

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

AUDIT REPORT

JUNE 30, 2019 AND 2018



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
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JUNE 30, 2019 AND 2018

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members
Alameda County Schools Insurance Group
Dublin, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Alameda County Schools Insurance Group, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Alameda County Schools Insurance Group's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alameda County Schools Insurance Group, as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 3 through 10. Such information, although not 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 appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alameda County Schools Insurance Group's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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. Such 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2019 on our consideration of Alameda County Schools Insurance Group's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alameda County Schools Insurance Group'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 Alameda County Schools Insurance Group's internal control over financial reporting and compliance.



San Diego, California
October 23, 2019

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019 AND 2018

The following report reflects on the financial condition of Alameda County Schools Insurance Group ("ACSIG") as of and for the fiscal years ended June 30, 2019, and 2018. It is provided in order to enhance the information in the independent financial audit, basic financial statements, and notes to the basic financial statements included in the financial audit report. Please read it in conjunction with the Group's financial statements, which immediately follow this section.

Introduction and Background:

Since July 1, 1978, the Alameda County Schools Insurance Group, a self-insurance pool, has provided coverage to local educational agencies in California. ACSIG operates programs for property/liability, dental and vision, and workers' compensation. In addition to its programs, ACSIG provides claims administration and loss control training to members.

ACSIG is governed by a 19-member Board of Directors, which is comprised of representatives from each member Group. From its members, the Board of Directors elects a President, Vice President, and Secretary as part of seven-member executive committee.

ACSIG's day-to-day operations are administered by an Executive Director who serves as the Chief Executive Officer. The Executive Director is responsible for the administration of policies as set forth by the pool's organizational documents, Bylaws, and the Board of Directors.

ACSIG's Dental, Vision, Workers' Compensation, and Property/Liability programs are comprised of Members from K-12 Schools Districts, Community Colleges, and Other Organizations, throughout the State of California. Membership varies by program.

Dental:

Effective in 1988, ACSIG expanded its program offerings to include dental coverage to agencies in Alameda County. In 1996, the program was expanded statewide. In partnership with Alliant Insurance Services and Preferred Benefits, the EDGE coalition was formed. The coalition is administered through ACSIG. ACSIG is fully self-insured with Delta Dental for this program. ACSIG contracts with Alliant Insurance Services for all outreach and underwriting services. ACSIG contracts with Preferred Benefit for all eligibility and billing services.

ACSIG offers its members 3 options when joining the EDGE program:

- Fully Insured – pay a monthly rate per employee determined by underwriting based on their specific plan design and program offerings.
- Self-Insured Monthly – pay the actual amount of services rendered and a Delta administration fee and an ACSIG administration fee. The total amount of claims and fees is billed monthly in arrears.
- Self-Insured Weekly – Due to the large membership in some agencies, if another JPA joins ACSIG as a self-insured member, they are required to pay the actual claims and Delta administration fee on a weekly basis. The ACSIG administration fee is billed on the last weekly invoice of the month. ACSIG pays Delta Dental the weekly claims and Delta admin fee each week.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Vision:

Beginning October 1, 1988 ACSIG partnered with VSP to begin a vision coverage program. ACSIG is 100% self-insured through VSP for this program. Members can join as a fully-insured member or a self-insured member.

- Fully Insured – pay a monthly rate per employee determined by underwriting based on their specific plan design and program offerings.
- Self-Insured – pay the actual amount of services rendered and a VSP administration fee and an ACSIG administration fee. The total amount of claims and fees is billed monthly in arrears.

Workers' Compensation:

On July 1, 2009, ACSIG became a member of Protected Insurance Program for Schools Joint Powers Authority (PIPS). PIPS is a workers' compensation self-insurance pool. Premium is paid to PIPS on an annual basis for payment of claim liabilities, claims administration, and risk management services. Its members are permissibly self-insured public agencies and as such may buy insurance or reinsurance to transfer some or all of the risks of the program. On an annual basis, the PIPS Board of Directors reviews various options for retaining or transferring some or all of the risks of each year's program and selects from these the one best suited to meet the goals of the program.

Prior to July 1, 2009, ACSIG self-insured the first layer of Workers' Compensation coverage. ACSIG varied its use of excess insurance over the years ranging from no excess coverage (100% self-insured) to securing excess coverage at \$250K.

Prior to July 1, 2007, ACSIG self-administered its Workers' Compensation claims. After self-review and difficult decision making, ACSIG partnered with Keenan & Associates for all claims administration services.

ACSIG had not adequately funded for their loss development for self-insured program years prior to 07/01/2009. Historically, the premium level for agencies was adjusted by a discount factor. As no validation existed for the application of a discount to rates, this practice was discontinued in 2007/2008. Beginning in 2008/09, experience modification factors used to determine each agency's fees were modified so that in three years, all experience modification factors will be adjusted to 1.0. Also, in 2008/2009, all agencies experience modification factors were determined by an independent actuary. The effect of the change will improve the funds financial information and funding capability toward the IBNR.

The Board, recognizing without additional funding, there would not be a substantial reduction in the deficit, implemented, effective in the 2011/2012 a deficit recoupment plan, increasing the base rate by \$0.35/per \$100 of payroll. Effective June 30, 2017, the deficit has been eliminated and the deficit recoupment plan has been completed.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Property and Liability:

Beginning on July 1, 1980, ACSIG expanded its program offerings to include property and liability coverage. ACSIG self-insured at 100% the claim until 1993.

From 1993-2008, joined Bay Area Schools Insurance Cooperation (BASIC), ACSIG self-insured the first \$150K and purchased reinsurance for the excess coverage.

In 2008, ACSIG joined Northern California Regional Liability Excess Fund (Nor Cal ReLiEF). Coverage limits, per occurrence, are, property \$250,000,000; liability \$50,000,000. ACSIG self-insures, per occurrence, first party claims at \$25K, and third-party claim liabilities at \$25K. Each member has a retention/deductible of \$5K per occurrence.

Financial Highlights:

In 2018/2019, ACSIG's net position improved by \$10.6 million. In 2018/2019, the equity position has increased from \$21.8 million, as of 06/30/2018, to \$32.4 million as of 06/30/2019. All programs (below) are in an equity position.

By Program:

Workers' Compensation

In 2018/2019 the Worker's Compensation program added \$9.4 million to their equity position. As of 06/30/2019, equity in the program is \$20.4 million.

In 2018/2019, assets increased by \$6.5 million and liabilities decreased by \$2.9 million. Operating income was in excess of expense by \$9.4 million.

Based upon the annual actuarial report performed in 2018/2019, the re-estimation of the ultimate cost for the self-insured claims prior to 07/01/2009 decreased by \$1.7 million. The estimate of actuarial liability is increased by \$887 thousand related to the Castlepoint Reinsurance Insolvency.

Claim liabilities are discounted. As claims are paid, discount is applied to the decreasing cash reserve amount, in 2018/2019 the discount factor was revised from 1.75% to 2.0%, increasing the cash available for claim payments. All claim liabilities are fully-funded.

Property/Liability

In 2018/2019, the net equity position decreased by \$81 thousand, as of 06/30/2019, net assets remain in excess of liabilities by \$127 thousand. All liabilities are fully reserved in this program

Dental

In 2018/2019, the net equity position increased by \$1.1 million, as of 06/30/2019, net assets remain in excess of liabilities by \$9.3 million. A rebate was declared and returned to members in the amount of \$1 million. All liabilities are fully reserved in this program.

Vision

In 2018/2019, the net equity position increased by \$230 thousand, as of 06/30/2019, net assets remain in excess of liabilities by \$2.5 million. All liabilities are fully reserved in this program.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Financial Management and Control:

ACSIG is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Executive Director provides financial oversight and cash management. This includes budgeting, accounts receivable, accounts payable, and, at a minimum, quarterly financial updates.

ACSIG has contracted with Keenan & Associates for Worker's Compensation and Property Liability Claim administrative responsibilities, which include ensuring that ACSIG meets its commitment to its Members, for both operational efficiency and organizational integrity, and implements policies established by the Board of Directors and Executive Director, as set forth in organizational documents and bylaws.

ACSIG's Dental Program is with Delta Dental of California and their Vision with Vision Service Plan. Alliant Insurance Services provides underwriting and administrative support for both programs.

ACSIG also contracts with Preferred Benefit Insurance Administrators to manage all eligibility and billing services for the program.

Service Enhancement Technologies (SETECH) a Division of Keenan & Associates provides financial management and reporting to the Board. SETECH maintains the detailed transaction register for all programs and cash accounts. Detailed financial statements include budget-to-actual comparisons and are provided to the Executive Director and the ACSIG Board.

ACSIG has also contracted an independent actuarial to review their programs. These studies confirm the adequacy and reasonableness of the liabilities recorded as outstanding claim reserves for all program years. Bay Actuarial Consultants review the Worker's Compensation and Property Liability programs. Healthcare Actuaries provides a review of the Dental and Vision programs.

Christy White Associates, A Professional Accountancy Corporation, is contracted to perform the annual independent audit examination of the financial statements in accordance with generally accepted accounting principles (GAAP). Morgan Stanley Smith Barney LLC, is contracted for some of the investments for ACSIG. In 2010/2011, based upon Board action and review of long term liabilities and investment goals ACSIG invested \$10 million with Morgan Stanley. In 2011/2012, an additional \$5 million was added to this portfolio, increasing the transferred funds to \$15 million. These funds are invested in compliance with Government Code and the internal investment policy of ACSIG. Invested funds are shown at Fair Market Value on the financial statements in compliance with GASB Stmt #31.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Basic Financial Statements:

ACSIG's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and necessarily include amounts based upon reliable estimates and judgments. The Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows are included.

The Statement of Net Position provides information on ACSIG's program assets and liabilities, with the difference reported as Net Position. The Statement of Revenues, Expenses and Change in Net Position presents information showing total operating revenues versus operating expenses and the resulting effect on Net Position. The Statement of Cash Flows is presented to reflect the operation based on inflows and outflows of cash.

Statement of Net Position:

Below is a consolidated summary of the Statement of Net Position as of 06/30/2017, 06/30/2018, and 06/30/2019 showing total assets versus total liabilities, with a percentage of change between program years.

	As of		2017/2018		2018/2019		
	06/30/17	06/30/18	Variance	%	06/30/19	Variance	
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$ 18,524,908	\$ 24,562,309	\$ 6,037,401	32.59 %	\$ 32,944,493	\$ 8,382,184	34.13
Investments, current	2,032,238	2,639,124	606,886	29.86	4,595,935	1,956,811	74.15
Accounts Receivable	7,827,985	8,024,200	196,215	2.51	6,999,054	(1,025,146)	(12.78)
Prepaid Expense	9,948	7,685	(2,263)	--	9,360	1,675	--
Total Current Assets	28,395,079	35,233,318	6,838,239	24.08	44,548,842	9,315,524	26.44
Noncurrent							
Investments	14,018,468	13,351,978	(666,490)	(4.75)	11,863,503	(1,488,475)	(11.15)
Capital assets, net	2,963	2,371	(592)	(19.98)	1,779	(592)	(24.97)
Total Noncurrent Assets	14,021,431	13,354,349	(667,082)	(4.76)	11,865,282	(1,489,067)	(11.15)
Total Assets	42,416,510	48,587,667	6,171,157	14.55	56,414,124	7,826,457	16.11
DEFERRED OUTFLOW OF RESOURCES							
Deferred outflow of resources - pensic	217,668	546,377	328,709	--	350,977	(195,400)	(35.76)
LIABILITIES							
Current Liabilities							
Accounts payable	3,053,398	3,446,835	393,437	12.89	3,715,222	268,387	7.79
Prefunding deposits	3,817,300	4,030,577	213,277	5.59	3,661,000	(369,577)	(9.17)
Current portion of unpaid claims and claim adjustment expenses	3,832,965	4,901,822	1,068,857	27.89	4,507,940	(393,882)	(8.04)
Total current Liabilities	10,703,663	12,379,234	1,675,571	15.65	11,884,162	(495,072)	(4.00)
Noncurrent Liabilities	15,610,948	14,184,757	(1,426,191)	(9.14)	11,754,816	(2,429,941)	(17.13)
Total noncurrent Liabilities	15,610,948	14,184,757	(1,426,191)	(9.14)	11,754,816	(2,429,941)	(17.13)
Net pension liabilities	586,196	732,827	146,631	--	698,554	(34,273)	--
Total Liabilities	26,900,807	27,296,818	396,011	1.47	24,337,532	(2,959,286)	(10.84)
DEFERRED INFLOW OF RESOURCES							
Deferred inflow of resources - pensior	128,507	65,612	(62,895)	--	41,054	(24,558)	(37.43)
NET POSITION	\$ 15,604,864	\$ 21,771,614	\$ 6,166,750	39.52 %	\$ 32,386,515	\$ 10,614,901	48.76

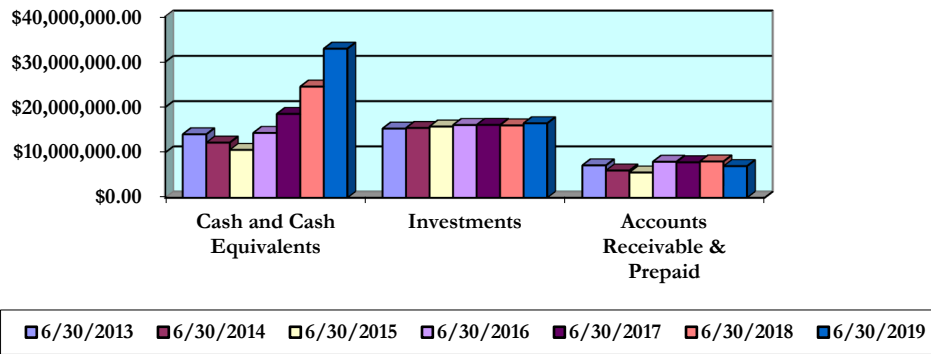
**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Basic Financial Statements (continued):

Assets:

In 2018/2019, the assets of ACSIG increased by \$7.8 million or 16.11%, as seen above, primarily attributed to an increase of cash. The major factors in this year’s increase of cash can be seen on the cash flow statement, pg. 13, of this report.

Cash variances are mainly attributed to receipt of member contributions, and deficit assessments, which are less or greater than, claim payments, insurance premiums, and other operating expense. Investment income also increases cash and investments.

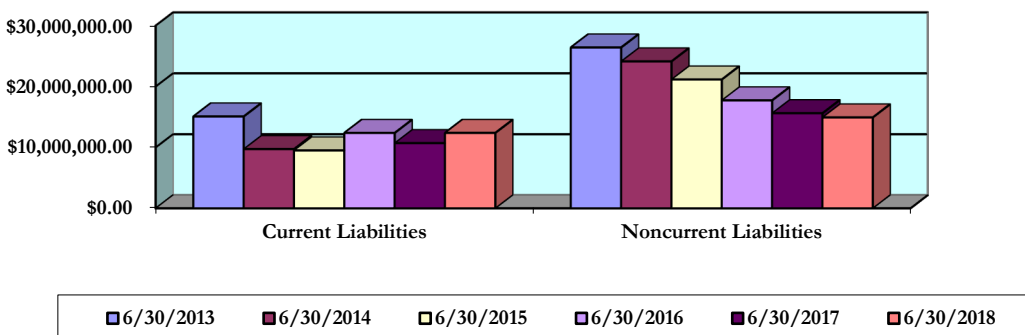


Liabilities:

In 2018/2019, the liabilities of ACSIG decreased by \$2.9 million or 10.84%.

This variance is mainly attributed to fluctuations in claim liabilities. Annually, program claims experience is evaluated by an independent actuary, claim liabilities are updated based upon these evaluations. Because the Workers’ Compensation program represents over 90% of the consolidated program liabilities. The annual actuarial review and re-estimate of the Workers’ Compensation ultimate claim cost, for the self-insured retained program years prior to July 1, 2009, is an integral factor in keeping the financials relevant.

The annual variance in liabilities can be seen below.



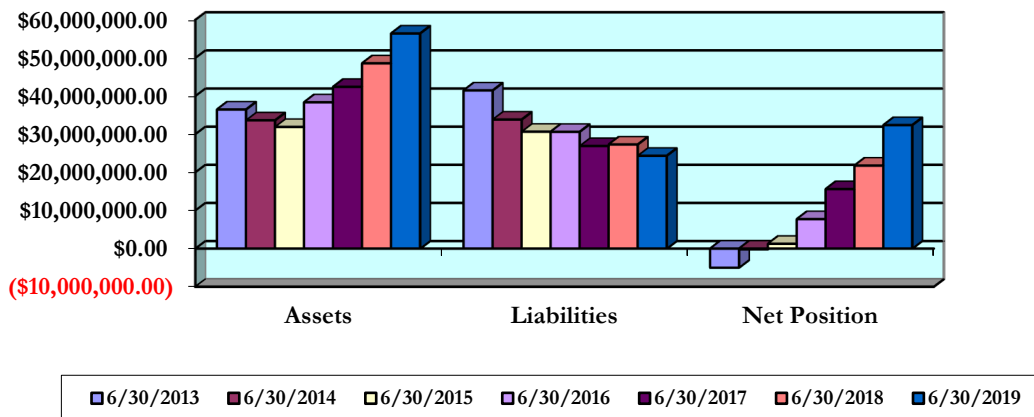
**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Net Position:

As of 06/30/2019, ACSIG’s ending Net Position is \$32.4 million. An increase in net position of \$10.6 million, from 07/01/2018 – 06/30/2019 is due to the following factors.

- 1) Increase in net assets from net operating income, greater than operating expenditures of \$9.6 million
- 2) Increase in net assets from non-operating investment income of \$1 million.

Statement of Net Position year variances can be seen below.



Statements of Revenues, Expenses and Change in Net Position:

In 2018/2019, revenues exceeded expenses by \$10.6 million, resulting in an increase to the Net Position. Details of these changes are shown below, in the Condensed Statements of Revenues, Expenses, and Changes in Net Position.

	Fiscal Year Ended		Increase/ (Decrease) 2017/2018		Fiscal Year Ended 06/30/19	Increase/ (Decrease) 2018/2019	
	06/30/17	06/30/18	Variance	Percentage		Variance	Percentage
Operating Revenue:							
Member Contributions	\$ 158,165,112	\$ 164,546,182	\$ 6,381,070	4.03 %	\$ 157,713,750	\$ (6,832,432)	(4.15) %
Other	247	--	(247)	--	--	--	--
Total Operating Revenue	158,165,359	164,546,182	6,380,823	4.03	157,713,750	(6,832,432)	(4.15)
Operating Expenses:							
Claims and Claims Adj Expense	125,732,817	135,016,333	9,283,516	7.38	125,143,742	(9,872,591)	(7.31)
Insurance Expense	22,798,133	21,790,454	(1,007,679)	(4.42)	20,809,745	(980,709)	(4.50)
Services and other operating	1,463,432	1,547,096	83,664	5.72	1,596,929	49,833	3.22
Salaries and benefits	311,162	178,912	(132,250)	(42.50)	564,670	385,758	215.61
Supplies	3,621	5,161	1,540	42.53	7,289	2,128	41.23
Depreciation	592	592	--	--	592	--	--
Total Operating Expenses	150,309,757	158,538,548	8,228,791	5.47	148,122,967	(10,415,581)	(6.57)
Net Operating Income/(loss)	7,855,602	6,007,634	(1,847,968)	(23.52)	9,590,783	3,583,149	59.64
Non Operating Income/(Expense)	20,018	159,116	139,098	694.86	1,024,118	865,002	543.63
Change in Net Position	7,875,620	6,166,750	(1,708,870)	(21.70)	10,614,901	4,448,151	72.13
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Beginning Net Position	7,729,244	15,604,864	7,875,620	101.89	21,771,614	6,166,750	39.52
Ending Net Position	\$ 15,604,864	\$ 21,771,614	\$ 6,166,750	39.52 %	\$ 32,386,515	\$ 10,614,901	48.76 %

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

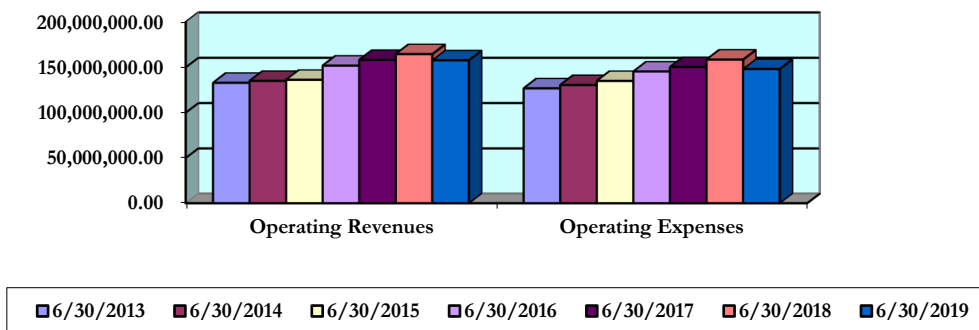
Statements of Revenues, Expenses and Change in Net Position (continued):

Operating revenue consists of contributions received from the members to offset budgeted operating expenses.

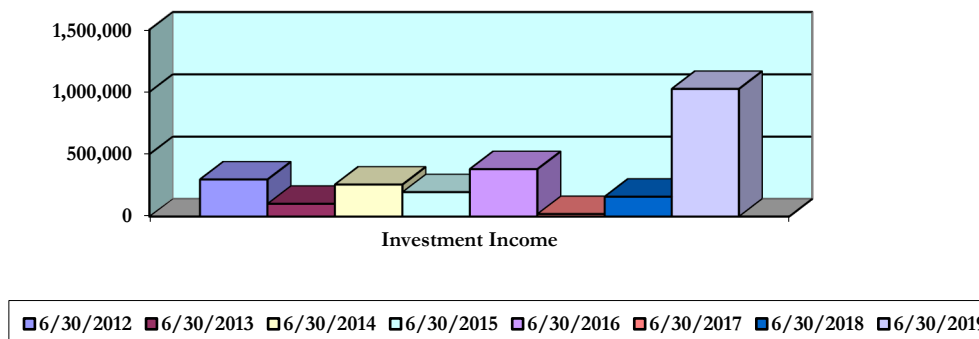
In 2018/2019 operating revenue increased by \$10.6 million, or 72.13%.

Operating revenue and expense increased primarily due to new membership in the Dental and Vision programs.

Below is a graph showing historical variances in the operating income and expense.



Below is a graph showing historical variances in the Investment Income.



Description of Facts or Conditions that are expected to have a Significant Effect on Financial Position or Results of Operations:

At present there are no known facts or conditions that are expected to have a significant effect on the financial position or results of operations for ACSIG.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 32,944,493	\$ 24,562,309
Investments, current	4,595,935	2,639,124
Accounts receivable	6,999,054	8,024,200
Prepaid expenses	9,360	7,685
Total Current Assets	44,548,842	35,233,318
Noncurrent Assets		
Investments	11,863,503	13,351,978
Capital assets, net of depreciation	1,779	2,371
Total Noncurrent Assets	11,865,282	13,354,349
Total Assets	56,414,124	48,587,667
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension	350,977	546,377
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	3,715,222	3,446,835
Prefunding deposits	3,661,000	4,030,577
Current portion of unpaid claims and claim adjustment expenses	4,507,940	4,901,822
Total Current Liabilities	11,884,162	12,379,234
Noncurrent Liabilities		
Unpaid claims and claim adjustment expenses less current portion	11,754,816	14,184,757
Net pension liability	698,554	732,827
Total Liabilities	24,337,532	27,296,818
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension	41,054	65,612
NET POSITION		
Unrestricted	32,384,736	21,769,243
Net investment in capital assets	1,779	2,371
Total Net Position	32,386,515	21,771,614
Total Liabilities and Net Position	\$ 56,765,101	\$ 49,134,044

See accompanying notes to the financial statements.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

	2019	2018
OPERATING REVENUE		
Member contributions	\$ 157,713,750	\$ 164,546,182
Total Operating Revenues	<u>157,713,750</u>	<u>164,546,182</u>
OPERATING EXPENSES		
Claims and claims adjustment expense	125,143,742	135,016,333
Insurance expense	20,809,745	21,790,454
Services and other operating	1,596,929	1,547,096
Salaries and benefits	564,670	178,912
Supplies	7,289	5,161
Depreciation	592	592
Total Operating Expense	<u>148,122,967</u>	<u>158,538,548</u>
 Net Operating Income/(Loss)	 <u>9,590,783</u>	 <u>6,007,634</u>
 NON-OPERATING REVENUE:		
Investment income	1,024,118	159,116
CHANGE IN NET POSITION	<u>10,614,901</u>	<u>6,166,750</u>
Net Position - Beginning	<u>21,771,614</u>	<u>15,604,864</u>
Net Position - Ending	<u>\$ 32,386,515</u>	<u>\$ 21,771,614</u>

See accompanying notes to the financial statements.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash flows from operating activities		
Cash received from members and others	\$ 158,369,319	\$ 164,563,244
Cash payments for claims	(127,967,565)	(135,373,667)
Cash payments for insurance	(20,811,420)	(21,788,191)
Cash payments to suppliers for goods and services	(1,335,831)	(1,158,820)
Cash payments for employee salaries and benefits	(428,101)	(423,885)
Net cash provided by (used in) operating activities	7,826,402	5,818,681
Cash flows from investing activities		
Purchase of investments	(185,094)	(281,018)
Interest income received	681,272	499,738
Net cash provided by (used in) investing activities	496,178	218,720
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	8,322,580	6,037,401
CASH AND CASH EQUIVALENTS		
Beginning of year	24,562,309	18,524,908
End of year	\$ 32,884,889	\$ 24,562,309
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 9,590,783	\$ 6,007,634
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	592	592
(Increase) decrease in:		
Accounts receivable	1,025,146	(196,215)
Prepaid expenses	(1,675)	2,263
Deferred outflows	195,400	(328,709)
Increase (decrease) in:		
Accounts payable	268,387	393,437
Prefunding deposits	(369,577)	213,277
Unpaid claims and claim adjustment expenses	(2,823,823)	(357,334)
Deferred inflows	(24,558)	(62,895)
Net pension liability	(34,273)	146,631
Net cash provided by (used in) operating activities	\$ 7,826,402	\$ 5,818,681

See accompanying notes to the financial statements.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Alameda County Schools Insurance Group (the “Group”) was established by a Joint Powers Agreement on July 1, 1978, in accordance with Title I, Division 7, Chapter 5, Article I Sections 6500, et. seq., of the California Government Code. The purpose is for the operation of a common risk management and insurance program for members related to workers’ compensation, property/liability, vision and dental benefits for member governmental agencies. The Group also purchases excess insurance and provides risk management services. The Group was formed by a joint powers agreement among member Alameda County School Groups. Participating members now include various school Groups and other government entities.

The Group is a California public entity as provided in Internal Revenue Code Section 115, it is tax exempt. The California Office of the Controller, Division of Local Government Fiscal Affairs, for the purpose of filing an Annual Report of Financial Transactions of Special Groups considers the Group to be a “Special Group.”

Admission and Withdrawal of Members: Entities applying for membership must be approved by a two-thirds vote of the full Board, upon the recommendation of the Executive Committee. Entities shall pay a quotation fee and the current premium contribution as determined by the Joint Powers Board, upon the recommendation of the Executive Committee.

Entities may withdraw from any program after having completed three consecutive years as members upon written notification to the Executive Committee by the dates specified in the bylaws. The effect of withdrawal (or termination) from the pooling programs does not terminate the responsibility of the entity to continue paying its share of assessments or other financial obligations incurred by reason of its previous participation.

Reporting Entity: The reporting entity includes all activities considered to be part of the Group. This includes financial activity relating to all of the membership years of the Group. In determining the reporting entity, the Group considered all governmental units that were members of the Group since inception. The criterion does not require the inclusion of these entities in the Group’s financial statements principally because of the Group does not exercise oversight responsibility over any members.

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and related liability are recognized when the obligation is incurred. Liabilities for reserves for open claims and claims incurred but not reported have been recorded in the Group’s financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting: The accounts of the Group are organized on the basis of funds, each of which is considered to be a separate accounting entity. These Proprietary funds have been combined for the presentation of the basic financial statements. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net position, revenues and expenses. The general and administrative accounts of the Group are allocated to each program on a pro-rata basis. The five types of funds include:

1. Administrative Fund: The Administrative Fund accounts for revenues and expenses for general administrative purposes.
2. Workers' Compensation Fund: The Workers' Compensation Fund was established to account for the payment of workers' compensation claims and administrative costs. Funding is based on contributions established by the Executive Committee on behalf of the Joint Powers Board.
3. Property/Liability Fund: The self-insured Property/Liability Fund was established to account for the payment of property and liability claims and administrative costs. Funding is based on contributions established by the Executive Committee on behalf of the Joint Powers Board.
4. Vision Fund: The Vision Fund was established to administer the vision program for member agencies. Funding is accomplished through contributions established by the consultant based upon claims experience as approved by the Executive Committee.
5. Dental Fund: The Dental Fund was established to administer the dental program for member agencies. Funding is accomplished through contributions established by the consultant based upon claims experience as approved by the Executive Committee. Some members' claims are covered by the Group, while others are self-funded within the dental program.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Group considers all highly liquid assets with a maturity of three months or less when purchased to be cash and cash equivalents.

Receivables: Receivables consist of fees charged for claims to the various participants. The Group believes its receivables to be fully collectable and, accordingly, no allowance for doubtful accounts is required.

Investments and Investment Pools: The Group records its cash in Local Agency Investment Fund (LAIF) and its other investments at fair value. Changes in Fair value are reported as non-operating revenue in the statement of revenues, expenses and changes in net position. The effect of recording investments and LAIF at fair value for the years ended June 30, 2019 and 2018 is reflected as investment income on the statement of revenues, expenses and change in net position.

Fair value of investments and LAIF has been determined by the sponsoring government based on quoted market prices. The Group's investment in LAIF has been valued based on the relative fair value of the entire external pool to the external pool's respective amortized cost.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost. Depreciation is computed on the straight-line method with useful lives of three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred.

Accrued Vacation: The Group's vacation policy provides for the accumulation of earned vacation leave with such leave being fully vested upon completion of six consecutive months of employment. A liability for accrued vacation has been computed and recorded based on unused vacation hours at the current rate of pay.

The Group's sick leave policy provides for an unlimited accumulation of earned sick leave. Since the Group has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Prefunding Deposits: The prefund deposit account was established for the dental members who are self-funded within the Group's dental program. Because these agencies do not pay for claims until they occur, their accounts are always in arrears. To accommodate for the cash flow problem created by arrear payments, all self-insured dental members within the dental program are required to deposit a dollar amount equal to one and half months of initial premiums with the Group. Should this agency wish to withdraw from the Group's dental program, this deposit can be used to fund final claims or be refunded to the member Group.

Provision for Unpaid Claims and Claim Adjustments Expenses: The Group's policy is to establish a provision for unpaid claims and claim adjustment expenses (claim reserves and IBNR) based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The Group increases the liability for allocated and unallocated claims adjustments expenses. Because actual claims costs depend on such complex factors as inflation, changes in doctrine 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. Unpaid claims and claim adjustment expenses are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made. The current portion of unpaid claims is based on current year payments and known claim information at the end of the period.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The JPA has two items that qualify for reporting in this category. The first item is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability. The second item is a deferred outflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2017 (the beginning of the measurement period ended June 30, 2018).

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. That item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

Excess Insurance: The Group enters into reinsurance agreements whereby it cedes various amounts of risk to other insurance companies. The Group and its member entities retain the first \$25,000 of liability and property risk per incident. Effective July 1, 2009, the Group joined Protected Insurance Program for Schools and Colleges (PIPS) for Workers Compensation. Prior to July 1, 2009, the Group's self-insured retention for property, liability and workers compensation was \$100,000, \$150,000 and \$250,000, respectively. The Group does not report excess insured risk as a liability unless it is probable that a risk will not be covered by excess insurers. Settlements have not exceeded insurance coverage in each of the past three years.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition: Contributions are recognized as revenue when earned based upon the coverage period of the related insurance. To the extent that allocated losses exceed contributions previously paid, interest and other income, the Group can assess its members' additional contributions. Supplemental assessments are recognized as income in the period assessed. Operating revenues and expenses include all activities necessary to achieve the objectives of the Group. Non-operating revenues and expenses include investment income.

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

Income Taxes: The Group is exempt from Federal income taxes under Internal Revenue Code Section 115, which excludes income derived from the exercise of any essential governmental function and accruing to a state political subdivision. As a public agency, the Group is also exempt from California state taxes. Accordingly, no provision for Federal or state income taxes has been made in the accompanying financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash, cash equivalents and investments as of June 30, 2019 and 2018 are reported at fair value and consisted of the following:

	Fiscal Year Ended	
	2019	2018
Cash and cash equivalents		
Cash in bank	\$ 5,633,619	\$ 6,432,215
Cash in county treasury	23,819,540	14,878,247
Local agency investment fund	3,287,837	3,214,911
Money market accounts	203,497	36,936
Total cash and cash equivalents	\$ 32,944,493	\$ 24,562,309

Custodial Credit Risk: This is the risk that in the event of a bank failure, the Group deposits may not be returned the Group does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019 and 2018, the Group bank balances were not exposed to custodial credit risk.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Cash in County Treasury: The Group maintains substantially all of its cash in the Alameda County Treasury. The County pools these funds with those of other public agencies in the County and invests the cash. These pooled funds are carried at cost which approximates fair value.

Because the Group's deposits are maintained in a recognized pooled investment fund under the care of a third party and the Group's share of the pool does not consist of specific, identifiable investment securities owned by the Group, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with authorized investment laws, the Alameda County Treasurer may invest in derivative securities to enhance the yield on the portfolio. However, at June 30, 2019, the Alameda County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Local Agency Investment Fund: Alameda County Schools Insurance Group places certain funds with the State of California's Local Agency Fund (LAIF). The Group is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of the Group's investment in this pool is reported in the accompanying financial statements based upon the Group's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hour notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by Federal agencies, government-sponsored enterprises and corporations. As of June 30, 2019, this fund was yielding approximately 2.57% interest annually.

LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity and yield are not jeopardized.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 3 – INVESTMENTS

At June 30, 2019 and 2018, investments are reported at fair value and consisted of the following:

Investments	2019	2018
Corporate Bonds	\$ 4,697,203	\$ 4,442,483
Federal Agency Bonds and Notes	4,701,040	6,216,838
U.S. Treasury Notes	7,061,195	5,331,781
Total investments	\$ 16,459,438	\$ 15,991,102
Investments maturing within one year	4,595,935	2,639,124
Long-term investments	\$ 11,863,503	\$ 13,351,978

Maturities of investments held at June 30, 2019 consist of the following:

Investment maturities:	Rating	Fair Value	Maturity	
			Less Than One Year	One Year through Five Years
Corporate Bonds	A-	\$ 4,697,203	\$ 750,466	\$ 3,946,737
Federal Agency Bonds and Notes:				
FHLMC	AA+	2,573,022	353,723	2,219,299
FNMA	AA+	2,128,018	2,128,018	-
U.S. Treasury Notes	TSY	7,061,195	1,363,728	5,697,467
		\$ 16,459,438	\$ 4,595,935	\$ 11,863,503

The Group's investment policy limits investment choices to such securities allowed by Section 53601 of the California Government Code.

Investment Credit Risk: The Group's investment policy limits investment maturities to 5 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2019, 100% of the portfolio was invested in "A-" rated obligations, or better. All credit ratings presented in this paragraph are Standard & Poor's ratings.

Concentration of Investment Credit Risk: At June 30, 2019, the Group has the following investments that represent more than five percent of the Group's net investments:

Corporate Bonds 29%
U.S. Treasury Notes 43%
 FNMA 13%
 FHLMC 16%

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 3 – INVESTMENTS (continued)

Fair Value: The Group categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Group's own data. The Group should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the Group are not available to other market participants.

Uncategorized - Investments in the Alameda County Treasury Investment Pool and/or Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the Group's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The Group's fair value measurements at June 30, 2019 were as follows:

	<u>Quoted Prices</u>		
	<u>Level 1</u>	<u>Uncategorized</u>	<u>Total</u>
Cash in county treasury	\$ -	\$ 23,819,540	\$ 23,819,540
Local agency investment fund	-	3,287,837	3,287,837
Money market accounts	-	203,497	203,497
Corporate Bonds	4,697,203	-	4,697,203
Federal Agency Bonds and Notes	4,701,040	-	4,701,040
U.S. Treasury Notes	7,061,195	-	7,061,195
Total fair market value of investments	\$ 16,459,438	\$ 27,310,874	\$ 43,770,312

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 4 – ACCOUNTS RECEIVABLE

The balance of \$6,999,054 as of June 30, 2019 and \$8,024,200 as of June 30, 2018 consisted of premiums due from members.

NOTE 5 – CAPITAL ASSETS

The following is a summary as of June 30, 2019 and 2018 of furniture and equipment, net of accumulated depreciation:

	<u>2019</u>		<u>2018</u>
Capital Assets			
Furniture and equipment	\$ 5,923	\$	5,923
Less accumulated depreciation	4,144		3,552
Total capital assets, net	<u>\$ 1,779</u>	<u>\$</u>	<u>2,371</u>

Activity for furniture and equipment for the years ended June 30, 2019 and 2018 included the following:

	<u>2019</u>		<u>2018</u>
Furniture and Equipment Activity			
Furniture and equipment, net, beginning of year	\$ 2,371	\$	2,963
Current year depreciation	592		592
Furniture and equipment, net, end of year	<u>\$ 1,779</u>	<u>\$</u>	<u>2,371</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 6 – UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

As discussed in Note 1, the Group establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustments expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities during the years ended June 30, 2019 and 2018:

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 19,086,579	\$ 19,443,913
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	119,658,239	126,510,219
Change in provision for covered events of prior years	(1,880,980)	635,068
Total incurred claims and claim adjustment expenses	<u>\$ 117,777,259</u>	<u>\$ 127,145,287</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	117,368,026	124,251,439
Claims and claim adjustment expenses attributable to covered events of prior years	3,233,056	3,251,182
Total payments:	<u>120,601,082</u>	<u>127,502,621</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 16,262,756</u>	<u>\$ 19,086,579</u>

The components of the unpaid claims and claim adjustment expenses as of June 30, 2019 and 2018 were as follows:

	2019	2018
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 4,812,396	\$ 6,259,812
Claims incurred but not reported (IBNR)	10,198,099	11,448,929
Unallocated loss adjustment expenses (ULAE)	1,252,261	1,377,838
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 16,262,756</u>	<u>\$ 19,086,579</u>

The current and long-term portions were \$4,507,940 and \$11,754,816, respectively, as of June 30, 2019 and were \$4,901,822 and \$14,184,757, respectively, as of June 30, 2018. These liabilities were reported at their present value using an expected future investment yield assumption of 1.5% Workers' Compensation and .05% Property Liability in the prior year. The undiscounted liabilities were \$18,187,381 and \$21,273,855 at June 30, 2019 and 2018, respectively.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS). The Agency reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
PERS Pension	\$ 698,554	\$ 350,977	\$ 41,054	\$ 159,510
Total	\$ 698,554	\$ 350,977	\$ 41,054	\$ 159,510

California Public Employees' Retirement System (CalPERS)

Plan Description

The Agency contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

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

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The Agency is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2019 was 18.062% of annual payroll. Contributions to the plan from the Agency were \$22,941 for the year ended June 30, 2019.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS (continued)

California Public Employees’ Retirement System (CalPERS) (continued)

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

At June 30, 2019, the Agency reported a liability of \$698,554 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017 and rolling forward the total pension liability to June 30, 2018. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies in the Miscellaneous Risk Pool, actuarially determined. At June 30, 2018, the Agency’s proportion was 0.019 percent, which did not change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Agency recognized pension expense of \$159,910. At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 3,453	\$ -
Differences between expected and actual experience	26,802	9,121
Changes in assumptions	79,637	19,518
Changes in proportion and differences between Group contributions and proportionate share of contributions	218,144	12,415
Group contributions subsequent to the measurement date	22,941	-
	<u>\$ 350,977</u>	<u>\$ 41,054</u>

The \$22,941 reported as deferred outflows of resources related to pensions resulting from Group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 162,153	\$ 24,512
2020	122,660	10,965
2021	49,506	5,576
2022	(6,283)	1
	<u>\$ 328,036</u>	<u>\$ 41,054</u>

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018**

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Actuarial assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS (continued)

California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.

**An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

Sensitivity of the Agency’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the Agency’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	Decrease (6.15%)	Discount Rate (7.15%)	Increase (8.15%)
Group's proportionate share of the net pension liability	\$ 265,226	\$ 698,554	\$ 82,481

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 8 – OPERATING LEASES

The Group has entered into an operating lease for office space and pays rent monthly. Total rent paid for the years ended June 30, 2019 and 2018 was \$81,140 and \$81,140 respectively. The future minimum rental commitments on the non-cancelable operating lease ending in October 2019 as follows:

Year Ended June 30,	Minimum Rental Commitment
2020	28,680
Total	\$ 28,680

NOTE 9 – JOINT POWERS AGREEMENTS

Alameda County Schools Insurance Group participates in two joint ventures under a joint powers agreement with Northern California Regional Liability Excess Fund (NCRLF) and Protected Insurance Program for Schools and Community Colleges (PIPS). The relationship between the Group and the JPAs is such that the JPAs are not component units of the Group for financial reporting purposes.

NCRLF arranges for and provides excess property and liability coverage in excess of \$25,000. PIPS arranges for and provides workers' compensation coverage from \$0 to \$200,000,000. The JPAs are each governed by a board consisting of a representative from each of their respective member Groups. Those boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member Groups beyond their representation on the board. Each member pays a contribution commensurate with the level of coverage requested.

Condensed financial information for NCRLF and PIPS for the fiscal year ended June 30, 2018 (most recent information available) are as follows:

	NCRLF	PIPS
Total Assets	\$ 75,820,380	\$ 129,260,118
Total Liabilities	59,774,301	111,815,654
Total Net Position	\$ 16,046,079	\$ 17,444,464
Revenues	\$ 53,157,908	\$ 301,089,853
Expenses	(52,877,526)	(296,996,362)
Change in Net Position	\$ 280,382	\$ 4,093,491

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 10 – NET POSITION

Net Position is composed of the following elements as of June 30, 2019 and 2018

	<u>2019</u>		<u>2018</u>
NET POSITION			
Unrestricted	\$ 32,384,736	\$	21,769,243
Net investment in capital assets	1,779		2,371
Total Net Position	<u>\$ 32,386,515</u>	<u>\$</u>	<u>21,771,614</u>

NOTE 11 – CONTINGENCIES

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

REQUIRED SUPPLEMENTARY INFORMATION

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
WORKERS' COMPENSATION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 16,750,131	\$ 17,128,957
Incurred claims and claim adjustment expenses:		
Change in provision for covered events of prior years	(1,904,688)	622,927
Total incurred claims and claim adjustment expenses	(1,904,688)	622,927
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	1,022,116	1,001,753
Total payments:	1,022,116	1,001,753
Total unpaid claims and claim adjustment expenses, end of year	\$ 13,823,327	\$ 16,750,131
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 4,699,584	\$ 6,164,170
Claims incurred but not reported (IBNR)	7,917,707	9,245,961
Unallocated loss adjustment expenses (ULAE)	1,206,036	1,340,000
Total unpaid claims and claim adjustment expenses, end of year	\$ 13,823,327	\$ 16,750,131

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 137,448	\$ 115,956
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	94,492	63,000
Change in provision for covered events of prior years	23,708	12,141
Total incurred claims and claim adjustment expenses	118,200	75,141
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	45,279	3,220
Claims and claim adjustment expenses attributable to covered events of prior years	11,940	50,429
Total payments:	57,219	53,649
Total unpaid claims and claim adjustment expenses, end of year	\$ 198,429	\$ 137,448
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 112,812	\$ 95,642
Claims incurred but not reported (IBNR)	39,392	3,968
Unallocated loss adjustment expenses (ULAE)	46,225	37,838
Total unpaid claims and claim adjustment expenses, end of year	\$ 198,429	\$ 137,448

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 300,000	\$ 300,000
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	3,830,910	3,680,488
Total incurred claims and claim adjustment expenses	<u>3,830,910</u>	<u>3,680,488</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	\$ 3,508,910	\$ 3,380,488
Claims and claim adjustment expenses attributable to covered events of prior years	300,000	300,000
Total payments:	<u>3,808,910</u>	<u>3,680,488</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 322,000</u>	<u>\$ 300,000</u>
Unpaid claims and claim adjustment expenses, end of year		
Claims incurred but not reported (IBNR)	\$ 322,000	\$ 300,000
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 322,000</u>	<u>\$ 300,000</u>

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 1,899,000	\$ 1,899,000
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	115,732,837	122,766,731
Total incurred claims and claim adjustment expenses	<u>115,732,837</u>	<u>122,766,731</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	113,813,837	120,867,731
Claims and claim adjustment expenses attributable to covered events of prior years	1,899,000	1,899,000
Total payments:	<u>115,712,837</u>	<u>122,766,731</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>1,919,000</u>	<u>1,899,000</u>
Unpaid claims and claim adjustment expenses, end of year		
Claims reserves	\$ -	\$ -
Claims incurred but not reported (IBNR)	1,919,000	1,899,000
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 1,919,000</u>	<u>\$ 1,899,000</u>

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF THE GROUP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Group's proportion of the net pension liability	0.019%	0.019%	0.017%	0.022%	0.019%
Group's proportionate share of the net pension liability	\$ 698,554	\$ 732,827	\$ 586,196	\$ 525,511	\$ 385,314
Group's covered-employee payroll	\$ 286,178	\$ 237,143	\$ 210,454	\$ 211,975	\$ 200,000
Group's proportionate share of the net pension liability as a percentage of its covered-employee payroll	244.1%	309.0%	278.5%	247.9%	192.7%
Plan fiduciary net position as a percentage of the total pension liability	70.8%	75.4%	74.1%	78.4%	83.4%

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

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF GROUP CONTRIBUTIONS - CALPERS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 22,941	\$ 53,800	\$ 51,863	\$ 40,592	\$ 49,298
Contributions in relation to the contractually required contribution	(22,941)	(53,800)	(51,863)	(40,592)	(49,298)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Group's covered-employee payroll	\$ 295,213	\$ 286,178	\$ 237,143	\$ 210,454	\$ 211,975
Contributions as a percentage of covered-employee payroll	7.77%	18.80%	21.87%	19.29%	23.26%

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 – PURPOSE OF SCHEDULES

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the Group's proportion (percentage) of the collective net pension liability, the Group's proportionate share (amount) of the collective net pension liability, the Group's covered-payroll, the Group's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered- payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Schedule of Group Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the Group's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the Group's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the Group's -covered payroll.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

The tables that follow illustrate how the Group's earned revenues (net of excess insurance) and investment income compared to related costs of loss and other expenses assumed by the Group as of the end of the previous ten years. The rows of the tables are defined as follows:

1. Total of each fiscal year's gross earned deposit and reported investments revenue, amounts of excess insurance premiums paid and reported premiums (net of reinsurance) and reported investment revenue.
2. Each fiscal year's other operating costs of the program, including overhead and loss adjustment expense not allocable to individual claims.
3. Program's gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurers, and net incurred losses and loss adjustments expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called fiscal year).
4. Cumulative net amounts paid as of the end of successive years for each fiscal year.
5. Latest reestimated amount of losses assumed by the excess insurers for each fiscal year.
6. Each fiscal year's net incurred losses increases or decreases as of the end of successive years. This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.
7. Compares the latest estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought. As data for individual fiscal years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature fiscal years.

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

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION WORKERS' COMPENSATION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	For Policy Years Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Required contribution and investment revenue											
Earned	\$ 17,002,915	\$ 17,891,871	\$ 18,552,720	\$ 20,034,030	\$ 19,217,218	\$ 19,670,032	\$ 20,284,500	\$ 24,754,573	\$ 28,207,535	\$ 26,869,026	\$ 27,660,374
Ceded	(2,187,413)	(16,302,424)	(16,026,575)	(15,786,084)	(16,512,219)	(18,073,558)	(19,975,089)	(20,534,560)	(20,131,630)	(19,624,572)	(19,679,728)
Net earned	\$ 14,815,502	\$ 1,589,447	\$ 2,526,145	\$ 4,247,946	\$ 2,704,999	\$ 1,596,474	\$ 309,411	\$ 4,220,013	\$ 8,075,905	\$ 7,244,454	\$ 7,980,646
2 Unallocated expenses	\$ 3,120,092	\$ 1,052,191	\$ 170,715	\$ 319,437	\$ 488,659	\$ 453,830	\$ 427,285	\$ 588,457	\$ 574,917	\$ 606,959	\$ 702,275
3 Estimated losses and expenses, end of fiscal year:											
Incurred	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceded	-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Net paid (cumulative) as of:											
End of fiscal year	\$ 2,015,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$ 4,135,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Two years later	\$ 5,638,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three years later	\$ 6,715,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Four years later	\$ 7,600,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 7,880,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 8,515,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 8,661,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 8,861,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 8,876,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Reestimated ceded losses and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$ 10,768,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Two years later	\$ 10,770,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three years later	\$ 11,378,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Four years later	\$ 10,501,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 10,585,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 10,469,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 10,101,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 9,943,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 9,593,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$ 9,526,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$ 1,581,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	For Policy Years Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Required contribution and investment revenue											
Earned	\$ 544,363	\$ 552,093	\$ 559,195	\$ 630,698	\$ 675,900	\$ 774,613	\$ 935,595	\$ 1,130,013	\$ 1,329,483	\$ 1,296,072	\$ 1,483,299
Ceded	(541,854)	(559,419)	(545,530)	(560,273)	(611,537)	(663,484)	(831,111)	(1,032,437)	(1,202,982)	(1,170,873)	(1,363,395)
Net earned	\$ 2,509	\$ (7,326)	\$ 13,665	\$ 70,425	\$ 64,363	\$ 111,129	\$ 104,484	\$ 97,576	\$ 126,501	\$ 125,199	\$ 119,904
2 Unallocated expenses	\$ 18,183	\$ 32,828	\$ 8,069	\$ 9,016	\$ 21,810	\$ 18,376	\$ 20,128	\$ 56,023	\$ 45,597	\$ 63,426	\$ 75,001
3 Estimated losses and expenses, end of fiscal year:											
Incurred	\$ 307,207	\$ 54,796	\$ 82,548	\$ 75,212	\$ 108,036	\$ 110,941	\$ 32,843	\$ 25,000	\$ 54,069	\$ 63,000	\$ 94,492
Ceded	-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$ 307,207	\$ 54,796	\$ 82,548	\$ 75,212	\$ 108,036	\$ 110,941	\$ 32,843	\$ 25,000	\$ 54,069	\$ 63,000	\$ 94,492
4 Net paid (cumulative) as of:											
End of fiscal year	\$ 84,499	\$ 10,931	\$ 18,839	\$ 1,683	\$ 22,371	\$ -	\$ -	\$ 6,681	\$ -	\$ 3,221	\$ 45,279
One year later	\$ 111,503	\$ 42,740	\$ 20,496	\$ 16,543	\$ 89,764	\$ 20,000	\$ 6,771	\$ 26,438	\$ 20,000	\$ 20,000	\$ -
Two years later	\$ 131,676	\$ 28,438	\$ 33,140	\$ 76,543	\$ 113,117	\$ 20,000	\$ 18,078	\$ 52,777	\$ 20,000	\$ -	\$ -
Three years later	\$ 107,846	\$ 48,738	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 52,777	\$ -	\$ -	\$ -
Four years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ 125,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 117,507	\$ 48,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$ 117,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Reestimated ceded losses and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	\$ 307,207	\$ 54,796	\$ 82,548	\$ 75,212	\$ 101,000	\$ 111,900	\$ 32,843	\$ 25,000	\$ 54,069	\$ 63,000	\$ 63,000
One year later	\$ 121,183	\$ 79,867	\$ 78,773	\$ 112,560	\$ 148,539	\$ 20,863	\$ 7,843	\$ 51,345	\$ 40,968	\$ 20,000	\$ 20,000
Two years later	\$ 144,849	\$ 62,351	\$ 60,496	\$ 100,792	\$ 126,562	\$ 20,863	\$ 18,078	\$ 72,777	\$ 40,968	\$ -	\$ -
Three years later	\$ 117,275	\$ 48,738	\$ 37,639	\$ 96,543	\$ 126,562	\$ 20,863	\$ 18,078	\$ 72,777	\$ -	\$ -	\$ -
Four years later	\$ 117,507	\$ 49,777	\$ 33,141	\$ 96,543	\$ 126,562	\$ 20,863	\$ 18,078	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ 126,562	\$ 20,863	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ 126,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 117,507	\$ 48,738	\$ 33,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 117,507	\$ 48,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$ 117,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$ (189,700)	\$ (6,058)	\$ (49,407)	\$ 21,331	\$ 25,562	\$ (91,037)	\$ (14,765)	\$ 47,777	\$ (13,101)	\$ (43,000)	\$ -

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	For Policy Years Ended June 30,											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1 Required contribution and investment revenue												
Earned	\$ 1,455,085	\$ 1,639,207	\$ 1,936,629	\$ 1,958,654	\$ 2,291,645	\$ 2,496,329	\$ 2,774,589	\$ 3,356,374	\$ 3,803,259	\$ 4,367,442	\$ 4,551,638	
Ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net earned	\$ 1,455,085	\$ 1,639,207	\$ 1,936,629	\$ 1,958,654	\$ 2,291,645	\$ 2,496,329	\$ 2,774,589	\$ 3,356,374	\$ 3,803,259	\$ 4,367,442	\$ 4,551,638	
2 Unallocated expenses	\$ -	\$ 14,493	\$ 96,930	\$ 140,236	\$ 153,671	\$ -	\$ -	\$ 61,866	\$ 49,023	\$ 50,678	\$ 79,594	
3 Estimated losses and expenses, end of fiscal year:												
Incurred	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	\$ 4,256,168	
Ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	\$ 4,256,168	
4 Net paid (cumulative) as of:												
End of fiscal year	\$ 1,307,704	\$ 1,416,642	\$ 1,578,209	\$ 1,634,127	\$ 1,704,628	\$ 1,947,215	\$ 2,031,883	\$ 2,798,029	\$ 3,185,838	\$ 3,380,488	\$ 3,508,910	
One year later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	\$ 2,067,215	\$ 2,173,883	2,940,029	3,485,838	3,680,488		
Two years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	\$ 2,067,215	\$ 2,173,883	2,940,029	3,485,838			
Three years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	\$ 2,067,215	2,173,883	2,940,029				
Four years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	2,067,215	2,173,883					
Five years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	1,704,628	2,067,215						
Six years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	1,704,628							
Seven years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127								
Eight years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209									
Nine years later	\$ 1,357,704	\$ 1,466,642										
Ten years later	\$ 1,357,704											
5 Reestimated ceded losses and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Reestimated net incurred losses and expenses:												
End of fiscal year	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	\$ 4,256,168	
One year later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933		
Two years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689			
Three years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723				
Four years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429					
Five years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178						
Six years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342							
Seven years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127								
Eight years later	\$ 1,357,704	\$ 1,466,642	\$ 1,628,209									
Nine years later	\$ 1,357,704	\$ 1,466,642										
Ten years later	\$ 1,357,704											
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	For Policy Years Ended June 30,											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1 Required contribution and investment revenue												
Earned	\$ 105,167,664	\$ 107,350,873	\$ 110,178,187	\$ 109,681,105	\$ 110,795,612	\$ 112,320,469	\$ 112,401,984	\$ 123,010,177	\$ 124,845,165	\$ 132,172,758	\$ 125,042,556	
Ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net earned	\$ 105,167,664	\$ 107,350,873	\$ 110,178,187	\$ 109,681,105	\$ 110,795,612	\$ 112,320,469	\$ 112,401,984	\$ 123,010,177	\$ 124,845,165	\$ 132,172,758	\$ 125,042,556	
2 Unallocated expenses	\$ -	\$ 957,079	\$ 949,743	\$ 1,029,464	\$ 1,445,739	\$ 1,390,347	\$ 1,368,341	\$ 1,377,947	\$ 1,362,344	\$ 1,374,236	\$ 1,573,008	
3 Estimated losses and expenses, end of fiscal year:												
Incurred	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	\$ 122,340,987	
Ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	\$ 122,340,987	
4 Net paid (cumulative) as of:												
End of fiscal year	\$ 104,364,662	\$ 104,144,349	\$ 106,317,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 111,964,685	\$ 113,837,560	\$ 120,867,731	\$ 113,813,837	
One year later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 113,673,685	\$ 115,736,560	\$ 122,766,731		
Two years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 113,673,685	\$ 115,736,560			
Three years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 113,673,685				
Four years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414					
Five years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414						
Six years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890							
Seven years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157								
Eight years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825									
Nine years later	\$ 104,364,662	\$ 106,367,349										
Ten years later	\$ 104,364,662											
5 Estimated ceded losses and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Estimated net incurred losses and expenses:												
End of fiscal year	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	\$ 122,340,987	
One year later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472		
Two years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587			
Three years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972				
Four years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572					
Five years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325						
Six years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853							
Seven years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157								
Eight years later	\$ 104,364,662	\$ 106,367,349	\$ 107,944,825									
Nine years later	\$ 104,364,662	\$ 106,367,349										
Ten years later	\$ 104,364,662											
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLEMENTARY INFORMATION

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2019 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 155,576	\$ 24,912,827	\$ 1,336,450	\$ 1,532,055	\$ 5,007,585	\$ 32,944,493
Investments, Current	-	4,595,935	-	-	-	4,595,935
Accounts Receivable	-	144,680	20,873	466,665	6,366,836	6,999,054
Prepaid Expenses	9,360	-	-	-	-	9,360
Interfund Receivable/(Payable)	(153,406)	(290,999)	(985,782)	217,093	1,213,094	-
Total Current Assets	11,530	29,362,443	371,541	2,215,813	12,587,515	44,548,842
Noncurrent Assets						
Investments	-	5,002,632	-	1,110,862	5,750,009	11,863,503
Capital Assets, Net of Depreciation	1,779	-	-	-	-	1,779
Total Assets	\$ 13,309	\$ 34,365,075	\$ 371,541	\$ 3,326,675	\$ 18,337,524	\$ 56,414,124
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources - pension	\$ -	\$ 88,279	\$ 27,701	\$ 32,877	\$ 202,120	\$ 350,977
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	\$ 16,861	\$ -	\$ 1,747	\$ 331,088	\$ 3,365,526	\$ 3,715,222
Prefunding Deposits	-	-	-	105,123	3,555,877	3,661,000
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	2,183,228	83,712	322,000	1,919,000	4,507,940
Total Current Liabilities	16,861	2,183,228	85,459	758,211	8,840,403	11,884,162
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	11,640,099	114,717	-	-	11,754,816
Net Pension Liability	-	201,976	66,557	68,865	361,156	698,554
Total Noncurrent Liabilities	-	11,842,075	181,274	68,865	361,156	12,453,370
Total Liabilities	16,861	14,025,303	266,733	827,076	9,201,559	24,337,532
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources - pension	\$ -	\$ 15,573	\$ 5,520	\$ 4,531	\$ 15,430	\$ 41,054
NET POSITION						
Unrestricted	(5,331)	20,412,478	126,989	2,527,945	9,322,655	32,384,736
Net Investment in Capital Assets	1,779	-	-	-	-	1,779
Total Net Position	(3,552)	20,412,478	126,989	2,527,945	9,322,655	32,386,515
Total Liabilities and Net Position	\$ 13,309	\$ 34,453,354	\$ 399,242	\$ 3,359,552	\$ 18,539,644	\$ 56,765,101

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION, continued
JUNE 30, 2018

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2018 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 101,261	\$ 18,534,707	\$ 1,317,946	\$ 1,323,726	\$ 3,284,669	\$ 24,562,309
Investments, Current	-	2,639,124	-	-	-	2,639,124
Accounts Receivable	-	117,644	6,384	424,964	7,475,208	8,024,200
Prepaid Expenses	7,685	-	-	-	-	7,685
Interfund Receivable/(Payable)	(90,137)	(187,299)	(946,826)	248,440	975,822	-
Total Current Assets	18,809	21,104,176	377,504	1,997,130	11,735,699	35,233,318
Noncurrent Assets						
Investments	-	6,752,521	-	1,068,536	5,530,921	13,351,978
Capital Assets, Net of Depreciation	2,371	-	-	-	-	2,371
Total Assets	\$ 21,180	\$ 27,856,697	\$ 377,504	\$ 3,065,666	\$ 17,266,620	\$ 48,587,667
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources - pension	\$ -	\$ 146,899	\$ 47,241	\$ 52,417	\$ 299,820	\$ 546,377
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	\$ 24,140	\$ -	\$ 1,644	\$ 308,403	\$ 3,112,648	\$ 3,446,835
Prefunding Deposits	-	-	-	132,923	3,897,654	4,030,577
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	2,648,036	54,786	300,000	1,899,000	4,901,822
Total Current Liabilities	24,140	2,648,036	56,430	741,326	8,909,302	12,379,234
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	12,762,095	44,824	-	-	12,806,919
Unallocated Loss Adjustment Expense (ULAE)	-	1,340,000	37,838	-	-	1,377,838
Net Pension Liability	-	212,258	69,984	72,292	378,293	732,827
Total Noncurrent Liabilities	-	14,314,353	152,646	72,292	378,293	14,917,584
Total Liabilities	24,140	16,962,389	209,076	813,618	9,287,595	27,296,818
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources - pension	\$ -	\$ 22,939	\$ 7,977	\$ 6,987	\$ 27,709	\$ 65,612
NET POSITION						
Unrestricted	(5,331)	11,018,268	207,692	2,297,478	8,251,136	21,769,243
Net Investment in Capital Assets	2,371	-	-	-	-	2,371
Total Net Position	(2,960)	11,018,268	207,692	2,297,478	8,251,136	21,771,614
Total Liabilities and Net Position	\$ 21,180	\$ 27,980,657	\$ 416,768	\$ 3,111,096	\$ 17,538,731	\$ 49,068,432

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2019 Total
OPERATING REVENUE						
Member contributions	\$ -	\$ 26,942,763	\$ 1,474,506	\$ 4,485,790	\$ 124,810,691	\$ 157,713,750
Other	-	-	-	-	-	-
Total Operating Revenues	-	26,942,763	1,474,506	4,485,790	124,810,691	157,713,750
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	-	-	2,762,755	122,380,987	125,143,742
Insurance premiums	-	17,667,018	1,424,376	1,493,413	224,938	20,809,745
Services and other operating expenses	-	446,242	95,782	10,708	1,044,197	1,596,929
Salaries and benefits	-	151,811	43,481	53,566	315,812	564,670
Supplies	-	1,093	364	729	5,103	7,289
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	18,266,164	1,564,003	4,321,171	123,971,037	148,122,967
Net Operating Income/(Loss)	(592)	8,676,599	(89,497)	164,619	839,654	9,590,783
NON-OPERATING REVENUE:						
Investment income/ (loss)	-	717,611	8,794	65,848	231,865	1,024,118
Total Non-Operating Revenues	-	717,611	8,794	65,848	231,865	1,024,118
CHANGE IN NET POSITION	(592)	9,394,210	(80,703)	230,467	1,071,519	10,614,901
Beginning Net Position	(2,960)	11,018,268	207,692	2,297,478	8,251,136	21,771,614
Ending Net Position	\$ (3,552)	\$ 20,412,478	\$ 126,989	\$ 2,527,945	\$ 9,322,655	\$ 32,386,515

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
FOR THE YEAR ENDED JUNE 30, 2018

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2018 Total
OPERATING REVENUE						
Member contributions	\$ -	\$ 26,712,774	\$ 1,289,628	\$ 4,356,498	\$ 132,187,282	\$ 164,546,182
Other	-	-	-	-	-	-
Total Operating Revenues	-	26,712,774	1,289,628	4,356,498	132,187,282	164,546,182
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	-	1,170,873	3,835,689	130,009,771	135,016,333
Insurance premiums	-	21,608,889	-	-	181,565	21,790,454
Services and other operating expenses	-	178,946	105,459	241,882	1,020,809	1,547,096
Salaries and benefits	-	44,413	13,866	16,682	103,951	178,912
Supplies	-	774	259	516	3,612	5,161
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	21,833,022	1,290,457	4,094,769	131,319,708	158,538,548
Net Operating Income/(Loss)	(592)	4,879,752	(829)	261,729	867,574	6,007,634
NON-OPERATING REVENUE:						
Investment income/ (loss)	-	156,252	6,444	10,944	(14,524)	159,116
Total Non-Operating Revenues	-	156,252	6,444	10,944	(14,524)	159,116
CHANGE IN NET POSITION	(592)	5,036,004	5,615	272,673	853,050	6,166,750
Beginning Net Position	(2,368)	5,982,264	202,077	2,024,805	7,398,086	15,604,864
Ending Net Position	\$ (2,960)	\$ 11,018,268	\$ 207,692	\$ 2,297,478	\$ 8,251,136	\$ 21,771,614

OTHER INDEPENDENT AUDITORS' REPORTS

**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**

Independent Auditors' Report

Board of Directors and Members
Alameda County Schools Insurance Group
Dublin, 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 Alameda County Schools Insurance Group, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Alameda County Schools Insurance Group's basic financial statements, and have issued our report thereon dated October 23, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alameda County Schools Insurance Group's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alameda County Schools Insurance Group's internal control. Accordingly, we do not express an opinion on the effectiveness of Alameda County Schools Insurance Group'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alameda County Schools Insurance Group's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive style.

San Diego, California
October 23, 2019