate level of risk versus return. The governing body consists of Executive Committee members, members at large, and Utah counsel. The Statement of Net Position is a blended authority financial statement, shown below.

CONDENSED STATEMENTS OF NET POSITION

	9/30/2022	9/30/2021	Variance
ASSETS			
Other Assets	$ 242,704,432	$ 267,666,108	$ (24,961,676)
Capital Assets	3,910,782	4,104,251	(193,469)
Total Assets	246,615,214	271,770,359	(25,155,145)
DEFERRED OUTFLOWS			
Related to Pensions	5,034,164	1,027,236	4,006,928
Related to OPEB	1,074,398	161,906	912,492
Total Deferred Outflows	6,108,562	1,189,142	4,919,420
LIABILITIES			
Current Liabilities	54,139,990	49,931,094	4,208,896
Noncurrent Liabilities	82,986,616	73,627,596	9,359,020
Total Liabilities	137,126,606	123,558,690	13,567,916
DEFERRED INFLOWS			
Related to Pensions	1,634,493	(2,780,885)	4,415,378
Related to OPEB	1,178,756	2,371,164	(1,192,408)
Total Deferred Inflows	2,813,249	(409,721)	3,222,970
NET POSITION			
Net Investment in Capital Assets	3,910,782	4,104,251	(193,469)
Unrestricted	108,873,139	145,706,281	(36,833,142)
TOTAL NET POSITION	$ 112,783,921	$ 149,810,532	$ (37,026,611)

HARD MARKETS

California's General Liability and Property markets over the last several years have proved most challenging to the risk pool insurance industry. These markets have made pricing negotiations with excess carriers even more difficult, and the member pool saw increases in premiums as a result. The California wildfires, mudslides, and other natural disasters show few signs of subsiding and carriers have factored these unfortunate events into pricing across the industry.

These hard markets have led to some substantial retrospective premium adjustments (RPA) receivable increases. Current RPAs went from $178K to $10.3 million in just one year, where noncurrent RPAs (considered receivable after four years of development) increased from $8.7 million to $12 million. Upswings in RPAs like this are evidence of original pooled contributions being insufficient to cover losses over the timeline of the policy year.

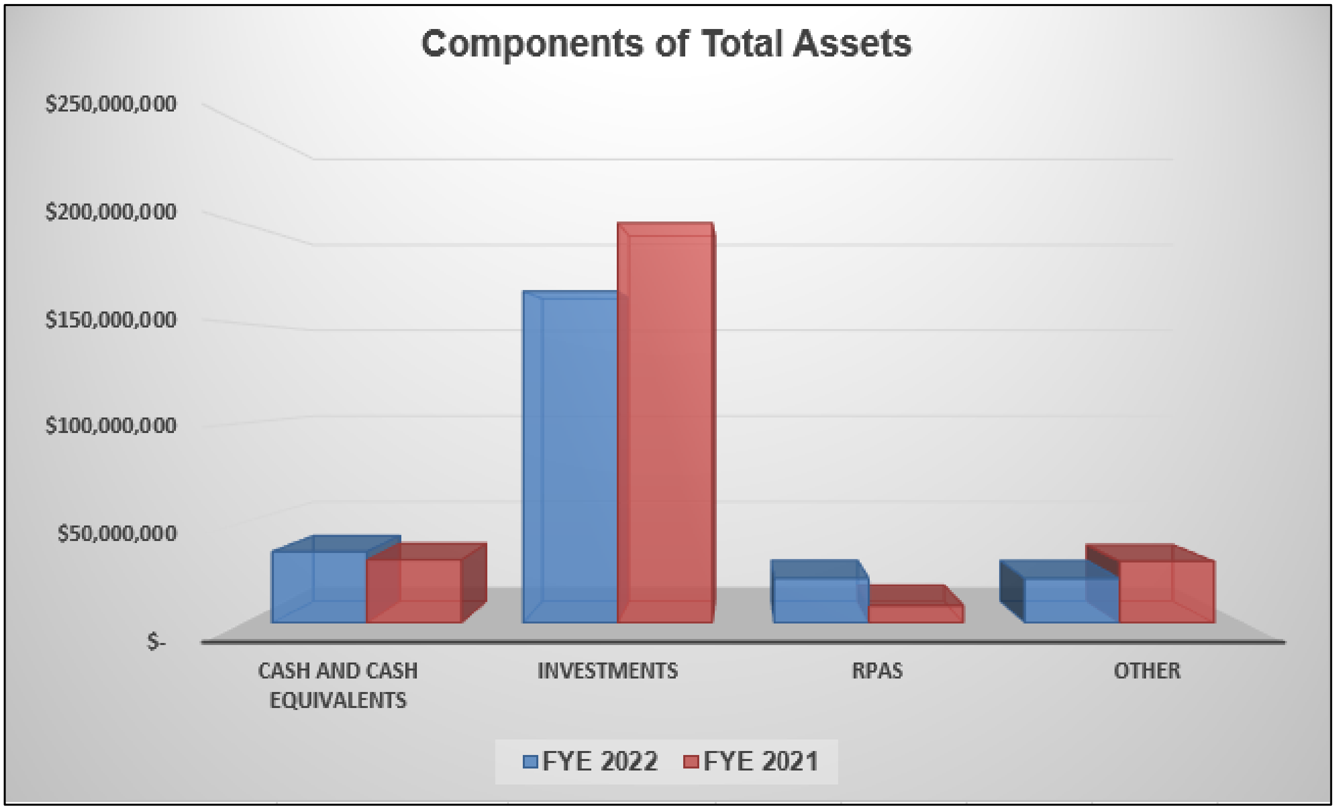
Significant factors to the RPA adjustments can be found when analyzing claims expense this year. Paid claims increased from $86 million in 2021 to a sizable $96 million in 2022. Reserves and unreported claims expenses (IBNR) jumped from $7.5 million to over $12.3 million. The liability program alone reported a net change in reserves by almost $11 million. Much of that amount can be attributed to a large loss in the 2019-2020 policy year that has seen its reserve already eclipse $14 million.

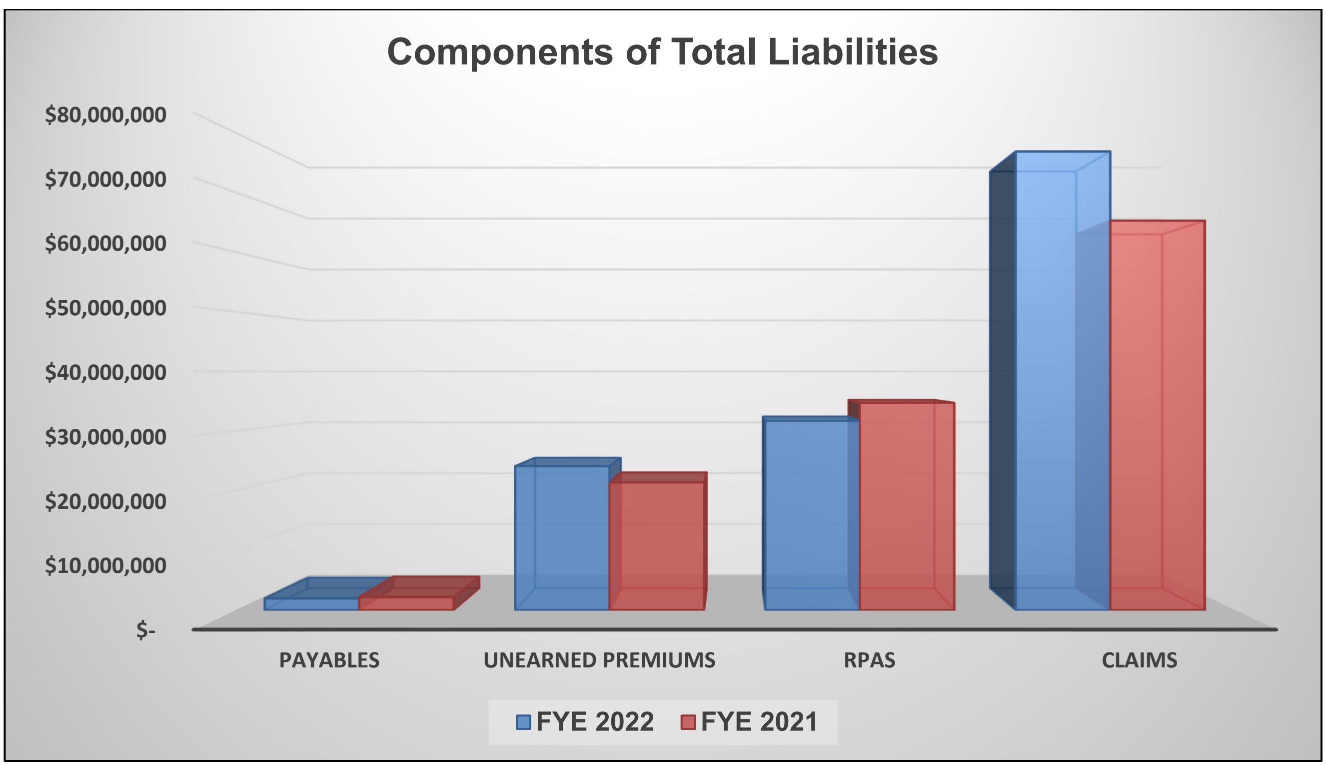
INVESTMENT FAIR MARKET ADJUSTMENT

Between both the JPIA and CWIF portfolios, the negative mark to market adjustment of $38 million decreased reported investments and factored greatly in the variance between asset totals year to year and in the overall change of net position. Current market and economic conditions have impacted public entity portfolios as the stock market continues to struggle with inflation and other economic factors.

Other factors related to changes in assets and liabilities:

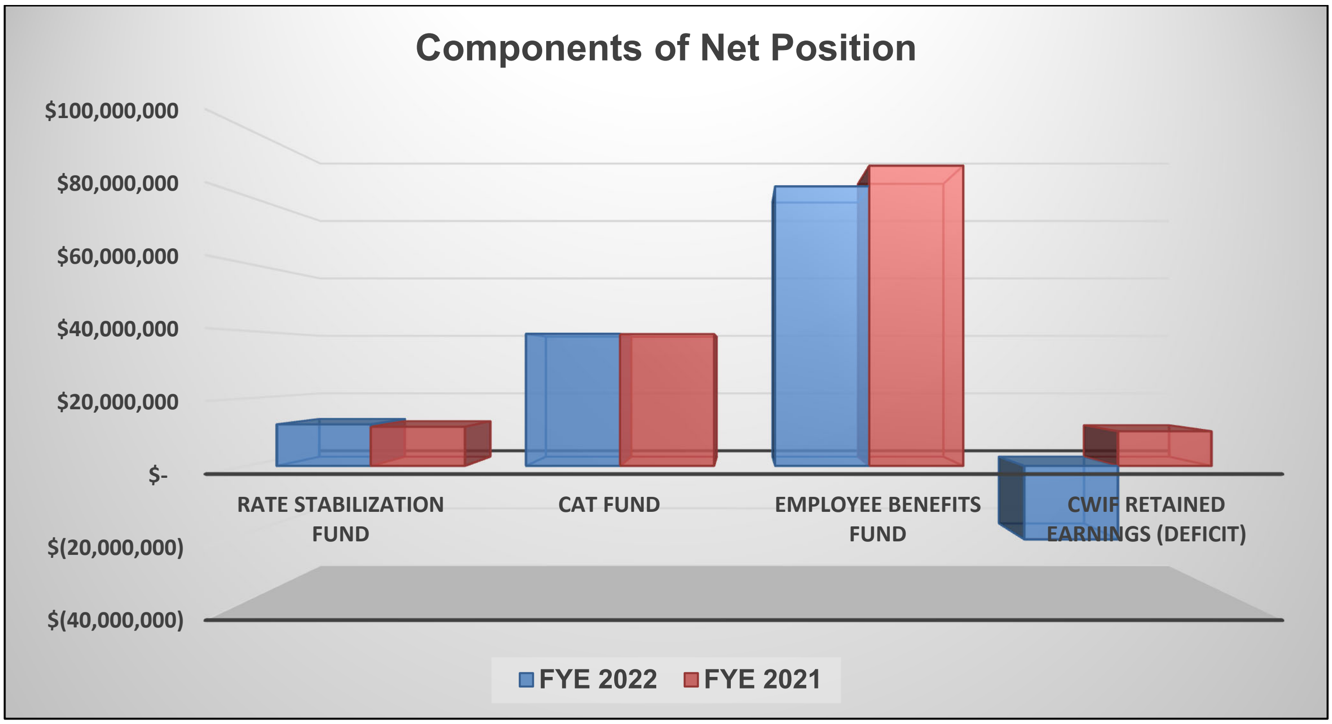
- OPEB Net Asset – due to actuarial projections, the Net OPEB Asset decreased from $3.9 million down to $1.9 million as of the measurement date June 30, 2022. This is largely due to CalPERS reporting a reduction of the market value of assets for the entire trust.
- Net pension asset – In 2021, the JPIA was in a favorable position, reporting a net pension asset in the amount of $4.76 million. However, in 2022, actuarial changes from PERS (mainly differences between projected and actual earnings on plan investments) have led to a considerable swing in the opposite direction. The JPIA will report its first pension liability since 2017, in the amount of $1.44 million.
- Claims reserves – as mentioned previously, hard markets have been impactful on claims reserves as well, adding an overall change of $8.8 million primary reserves and over $3 million in incurred but not reported claims.
- Small increase in deferred contributions – overall net change from 2021 of an additional $2.7 million in collected contributions from members, mostly due to a 10% pricing increase in the property program for policy year 2022-2023.


Components of Total Assets
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$-
CASH AND CASH EQUIVALENTS
INVESTMENTS
RPAS
OTHER
FYE 2022
FYE 2021


Components of Total Liabilities
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
PAYABLES
UNEARNED PREMIUMS
RPAS
CLAIMS
FYE 2022
FYE 2021

NET POSITION

The components of Net Position graph (below) illustrate the year-to-year changes in the funds that comprise JPIA's net position from 2021 to 2022 (Natural Disaster Fund included with Catastrophic Reserve). The Employee Benefits Fund includes equity that transitioned over from the Health Benefits Authority in 2012, and the annual financial performance of the program altogether year after year.



The Rate Stabilization Fund (RSF) net increase of almost $700,000 included several notable adjustments for the new year. Refunds to member districts were paid out in the early part of 2022 in the amount of $4.3 million. Retrospective premium adjustments for Workers' Compensation added close to $5.8 million to grow the RSF balance.

The Catastrophic Reserve increased slightly due to refund adjustments within the RSF process. The overall balance on September 30, 2022, was just over $39.1 million. This overall change resulted in a swing of $400,000 from last year at this time.

JPIA maintains a surplus reserve for its Employee Benefits program as opposed to the RPA process used by Liability, Property, and Workers Compensation programs. This reserve can offer the pool some added benefits in terms of pricing flexibility and coverage options not afforded to other competitors in the market.

In the 2022 policy year, JPIA experienced PPO claim costs more in line with pre-pandemic levels, or slightly higher due to the compounding increases typically seen over time for medical expenses. Now that the policy year has had time to develop, it has become clear how the pandemic curbed claims over 2020 and 2021.

Cumulatively speaking, the 2020 and 2021 policy years contributed approximately $25 million to the reserve, whereas the 2022 policy year is trending towards reducing the reserve by over $6.5 million. This reserve fund was reported as $88.9 million on September 30, 2021, and now stands at $82.8 million.

The final component of JPIA's net position is the captive insurance company, California Water Insurance Fund (CWIF). Originally established in September 2019, the nonprofit captive's retained earnings were greatly reduced after posting mark to market changes this year as mentioned previously.

A CWIF dividend policy was adopted by the CWIF Board in 2021 to establish protocols designed to return funds back to the JPIA due to three main "events" as outlined below:

1. Favorable actuarial adjustments
2. Realized investment income
3. Other

The realized investment income can take the form of interest and/or dividends received during the fiscal year (less broker fees) and recognized as dividends payable (or receivable) between the two entities. This will provide JPIA members an immediate benefit of the CWIF portfolio through other income allocations that impact the RPAs each year.

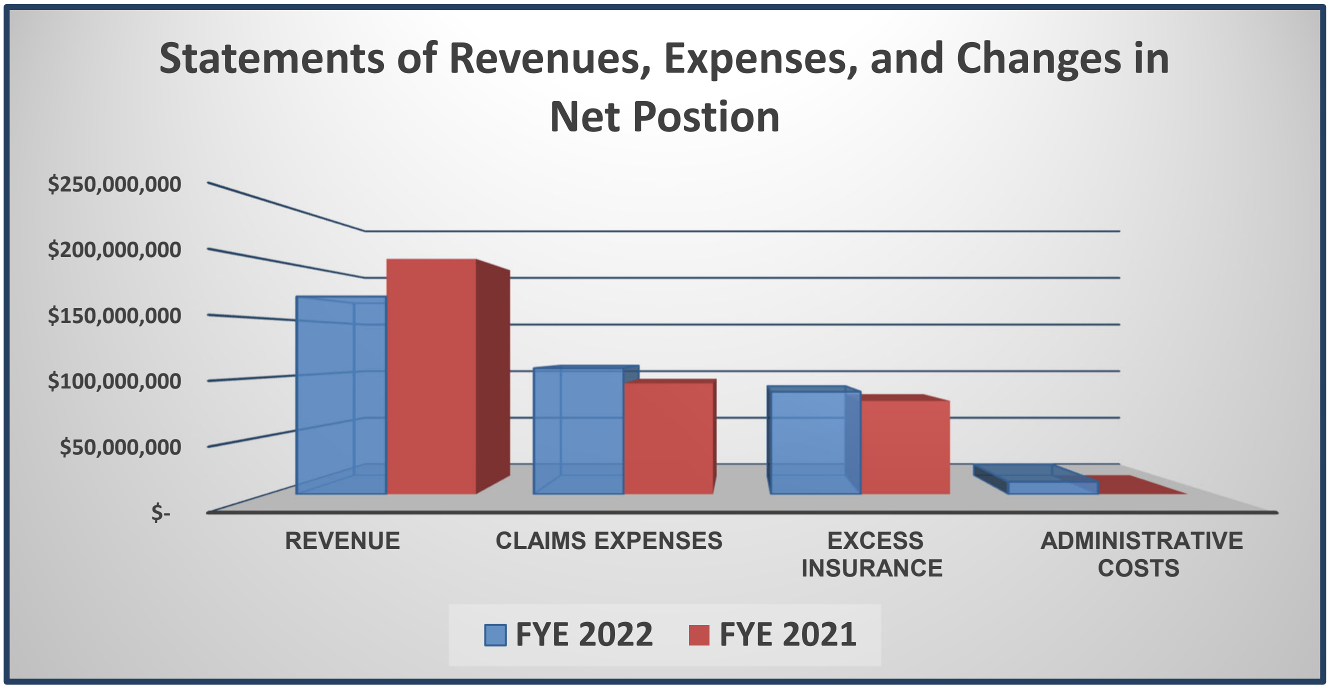
Favorable actuarial adjustments result from claims projections that become clearer as policy years develop. Should initial actuarial estimates prove claims liabilities are developing at a smaller expectation, CWIF would then declare dividends to refund JPIA those potential net "gains" after four years, since that is typically the benchmark the JPIA uses to begin the RPA process.

Investment reporting at market value had the biggest impact on CWIF retained earnings at year end. Factoring in an adjustment of over $34 million, what once was a positive retained earnings amount of over $10 million became a deficit of over $21 million on September 30, 2022.

REVENUES, EXPENSES, & CHANGES IN NET POSITION

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

	9/30/2022	9/30/2021	Variance
OPERATING REVENUES			
Member premiums	$198,914,797	$200,775,298	$(1,860,501)
Retrospective premium adjustments	10,775,431	(11,457,566)	22,232,997
Total operating revenues	209,690,228	189,317,732	20,372,496
OPERATING EXPENSES			
Provision for claims	107,697,534	94,764,321	12,933,213
Excess insurance	18,206,230	15,682,763	2,523,467
Benefit premiums	69,351,776	64,061,027	5,290,749
Pension expense (credit)	7,176,498	(8,492,368)	15,668,866
General & administrative	10,213,990	8,744,713	1,469,277
Total operating expenses	212,646,028	174,760,456	37,885,572
OPERATING INCOME (LOSS)	(2,955,800)	14,557,276	(17,513,076)
NON-OPERATING REVENUES			
Investment income (loss)	(34,070,811)	11,566,049	(45,636,860)
CHANGE IN NET POSITION	(37,026,611)	26,123,325	(63,149,936)
NET POSITION, BEGINNING	149,810,532	123,687,207	26,123,325
NET POSITION, ENDING	$112,783,921	$149,810,532	$(37,026,611)



MEMBER PREMIUMS

In June of 2022, the JPIA Property Program Committee voted to increase premium pricing for the new 2022-2023 property policy year by 15%. This increase was largely related to growing excess insurance costs ($8.1 million compared to $6.4 million in the previous policy year) and pooled "total insured values" of over $10 billion. This decision created over $2 million in additional contribution revenue to help offset the rising operating costs of the program.

While the property program continues to face challenging market conditions and pricing dilemmas, the workers compensation program saw no planned increases in pricing for the 2021-2022 policy year and helped alleviate the impact of the expenses endured by the property program while contributing over $6 million in retrospective premium adjustments to the RSF.

Employee Benefits premiums make up the bulk of the premium revenue year to year, dating back to inception during the 2012 fiscal year. From the medical side, both Anthem and Kaiser programs saw increased enrollment figures for 2022 and added an additional $3 million in member contributions. The Kaiser plans are pass-thru only, and no claims are paid by JPIA. Anthem's PPO program is a self-insured plan in which JPIA pays claims and administers its own stop loss (self-insured retention) levels up to $750,000 per occurrence.

RETROSPECTIVE PREMIUM ADJUSTMENTS (RPA)

Changes in the RPAs this year are rolled up into operating revenues each year and can be identified by the following changes for the current fiscal year:

- $9.9 million net excess of costs over revenues (positive RPA position) for the fiscal year 2021-22 versus a $14.8 reduction in RPAs in the previous year. Recognizing the change in pension expense resulted in a $15.6 million swing and greatly influenced the RPAs.
- $715,000 reduction in the Rate Stabilization Fund (RSF) versus a $3.8 million increase in the prior year
- $65,000 increase to member's catastrophic funds versus a $350,000 reduction last year

These changes account for most of the $20.3 million operating revenues increase from fiscal year 2021 to 2022.

PROVISION FOR CLAIMS

Details of changes related to the provision for claims by program (these figures include paid claims, reserve changes, incurred but not reported changes, and changes to unallocated loss adjustment expenses):

PROGRAM	**2022**	**2021**	VARIANCE
Liability	$23,630,380	$16,763,703	$6,866,677
Property	2,422,697	3,847,324	(1,424,627)
Workers Comp.	2,411,835	4,129,087	(1,717,252)
Employee Benefits	79,232,622	70,024,207	9,208,415
Totals:	$107,697,534	$94,764,321	$12,933,213

The liability program policy year 21-22 experienced an increase of $6.8 million from the previous year. Actuarial projections for that year total $17.7 million, a number relatively high compared to years past. Actuary projections also boosted 2018-19 policy year ultimate loss figures to almost $18 million. These two years have been relatively expensive compared to years past, as reserves for both policy years currently reside at just over $10 million. A significant portion of those reserves pertain to a claim that is deemed highly unusual and has cost the pool well over $14 million.

Property claims have surprisingly calmed over the 2021 and 2022 policy years. Though the excess market reacted quite unfavorably after the massive wildfires that affected California in

2018 and 2021, paid losses so far in the 2021–2022-year total just over $1.5 million. That number is down by $1 million compared to the previous year (20-21) so most of the claim expenses reported are actuarially determined ultimate losses and reside in the IBNR level currently on September 30, 2022.

The workers compensation program has helped the pool immensely over the last few years, with claim experience falling short of expectations in both the 2020-21 and 2021-22 policy years. Currently, both years have paid out approximately $4 million collectively. For comparison, the 2019-20 policy year paid that total cumulatively by itself. These claims costs have been very manageable and have helped offset some of the adverse impacts on RPAs.

The COVID impact on employee benefits claims appears to be a rebounding effect, where many appointments and/or medical procedures originally scheduled during the pandemic in 2020, were rescheduled and eventually billed in 2021 and/or 2022. This could explain why the 2021 claims costs and 2022 claims trend is projecting higher compared to the pandemic years.

The current pace in 2022 is progressing towards an expected paid total of over $80 million in total claims after the policy year is fully closed out. JPIA has not had a PPO claims experience of over $80 million since 2017, so it appears that claims costs have returned to pre-pandemic levels going forward.

EXCESS

The Property program, continuing to be affected by hard market conditions, coupled with rising total insured value of assets covered by the program, saw increases in excess costs totaling approximately $1.6 million in additional expenses for 2022. The total for the 2021-22 policy year exceeded a considerable $8 million and brings with it an aggregate claims requirement of $1 million before excess recoveries can be requested. The added costs for this program account for a large portion of the excess variance reported on September 30, 2022.

ADMINISTRATIVE

The general and administrative costs for JPIA in 2021-22 exceeded $10.2 million, with payroll and benefits costs rising due to additional staffing requirements. The JPIA added some new staff positions, including Assistant Executive Officer, Senior Claims Adjuster, and Communication/Outreach Specialist. The large swing in administrative costs relate to a pension credit of $8.5 million from the previous year, stemming from favorable actuarial changes in PERS investment returns as of September 30, 2021.

For presentational purposes, pension expenses were reported separately to identify the significant swing from 2021 to 2022. Favorable market conditions helped the fiduciary position of the pool in 2021 and JPIA was fortunate enough to report a sizable pension credit, whereas in 2022, the market conditions plummeted as the result of inflation, geopolitical factors, and many other important factors, causing net pension calculations to reverse and head in the opposite direction. This year, net pension liability is reported instead in the amount of $1.4 million.

CASH AND INVESTMENTS

Cash and investments make up a substantial amount of the JPIA's total assets. Because they are limited to California investment standards for public entities, the expected returns of fixed income portfolios typically range from 1 – 3% and in an industry where premiums are collected up front and then paid out over time, the prudent course of action is to capitalize as much as possible on those funds for the benefit of the paying members.

The goal of the captive (CWIF) is to allow JPIA to accomplish a more appropriate rate of return considering the amount of premiums paid to finance the long-term risk of liability and workers compensation claims. Currently, there are no definitive plans to transfer property coverage to the captive as of September 30, 2022.

Over the course of the fiscal year, funds were transferred from the JPIA fixed-income portfolio over to CWIF. This was accomplished in multiple wire transactions in 2021 and 2022. The total amount transferred was $74.7 million, enough to cover $14.7 million for the workers compensation CAT fund, as well as $60 million to represent the employee benefits paid in capital.

The CWIF portfolio is a blended portfolio comprised of open and closed-ended mutual funds. The target ratio approved by the CWIF committee is at 65% equity, 35% fixed income, with a slight 5% variance allowance. This allocation mix was incorporated into the CWIF investment policy.

The following chart breaks down the blended cash and investment balances at year end:

TYPE	**2022**	**2021**	VARIANCE
JPIA Cash/Equivalents	$31,603,145	$31,132,871	$470,274
CWIF Cash/Equivalents	4,246,647	566,989	3,679,658
JPIA Fixed Income	36,058,191	123,863,259	(87,805,068)
CWIF Mutual Funds	129,941,005	76,389,018	53,551,987
Totals:	$201,848,988	$231,952,137	$(30,103,149)

California Asset Management Program (CAMP) has shown recent increases over the past fiscal year, most likely as a result of the challenges to the stock market conditions. The 7-day yield reported at 9/28/22 was 2.91%, so JPIA decided to move an extra $1 million to the program to capitlize on these favorable returns. Totals between CAMP and LAIF (Local Area Investment Fund) totaled approximately $19 million at year end compared to $20 million in the previous year.

CAPITAL ASSETS

The 2021-2022 fiscal year included the completion of an audio/video upgrade to the Executive Committee conference room equipment of $25,110. Depreciation of capital assets over the fiscal year totaled $218,578.

FACTS OR CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL POSITION OR RESULT OF OPERATIONS

ACWA JPIA is consistently preparing and planning for the future success of its member pool. There are always moving parts in motion that could have a financial impact, some as early as the next fiscal year (2022-2023). The following items play a role in JPIA's ongoing commitment to excellence to its members. Here are some highlights:

- External Impacts – CA Wildfires and Floods. The JPIA partners along the side of members to deliver best practices information regarding human safety, assets security, as well as serve as a resource and advisor when a disaster does strike. The Caldor Fire of August 2021 in the Tahoe Forest region had a profound impact, not only on JPIA members and their staff, but even employees of the JPIA as well. The risk management staff will take the lessons learned from this event and apply them to help other covered members prepare for risk mitigation that come with future California wildfires.
- CWIF – Continuing on with providing coverage up to the $5 million self-insured retention level and $10 million to $20 million level in the liability program, CWIF will once again take on the risk transfer of workers' compensation as well.
- Cyber Security – once covered under the liability program, this stand-alone pass thru program is currently offered now to members for a separate premium. Members may opt out of the program in writing. This is a growing risk to the pool, but very challenging to finance the appropriate risk. Staff recommended transforming this coverage into a

pass thru program so that each individual member may assess their own budgets and risk tolerance, outside of the pooled protection.

- Employee Benefits PPO pricing – the Executive Committee chose to provide an aggressive 10% PPO rate reduction in 2023 to return a portion of the reserve to members as contributions to the reserve grew over the pandemic with claims experience lower than expected. This subsidy may provide some relief to members during these financially challenging times.

CONCLUSION

This financial report is designed to provide a general overview of the JPIA's financial position. For further information, please visit the JPIA's website at www.acwajpia.com, which provides access to the most current approved and independently audited financial reports. Questions concerning any of the information presented can be sent to the following address:

ACWA JPIA
Attn: Finance Department
2100 Professional Drive
Roseville, CA 95661-3700

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	2022	Comparative Totals 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 35,849,792	$ 31,699,860
Investments	0	5,000,000
Member premiums receivable	7,458,541	8,551,240
Investment income and other receivables	218,948	413,403
Excess insurance proceeds receivable	923,332	456,143
Retrospective premium adjustment receivable	10,325,927	177,858
Prepaid expenses	7,974,842	8,742,878
TOTAL CURRENT ASSETS	62,751,382	55,041,382
NONCURRENT ASSETS		
Investments	165,999,196	195,252,277
Retrospective premium adjustment receivable	12,070,465	8,701,534
Net OPEB asset	1,883,389	3,905,515
Net pension asset	0	4,765,400
Capital assets - net	3,910,782	4,104,251
TOTAL NONCURRENT ASSETS	183,863,832	216,728,977
TOTAL ASSETS	246,615,214	271,770,359
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	5,034,164	1,027,236
Deferred outflows of resources related to OPEB	1,074,398	161,906
TOTAL DEFERRED OUTFLOWS	6,108,562	1,189,142
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,984,793	2,203,625
Unearned member premiums	24,115,259	21,405,985
Retrospective premium adjustment payables	11,732,709	11,498,168
Claims reserves	16,307,229	14,823,316
TOTAL CURRENT LIABILITIES	54,139,990	49,931,094
NONCURRENT LIABILITIES		
Retrospective premium adjustment payables	21,091,022	23,247,837
Claims reserves	24,576,230	17,196,761
Claims incurred but not reported	33,140,369	29,642,153
Net pension liability	1,445,119	0
Unallocated loss adjustment liability	2,733,876	3,540,845
TOTAL NONCURRENT LIABILITIES	82,986,616	73,627,596
TOTAL LIABILITIES	137,126,606	123,558,690
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	1,634,493	(2,780,885)
Deferred inflows of resources related to OPEB	1,178,756	2,371,164
TOTAL DEFERRED INFLOWS	2,813,249	(409,721)
NET POSITION		
Net investment in capital assets	3,910,782	4,104,251
Unrestricted	108,873,139	145,706,281
TOTAL NET POSITION	$ 112,783,921	$ 149,810,532

See accompanying notes to financial statements.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022

	2022	Comparative Totals 2021
OPERATING REVENUES		
Member premiums	$ 198,914,797	$ 200,775,298
Retrospective premium adjustments	10,775,431	(11,457,566)
TOTAL OPERATING REVENUES	209,690,228	189,317,732
OPERATING EXPENSES		
Claims expense:		
Claims paid	96,142,905	85,905,737
Change in claims reserves	8,863,387	4,749,782
Change in claims incurred but not reported	3,498,215	2,807,404
Change in unallocated loss adjustment expense	(806,973)	1,301,398
Total claims expense	107,697,534	94,764,321
Excess insurance	18,206,230	15,682,763
Benefit premiums	69,351,776	64,061,027
Pension expense (credit)	7,176,498	(8,492,368)
General and administrative	9,995,412	8,521,101
Depreciation	218,578	223,612
TOTAL OPERATING EXPENSES	212,646,028	174,760,456
OPERATING INCOME (LOSS)	(2,955,800)	14,557,276
NONOPERATING REVENUES		
Investment income	4,430,587	6,086,423
Net increase (decrease) in investment fair value	(38,501,398)	5,479,626
TOTAL NONOPERATING REVENUES	(34,070,811)	11,566,049
CHANGE IN NET POSITION	(37,026,611)	26,123,325
NET POSITION, BEGINNING OF YEAR	149,810,532	123,687,207
NET POSITION, END OF YEAR	$ 112,783,921	$ 149,810,532

See accompanying notes to financial statements.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022

	2022	Comparative Totals 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members	$ 202,608,794	$ 199,818,859
Cash received from excess/aggregate insurance	19,304,374	3,951,914
Payments for claims	(96,142,905)	(85,905,737)
Payments for excess/aggregate claims	(19,767,389)	(7,183,942)
Payments for excess insurance	(18,206,230)	(15,682,763)
Payments for benefit premiums	(69,351,776)	(64,061,027)
Payments for billings & RPA fund	(3,899,156)	(6,210,993)
Payments to vendors	(2,646,660)	(2,203,980)
Payments to employees	(7,906,282)	(7,567,189)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,992,770	14,955,142
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(25,109)	(17,512)
NET CASH USED BY FINANCING ACTIVITIES	(25,109)	(17,512)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,686,543	3,179,434
Purchase of investments	(154,546,287)	(111,099,963)
Proceeds from maturities of investments	150,042,015	63,255,065
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	182,271	(44,665,464)
Increase (decrease) in cash and cash equivalents	4,149,932	(29,727,834)
Cash and cash equivalents, beginning of year	31,699,860	61,427,694
Cash and cash equivalents, end of year	$ 35,849,792	$ 31,699,860
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (2,955,800)	$ 14,557,276
Adjustments to net cash provided by operating activities:		
Depreciation of capital assets	218,578	223,612
Change in member premiums receivable	1,092,699	1,886,246
Change in excess insurance proceeds receivable	(467,189)	416,082
Change in retrospective premium adjustment receivable	(13,517,000)	(208,902)
Change in net pension liability (asset)	6,210,519	(4,627,267)
Change in net OPEB asset	2,022,126	(2,492,208)
Change in other receivables and prepaids	962,491	(2,591,955)
Changes in deferred outflows/inflows related to net pension and OPEB	(1,696,450)	(2,361,565)
Changes in payables and accrued expenses and other expenses	(218,832)	(3,762,434)
Change in unearned member premiums	2,709,274	1,914,226
Change in retrospective premium adjustment payables	(1,922,274)	3,143,447
Change in claims liabilities	11,554,628	8,858,584
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,992,770	$ 14,955,142
NON CASH ITEMS		
Change in unrealized fair value of investments	$ (38,501,398)	$ 5,479,626

See accompanying notes to financial statements.

(1) General Information

Organization and Operations – The Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA) was created effective July 5, 1979, by a joint powers agreement among member water districts and agencies organized and operating under the laws of the State of California. The JPIA was organized pursuant to provisions of the California Government Code for the purpose of providing insurance coverage for its member districts.

The JPIA currently offers five joint protection programs:

- Public Auto and General Liability
- Workers' Compensation
- Property Insurance
- Underground Storage Tank Liability
- Employee Benefits (Medical, Dental, Vision, Other)

The JPIA also purchases group insurance for dam failure, pass through insurance (including employee fidelity bonding, difference in condition, boiler and machinery stand alone, cyber security and crime), and for the period of July 1, 1995, through June 30, 1998, workers' compensation for electing member districts.

The JPIA provides joint protection coverage for losses more than the member districts' individually specified self-insurance retention levels.

Reporting Entity – The reporting entity includes all activities (operations of the administrative staff, officers, executive board, and board of directors) as they relate to the JPIA considered to be part of (controlled by or dependent on) the JPIA. This includes financial activity relating to all the membership years.

In determining its reporting entity, the JPIA considered all governmental units that were members since inception. The criteria did not require the inclusion of these entities in these financial statements principally because the JPIA is not financially accountable for any members.

Captive – In September 2019, the JPIA Executive Committee approved the formation of a captive insurance company entitled California Water Insurance Fund (CWIF). CWIF incorporated as a nonprofit organization, domiciled in the state of Utah, and satisfies the requirements as a pure captive insurance company under the Captive Insurance Companies Act, Chapter 37 of Title 31A of the Utah Code of 1953, as amended.

CWIF's primary function serves as a risk financing tool for the JPIA and its member districts, designed to benefit risk pool members through a modest discount of the actuarial risk JPIA programs are assuming. Ceded risk to the captive depends on the levels of risk determined by the Executive Committee per program and may differ from program year to program year.

For financial reporting purposes, CWIF is a blended component unit and the schedules presented in this report include combined figures for both the JPIA and CWIF. CWIF prepares its own separate annual financial statements, which can be obtained by submitting a formal request in writing to ACWA JPIA, Attn: Finance Department, 2100 Professional Drive, Roseville, CA 95661.

Insurance Coverage and Deductibles – The JPIA provides the following major insurance coverage and deductibles:

a) Liability Program – The Liability Program was established to account for the payment of liability claims and administrative costs. Funding is based upon rates established by ACWA JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members.

The JPIA provides the following insurance coverage and self-insured retention (SIR):
Member District Retrospective Allocation Point (RAP): $2,500 to $100,000
The SIRs for this program by policy year are as follows:

Years	SIR Amount
10/1/79 - 9/30/86	$ 500,000
10/1/86 - 9/30/87	1,000,000
10/1/87 - 9/30/05	500,000
10/1/05 - 9/30/11	1,000,000
10/1/11 - 9/30/16	2,000,000
10/1/16 - 9/30/19	5,000,000
10/1/19 - 9/30/22*	5,000,000

- *Excess: $1 to a total of $5,000,000 coverage by captive insurance company, California Water Insurance Fund (CWIF). CWIF is also responsible for the 10X of 10 layer ($10,000,000 – 20,000,000) for policy years 10/1/20 – 9/30/21 and 10/1/21 – 9/30/22.
- $5,000,000 to a total of $60,000,000 coverage through various carriers. Policy Year: October 1 through September 30.

b) Property Program – The Property Program was established to account for the payment of property claims and administrative costs. Funding is based upon rates established by ACWA JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members**.**

The JPIA provides the following insurance coverage, deductibles, and SIR:
Member District Deductible: $500 to $50,000
The SIRs for this program by policy year are as follows:

Years	SIR Amount
1/1/83 - 3/31/85	Various
4/1/85 - 3/31/86	$5,000
4/1/86 - 3/31/88	50,000
4/1/88 - 3/31/01	10,000
4/1/01 - 3/31/13	50,000
4/1/13 - 6/30/20*	100,000
7/1/20 - 6/30/22	100,000
7/1/22 - 6/30/23	10,000,000

- Excess: $100,000 up to a total of $500,000,000 coverage with various sub limits through Alliant Property Insurance Program (APIP).
- *Policy Year: April 1 through June 30 of 2019. Property Program changed policy year format to better align with APIP recommended coverage schedule. From that point on, the Property Program policy year would run from July 1 through June 30. Beginning July 1, 2019, ACWA JPIA has an aggregate deductible under which they retain the first $1 million on claims in excess of $100,000.

c) **Workers' Compensation Program** – The Workers' Compensation Program was established to account for the payment of workers' compensation claims and administrative costs. Funding is based upon rates established by the JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members.

The JPIA provides the following insurance coverage and SIR:
Member District RAP: $250 to $25,000
The SIRs for this program by policy year are as follows:

Years	SIR Amount
7/1/86 - 6/30/87	$125,000
7/1/87 - 6/30/88	150,000
7/1/88 - 6/30/89	175,000
7/1/89 - 6/30/91	200,000
7/1/91 - 6/30/92	225,000
7/1/92 - 6/30/01*	250,000
7/1/01 - 6/30/02	350,000
7/1/02 - 6/30/03	650,000
7/1/03 - 6/30/20	2,000,000
7/1/20 - 6/30/23**	2,000,000

- *From July 1, 1995, through June 30, 1998, the Workers' Compensation Program functioned as a group purchase program.
- **Excess of $1 to a total of $2,000,000 per occurrence by captive insurance company, CWIF.
Policy Year: July 1 through June 30

d) **Employee Benefits Program** – In January 2012, both ACWA JPIA's Executive Committee and the Health Benefits Authority (HBA) approved the transition of the HBA program into the JPIA. In March 2012, the HBA Board of Directors voted to dissolve the HBA programs. As a result, the JPIA's Employee Benefits Program was established on July 1, 2012, to provide medical, dental and vision coverage for members' employees and dependents. The preferred provider organization plans offered in the medical and dental coverage are self-insured. The vision program also converted to self-insured starting with plan year January 1, 2015. Funding is based upon rates established by the JPIA's Executive Committee. The JPIA utilizes a third party to administer these claims on behalf of participating members.

The JPIA carries reinsurance through Sun Life Financial, administered by Stealth Partner Group, LLC for coverage losses in excess of the self-insured retention of $750,000 per beneficiary incurred during the policy period, and paid during the policy period and six-month period immediately following the end of the policy period. The policy year is January 1 through December 31.

(2) Significant Accounting Policies

Basis of Accounting – The accounting records of the JPIA are kept on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents – With regards to the statement of cash flows, the JPIA considers cash in banks, all money market funds, cash in Local Government Investment Pools (LGIP), and Local Agency Investment Funds (LAIF) to be cash equivalents. Investments maturing within three months from the date of purchase are also considered to be cash equivalents.

Investments in debt securities are recorded at fair value. For purposes of these financial statements, fair value is equivalent to investment market value on September 30, 2022. Changes in the fair value of investments, both realized and unrealized, are included in the Statement of Revenues, Expenses, and Changes in Net Position as a component of non-operating revenues.

Beginning with fiscal year 2019-20 and the introduction of CWIF, the Executive Committee voted to move $31.4 million for the purposes of investing pooled funds into the new captive portfolio. This amount was comprised of $19.4 million designated for the original Liability policy year 2020 premiums, plus an additional $12 million as paid-in capital.

Later during the 19-20 fiscal year, an additional $10 million paid in capital was contributed to the captive's portfolio. The CWIF portfolio consists of equity-based and fixed income-based mutual funds with a target return on investment of 7%. Equity securities comprise approximately 67% of the CWIF portfolio at the end of the fiscal year.

Prepaid Expenses – Payments for the portions of excess insurance and other costs that extend into future accounting periods have been recorded as prepaid expenses.

Capital Assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of three years for computer equipment, five years for office equipment and building improvements, and 30 years for the JPIA main office building in Roseville, CA.

Unearned Member Premiums – The JPIA bills its members in advance for certain programs. The amount billed represents unearned member premium revenue until earned. Any premiums collected from members before the respective program years, are recorded in the Unearned Member Premium general ledger accounts until the appropriate period, at which time premiums are then recognized as earned and allocated to the specific revenue accounts.

Premiums Receivable – These amounts represent unpaid invoices for policies written during the JPIA's fiscal year. A significant portion of premiums receivable are also recognized as unearned premiums for those policies extending into the subsequent year.

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

Unallocated Loss Adjustment Expenses (ULAE) – Amounts have been estimated for the cost of administering current and future claims. An independent actuary, in connection with other loss development information, determined these amounts.

Member Premiums are calculated based upon each member district's respective payroll (or insured values for the Property Program) and loss history. For the Employee Benefits Program, premiums are calculated based upon approved rates by the ACWA JPIA Executive Committee.

Member premiums are recognized as revenue over the periods covered by the policies. For the liability, property and workers' compensation policies, a retrospective premium adjustment for each policy year is made annually, four years after a policy year begins.

Operating and Non-operating Revenues – Operating revenues include all member premiums, which include related fees and assessments that are integral to the financing of the insurance programs. Investment income is classified as non-operating revenue.

Allocation of Indirect Expenses – Indirect expenses are allocated among insurance programs based on an internal employee survey for estimated time spent on each of the JPIA programs. In May of 2017, staff leadership conducted a new survey to update the allocation percentages for each program based on more current workflow estimates. The Liability program allocation is 30%, the Workers' Compensation program is 36%, Employee Benefits is at 20%, and the Property program is 14%.

Income Taxes – As a public agency under the State of California, the JPIA is exempt from federal and state income taxes under Internal Revenue Code Section 115 and California Revenue and Taxation Code Section 17131, respectively.

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

Contributions made to the JPIA's pension and OPEB plans after the measurement date but before the fiscal year-end are recorded as deferred outflows of resources and will reduce the net pension and total OPEB liabilities in the next fiscal year.

Additional factors involved in the calculation of the JPIA's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the JPIA's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 9 for further details related to pension deferred outflows and inflows. See Note 10 for details related to the OPEB deferred outflows and inflows.

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

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

(3) Cash and Investments

Investments Authorized by the JPIA's Investment Policy – The following table identifies the investment types authorized for the JPIA by the California Government Code Section 53601 (or the JPIA's investment policy where more restrictive). Also following are tables identifying certain provisions of the California Government Code (or the JPIA's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

INVESTMENT TYPE	% OF INVESTMENT PORTFOLIO	% OF ISSUER REGARDLESS OF SECTOR	MAXIMUM MATURITY	MINIMUM RATING CATEGORY
US TREASURY	100%	100%	5 YEARS	
FEDERAL AGENCY	100%	50%	5 YEARS	
CALIFORNIA STATE OBLIGATIONS	100%	5%	5 YEARS	A
CALIFORNIA LOCAL GOVERNMENT OBLIGATIONS	100%	5%	5 YEARS	A
OTHER STATE OBLIGATIONS	100%	5%	5 YEARS	A
BANKERS' ACCEPTANCES	20%	5%	180 DAYS	Highest by NRSRO
COMMERCIAL PAPER	40%/25%*	5%	270 DAYS	Highest by NRSRO
MEDIUM TERM NOTES	30%	5%	5 YEARS	A
NEGOTIABLE CD'S	30%	5%	5 YEARS	A
TIME CDS	30%	FDIC/NCUA LIMITS	5 YEARS	BANKS/S&I/CU INSURED
LGIP	50%	N/A	-	AAAm
LAIF	50%	N/A	DAILY	N/A
MONEY MARKET FUNDS	20%	20%	-	TREASURY/ AGENCY ONLY
REPURCHASE AGREEMENTS	20%	20%	92 DAYS	Primary Dealer
SUPRANATIONALS	20%	20%	5 YEARS	AAA
ASSET-BACKED SECURITIES	20%	5%	5 YEARS	AA

* The limit is 25% if the Authority has less than $100 million of investment assets

CWIF Investment Policy

CWIF's investment policy identifies procedures that will foster a prudent and systematic investment program designed to seek CWIF's objectives through a diversified investment portfolio. An appropriate level of risk shall be maintained by purchasing investments within the context of a well-diversified portfolio. Adequate diversification between equities and fixed income securities shall be applied to prevent an undue amount of investment risk with any one area. CWIF strives to achieve returns and control risk by meeting certain asset allocation targets set forth in CWIF's investment policy. The classes of investments that most adequately meet the above-mentioned criteria shall be allowed for purchase. They are equities and fixed income investments of U.S. and non-U.S. issuers, and real estate investment trusts. The investment policy also lists out some prohibited transactions such as letter stock and other unregistered securities, direct commodities, derivatives, options, and futures.

Investment Credit Risk - CWIF's investments on September 30, 2022, are summarized in the following table and are broken out based on the mutual fund type with the appropriate portfolio representation:

INVESTMENTS	FAIR VALUE	PORTFOLIO %	CREDIT QUALITY RATING
Mutual Funds – Equity	$ 70,525,555	54%	None
Mutual Funds – Fixed Income	26,503,094	20%	None
Mutual Funds – Other*	32,912,356	26%	None
Total Investments	$129,941,005	100%	

*Mutual funds classified as "other" cannot be classified as strictly "equity" or "fixed income" securities.

Concentration of Credit Risk – As of September 30, 2022, no investments in any one issuer, other than U.S. Treasury Securities, LAIF and LGIP, represent 5% or more of the total ACWA JPIA portfolio.

Custodial Credit Risk is the risk that in the event of a bank failure, the JPIA's deposits may not be returned. California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the JPIA's cash on deposit, or first trust deed mortgage notes with a fair value of 150% of the deposit, as collateral for these deposits. Under California Law, this collateral is held in a separate investment pool by another institution in the JPIA's name and places it ahead of general creditors of the institution.

Interest Rate Risk is the possibility 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. As a means of highlighting exposure to interest rate risk, the fair value of all securities is calculated and reported monthly to the two oversight committees of the JPIA for investments. Investment fair value and duration on September 30, 2022, are as follows:

Authorized Investment Type	Fair Value	Effective Duration
U.S. Treasury Obligations	$15,382,106	3.019
Federal Agency Securities	651,861	3.333
Federal Mortgage-Backed Securities	1,012,320	0.893
Medium-Term Notes	10,082,042	2.462
Asset-Backed Securities/CMOs	3,905,399	1.499
Negotiable Certificates of Deposit	555,000	0.457
Municipal Bonds	4,469,463	1.924
Mutual Funds – Equity	70,525,555	N/A
Mutual Funds – Fixed Income	26,503,094	N/A
Mutual Funds – Other	32,912,356	N/A

Local Agency Investment Funds (LAIF) – The JPIA is a participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the JPIA's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPIA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. Financial information can be obtained from the LAIF website: treasurer.ca.gov.

Local Government Investment Pools are managed pool accounts in which the JPIA participates. The California Asset Management Program (CAMP) invests available cash under California Government Code Section 53601 and 53635. CAMP is a joint powers authority organized under California law and is managed by participant elected trustees. The fair value of the JPIA's investment in this pool is reported in the accompanying financial statements at amounts based on the JPIA's pro-rata share of the fair value. Financial information can be obtained from 50 California Street, Suite 2300, San Francisco, CA 94111.

Investment Credit Risk – JPIA and CWIF investment securities are summarized in the following table by respective fair values as of September 30, 2022. JPIA reports credit quality ratings by Moody's, a nationally recognized rating agency.

Disclosures Relating to Credit Risk

Authorized Investment	Amount	Aaa/P-1	Aa (1-3)	A (1-3)	Not Rated
Cash	$ 200	$ 0	$ 0	$ 0	$ 200
Deposits with Financial Institutions	16,682,393				16,682,393
Asset-Backed Securities	3,905,399	1,521,931			2,383,468
Negotiable Certificates of Deposit	555,000			555,000	
LGIP (Managed Pool Account) *	1,262,775				1,262,775
LAIF	17,904,424				17,904,424
U.S. Treasury Obligations	15,382,106	15,382,106			
Federal Agency Securities	651,861	381,348			270,513
Federal Mortgage-Backed Secur.	1,012,320	639,198			373,122
Municipal Bonds	4,469,463	989,958	3,479,505		
Medium-Term Notes	10,082,042	334,442	143,772	9,603,828	
Mutual Funds – Equity**	70,525,555				70,525,555
Mutual Funds – Fixed Income**	26,503,094				26,503,094
Mutual Funds – Other**	32,912,356				32,912,356
Totals	$ 201,848,988	$19,248,983	$ 3,623,277	$ 10,158,828	$168,817,900

Information about the risk that an issuer or other counterparty to an investment will not fulfill its obligations is provided by the table above.

*The managed pool account (LGIP) is comprised of $1,262,775 in California Asset Management Program (CAMP). This investment is not rated by Moody's but is, however, rated AAAm by Standard and Poor's.

**California Water Insurance Fund (CWIF), a captive insurance company and blended component of ACWA JPIA. Investment fund managed by PFM Asset Management LLC, with custodian services provided by Bank of New York Mellon.

Fair Value - GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires the JPIA to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. The fair value hierarchy levels are summarized below (*Source = U.S. Bank's Summary of Methodology for Assigning Fair Value to Client Assets*):

- Level 1 Inputs – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. An active market for the asset is one in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 Inputs – Inputs to the valuation methodology that are observable for an asset/liability either directly or indirectly (other than quoted prices included within Level 1). They include quoted prices for similar assets/liabilities in active markets and quoted prices for identical or similar assets/liabilities in markets that are NOT active.

- Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset/liability, including assumptions about risk.

The following schedule classifies the JPIA's security assets at fair value based on hierarchy level as of September 30, 2022:

Investments by Fair Value Level		Fair Value Measurements Using	
Debt Securities:		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasury Obligations	$ 15,382,106	$ 15,382,106	
Asset-Backed Securities	3,905,399		$3,905,399
Negotiable Certificates of Deposit	555,000		555,000
Medium-Term Notes	10,082,042		10,082,042
Federal Agency Securities	651,861		651,861
Federal Mortgage-Backed Sec	1,012,320		1,012,320
Municipal Bonds	4,469,463		4,469,463
Mutual Funds – Equity	70,525,555	70,525,555	
Mutual Funds – Fixed Income	26,503,094	26,503,094	
Mutual Funds – Other	32,912,356	32,912,356	
Totals	**$165,999,196**	**$145,323,111**	**$20,676,085**

Pooled investment funds, such as CAMP and LAIF, are subject to fair value measurement, but not to the fair value hierarchy. For the statement of cash flows, the JPIA considers cash in banks and deposits in LAIF to be *cash equivalents* and are not presented within the fair value disclosures.

(4) Capital Assets

The following is a schedule of changes in capital assets for the year ended September 30, 2022:

	9/30/2021	Additions	Reclasses	9/30/2022
NON-DEPRECIABLE ASSETS:				
Land	$ 590,545	$ 0	$ 0	$ 590,545
Undeveloped Software/Equipment	17,512	0	(17,512)	0
Total Non-Depreciable Assets:	608,057	0	(17,512)	590,545
DEPRECIABLE ASSETS:				
Building & Improvements	5,336,035	0	0	5,336,035
Furniture & Equipment	723,989	25,109	17,512	766,610
Software	497,983	0	0	497,983
Total Depreciable Assets	6,558,007	25,109	17,512	6,600,628
LESS ACCUMULATED DEPRECIATION:				
Building & Improvements	(1,923,374)	(177,567)	0	(2,100,941)
Furniture & Equipment	(664,792)	(32,422)	0	(697,214)
Software	(473,647)	(8,589)	0	(482,236)
Total Accumulated Depreciation	(3,061,813)	(218,578)	0	(3,280,391)
Capital Assets - Net	$4,104,251	$(193,469)	$0	$ 3,910,782

(5) Retrospective Premium Adjustments

Retrospective premium adjustments are determined for each policy year as the sum of the following:

a) Direct charge for the portion of each loss incurred within the member's allocation level.

b) Losses more than a member's allocation level are shared by the members in the same and greater allocation levels, based on each member's premiums as a percentage of all members' premiums in each allocation level.

c) Other costs, net of investment income, including unallocated claims expense, excess insurance premiums, and administrative expense are charged to each member, based on premiums.

d) The allocation for contributions to that portion of designated equity for catastrophic losses and the reserve for claims incurred but not reported is based on each member's premiums as a percentage of all members' premiums.

The retrospective premium adjustments (RPA) for all applicable policy years have been estimated based on losses and other costs, net of investment income, incurred through September 30, 2022. RPAs are subject to change as the ultimate cost of claims becomes known, investment income is realized, and the JPIA's indirect costs are allocated to each policy year. RPA's do not apply to the Employee Benefits Programs.

The initial RPA is made at the end of the fourth full year of operations of each the JPIA programs. After that, RPAs represent annual cumulative adjustments to the original premiums (net of prior RPAs, if any) previously billed and held at the JPIA. Although accrued RPA payables to and receivables from program members are calculated monthly, the accrual billing/refunding process takes place only once per year. RPAs are calculated separately for each policy and program year.

Beginning with fiscal year 1998-99, the JPIA established a Rate Stabilization Fund for the Liability Program to help stabilize future RPAs. The JPIA maintains a separate Rate Stabilization Fund for each member and future RPAs are to flow through the member's individual Rate Stabilization Fund. When the balance of a member's fund exceeds 70% of the current year's basic liability premium, any member that has a balance over this amount receives a refund for the difference. During the fiscal year 2002-03 the Rate Stabilization Fund was expanded to include the Property and Workers' Compensation Programs.

(6) Reconciliation of Claims Liabilities

As of September 30, 2022, unpaid losses of $78,525,292 are presented at the net present value of $76,757,704. These losses are discounted at a rate of 1% for Liability, 1.5% for Workers' Compensation, .5% for Property and 0% for Employee Benefits.

The following schedule represents changes in the aggregate liabilities for all programs during the past year ended September 30, 2022:

Discounted Unpaid Claims and Claim Adjustment Expenses at Beginning of Fiscal Year	**2022**	**2021**
	$65,203,075	$56,344,491
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Fiscal Year	91,333,267	89,652,870
Increase in Provision of Insured Events of Prior Fiscal Years	16,364,267	5,111,451
Total Incurred Claims and Claim Adjustment Expenses	107,697,534	94,764,321
PAYMENTS:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	70,055,301	66,962,689
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	26,087,604	18,943,048
Total Payments	96,142,905	85,905,737
Discounted Unpaid Claims and Claim Adjustment Expenses at End of Fiscal Year	**$76,757,704**	**$65,203,075**
Components of Claims Liability:		
Claims Reserves (Current)	$16,307,229	$14,823,316
Claims Reserves (Noncurrent)	24,576,230	17,196,761
Claims Incurred but Not Reported	33,140,369	29,642,153
Unallocated Loss Adjustment Liability	2,733,876	3,540,845
Total Claims Liability	**$76,757,704**	**$65,203,705**

(7) Net Position Designations

There are four categories that make up net position: the Catastrophic Reserve (CAT) Fund (includes the Natural Disaster Fund for the property program), Employee Benefits Fund, the Rate Stabilization Fund, and the retained earnings of the captive insurance company.

The CAT Fund is established to protect members from excessive losses, shared by all members in a given policy year. Contributions to the CAT Fund are typically calculated as 10% of premiums earned. Beginning with the fiscal year 2012-2013, the Liability and Workers' Compensation Programs limited the CAT Fund to 99% of the current year's actuarially determined Gross Liability for Unpaid Losses. If a member has over 99%, a refund is transferred into their Rate Stabilization Fund. If the CAT fund is underfunded, collections can be transferred from the Rate Stabilization Fund if the funds are available.

The Rate Stabilization Fund is used to smooth the member's premium billing and refund process. The Employee Benefits Fund can be used to help reduce premium increases of only that Program when approved by the Executive Committee.

The CWIF reported an excess of expenses over earnings in the amount of $31,859,664 for fiscal year 2021-22.

Net position is designated in the following manner:

September 30, 2022:		
Rate Stabilization Fund (RSF)	$	12,297,374
Catastrophic (CAT)/Natural Disaster Fund		39,118,569
Employee Benefits Fund		83,127,298
Captive's Retained Earnings (CWIF)*		(21,759,320)
Net Position	$	112,783,921

**Difference of retained earnings reported on this schedule varies by $10,503,527 with the CWIF Annual Financial Report due to a portion of CWIF's retained earnings rolling into the RSF and/or the CAT fund.*

(8) Joint Venture

The JPIA participated in a joint venture under a joint powers agreement with Local Agency Workers' Compensation Excess (LAWCX) during the fiscal years 1992-93; 1993-94; and 1994-95. The relationship between The JPIA and LAWCX is such that LAWCX is not a component unit of The JPIA for financial reporting purposes. Each member agency pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in LAWCX. LAWCX prepares separate annual financial statements, which may be obtained from Sedgwick 1750 Creekside Oaks Drive, Suite 200, and Sacramento, CA 95833.

(9) Pension Plan

Plan Description

ACWA JPIA provides pension benefits to its employees through ACWA JPIA's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. ACWA JPIA had less than 100 active members as of the June 30, 2021, actuarial valuation. As a result, qualified employees are covered under the Miscellaneous 2% at 55 Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

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

Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 years of age and have a minimum of five years of CalPERS-credited service. Members after December 2012 must be at least 52 to be eligible for service retirement.

Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ACWA JPIA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. ACWA JPIA's required contribution rate on covered payroll for the measurement period ended June 30, 2022 (the measurement date) was 9.78% and 7.73% of annual pay for Classic and PEPRA employees, respectively. Employer contributions rates may change if plan contracts are amended. For the year ended September 30, 2022, the employer contributions to the plan were $498,192, plus additional elective contributions totaling $59,338 to reduce the Net Pension Liability (NPL).

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

ACWA JPIA's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2022, for the year ended September 30, 2022. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. As of September 30, 2022, ACWA JPIA's proportionate share of the Plan's net pension liability (NPL) was $1,445,119.

Using ACWA JPIA's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for ACWA JPIA by the actuary. ACWA JPIA's proportionate share of the net pension liability for the Plan as of June 30, 2021, and 2022 were as follows:

	Plan
Proportion - June 30, 2021	(.250969%)
Proportion - June 30, 2022	.030884%
Change	.281853%

For the year ended September 30, 2022, ACWA JPIA recognized a pension expense of 7,176,498. Reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29,021	$ 19,437
Changes of assumptions	148,083	0
Net difference between projected and actual earnings on pension plan investments	264,707	
Changes in proportions	4,479,093	0
Changes in proportionate share of contributions		1,615,056
Contributions subsequent to the measurement date	113,260	
Total	$ 5,034,164	$ 1,634,493

As of September 30, 2022, the $113,260 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as an adjustment to the net pension liability in the year ending September 30, 2023. As of September 30, 2022, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense (benefit) as follows:

Year Ended September 30	
2023	$ 1,112,053
2024	1,230,699
2025	781,755
2026	161,904

Actuarial Methods and Assumptions

The collective TPL for the June 30, 2022, measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the TPL to June 30, 2022. The collective TPL was based on the following assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table [1]	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

[1] *The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.*

Changes of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class [1]	**Assumed Asset Allocation**	**Real Return Years 1 – 10**[1,2]
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

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

Sensitivity of ACWA JPIA's Proportional Share of the NPL/NPA to Changes in the Discount Rate

The following presents ACWA JPIA's Proportional Share of the NPL of the Plan as of the June 30, 2022, measurement date, calculated using the discount rate of 6.90%, as well as what ACWA JPIA's Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate – 1% (5.90%)	**Current Discount Rate (6.90%)**	**Discount Rate + 1% (7.90%)**
ACWA JPIA's Proportionate Share of Plan's NPL (NPA)	$ 6,332,598	$ 1,445,119	$ (2,576,064)

(10) OPEB

Plan Description

The JPIA has established a retiree healthcare plan that provides other postemployment health benefits for eligible retired employees, their spouses, surviving spouses, and dependents, through the ACWA Joint Powers Insurance Authority OPEB Plan (the Plan). The JPIA, through the authorization of their Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers' Retiree Benefit Trust (CERBT) Fund, an agent multiple-employer plan, administered by CalPERS. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. The CERBT offers three investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by the JPIA.

Benefits Provided

ACWA JPIA employees who retire at age 55 or older with a minimum of ten years of service with the organization are eligible to receive lifetime medical benefits. Benefits are also provided to spouses, surviving spouses and dependent children (up to age 26) of participating retirees. For employees hired after January 31, 2018, an allowance of up to $500 (up to $1,000 with spouse or domestic partner coverage; no coverage for dependent children) will be provided for use towards medical premium using the same matrix below.

The amount of benefit a retiree receives is based on the following schedule. ACWA JPIA contributes 100% of the cost of coverage for employees who retire with age plus years of service equal to 75 or more.

Age plus Years of Service	**ACWA JPIA Percentage of Premium Payment**
65	50%
66	55%
67	60%
68	65%
69	70%
70	75%
71	80%
72	85%
73	90%
74	95%
75+	100%

Employees Covered

As of the June 30, 2021, actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan using a measurement date of June 30, 2022:

Inactive employees receiving benefits	18
Inactive employees entitled to but not receiving benefits	0
Participating active employees	50
Total	68

Contributions

The JPIA provides benefits on a pay-as-you-go basis and makes contributions to the OPEB Trust. The JPIA's policy is to prefund their benefits by contributing the full actuarially determined contribution to the CERBT each year. The JPIA's employees are not required to contribute to the Plan.

As of the measurement date June 30, 2022, however, the actuarially determined contribution is now zero. Plan assets now cover 120% of the Present Value of Future Benefits (PVFB). This means that if all assumptions are exactly realized, assets are sufficient to cover all future benefits for current employees and retirees. Contributions may again be recommended in future years if the funding status falls below 100% PVFB due to Plan changes, adverse experience, assumption changes or future hires.

In July 2022, the trust reimbursed JPIA $174,889 of pay as you go premiums paid out over PERS fiscal year 2021-22. Since this amount was received in July, it will be classified as a deferred inflow for JPIA fiscal year 2021-22 and recognized as a reduction in OPEB expense in the following fiscal year 2022-23.

Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.28%	
Inflation	2.01%	
Salary Increases (1)	3.50%	
Investment Rate of Return (2)	7.28%	
Mortality (3)	CalPERS' Membership Data	
Health care cost trend rates	The rates for pre-65 are estimated as shown in the table below.	The rates for post-65 are estimated as shown in the table below.

Year Beginning	Increase in Premium Rates	Increase in Premium Rates
2022	(2.14) %	(4.79) %
2023	7.35 %	5.15 %
2024	7.10 %	5.20 %
2025	5.20 %	5.20 %
2026	5.16 %	5.16 %
2027	5.12 %	5.12 %
2028	5.09 %	5.09 %
2029	5.05 %	5.05 %
2030	5.01 %	5.01 %
2031	4.97 %	4.97 %
2032	4.97 %	4.97 %
2075 and later	3.94 %	3.94 %

(1) Since benefits do not depend on salary, using an aggregate payroll assumption for purposes of calculating the service costs results in negligible error.

(2) Net of OPEB plan investment expense; includes inflation.

(3) The mortality rates used in this valuation are those used in the 2017 CalPERS demographic study.
Pre-Retirement: CalPERS 2017 Mortality
Post-Retirement: CalPERS 2017 Mortality

Net OPEB Asset

The JPIA's net OPEB asset was measured as of June 30, 2022, and was determined by an actuarial valuation based on the following actuarial methods and assumptions:

Assumption Changes

There have been no assumption changes since the last measurement date.

The arithmetic long-term expected rate of return on OPEB plan investments for the next ten years was provided by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.47% inflation rate.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Class	**Target Allocation**	**Long-Term * Expected Real Rate of Return**
Equity	62.00%	4.11%
Fixed Income	30.00%	0.19%
Real Estate Investment Trusts	8.00%	5.57%
Total	100.00%	

*JPMorgan arithmetic Long-Term Capital Market assumptions and expected inflation of 2.01%.

Discount Rate

Accounting standards for OPEB require a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments are compared in each period of projected benefit payments. The discount rate used to measure the total OPEB liability on June 30, 2022, is based on these requirements and the following information:

Discount Rate	**Bond Buyer 20-Bond GO Index**
7.28%	3.54%

Changes in the Net OPEB Asset

The changes in the Net OPEB Asset for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (TOL) (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a)-(b)**
Balance as of September 30, 2022 (Measurement date June 30, 2021)	$ 7,328,094	$ 11,233,609	$ (3,905,515)
Changes recognized for the measurement period:			
Service cost	242,007		242,007
Interest	543,802		543,802
Contributions—employer		204,153	(204,153)
Net investment income		(1,502,948)	1,502,948
Differences between expected and actual experience	(67,937)		(67,937)
Change of assumptions			
Benefit payments	(204,153)	(204,153)	
Administrative expense		(5,459)	5,459
Net changes	513,719	(1,508,407)	2,022,126
Balance as of September 30, 2022 (Measurement date June 30, 2022)	$ 7,841,813	$ 9,725,202	$ (1,883,389)

Sensitivity of the JPIA's Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the JPIA, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate –1% (6.28%)	**Current Discount Rate (7.28%)**	**Discount Rate +1% (8.28%)**
Net OPEB Liability (Asset)	$ (855,062)	$ (1,883,389)	$ (2,743,137)

Sensitivity of the JPIA's Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the JPIA, as well as what the net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Trend Rate -1%	**Health Care Trend Rate**	**Trend Rate +1%**
Net OPEB Liability (Asset)	$ (3,676,291)	$ (1,883,389)	$ 296,597

OPEB plan fiduciary net position

Detailed information about the Plan's fiduciary net position is available on CalPERS' website in an annual report titled "California Employers' Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, and Schedule of Changes in Fiduciary Net Position by Employer." Additionally, CalPERS annually issues a Comprehensive Annual Financial Report which includes the CERBT fund's financial information.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	5 years

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended September 30, 2022, the JPIA recognized an OPEB expense of $121,379, and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions after the measurement date*	$ 33,564	$ 0
Changes in assumptions		843,968
Distributions from the OPEB trust subsequent to the measurement date**		174,889
Differences between expected and actual experience	107,032	159,899
Net difference between projected and actual earnings on OPEB plan investments	933,802	
Total	$ 1,074,398	$ 1,178,756

*The $33,564 reported as deferred outflows of resources related to contributions after the June 30, 2022, measurement date will be recognized as an increase in the net OPEB asset at fiscal year ended September 30, 2023.

**Reimbursed funds from the trust to pay JPIA for pay as you go premiums paid over PERS fiscal year 2021-22, recognized as deferred inflow due to the timing of the receipt of funds in July 2022.

Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended September 30	Recognized Deferred Outflows/(Inflows) of Resources
2023	$(17,260)
2024	(34,756)
2025	(98,574)
2026	306,782
2027	(109,667)
Thereafter	(9,558)
Total Deferred Resources:	$36,967

(11) Deferred Compensation Plan

The JPIA employees may defer a portion of their compensation under an employer sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by CalPERS and Lincoln Financial Group. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these new plans are not the JPIA's property and are not subject to its control, they have been excluded from these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

SEPTEMBER 30, 2022

	Liability Program	Property Program	Workers' Compensation Program	Employee Benefits Program	Total
Unpaid Claims and Claim Adjustment at Beginning of the Fiscal Year	$ 31,187,943	$ 4,196,117	$ 23,908,022	$ 5,910,993	$ 65,203,075
Incurred Claims and Allocated Claim Adjustment Expense:					
Provisions for Insured Events of the Current Fiscal Year	17,695,503	2,008,738	4,670,823	66,958,203	91,333,267
Increase (decrease) in Provision for Incurred Events of Prior Fiscal Years	5,934,877	413,959	(2,258,988)	12,274,419	16,364,267
Total Incurred Claims and Allocated Claim Adjustment Expenses	23,630,380	2,422,697	2,411,835	79,232,622	107,697,534
Payments					
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	2,684,900	1,195,866	1,040,341	65,134,194	70,055,301
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	6,668,718	1,485,111	4,579,348	13,354,427	26,087,604
Total Payments	9,353,618	2,680,977	5,619,689	78,488,621	96,142,905
Discounted Unpaid Claims and Allocated Claim Adjustment Expense at the End of the Fiscal Year	$ 45,464,705	$ 3,937,837	$ 20,700,168	$ 6,654,994	$ 76,757,704
Components:					
Claims Reserves (Current)	$ 10,447,382	$ 1,715,643	$ 4,144,204	$ 0	$ 16,307,229
Claims Reserves (Noncurrent)	18,378,878	928,043	5,269,309	0	24,576,230
Claims Incurred But Not Reported	15,516,630	992,324	9,976,421	6,654,994	33,140,369
Unallocated Loss Adjustment Liability	1,121,815	301,827	1,310,234	0	2,733,876
Total Claims Liability	$ 45,464,705	$ 3,937,837	$ 20,700,168	$ 6,654,994	$ 76,757,704

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

SEPTEMBER 30, 2021

	Liability Program	Property Program	Workers' Compensation Program	Employee Benefits Program	Total
Unpaid Claims and Claim Adjustment at Beginning of the Fiscal Year	$ 23,786,393	$ 2,821,175	$ 24,424,930	$ 5,311,993	$ 56,344,491
Incurred Claims and Allocated Claim Adjustment Expense:					
Provisions for Insured Events of the Current Fiscal Year	15,139,515	3,108,470	7,723,051	63,681,834	89,652,870
Increase (decrease) in Provision for Incurred Events of Prior Fiscal Years	1,624,188	738,854	(3,593,964)	6,342,373	5,111,451
Total Incurred Claims and Allocated Claim Adjustment Expenses	16,763,703	3,847,324	4,129,087	70,024,207	94,764,321
Payments					
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	2,909,828	1,411,337	1,363,507	61,278,017	66,962,689
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	6,452,325	1,061,045	3,282,488	8,147,190	18,943,048
Total Payments	9,362,153	2,472,382	4,645,995	69,425,207	85,905,737
Discounted Unpaid Claims and Allocated Claim Adjustment Expense at the End of the Fiscal Year	$ 31,187,943	$ 4,196,117	$ 23,908,022	$ 5,910,993	$ 65,203,075
Components:					
Claims Reserves (Current)	$ 7,674,522	$ 1,735,484	$ 5,413,310	$ 0	$ 14,823,316
Claims Reserves (Noncurrent)	10,167,752	2,173,750	4,855,259	0	17,196,761
Claims Incurred But Not Reported	12,285,347	11,610	11,434,203	5,910,993	29,642,153
Unallocated Loss Adjustment Liability	1,060,322	275,273	2,205,250	0	3,540,845
Total Claims Liability	$ 31,187,943	$ 4,196,117	$ 23,908,022	$ 5,910,993	$ 65,203,075

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2022

LIABILITY PROGRAM

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1. Required contribution and investment revenue:										
Earned	$ 17,696,506	$ 16,972,007	$ 15,730,767	$ 15,825,562	$ 16,848,488	$ 19,050,705	$ 19,157,691	$ 21,895,552	$ 23,371,825	$ 22,122,482
Ceded	4,080,300	3,659,417	3,634,717	3,875,750	2,758,676	3,014,553	3,196,277	5,504,597	5,693,446	7,329,283
Net earned	13,616,206	13,312,590	12,096,050	11,949,812	14,089,812	16,036,152	15,961,414	16,390,955	17,678,379	14,793,199
2. Unallocated expenses	1,674,796	2,480,476	2,047,092	2,212,709	2,946,136	3,432,484	2,753,720	3,327,653	1,406,205	1,016,340
3. Estimated claims and expenses end of policy year:										
Incurred	11,340,999	11,992,230	14,740,360	15,010,541	12,623,498	12,521,301	14,101,240	14,992,990	15,852,797	19,045,029
Ceded	2,803,191	2,829,815	2,688,625	3,489,316	949,000	860,000	1,025,000	1,155,000	1,222,000	1,810,000
Net incurred	8,537,808	9,162,415	12,051,735	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029
4. Net paid (cumulative) as of :										
End of policy year	1,327,647	2,058,691	2,355,454	2,313,638	1,702,912	1,827,061	1,622,001	2,812,515	2,909,828	2,684,900
One year later	2,892,313	3,985,953	4,630,229	5,197,925	3,375,115	3,176,237	9,430,733	6,238,788	6,932,966	
Two years later	4,419,948	5,066,762	5,405,345	9,257,380	6,537,956	5,560,989	10,866,250	7,358,677		
Three years later	4,569,894	5,883,558	7,270,381	9,148,742	6,713,185	6,826,024	11,371,388			
Four years later	4,592,713	6,077,650	7,010,514	9,158,435	6,844,171	7,396,393				
Five years later	4,647,004	6,112,400	7,283,663	9,156,252	7,179,702					
Six years later	4,647,004	7,996,565	7,284,406	9,156,252						
Seven years later	4,648,071	7,995,529	7,284,406							
Eight years later	4,648,432	7,995,529								
Nine years later	4,648,432									
5. Reestimated claims and expenses:	0	13,122,587	0	0	62,000	160,000	10,061,000	6,005,000	1,019,000	1,810,000
6. Reestimated net incurred claims and expenses:										
End of policy year	8,537,808	9,162,415	12,051,735	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029
One year later	6,729,662	10,676,485	8,611,154	10,817,319	10,717,162	10,791,082	15,836,297	13,526,276	13,992,690	
Two years later	6,742,879	9,275,901	7,454,187	10,800,508	9,064,480	10,205,529	17,077,914	16,359,364		
Three years later	5,191,809	8,487,171	7,961,888	9,960,435	7,428,404	10,999,841	17,849,788			
Four years later	4,744,468	8,216,397	7,312,945	9,353,029	7,366,721	10,879,814				
Five years later	4,711,351	8,165,264	7,498,827	9,156,253	10,850,607					
Six years later	4,647,005	7,996,565	7,284,406	9,156,253						
Seven years later	4,655,076	7,995,529	7,284,406							
Eight years later	4,650,006	7,995,529								
Nine years later	4,648,432									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (3,889,376)	$ (1,166,886)	$ (4,767,329)	$ (2,364,972)	$ (823,891)	$ (781,487)	$ 4,773,548	$ 2,521,374	$ (638,107)	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2022

PROPERTY PROGRAM

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1. Required contribution and investment revenue:										
Earned	$ 4,875,627	$ 5,111,733	$ 5,313,836	$ 5,062,890	$ 5,288,128	$ 5,734,725	$ 5,964,424	$ 6,961,565	$ 8,483,716	$ 10,613,486
Ceded	3,368,987	2,720,489	2,318,261	1,527,000	1,523,521	1,657,369	3,042,615	4,831,663	6,464,344	8,109,461
Net earned	1,506,640	2,391,244	2,995,575	3,535,890	3,764,607	4,077,356	2,921,809	2,129,902	2,019,372	2,504,025
2. Unallocated expenses	192,097	421,225	1,754,005	1,668,061	1,966,852	1,274,403	1,674,614	2,040,645	932,460	621,296
3. Estimated claims and expenses end of policy year:										
Incurred	2,532,879	3,122,568	949,153	1,403,306	5,960,208	4,625,770	13,273,427	2,196,813	4,460,497	36,527,468
Ceded	1,815,000	1,917,000	96,880	531,733	4,226,383	3,316,000	10,419,000	455,000	1,326,000	34,019,000
Net incurred	717,879	1,205,568	852,273	871,573	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468
4. Net paid (cumulative) as of :										
End of policy year	596,198	952,945	611,312	847,420	1,275,484	1,089,031	2,110,318	735,138	1,902,445	1,535,697
One year later	616,432	1,052,728	778,469	848,772	1,211,080	1,146,171	2,202,967	1,203,955	2,685,157	
Two years later	615,623	1,047,753	808,445	849,197	1,183,299	1,165,339	2,427,451	1,576,645		
Three years later	615,623	1,047,753	801,718	869,804	1,139,451	1,079,440	2,388,914			
Four years later	615,623	1,105,398	759,655	869,804	1,141,746	1,078,912				
Five years later	615,623	1,105,398	759,655	869,804	1,141,746					
Six years later	615,623	1,105,398	759,655	869,804						
Seven years later	615,623	1,105,398	759,655							
Eight years later	615,623	1,105,398								
Nine years later	615,623									
5. Reestimated claims and expenses:	699,338	359,408	0	398,104	4,772,580	2,529,516	12,359,000	1,312,000	1,724,000	34,019,000
6. Reestimated net incurred claims and expenses:										
End of policy year	717,879	1,205,568	852,273	871,573	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468
One year later	618,919	1,052,729	1,039,107	870,772	1,512,876	1,148,440	2,582,914	2,318,206	3,331,348	
Two years later	615,623	1,047,754	809,445	871,272	1,259,393	1,167,503	2,459,948	2,439,874		
Three years later	615,623	1,107,754	801,718	871,272	1,253,000	1,079,441	2,397,909			
Four years later	615,623	1,105,399	759,655	871,272	1,153,356	1,078,913				
Five years later	615,623	1,105,399	759,655	871,272	1,153,356					
Six years later	615,623	1,105,399	759,655	871,272						
Seven years later	615,623	1,105,399	759,655							
Eight years later	615,623	1,105,399								
Nine years later	615,623									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (102,256)	$ (100,169)	$ (92,618)	$ (301)	$ (580,469)	$ (230,857)	$ (456,518)	$ 698,061	$ 196,851	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2022

WORKERS' COMPENSATION

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1. Required contribution and investment revenue:										
Earned	$ 13,489,777	$ 12,575,558	$ 12,583,983	$ 12,618,721	$ 12,959,196	$ 13,225,469	$ 13,912,610	$ 15,133,588	$ 14,235,672	$ 14,125,618
Ceded	516,165	523,904	431,752	506,645	556,796	499,119	507,276	534,177	549,670	596,045
Net earned	12,973,612	12,051,654	12,152,231	12,112,076	12,402,400	12,726,350	13,405,334	14,599,411	13,686,002	13,529,573
2. Unallocated expenses:	3,644,854	2,291,724	2,973,228	2,251,489	2,609,574	2,674,292	2,527,319	2,454,712	2,040,346	1,354,167
3. Estimated claims and expenses end of policy year:										
Incurred	5,915,673	6,196,556	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091
Ceded	32,500	130,000	0	0	0	0	0	0	0	0
Net incurred	5,883,173	6,066,556	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091
4. Net paid (cumulative) as of :										
End of policy year	1,665,717	1,472,839	1,332,057	1,151,894	1,611,621	1,365,070	1,379,721	1,908,694	1,741,263	1,336,009
One year later	3,039,536	2,499,754	2,726,529	1,666,309	2,345,827	2,248,484	2,343,026	3,104,064	2,767,921	
Two years later	3,944,478	3,207,520	3,343,412	2,086,129	2,657,368	2,579,285	3,008,537	4,258,175		
Three years later	4,974,571	3,675,577	3,828,609	2,274,301	2,995,480	2,828,582	3,324,110			
Four years later	5,612,187	4,198,011	4,131,207	2,561,481	3,149,659	3,397,262				
Five years later	5,947,094	4,452,783	4,412,425	2,635,281	3,261,608					
Six years later	6,449,578	4,527,664	4,611,577	2,684,846						
Seven years later	6,642,776	4,603,819	4,887,139							
Eight years later	6,767,339	4,645,896								
Nine years later	6,844,942									
5. Reestimated claims and expenses:	0	0	0	0	0	0	0	0	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	5,883,173	6,066,556	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091
One year later	6,382,564	5,387,863	6,638,361	4,581,505	5,965,054	5,901,694	6,046,702	6,668,007	6,276,953	
Two years later	6,853,254	5,705,488	6,740,067	3,800,513	5,069,443	5,082,436	5,131,153	6,675,886		
Three years later	7,985,933	5,778,062	6,080,657	3,555,630	4,594,823	4,543,984	4,438,211			
Four years later	8,496,518	5,615,771	5,992,903	3,362,048	4,350,572	4,339,326				
Five years later	8,816,370	5,480,036	5,780,867	3,220,651	4,084,561					
Six years later	8,815,573	5,034,373	5,840,153	2,998,026						
Seven years later	8,152,415	4,995,580	5,514,912							
Eight years later	8,096,333	5,105,541								
Nine years later	8,079,864									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ 2,196,691	$ (961,015)	$ (290,144)	$ (2,700,513)	$ (3,117,642)	$ (2,306,410)	$ (2,465,447)	$ (837,730)	$ (533,495)	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2022**

EMPLOYEE BENEFITS

	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Required contribution and investment revenue:										
Earned	$ 56,282,726	$ 114,818,392	$ 122,385,734	$ 124,199,980	$ 132,820,573	$ 141,651,982	$ 149,060,582	$ 149,327,404	$ 152,517,448	$ 157,231,521
Ceded	541,419	836,491	1,029,985	1,276,428	1,538,801	1,636,443	2,107,541	2,847,451	3,042,473	2,135,657
Net earned	55,741,307	113,981,901	121,355,749	122,923,552	131,281,772	140,015,539	146,953,041	146,479,954	149,474,976	155,095,864
2. Unallocated expenses:	737,231	1,734,193	2,878,450	3,681,387	2,994,455	2,817,544	2,443,630	2,677,795	2,635,152	2,431,738
3. Estimated claims and expenses end of policy year:										
Incurred	35,205,118	70,429,600	73,414,224	81,097,989	86,200,856	82,300,575	77,042,190	74,922,732	69,713,938	79,286,633
Ceded	3,262,087	755,783	691,553	1,908,777	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,191,835
Net incurred	31,943,031	69,673,817	72,722,671	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798
4. Net paid (cumulative) as of :										
End of policy year	31,943,031	69,673,817	74,354,752	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798
One year later	32,327,809	69,742,278	74,319,010	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	
Two years later	31,837,837	69,744,060	74,319,010	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750		
Three years later	31,837,948	69,744,060	74,319,761	78,661,126	81,297,624	80,840,661	73,346,741			
Four years later	31,837,948	69,748,815	74,345,853	78,661,126	81,297,624	80,840,661				
Five years later	31,837,897	69,779,919	74,346,152	78,661,126	81,297,624					
Six years later	31,837,897	69,780,190	74,346,303	78,661,126						
Seven years later	31,840,108	69,780,190	74,346,303							
Eight years later	31,840,108	69,780,190								
Nine years later	31,840,108									
5. Reestimated claims and expenses:	3,262,087	755,783	691,553	1,908,777	4,690,073	1,218,617	1,201,469	1,201,469	1,324,308	2,191,835
6. Reestimated net incurred claims and expenses:										
End of policy year	31,943,031	69,673,817	72,722,671	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798
One year later	35,484,702	70,594,649	74,319,010	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	
Two years later	34,609,952	69,744,060	74,319,010	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750		
Three years later	31,837,948	69,744,060	74,319,761	78,661,126	81,297,624	80,840,661	73,346,741			
Four years later	31,837,948	69,748,815	74,345,853	78,661,126	81,297,624	80,840,661				
Five years later	31,837,897	69,779,919	74,346,152	78,661,126	81,297,624					
Six years later	31,837,897	69,780,190	74,346,303	78,661,126						
Seven years later	31,840,108	69,780,190	74,346,303							
Eight years later	31,840,108	69,780,190								
Nine years later	31,840,108									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (102,923)	$ 106,373	$ 1,623,632	$ (528,086)	$ (256,337)	$ (239,475)	$ (1,114,754)	$ (1,920,033)	$ (1,138,341)	$ 0

* First year of Program covered the period of July 1, 2012 through December 31, 2012.
** Policy year data is through December 31 of the previous calendar year

Notes to Required Supplementary Information
Year Ended September 30, 2022

(1) Reconciliation of Claims Liabilities by Type of Contract

These schedules represent the changes in claims liabilities in the past year for the Liability, Property, Workers' Compensation, and Employee Benefit Programs.

(2) Claims Development Information

The table illustrates how earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses 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 including overhead and claims expense not allocable to individual claims.
3. This line shows the gross incurred claims and allocated claim adjustment expense (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.
4. This section of ten rows shows the cumulative net amounts paid as of the net of successive years for each policy year.
5. This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.
6. This section shows the annually re-estimated 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 net claims cost is greater or less than originally thought.

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF OPEB CONTRIBUTIONS
AS OF SEPTEMBER 30,
LAST 10 YEARS*

	2018	2019	2020	2021	2022
Actuarial determined contribution	$ 221,901	$ 232,094	$ 278,058	$ 291,961	$ 0
Contributions in relation to the actuarially determined contribution	(221,901)	(232,094)	(278,058)	(201,239)	(204,153)
Contribution deficiency (excess)	0	0	0	90,722	(204,153)
Covered payroll	4,524,319	4,837,414	5,158,992	5,354,008	5,594,705
Contributions as a percentage of covered payroll	4.90%	4.80%	5.39%	3.76%	3.65%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for all plan years were from June 30 actuarial valuations.

Methods and assumptions used to determine contributions:

The discount rate for determining the actuarially determined contribution has been set based on the assumption that assets will be sufficient to cover all future benefit payments under the plan, and that the employer will annually make contributions equal to the actuarially determined contribution.
For additional methods and assumptions refer to note 10 of the financial statements.

* Fiscal year 2018 was the 1st year of implementation, therefore only five years are presented.

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF CHANGES IN THE NET OPEB ASSET
AND RELATED RATIOS
for the Measurement Periods Ended June 30,
LAST 10 YEARS*

	2018	2019	2020	2021	2022
TOTAL OPEB LIABILITY					
Service cost	$ 269,165	$ 282,624	$ 259,189	$ 272,149	$ 242,007
Interest	476,950	518,285	510,671	551,507	543,802
Differences between expected and actual experience	(11)	(178,909)	(31,073)	150,000	(67,937)
Changes of assumptions	0	(516,365)	0	(846,669)	0
Benefit payments	(190,988)	(192,597)	(180,755)	(201,239)	(204,153)
NET CHANGE IN TOTAL OPEB LIABILITY	555,116	(86,962)	558,032	(74,252)	513,719
TOTAL OPEB LIABILITY, Beginning	6,376,160	6,931,276	6,844,314	7,402,346	7,328,094
TOTAL OPEB LIABILITY, Ending (a)	6,931,276	6,844,314	7,402,346	7,328,094	7,841,813
PLAN FIDUCIARY NET POSITION					
Contributions—employer	319,185	232,094	278,058	201,239	204,153
Net investment income (loss)	483,241	488,951	297,577	2,421,291	(1,502,948)
Benefit payments	(190,988)	(192,597)	(180,755)	(201,239)	(204,153)
Administrative expense	(3,795)	(3,890)	(4,190)	(3,335)	(5,459)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	607,643	524,558	390,690	2,417,956	(1,508,407)
PLAN FIDUCIARY NET POSITION, Beginning	7,292,762	7,900,405	8,424,963	8,815,653	11,233,609
PLAN FIDUCIARY NET POSITION, Ending (b)	7,900,405	8,424,963	8,815,653	11,233,609	9,725,202
NET OPEB LIABILITY (ASSET), Ending (a) - (b)	$ (969,129)	$ (1,580,649)	$ (1,413,307)	$ (3,905,515)	$ (1,883,389)
Plan fiduciary net position as a percentage of the total OPEB liability	113.98%	123.09%	119.09%	153.30%	124.02%
Covered payroll	$ 4,470,013	$ 5,092,412	$ 5,063,961	$ 5,346,015	$ 5,496,891
Net OPEB asset as a percentage of covered payroll	-21.68%	-31.04%	-27.91%	-73.05%	-34.26%

Notes to Schedule:
During the measurement period ended June 30, 2018, the plan was amended to provide the coverage to surviving spouses.

Assumption Changes:
In 2019, the average per capita claims cost was updated to reflect actual 2019 premiums, the health care cost trend rate was updated to reflect 2018 industry survey data, the mortality, withdrawal, disablement, and retirement tables was updated to reflect the 2017 CalPERS studies. The population for curving and morbidity factors have also been updated to the 2017 CalPERS study.

* Fiscal year 2018 was the 1st year of implementation, therefore only five years are presented.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
As Of September 30, 2022
Last 10 Years*

	Measurement Date							
	6/30/2015	**6/30/2016**	**6/30/2017**	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**	**6/30/2022**
The JPIA's Proportion of the Net Pension Liability (Asset)	(0.01024%)	0.038815%	0.013959%	(0.023017%)	(0.008359%)	(0.003275%)	(0.25097%)	0.030884%
The JPIA's Proportionate Share of the Net Pension Liability (Asset)	($280,963)	$1,348,385	$550,282	($867,450)	($334,731)	($138,133)	($4,765,400)	$1,445,119
The JPIA's Covered Payroll	$3,838,778	$4,240,054	$4,411,665	$4,470,013	$4,759,677	$5,063,961	$5,549,223	$5,496,891
The JPIA's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	(7.32%)	31.80%	12.47%	(19.41%)	(7.03%)	(2.73%)	(85.88%)	26.29%
The JPIA's Proportionate Share of the Fiduciary Net Position as a Percentage of the JPIA's Total Pension Liability	101.34%	78.40%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

Notes to Schedule:

Change of benefit terms - There were no changes to the benefit terms.

Changes in assumptions - In 2018, demographic assumptions and inflation rate were changed in accordance with CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the financial reporting discount rate was lowered from 7.65% to 7.15%. Effective with with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Miscellaneous Plan, a Cost Sharing-Employer Defined Benefit Pension Plan
As of fiscal year ending September 30, 2022
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution (actuarially determined)	$ 334,581	$ 352,666	$ 349,738	$ 361,115	$ 401,175	$ 437,050	$ 478,790	$ 498,192
Contributions in relation to the actuarially determined contributions	334,581	352,666	1,698,126	1,431,686	410,030	850,357	482,809	557,530
Contribution deficiency (excess)	0	0	(1,348,388)	(1,070,571)	(8,855)	(413,307)	(4,019)	(59,338)
Covered payroll	$ 3,917,613	$ 4,519,745	$ 4,428,325	$ 4,524,319	$ 4,837,414	$ 5,158,992	$ 5,354,008	$ 5,594,705
Contributions as a percentage of covered payroll	8.54%	7.80%	38.35%	31.64%	8.48%	16.48%	9.02%	9.97%

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

SUPPLEMENTARY INFORMATION

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM
YEAR ENDED SEPTEMBER 30, 2022

	LIABILITY	DAM FAILURE	PROPERTY	PASS - THROUGHS	WORKERS' COMP	STORAGE TANKS	EMPLOYEE BENEFITS	RPA ADJUSTMENTS	CWIF	INTER-FUND ELIMINATIONS	TOTALS
OPERATING REVENUES											
Member premiums	$ 21,787,701	$ 512,250	$ 11,123,376	$ 1,139,584	$ 13,713,288	$ 38,741	$ 150,599,857	$ 0	$ 34,078,047	$ (34,078,047)	$ 198,914,797
Retrospective premium adjustments	14,531,522	0	1,287,489	0	(5,797,302)	(27,635)	0	781,357	0	0	10,775,431
TOTAL OPERATING REVENUES	36,319,223	512,250	12,410,865	1,139,584	7,915,986	11,106	150,599,857	781,357	34,078,047	(34,078,047)	209,690,228
OPERATING EXPENSES											
Claims expense:											
Claims paid	9,353,618	0	2,680,976	0	5,619,689	0	78,488,622		10,214,539	(10,214,539)	96,142,905
Change in claims reserves	10,983,988	0	(1,265,548)	0	(855,053)	0	0		10,200,469	(10,200,469)	8,863,387
Change in claims incurred but not reported	3,231,284	0	980,714	0	(1,457,783)	0	744,000		3,834,857	(3,834,857)	3,498,215
Change in unallocated loss adjustment expense	61,490	0	26,555	0	(895,018)	0	0		0	0	(806,973)
Total claims expense	23,630,380	0	2,422,697	0	2,411,835	0	79,232,622	0	24,249,865	(24,249,865)	107,697,534
Excess insurance	8,715,983	512,250	7,822,944	1,136,575	595,970	18,605	2,211,749		0	(2,807,846)	18,206,230
Benefit premiums	0	0	0	0	0	0	69,351,776		0	0	69,351,776
Pension expense (credit)	2,113,071	0	986,097	0	2,540,280		1,537,050		0	0	7,176,498
General, Administrative & Depreciation	3,078,193	0	1,426,113	3,009	3,841,843	0	1,864,832		10,616,871	(10,616,871)	10,213,990
TOTAL OPERATING EXPENSES	37,537,627	512,250	12,657,851	1,139,584	9,389,928	18,605	154,198,029	0	34,866,736	(37,674,582)	212,646,028
OPERATING INCOME (LOSS)	(1,218,404)	0	(246,986)	0	(1,473,942)	(7,499)	(3,598,172)	781,357	(788,689)	3,596,535	(2,955,800)
NONOPERATING REVENUES											
Investment income	1,311,820	0	254,242	0	1,556,472	11,994	1,296,059		3,747,820	(3,747,820)	4,430,587
Net decrease in investment fair value	(93,416)	0	(7,256)	0	(82,530)	(621)	(3,498,780)		(34,818,795)	0	(38,501,398)
TOTAL NONOPERATING REVENUES	1,218,404	0	246,986	0	1,473,942	11,373	(2,202,721)	0	(31,070,975)	(3,747,820)	(34,070,811)
CHANGE IN NET POSITION	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,874	$ (5,800,893)	$ 781,357	$ (31,859,664)	$ (151,285)	$ (37,026,611)

CALIFORNIA WATER INSURANCE FUND

SCHEDULE OF NET POSITION
SEPTEMBER 30, 2022

	2022	Comparative Totals 2021
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,246,647	$ 566,989
Premiums receivable	18,838,051	24,834,322
TOTAL CURRENT ASSETS	23,084,698	25,401,311
NONCURRENT ASSETS		
Investments	129,941,005	76,389,018
TOTAL ASSETS	153,025,703	101,790,329
LIABILITIES:		
CURRENT LIABILITIES		
Administrative fees payable to JPIA	6,869,051	10,808,146
Claim reimbursements payable	10,214,539	8,066,009
Dividends payable	3,747,820	4,167,542
Unearned premiums	6,603,450	10,033,451
Claims reserves	10,200,463	8,148,049
TOTAL CURRENT LIABILITIES	37,635,323	41,223,197
NONCURRENT LIABILITIES		
Claims reserves	9,431,229	2,215,788
Claims incurred but not reported	20,264,954	15,497,483
TOTAL NONCURRENT LIABILITIES	29,696,183	17,713,271
TOTAL LIABILITIES	67,331,506	58,936,468
NET POSITION:		
Capital stock	250,000	250,000
Paid-in capital	96,700,000	22,000,000
Unrestricted	(11,255,803)	20,603,861
TOTAL NET POSITION	$ 85,694,197	$ 42,853,861

CALIFORNIA WATER INSURANCE FUND

SCHEDULE OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022

	2022	Comparative Totals 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for premiums	$ 36,644,317	$ 24,411,262
Dividends paid back to JPIA	(4,167,542)	0
Payments for claims	(8,066,009)	(2,881,429)
Payments for administrative fees	(10,808,146)	(642,988)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13,602,620	20,886,845
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Paid in capital from JPIA	74,700,000	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities	(134,740,936)	(40,362,735)
Proceeds from sales of investments	46,370,154	18,359,245
Investment earnings	3,984,248	1,428,536
Investment expenses	(236,428)	(152,739)
NET CASH USED BY INVESTING ACTIVITIES	(84,622,962)	(20,727,693)
Increase in cash and cash equivalents	3,679,658	159,152
Cash and cash equivalents, beginning	566,989	407,837
Cash and cash equivalents, end of year	$ 4,246,647	$ 566,989
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (788,689)	$ 3,654,888
Adjustments to net cash provided by operating activities:		
Change in member premiums receivable	5,996,271	(11,436,396)
Change in admininstrative fees payable	(3,939,095)	7,337,296
Change in claims reimbursements payable	2,148,530	4,569,916
Change in dividends payable	(419,722)	4,167,542
Change in unearned member premiums	(3,430,001)	(36,237)
Change in claims liabilities	14,035,326	12,629,836
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 13,602,620	$ 20,886,845
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized fair value of investments	$ (34,818,795)	$ 7,176,553

STATISTICAL SECTION

STATISTICAL SECTION

This following section of the financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about ACWA JPIA's overall financial position.

Financial Trends

These schedules contain trend information to help explain ACWA JPIA's financial performance over time. They highlight how revenues, expenses, and changes in the net position have developed over the years.

Demographic and Economic Information

These schedules offer demographic and economic information indicators to explain the environment to which ACWA JPIA's financial activities take place. The number of liability, property and workers' compensation claims are indicators of claims expenses.

Payroll totals for liability and workers' compensation, along with claims experience, are the main indicators for premium revenue. Property "totally insured values" are used as indicators for property program premiums.

Schedules showing trends for property tax rates and revenues along with corresponding assessed valuations are not presented since ACWA JPIA does not levy such taxes.

Schedules showing bonded debt and related legal debt ratios are also not applicable.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENTS OF NET POSITION
Last Ten Fiscal Years

	Fiscal Year September 30,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Assets										
Current assets	$ 88,718,697	$ 69,901,479	$ 72,465,623	$ 64,697,698	$ 67,511,963	$ 60,182,304	$ 75,977,556	$ 90,574,861	$ 55,041,382	$ 62,751,382
Noncurrent assets	106,104,907	125,682,527	122,029,131	124,869,063	131,853,381	128,161,913	136,122,295	146,950,212	216,728,977	183,863,832
TOTAL ASSETS	194,823,604	195,584,006	194,494,754	189,566,761	199,365,344	188,344,217	212,099,851	237,525,073	271,770,359	246,615,214
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSI			625,033	1,065,779	1,404,974	1,063,032	480,729	741,645	1,027,236	5,034,164
DEFERRED OUTFLOWS OF RESOURCES RELATED TO OTHER POSTEMPLOYMENT BENEFITS[2]						35,283	73,061	313,105	161,906	1,074,398
Liabilities										
Current liabilities	52,189,011	53,163,043	55,874,099	63,978,099	65,377,439	44,238,468	49,702,296	55,629,664	49,931,094	54,139,990
Noncurrent liabilities	48,118,825	54,463,790	57,465,715	57,496,224	58,494,030	56,582,233	62,344,624	57,445,500	73,627,596	82,986,616
TOTAL LIABILITIES	100,307,836	107,626,833	113,339,814	121,474,323	123,871,469	100,820,701	112,046,920	113,075,164	123,558,690	137,126,606
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIOI			846,155	1,802,985	1,576,175	2,117,303	1,070,024	1,281,433	(2,780,885)	1,634,493
DEFERRED INFLOWS OF RESOURCES RELATED TO OTHER POSTEMPLOYMENT BENEFITS[2]						38,924	602,195	536,019	2,371,164	1,178,756
Net Position										
Net investment in capital assets	6,560,350	6,206,203	5,302,885	5,072,656	4,839,789	4,641,581	4,539,034	4,310,372	4,104,251	3,910,782
Unrestricted	87,955,418	81,750,970	75,630,933	63,630,961	70,482,885	81,824,023	94,395,468	119,376,835	145,706,281	108,873,139
TOTAL NET POSITION	$ 94,515,768	$ 87,957,173	$ 80,933,818	$ 68,703,617	$ 75,322,674	$ 86,465,604	$ 98,934,502	$ 123,687,207	$ 149,810,532	$ 112,783,921

1- Beginning in the fiscal year ended September 30, 2015, GASB 68 required the recognition of net pension liability, the related deferred outflows and inflows of resources, and pension expenses.
2- Beginning in the fiscal year ended September 30, 2018, GASB 75 required the recognition of net other postemployment benefits (OPEB) liability, the related deferred outflows and inflows of resources, and OPEB expenses.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Last Ten Fiscal Years
Fiscal Year Ended September 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022*
REVENUES										
Member premiums	$ 147,247,532	$ 152,994,168	$ 154,042,184	$ 159,008,617	$ 171,496,710	$ 179,425,274	$ 183,179,723	$ 194,507,327	$ 200,775,298	$ 198,914,797
Retrospective premium adjustments	(6,957,472)	(10,979,765)	3,619,551	(12,017,219)	(1,504,527)	(3,380,970)	(9,532,430)	(5,377,009)	(11,457,566)	10,775,431
TOTAL OPERATING REVENUES	140,290,060	142,014,403	157,661,735	146,991,398	169,992,183	176,044,304	173,647,293	189,130,318	189,317,732	209,690,228
EXPENSES										
Claims paid	79,132,931	86,929,610	92,455,329	97,258,190	92,556,531	93,668,325	87,791,048	90,772,703	85,905,737	96,142,905
Change in excess aggregate recovery	399,779	0	0	0	0	0	0	0	0	0
Change in claim reserves	1,651,729	1,109,472	4,098,558	(1,008,442)	(255,677)	3,187,095	3,253,830	(103,945)	4,749,782	8,863,387
Change in claims incurred but not reported	(2,586,808)	616,144	4,153,850	(3)	3,832,135	(6,123,633)	172,859	(4,252,240)	2,807,404	3,498,215
Change in unallocated loss (gain) adjustment expenses	(154,761)	490,716	281,517	277,793	165,446	(304,308)	51,335	(686,050)	1,301,398	(806,973)
TOTAL CLAIMS EXPENSE	78,442,870	89,145,942	100,989,254	96,527,538	96,298,435	90,427,479	91,269,072	85,730,468	94,764,321	107,697,534
Excess insurance and premium payments	47,335,990	52,622,414	53,517,864	54,164,327	56,875,871	63,658,940	68,238,635	76,240,115	79,743,790	87,558,006
General and administrative	7,198,325	7,549,473	9,346,478	10,642,018	10,741,391	10,865,359	9,630,392	10,687,493	28,733	17,171,910
Depreciation	322,789	366,360	341,832	268,088	254,843	244,521	218,147	228,662	223,612	218,578
TOTAL OPERATING EXPENSES	133,299,974	149,684,189	164,195,428	161,601,971	164,170,540	165,196,299	169,356,246	172,886,738	174,760,456	212,646,028
OPERATING INCOME (LOSS)	6,990,086	(7,669,786)	(6,533,693)	(14,610,573)	5,821,643	10,848,005	4,291,047	16,243,580	14,557,276	(2,955,800)
SPECIAL ITEM										
Net position acquired from merger										
NONOPERATING REVENUES AND EXPENSES										
Net investment income (loss)	162,348	1,111,191	2,738,962	2,380,372	797,414	294,925	8,177,851	8,509,125	11,566,049	(34,070,811)
CHANGE IN NET POSITION	$ 7,152,434	$ (6,558,595)	$ (3,794,731)	$ (12,230,201)	$ 6,619,057	$ 11,142,930	$ 12,468,898	$ 24,752,705	$ 26,123,325	$ (37,026,611)

*General and administrative expenses reflect significant pension expense adjustments in accordance with GASB 68 (see MD&A for details)

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

REVENUES BY PROGRAM (NET OF RPA ADJUSTMENTS)
For the Fiscal Year Ending September 30,

Fiscal Year	Liability	Dam	Property	Pass-Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	CWIF	Interfund Eliminations	Change in Rate Stabilization Fund & GASB Adj's	Totals
2012-13	16,490,152	265,276	3,946,776	250,736	8,044,738	12,271	112,521,087			(1,078,628)	140,452,408
	11.74%	0.19%	2.81%	0.18%	5.73%	0.01%	80.11%			-0.77%	
2013-14	11,430,667	255,503	4,925,813	260,521	10,965,338	12,378	119,699,883			(4,424,509)	143,125,594
	7.99%	0.18%	3.44%	0.18%	7.66%	0.01%	83.63%			-3.09%	
2014-15	21,062,280	255,500	4,316,367	253,987	10,025,093	12,682	122,243,564			2,231,224	160,400,697
	13.13%	0.16%	2.69%	0.16%	6.25%	0.01%	76.21%			1.39%	
2015-16	7,064,155	255,500	5,321,990	262,220	13,040,835	12,680	126,441,388			(3,026,998)	149,371,770
	4.73%	0.17%	3.56%	0.18%	8.73%	0.01%	84.65%			-2.03%	
2016-17	14,594,442	257,403	4,628,900	305,519	9,642,153	16,650	137,343,585			4,000,945	170,789,597
	8.55%	0.15%	2.71%	0.18%	5.65%	0.01%	80.42%			2.34%	
2017-18	17,147,781	261,024	5,259,036	372,025	7,709,196	14,079	143,957,698			1,618,390	176,339,229
	9.72%	0.15%	2.98%	0.21%	4.37%	0.01%	81.64%			0.92%	
2018-19	15,072,798	279,607	6,963,310	614,451	9,716,581	16,289	149,417,400			(255,292)	181,825,144
	8.29%	0.15%	3.83%	0.34%	5.34%	0.01%	82.18%			-0.14%	
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	21,015	154,805,758	25,831,640	(22,756,563)	(2,532,177)	197,639,443
	12.41%	0.20%	4.44%	0.64%	3.70%	0.01%	78.33%	13.07%	-11.51%	-1.28%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	20,603	155,652,807	45,812,966	(38,636,413)	3,389,717	200,883,781
	9.12%	0.22%	5.31%	0.34%	2.26%	0.01%	77.48%	22.81%	-19.23%	1.69%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	22,479	148,397,136	3,007,072	(37,825,867)	781,357	175,619,417
	21.37%	0.29%	7.21%	0.65%	5.35%	0.01%	84.50%	1.71%	-21.54%	0.44%	

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

EXPENSES BY PROGRAM
For the Fiscal Year Ending September 30,

Fiscal Year	Liability	Dam	Property	Pass-Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	CWIF	Interfund Eliminations	Totals
2012-13	16,006,207	265,276	3,946,774	250,736	7,499,767	10,438	105,320,776			133,299,974
	12.01%	0.20%	2.96%	0.19%	5.63%	0.01%	79.01%			
2013-14	11,430,667	255,503	4,925,813	260,522	10,965,338	10,260	121,836,086			149,684,189
	7.64%	0.17%	3.29%	0.17%	7.33%	0.01%	81.40%			
2014-15	21,062,280	255,500	4,066,367	253,987	10,025,093	10,564	128,521,637			164,195,428
	12.83%	0.16%	2.48%	0.15%	6.11%	0.01%	78.27%			
2015-16	7,064,155	255,500	4,821,990	262,220	13,040,834	10,564	136,146,708			161,601,971
	4.37%	0.16%	2.98%	0.16%	8.07%	0.01%	84.25%			
2016-17	14,594,442	257,403	4,128,900	305,519	9,642,153	14,243	135,227,880			164,170,540
	8.89%	0.16%	2.52%	0.19%	5.87%	0.01%	82.37%			
2017-18	17,147,781	261,024	4,759,037	372,025	7,709,196	11,720	134,935,516			165,196,299
	10.38%	0.16%	2.88%	0.23%	4.67%	0.01%	81.68%			
2018-19	15,072,798	279,607	6,713,310	614,451	9,716,581	13,464	136,946,035			169,356,246
	8.90%	0.17%	3.96%	0.36%	5.74%	0.01%	80.86%			
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	17,587	133,129,193	20,226,751	(22,756,563)	172,886,738
	14.18%	0.23%	5.07%	0.73%	4.23%	0.01%	77.00%	11.70%	-13%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	17,053	137,569,489	32,200,683	(29,670,870)	174,760,456
	10.49%	0.25%	6.10%	0.39%	2.59%	0.01%	78.72%	18.43%	-17%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	18,605	154,198,029	34,866,736	(37,674,582)	212,646,028
	17.65%	0.24%	5.95%	0.54%	4.42%	0.01%	72.51%	16.40%	-17.72%	

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF RATE STABILIZATION FUND ACTIVITY
For the Fiscal Years Ending September 30,

Fiscal Year		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Liability											
Payroll Adjustments	*	$ 8,771	$ 77,449	$ 205,975	$ (21,465)	$ (54,358)	$ 63,818	$ (169,042)	$ (447,382)	$ (238,047)	$ 90,827
RPA's	*	3,871,891	(1,193,460)	3,355,680	(707,907)	9,489,820	2,488,066	1,891,742	242,260	4,299,266	(15,516)
10% Program	*	(861,439)	(416,028)	(251,999)	(1,041,835)	(1,493,572)	0	(1,017,753)	(1,648,316)	(1,633,975)	(839,995)
Cat Funds	*	(5,357,186)	1,106,460	2,201,780	896,656	(603,846)	351,039	(146,026)	1,907,767	121,757	(295,422)
Property											
RPA's	*	1,497,493	747,493	422,814	324,287	699,465	891,754	431,317	531,326	0	0
Workers' Comp											
RPA's	*	(1,815,910)	(182,993)	(1,294,405)	(487,746)	75,039	5,013,647	3,184,330	4,749,199	7,233,304	5,445,202
Cat Funds		(911,678)	1,154,883	(752,710)	(631,586)	(872,242)	456,049	(138,797)	(209,062)	230,896	229,437
Underground - Storage Tanks											
RPA's	*	0	0	0	0	0	0	7,555	0	0	0
Cat Funds	*	0	0	0	0	0	0	0	0	0	0
UTEL											
RPA's	*	0	0	0	0	0	0	0	0	0	0
Cat Funds	*	0	0	0	0	0	0	0	0	0	0
Totals		$ (3,568,058)	$ 1,293,804	$ 3,887,135	$ (1,669,596)	$ 7,240,306	$ 9,264,373	$ 4,043,326	$ 5,125,792	$ 10,013,201	$ 4,614,533
Cash Flow											
Members Billed		8,551	7,556	115,297	0	0	0	6,530	0	0	366,541
Self Insured Fund into RSF		0	0	0	0	0	0	0	0	0	0
Refunds to Members		(3,787,895)	(3,464,519)	(3,565,724)	(1,077,368)	(4,713,370)	(6,840,987)	(4,569,107)	(5,905,812)	(6,210,994)	(4,265,700)
Net Total		$ (7,347,402)	$ (2,163,159)	$ 436,708	$ (2,746,964)	$ 2,526,936	$ 2,423,386	$ (519,251)	$ (780,020)	$ 3,802,207	$ 715,374

* The Rate Stabilization Fund (RSF) contains the Retrospective Premium Adjustments (RPA's), Liability Payroll Adjustments, and closed Catastrophic Funds.
For qualifying members of the 10% Liability Program, the RSF is used to reduce current Liability Premiums. Where noted "*" a bracketed number "( )" means the members owed the JPIA funds and it reduces the RSF account while a positive amount increases the account.
Each September 30th members' accounts are reconciled. Active members' with accounts over 60% of their current basic Liability Program Premium receive a refund.

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

ECONOMIC STATISTICS

(000's Omitted)

For the Fiscal Year September 30,

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Liability										
Total Number of Claims (Cumulative)	10,614	10,792	9,393	11,294	11,586	11,908	12,200	12,555	12,842	13,183
Closed Claims (Cumulative)	10,402	10,640	10,872	11,127	11,373	11,612	11,867	12,169	12,461	12,770
Open Claims (at year end)	212	152	180	167	213	296	333	386	381	413
Covered Payroll (Cumulative)	$ 8,438,819	$ 8,937,912	$ 9,427,805	$ 9,952,261	$ 10,461,457	$ 11,045,237	$ 11,738,353	$ 12,502,652	$ 13,267,403	$ 14,055,164
Property										
Total Number of Claims (Cumulative)	2,181	2,275	2,373	2,463	2,589	2,693	2,816	2,950	3,072	3,229
Closed Claims (Cumulative)	2,142	2,244	2,336	2,417	2,532	2,645	2,759	2,875	3,004	3,139
Open Claims (at year end)	39	31	37	46	57	48	57	75	68	90
Covered Payroll (Cumulative)	$ 58,803,203	$ 63,798,940	$ 69,031,783	$ 74,533,519	$ 80,656,971	$ 87,762,361	$ 95,702,609	$ 104,858,066	$ 95,702,608	$ 112,816,437
Workers' Compensation										
Total Number of Claims (Cumulative)	9,164	9,507	9,822	10,145	10,453	10,750	11,070	11,363	11,676	11,955
Closed Claims (Cumulative)	8,724	9,075	9,373	9,712	10,046	10,336	10,670	10,983	11,270	11,576
Open Claims (at year end)	440	432	449	433	407	414	400	380	406	379
Covered Payroll (Cumulative)	$ 5,787,648	$ 6,241,955	$ 6,706,772	$ 6,720,301	$ 7,222,206	$ 7,743,749	$ 8,309,485	$ 8,944,051	$ 9,624,663	$ 10,334,448
Number of Employees	43	46	48	49	49	49	49	50	50	52
Ratio of Premium to Payroll/TIV										
Liability Program	3.57%	3.37%	3.02%	2.94%	2.92%	3.00%	2.54%	2.71%	2.81%	2.75%
Property Program	0.11%	0.11%	0.11%	0.10%	0.10%	0.09%	0.08%	0.09%	0.12%	0.10%
Workers' Comp. Program	2.81%	2.72%	2.64%	2.59%	2.46%	2.39%	2.29%	2.19%	1.95%	1.70%

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Demographic Statistics by Employer

Employer	2021 Number of Employees	2021 Rank	2021 Percentage of Total City Employees	2012 Number of Employees	2012 Rank
The Permanente Medical Group & Foundation Group	5,200	1	5.63%	4,430	1
Sutter Roseville Medical Group	2,202	2	2.39%	1,654	4
City of Roseville	1,896	3	2.05%	1,227	3
Adventist Health	1,320	4	1.43%		
Union Pacific Railroad Company	1,150	5	1.25%	1,118	6
Roseville City School District	1,133	6	1.23%		
PRIDE Industries	1,062	7	1.15%	661	9
Roseville Joint Union High School District	1,005	8	1.09%	1,299	5
Top Golf	450	9	0.49%		
Hewlett-Packard	100	10	0.11%	3,200	2
Roseville Elementary School District				929	7
Wal-Mart (2 stores)				790	8
Telefunken Semiconductors America				640	10
Subtotal	15,518		16.82%	15,948	
Total Employment	92,281 (a)			71,067	

(a) Total Employment (as used above) represents the estimated total employment of all employees located within the City of Roseville, which is the office location of ACWA JPIA.

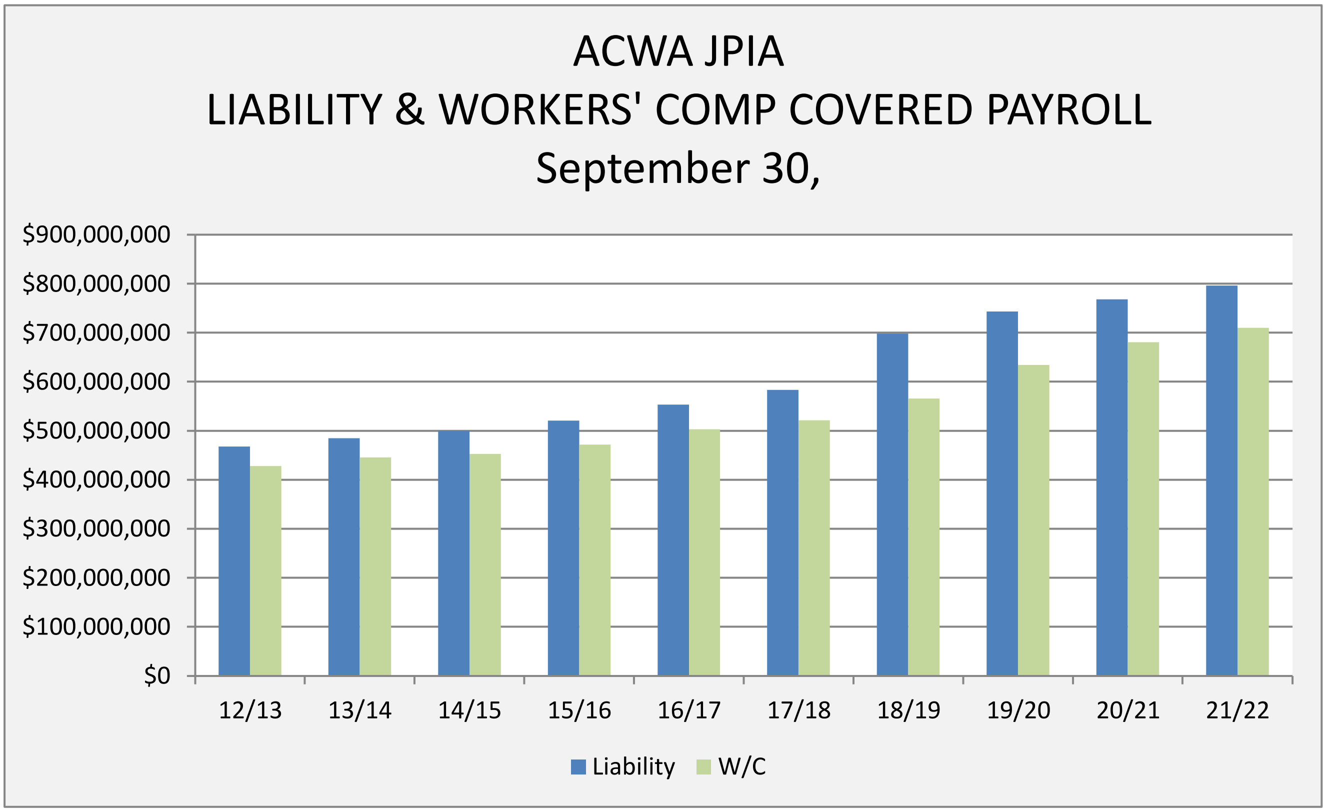
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURNACE AUTHORITY

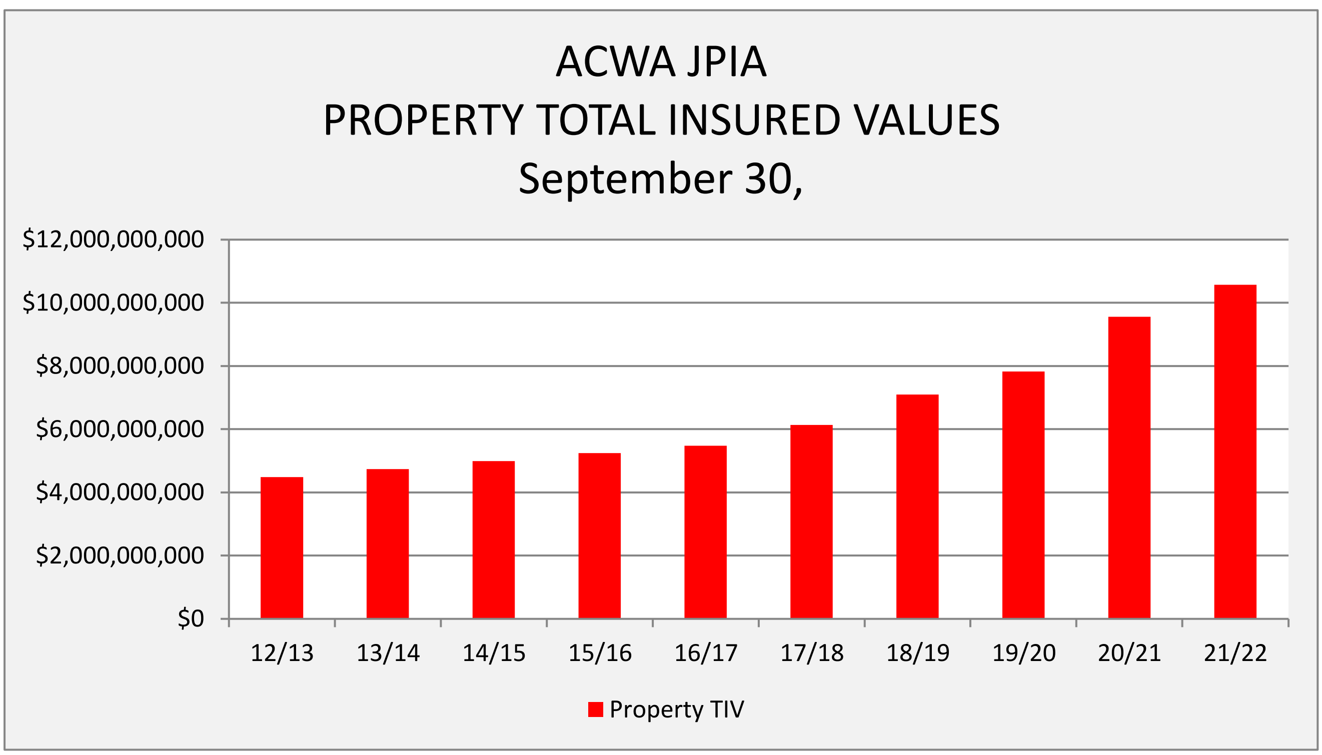
Demographic Statistics by Population

Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	Unemployment Rate	Placer County Population	City Population % of County
2012	122,060	19,004,105	52,544	10.0%	355,328	34.35%
2013	124,255	20,174,068	54,924	7.5%	357,463	34.76%
2014	126,956	21,182,771	55,000	6.5%	366,000	34.69%
2015	128,832	21,240,299	57,000	5.3%	369,454	34.87%
2016	134,073	22,741,453	59,000	4.5%	373,796	35.87%
2017	135,868	24,527,289	63,000	3.8%	382,837	35.49%
2018	137,213	26,223,081	67,000	3.0%	389,532	35.23%
2019	139,643	27,459,330	69,000	3.5%	396,691	35.20%
2020	145,163	(a)	(a)	3.0%	403,711	35.96%
2021	146,875	(a)	(a)	3.0%	404,994	36.27%

(a) Information not available

Note--The JPIA's office is located in the City of Roseville.


ACWA JPIA
LIABILITY & WORKERS' COMP COVERED PAYROLL
September 30,
$900,000,000
$800,000,000
$700,000,000
$600,000,000
$500,000,000
$400,000,000
$300,000,000
$200,000,000
$100,000,000
$0
12/13
13/14
14/15
15/16
16/17
17/18
18/19
19/20
20/21
21/22
Liability
W/C


ACWA JPIA
PROPERTY TOTAL INSURED VALUES
September 30,
$12,000,000,000
$10,000,000,000
$8,000,000,000
$6,000,000,000
$4,000,000,000
$2,000,000,000
$0
12/13
13/14
14/15
15/16
16/17
17/18
18/19
19/20
20/21
21/22
Property TIV

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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
Association of California Water Agencies
Joint Powers Insurance Authority
Roseville, 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 the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise ACWA JPIA's basic financial statements, and have issued our report thereon dated March 22, 2023.

Report on Internal Control over Financial Reporting

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

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effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Gilbert CPAs

GILBERT CPAs
Sacramento, California

March 22, 2023

FINDINGS AND RECOMMENDATIONS

CALIFORNIA WATER INSURANCE FUND

FINDINGS AND RECOMMENDATIONS
YEAR ENDED SEPTEMBER 30, 2022

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings reported in the prior year.

COMPLIANCE FINDINGS

Finding/Recommendation	Current Status	Explanation If Not Implemented
2021-001. BOARD MEETINGS CWIF's Board did not meet at least once a year in Utah during the year ended September 30, 2021. We recommend that CWIF attempt to schedule the required meeting as early in the fiscal year as possible to avoid unforeseen difficulties that would prevent holding a meeting in Utah each year.	Implemented	N/A