



Executive Committee Meeting

November 2, 2017

9:00am



Alameda County Schools Insurance Group (ACSIG)
5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA 94588

AGENDA Executive Committee

Date: Thursday, November 2, 2017
Time: 9:00AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Call to order 9:00 AM

II. Roll call

Executive Committee Members

Vacant	President	
Raul Parungao	Vice Present	Fremont USD
Susan Kinder	Secretary	Livermore Valley Joint USD
Allan Garde	Board Member	Albany USD
Bryan Richards	Board Member	Newark USD
Annette Heldman	Board Member	New Haven USD
Vacant	Board Member	
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Celina Flotte	Executive Assistant	Alameda County Schools Insurance
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Ron Martin	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

III. Acceptance of the Agenda

The Executive Committee will vote on the acceptance of the agenda.

IV. Public Comment on Closed Session Agenda Items

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is on the agency's agenda for that meeting. The Board of Directors allows speakers to speak on agendized and non-agendized matters under public comment. Comments are limited to no more than 3 minutes per speaker. By law, no action may be taken on any item raised during the public comment periods and matters may be referred to staff for placement on a future agenda of the Board of Directors

V. Closed Session

Pursuant to Government code section 54956.95, the Executive Committee is empowered to conduct a closed session to discuss matters affecting the JPA or a member of the JPA

A. Settlement Authorization

- **Claim Numbers:**
None

B. Settlement Notification

- **Claim Numbers:**

431321	Lyndon	487950	Bowser	503338	Jones	511030	Ingalls	526190	Ebner
455475	Mahmoud	489928	Lawrence	504510	Ramirez	511303	Sullivan	527596	Thomas
458496	Fletcher	490915	Herendeen	504682	Perez	512645	March	528282	Rodriguez
467083	Pina	498093	Newell	505786	Moya	514173	Jones	533071	Cota
471706	DeCarli	498313	Velazquez	505802	Zamora	515144	Briones	534620	Ortega
475099	Cota	499122	Senter	506200	Fong	515261	Jones	535794	He Wu
475545	Cabrera	500270	Edwards	508380	Nunez	515711	Chamberlain	537552	He Wu
476693	Atwell	501334	Cunha	509976	O'Neill	516381	Lovelady	2205039	Sweeney
480280	Atwell	501662	Larsen	510492	Cabrera	516818	Weeks	2510219	Sharma

VI. Open Session

Public Comment on Open Session Agenda Items

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is on the agency's agenda for that meeting. The Board of Directors allows speakers to speak on agendized and non-agendized matters under public comment. Comments are limited to no more than 3 minutes per speaker. By law, no action may be taken on any item raised during the public comment periods and matters may be referred to staff for placement on a future agenda of the Board of Directors

Report of Action Taken in Closed Session

VII. Approval of Minutes

The Executive Committee will review and approve the Executive Committee meeting minutes from May 11, 2017 and the Full Board minutes from May 25, 2017.

General Business

VIII. Recruitment to Executive Committee

The Executive Committee will recruit a new district to the Executive Committee.

Recommendation: For Discussion

IX. Election of Officers

The Executive Committee will elect officers for the 2017/18 year.

Recommendation: For action

X. Calendar

The Executive Director will ask the Executive Committee to reschedule the February meeting to February 8, 2017.

Recommendation: For action

XI. ACOE Endorsement

The Executive Director will discuss the need to endorse the new ACOE Opportunity Charter School.

Recommendation: For action

XII. 2016/17 Fourth Quarter Financials

Laurena Grabert from SETECH will present the 2016/17 4th Quarter Financials. The Executive Committee will recommend approval to the Full Board.

Recommendation: For action

XIII. 2016/17 Audit

The Executive Director will present the 2016/17 Audit. The Executive Committee will be asked to recommend approval of the report to the Full Board.

Recommendation: For action

XIV. 2017/18 First Quarter Financials

Laurena Grabert from SETECH will present the 2017/18 1st Quarter Financials. The Executive Committee will be asked to recommend approval of the report to the Full Board.

Recommendation: For action

XV. 2016/17 Fourth Quarter Investment Report

Cary Allison will present the 2016/17 4th Quarter investment report. The Executive Committee will be asked to recommend approval of the report to the Full Board.

Recommendation: For action

XVI. 2017/18 First Quarter Investment Report

Cary Allison will present the 2017/18 1st Quarter investment report. The Executive Committee will be asked to recommend approval of the report to the Full Board.

Recommendation: For action

XVII. Annual Report

The Executive Director will present the 2016/17 Annual Report.

Recommendation: For discussion

Workers Compensation

XVIII. 2017/18 Service Plan

The service team will review the 2017/18 Service Plan with the Executive Committee.

Recommendation: For discussion

XIX. Company Nurse Update

Michael Clark from Keenan will give the Executive Committee an update on the Company Nurse program.

Recommendation: For discussion

XX. Workers Compensation Claims History

The Executive Director and Keenan Associates will review a 5-year claims history report.

Recommendation: For discussion

XXI. Workers Compensation Claims Auditor Selection

The Executive Director will review the upcoming claims audit.

Recommendation: For Discussion/ Action

XXII. Potential Exposure from Reinsurer Insolvency

The Executive Director will review a current insolvency issue with a prior year reinsurer.

Recommendation: For Discussion

XXIII. Future Planning

XXIV. Adjournment



Alameda County Schools Insurance Group (ACSIG)
5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA 94588

MINUTES Executive Committee

Date: Thursday, May 11, 2017
Time: 9:00 AM
Location: Alameda County Office of Education
 313 W. Winton Ave.
 Hayward, CA 94544

I. Dr. Candi Clark called the meeting to order at 9:03am

II. Roll call

Executive Committee Members

Dr. Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Susan Kinder	Secretary	Livermore USD
Annette Heldman	Board Member	San Lorenzo USD
Akur Varadarajan	Board Member	New Haven USD
Bryan Richards	Board Member	Newark USD

Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Celina Flotte	Executive Assistant	Alameda County Schools Insurance

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Bill Poland	Guest	Keenan & Associates
Hesam Fayaz	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

III. Acceptance of the Agenda

It was moved by Raul Parungao and seconded by Bryan Richards to approve the agenda as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:06am

A. Settlement Authorization

- Claim Numbers: none

B. Settlement Notification

- Claims Numbers:

VanDenburg, Diana L	428895	He Wu, Xingmei	492720	Eldridge, Helen	506931
Dailey, Thomas D	431755	Su, Louis	493766	Angoco, Anthony	507133
Carey, Michael	445375	Saunders, James	495310	Cohlman, James	509238
Merlin, Denise Nina	449478	He Wu, Xingmei	495488	Nese-Forte, Carol	509323
VanDenburg, Diana L	452199	Spitzack, Rhett	496690	Rodriguez, Cynthia	512820
Merlin, Denise Nina	453030	Tomasic, Sue E	496691	Davila, Gary	513157
Mendoza, Daria	465082	Uribe, Armando	497557	Mirts, Tina	515922
Daniello, Kathleen	471869	Arnold, Peggy	499299	Chacon, Nancy	518021
Holm, James	472916	Youngs, Daniel	499538	Grasseschi, Paul B.	518802
He Wu, Xingmei	473771	Demarest, Heather	499688	Burns, Patricia K	519085
Hounshell, Lynda E	479922	Salcedo, Rocio	500633	Waste, Marta	524849
Chacon, Nancy	482321	Badie, Sonya K	501509	Cosgrove, Michelle	525159
Torrez, Kathleen S	482532	Pence, Marc	503237	Kirk, Cynthia	525561
Spitzack, Rhett	483293	Coldani, Michelle	504161	Baldrige, Brenda	529833
Fulford, Gloria	489924	Schenker, Tammy	504553	Mirts, Tina	536059
Chacon, Nancy	491259	Schenker, Tammy	504610		

Open Session

Open session began at 9:10am.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

No action was taken.

VII. Approval of Minutes

It was moved by Raul Parungao and seconded by Bryan Richards to approve the February 16, 2017 Executive Committee Meeting minutes.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

Workers Compensation

VIII. Loss Portfolio Transfer Report

Bill Poland of Keenan presented a Loss Portfolio Transfer Discussion to the Executive Committee. It was decided by the Executive Committee to hold off on pursuing the opportunity at this time.

Dental

IX. Dental Rates 2017/2018

The Executive Director presented the 2017/2018 Dental Rate recommendations to the Executive Committee. The program has been performing exceptionally well and efficiently. The past 3 years have seen flat rates and rebates in this program. ACSIG has recognized a downward trend by keeping rates flat from year to year. This positive claims experience has continued in 2016/2017 and we are recommending a 2% decrease in rates for 2017/2018.

It was moved by Raul Parungao and seconded by Akur Varadarajan to approve Dental Rates.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

X. Dental Actuarial Study

The Executive Director will present the dental study. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

Vision

XI. Vision Rates 2017/2018

The Executive Director presented the 2017/18 Vision rate recommendations to the Executive Committee. The underwriting model shows a slight decrease in claim development within the past several years. Because of the increasing growth within the program, it is our recommendation that rates remain flat for 2017/2018. It was moved by Raul Parungao and seconded by Bryan Richards to approve the Vision rates as presented with no increase.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XII. Vision Actuarial Study

The Executive Director will present the vision study. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

Property & Liability

XIII. Property & Liability Rates 2017/2018

The Executive Director presented the 2017/18 Property and Liability rates. ACSIG has 5 members in the Property & Liability pool, which attaches to NCR at the \$25,000 SIR. NCR Property rates and Liability rates showed very little change in 2017/2018. Due to positive claims experience, ACSIG has seen a decrease in both its Property and Liability experience modification factors programs.

It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the Property & Liability rates as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

DRAFT

2017/2018 Property & Liability Program Rates

	Property	Liability	Total
ACSIG			
ACOE	\$29,199	\$25,874	\$55,073
Albany	\$71,667	\$183,147	\$254,814
Dublin	\$213,777	\$491,363	\$705,140
Emery	\$57,509	\$35,562	\$93,071
Piedmont	\$70,320	\$136,680	\$207,000
ACSIG TOTAL	\$442,474	\$872,625	\$1,315,098

\$50,000 loss fund funding included for Property
\$100,000 loss funding included for Liability
Safety Inspection fee of \$12, 446 Included

XIV. PLCA Amendment

The Executive Director presented the extension of terms with no fee increase for the claim administration services with Keenan & Associates. The contract was approved in 2015-2016 and has been in effect for 3 subsequent years.

It was moved by Bryan Richards and seconded by Raul Parungao to approve the PLCA Amendment as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XV. P&L Actuarial Study

The Executive Director will present the P&L study. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

General

XVI. Third Quarter Financial Report

Hesam Fayaz from SETECH presented the 2016/2017 third quarter financials report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	As of 03/31/2017
Assets:			
Current Assets			
Workers Compensation	\$ 8,758,964	8,628,721	\$ 17,387,685
Dental	3,019,012	(985,573)	2,033,439
Vision	1,175,897	(42,145)	1,133,752
Property and Liability	1,206,795	(547,095)	659,700
Operations	169,423	121,512	290,935
Cash and Cash Equivalents	\$ 14,330,091	7,175,420	\$ 21,505,511
Investments Morgan Stanley - current	1,701,027	1,228,709	2,929,736
Accounts Receivable	7,965,408	201,373	8,166,781
Prepaid Expense	--	246,731	246,731
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	23,996,526	8,852,233	32,848,758
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,370,020	(1,360,526)	13,009,494
Capital - Equipment, net of depreciation	3,555	--	3,555
	14,373,575	(1,360,526)	13,013,049
Total Assets	\$ 38,370,101	\$ 7,491,706	\$ 45,861,807
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	44,203	--	44,203
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,414,640	\$ (1,168,595)	\$ 4,246,045
Prefunding deposits (2)	3,418,159	252,000	3,670,159
Advance Contributions	--	6,330,255	6,330,255
Current Portion of claims and claim adjustment	3,542,657	296,705	3,839,361
Subtotal Current Liabilities	12,375,456	5,710,365	18,085,820
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,149,791	(1,685,667)	14,464,125
Unallocated Loss Adjustment Expense (ULAE)	1,570,819	(192,000)	1,378,819
Subtotal Noncurrent Claim Liabilities	17,720,610	(1,877,667)	15,842,944
Net Pension Liability (NPL)	525,511	--	525,511
Total Liabilities	\$ 30,621,577	\$ 3,832,698	\$ 34,454,275
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	63,483	--	63,483
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,725,689	3,659,008	11,384,697
Designated - Capital Assets	3,555	--	3,555
Total Net Position	\$ 7,729,244	\$ 3,659,008	\$ 11,388,252
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 38,370,101	\$ 7,491,706	\$ 45,861,807

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is a internal function used to transfer or allocate expense and income from one program to another without transfer of cash.
(2) Estimated six weeks of dental claims funded by each member to maintain positive cash flow.
(3) Morgan Stanley Smith Barney Investment shown at Fair Market Value, accrued interest shown as accounts receivable.

It was moved by Raul Parungao and seconded by Susan Kinder to approve the third quarter financial report as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XVII. Third Quarter Investment Report

Cary Allison of Morgan Stanley reviewed the 2016/17 third quarter investment report with the Executive Committee.

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	03/31/2017
Inception date	07/12/10
Beginning Total Value	\$9,999,850.00
Net Contributions/Withdrawals	\$5,033,025.75
Investment Earnings	\$1,104,882.33
Total Ending Value	\$16,137,758.08
Current Quarter	0.34%
Fiscal Year to Date	-0.72%
Since Inception (annualized % per year)	1.14%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	0.98%
Last 5 Years (annualized % per year)	0.94%
Since Inception (annualized % per year)	1.16%
Year 2017 (YTD)	0.34%
Year 2016	0.99%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	29.05%

It was moved by Annette Heldman and seconded by Akur Varadarajan to approve the third quarter investment report as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XVIII. 2017/2018 Budget

The Executive Director reviewed the 2017/18 Budget to the Executive Committee. An amendment was made to make a change to the Self-Insurance Fee to \$290,000 and the Postage Meter was increased to \$9,000.

It was moved by Akur Varadarajan and seconded by Raul Parungao to approve the budget as amended.

**Alameda County Schools Insurance Group (ACSIG)
Consolidated
2017/2018 Budget**

	Budget 2017/2018	Allocations	Change in Accruals		2017/2018 Budget	2016/2017 Budget
Audited - Beginning Net Position, as of 07/01/2017				\$ 29,375,762		
Beginning Cash	\$ 29,375,762				\$ 29,375,762	\$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	\$ 156,427,872	\$ ---	\$ ---	\$ 156,427,872	\$ 156,427,872	\$ 147,408,159
Total Operating Revenue	156,427,872	---	---	156,427,872	156,427,872	147,408,159
Operating Expenditures:						
Classified Salaries	251,052	---	---	251,052	251,052	236,778
Statutory Benefits	56,552	---	---	56,552	56,552	55,498
Health & Welfare	39,000	---	---	39,000	39,000	39,000
Employer Tax Expense	3,476	---	---	3,476	3,476	3,411
Net Pension Expense	39,345	---	---	39,345	39,345	---
Telephone & Internet	7,350	---	---	7,350	7,350	7,500
Supplies Office	4,200	---	---	4,200	4,200	5,775
Supplies - Other	2,625	---	---	2,625	2,625	4,725
Eligibility Processing	245,627	---	---	245,627	245,627	257,060
Brokerage Fees-Dental-ACSIG	288,000	---	---	288,000	288,000	276,000
Brokerage Fees-Dental-MD	350,000	---	---	350,000	350,000	300,000
Travel and Conferences	23,100	---	---	23,100	23,100	21,000
Mileage	8,925	---	---	8,925	8,925	8,925
Dues & Memberships	1,575	---	---	1,575	1,575	1,575
Postage & Meter	5,200	---	---	5,200	5,200	3,400
Insurance Expense-PIPS&NCR	25,192,893	---	---	25,192,893	25,192,893	23,989,931
PIPS payroll adjustment	2,000,000	---	---	2,000,000	2,000,000	1,500,000
Utility - Operating-Rent	33,761	---	---	33,761	33,761	1,530,360
Advertising	600	---	---	600	600	6,860
Contract Services	26,275	---	---	26,275	26,275	8,426
Contract Services-PL-Investigation	20,000	---	---	20,000	20,000	---
Contract Services-PL-Legal	6,375	---	---	6,375	6,375	10,000
Audit Fees	15,540	---	---	15,540	15,540	14,175
Other Services/Operating Expenses	10,500	---	---	10,500	10,500	5,250
Capital Equipment/Depreciation	2,625	---	---	2,625	2,625	2,550
Repairs & Maintenance	3,675	---	---	3,675	3,675	4,800
Legal	2,100	---	---	2,100	2,100	2,550
Accounting Services	15,750	---	---	15,750	15,750	15,750
County Courier	4,200	---	---	4,200	4,200	3,675
Shredding	1,575	---	---	1,575	1,575	1,575
Copier & Scanner	15,000	---	---	15,000	15,000	15,000
Claims Administration Services	154,000	---	---	154,000	154,000	190,000
Self-Insurance Fee	250,000	---	---	250,000	250,000	245,000
Claims Paid-WC	2,500,000	---	---	2,500,000	2,500,000	3,000,000
Claims Paid-PL	50,000	---	---	50,000	50,000	80,000
Physical Abilities Testing	25,000	---	---	25,000	25,000	10,000
Safety Inspection	12,445	---	---	12,445	12,445	12,445
Training	20,000	---	---	20,000	20,000	5,000
First-Aid Program	10,000	---	---	10,000	10,000	10,000
Food Service Training	5,000	---	---	5,000	5,000	10,000
Special Ed Training	15,000	---	---	15,000	15,000	10,000
Bank Charge & WC Penalty Reimb.	17,200	---	---	17,200	17,200	15,000
Cobra Premiums	242,000	---	---	242,000	242,000	250,000
Dental Insurance Premiums	123,000,000	---	---	123,000,000	123,000,000	113,877,908
Vision Insurance Premiums	3,340,000	---	---	3,340,000	3,340,000	2,550,000
Claim Development Expense	(2,510,000)	---	---	(2,510,000)	(2,510,000)	(2,430,000)
Prior Year Adjustment	---	---	---	---	---	---
Total Operating Expenditures	155,807,540	---	---	155,807,540	155,807,540	146,166,902
Net Increase/(Decrease) from Operations	620,332	---	---	620,332	620,332	1,241,257
Non Operating Income/(Expense)						
Interest Income	231,500	---	---	231,500	231,500	218,250
Change in FMV	---	---	---	---	---	---
Realized Gain/(Loss)	---	---	---	---	---	---
GASB 68	---	---	---	---	---	---
Total Non Operating Income/(Expense)	231,500	---	---	231,500	231,500	218,250
Ending Cash	\$ 30,227,594	---	---			
Net Increase/(Decrease) in Net Position	\$ ---	\$ ---	\$ 851,832	\$ 851,832	\$ 1,459,507	

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards
Nays: None
Abstain: None

XIX. ACSIG Salaries & Benefits

The Executive Director presented a cost of living increase proposal for the ACSIG staff of 2%. The average from 8 settled agencies was 2%. The overall cost for this increase would total \$6,615.

It was moved by Bryan Richards and seconded by Raul Parungao to approve ACSIG salaries and benefits as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XX. Strategic Plan 2017

The Executive Committee requested a report of the overall strategic plans. No additional meetings will be held in 2017 but the Committee will report out in at the next Executive Committee meeting.

Administrative

XXI. Investment Policy

The Executive Committee conducted the annual review of the written investment policy and found no changes necessary.

It was moved by Akur Varadarajan and seconded by Raul Parungao to approve the Investment Policy as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XXII. Conflict of Interest Code

The Executive Committee conducted the annual review of the Conflict of Interest policy and requested a check for any updates.

It was moved by Annette Heldman and seconded by Akur Varadarajan to approve the Conflict of Interest Code as presented.

XXIII. Authorization of Signatures

The Executive Committee conducted the annual review of the Authorization of Signatures and motioned to approve authorization of Board President's signature in the event of vacancy/ or incapacitation of Executive Director.

It was moved by Bryan Richards and seconded by Susan Kinder to approve the Authorization of Signatures with a motion to change signature authorization.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XXIV. Meeting Calendar

The Executive Committee reviewed the 2017/18 draft calendar.

It was moved by Raul Parungao and seconded by Annette Heldman to approve the draft meeting calendar as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XXV. Posting and Mailing Address

The Executive Committee conducted the annual review of the Posting and Mailing Address for ACSIG and found no changes necessary.

It was moved by Raul Parungao and seconded by Susan Kinder to approve the Posting and Mailing address as presented.

Ayes: Clark, Kinder, Parungao, Varadarajan, Heldman Richards

Nays: None

Abstain: None

XXVI. Future Planning

XXVII. Adjournment



Alameda County Schools Insurance Group (ACSIG)
5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA 94588

MINUTES Full Board

Date: Thursday, May 25, 2017

Time: 12:00PM

Location: Conference Call

Dial-in instructions: 866-390-5250, access code 3647778

I. The meeting was called to order by Kimberly Dennise at 12:04 PM

II. Roll call

Board Members

Susan Kinder	Secretary	Livermore Valley Joint USD
Teresa Kapellas	Board Member	Alameda County Office of Education
Dani Krueger	Alternate	Alameda USD
Allan Garde	Board Member	Albany Unified School District
Marites Fermin	Board Member	Eden Area ROP
Dora Siu	Board Member	Emery USD
Minh Vu	Alternate	Fremont USD
Joyce Veasley	Board Member	Mission Valley ROP
Dina Stewart	Board Member	Mountain House USD
Bryan Richards	Board Member	Newark USD
Annette Heldman	Board Member	San Lorenzo USD
Julie Duncan	Board Member	Tri-Valley ROP

Kimberly Dennis	Executive Director	ACSIG
Celina Flotte	Executive Assistant	ACSIG

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates

III. Acceptance of the Agenda

It was moved by Teresa Kapellas and seconded by Minh Vu to accept the agenda as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

IV. Public Comment on Open Session Agenda Items

There was no public present to comment.

Consent Calendar

Review Items listed on the consent agenda for any adjustments and adoptions.

- Executive Committee Minutes from February 16, 2017
- Dental Actuarial Study
- Vision Actuarial Study
- P&L Actuarial Study
- PLCA Amendment
- 2nd Quarter Financials
- 2nd Quarter Investment Report
- Investment Policy
- Conflict of Interest Code
- Authorization of Signatures
- Posting and Mailing Address

It was moved by Bryan Richards and seconded by Annette Heldman to approve the consent calendar as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

General**V. Third Quarter Financials**

Laurena Grabert from SETECH presented the 2016/17 Third Quarter Financial statements.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	As of 03/31/2017
Assets:			
Current Assets			
Workers Compensation	\$ 8,758,964	8,628,721	\$ 17,387,685
Dental	3,019,012	(985,573)	2,033,439
Vision	1,175,897	(42,145)	1,133,752
Property and Liability	1,206,795	(547,095)	659,700
Operations	169,423	121,512	290,935
Cash and Cash Equivalents	\$ 14,330,091	7,175,420	\$ 21,505,511
Investments Morgan Stanley - current	1,701,027	1,228,709	2,929,736
Accounts Receivable	7,965,408	201,373	8,166,781
Prepaid Expense	-	246,731	246,731
Interfund Receivable/(payable) (1)	-	-	-
Subtotal Current Assets	23,996,526	8,852,233	32,848,758
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,370,020	(1,360,526)	13,009,494
Capital - Equipment, net of depreciation	3,555	-	3,555
	14,373,575	(1,360,526)	13,013,049
Total Assets	\$ 38,370,101	\$ 7,491,706	\$ 45,861,807
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	44,203	-	44,203
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,414,640	\$ (1,168,595)	\$ 4,246,045
Prefunding deposits (2)	3,418,159	252,000	3,670,159
Advance Contributions	-	6,330,255	6,330,255
Current Portion of claims and claim adjustment	3,542,657	296,705	3,839,361
Subtotal Current Liabilities	12,375,456	5,710,365	18,085,820
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,149,791	(1,685,667)	14,464,125
Unallocated Loss Adjustment Expense (ULAE)	1,570,819	(192,000)	1,378,819
Subtotal Noncurrent Claim Liabilities	17,720,610	(1,877,667)	15,842,944
Net Pension Liability (NPL)	525,511	-	525,511
Total Liabilities	\$ 30,621,577	\$ 3,832,698	\$ 34,454,275
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	63,483	-	63,483
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,725,689	3,659,008	11,384,697
Designated - Capital Assets	3,555	-	3,555
Total Net Position	\$ 7,729,244	\$ 3,659,008	\$ 11,388,252
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 38,370,101	\$ 7,491,706	\$ 45,861,807

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is a internal function used to transfer or allocate expense and income from one program to another without transfer of cash.
- (2) Estimated six weeks of dental claims funded by each member to maintain positive cash flow.
- (3) Morgan Stanley Smith Barney Investment shown at Fair Market Value, accrued interest shown as accounts receivable.

Alameda County Schools Insurance Group (ACSIG)

Consolidated

Statement of Revenues, Expenditures and Changes in Net Position

For The Nine Months Ended 03/31/2017

	Cash Activity 07/01/2015 03/31/2017	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2016				\$ 7,729,244			
Beginning Cash	\$ 30,401,138				\$ 7,729,244		
Operating Revenues:							
Premiums Paid by Members	\$ 125,108,623	\$ --	\$ (5,985,709)	\$ 119,122,914	\$ 147,408,159	\$ (28,285,245)	80.81 %
Other Income	25,925	(25,925)	--	--	--	--	--
Total Operating Revenue	125,134,548	(25,925)	(5,985,709)	119,122,914	147,408,159	(28,285,245)	80.81
Operating Expenditures:							
Classified Salaries	80,639	109,559	(185)	190,014	236,778	(46,764)	80.25
Statutory Benefits	11,725	44,982	(4,948)	51,760	55,498	(3,738)	93.26
Health & Welfare	8,160	5,213	--	13,373	39,000	(25,627)	34.29
Employer Tax Expense	--	2,721	--	2,721	3,411	(690)	79.77
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	3,569	--	(108)	3,461	5,250	(1,789)	65.92
Supplies Office	995	--	--	995	5,250	(4,255)	18.95
Supplies - Other	1,883	--	(107)	1,776	5,250	(3,474)	33.82
Eligibility Processing	180,409	--	--	180,409	252,000	(71,591)	71.59
Brokerage Fees-Dental-ACSIG	177,808	--	--	177,808	276,000	(98,192)	64.42
Brokerage Fees-Dental-MD	252,256	--	--	252,256	300,000	(47,744)	84.09
Travel and Conferences	13,717	5,695	(430)	18,982	21,000	(2,018)	90.39
Mileage	4,170	--	--	4,170	8,925	(4,755)	46.72
Dues & Memberships	6,635	--	--	6,635	1,575	5,060	421.27
Postage & Meter	6,320	--	--	6,320	3,400	2,920	185.88
Insurance Expense-PIPS&NCR	15,707,148	--	(246,731)	15,460,417	23,989,931	(8,529,514)	64.45
Insurance Expense-PIPS Adj	2,963,955	--	--	2,963,955	1,500,000	1,463,955	197.60
Utility - Operating-Rent	61,705	(37,035)	--	24,670	35,420	(10,750)	69.65
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	12,650	5,000	--	17,650	8,426	9,224	209.47
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,250	--	--	13,250	14,175	(925)	93.47
Other Services/Operating Expenses	1,281	--	--	1,281	5,250	(3,969)	24.40
Capital Equipment/Depreciation	--	--	--	--	2,550	(2,550)	--
Repairs & Maintenance	--	--	--	--	4,800	(4,800)	--
Legal	--	--	--	--	2,550	(2,550)	--
Accounting Services	7,350	3,150	--	10,500	15,750	(5,250)	66.67
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	519	132	--	651	1,575	(924)	41.33
Copier & Scanner	7,790	150	(1,455)	6,485	15,000	(8,515)	43.23
Claims Administration Services	129,603	--	(227)	129,376	190,000	(60,624)	68.09
Self-Insurance Fee	261,221	--	--	261,221	245,000	16,221	106.62
Claims Paid-WC	1,012,801	--	130,727	1,143,528	3,000,000	(1,856,472)	38.12
Claims Paid-PL	20,241	--	--	20,241	80,000	(59,759)	25.30
Physical Abilities Testing	6,125	--	(1,225)	4,900	22,445	(17,545)	21.83
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	16,334	--	(555)	15,781	10,000	5,781	157.81
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	20,209	--	--	20,209	15,000	5,209	134.73
Cobra Premiums	148,564	--	--	148,564	250,000	(101,436)	59.43
Dental Insurance Premiums	94,152,542	--	(1,162,585)	92,989,957	113,877,908	(20,887,951)	81.66
Vision Insurance Premiums	2,850,842	--	3,230	2,854,072	2,758,000	96,072	103.48
Claim Development Expense	--	--	(1,580,962)	(1,580,962)	(2,430,000)	849,038	65.06
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	118,142,416	139,568	(2,865,560)	115,416,424	144,867,892	(29,451,468)	79.67 %
Net Increase/(Decrease) from Operations	6,992,132	(165,493)	(3,120,149)	3,706,490	2,540,267	1,166,223	145.91 %
Non Operating Income/(Expense)							
Interest Income	279,778	(11)	(12,444)	267,322	218,250	49,072	122.48
Net Increase/(Decrease) in Fair Value	(334,932)	--	--	(334,932)	--	(334,932)	--
Realized Gain/(Loss) on Investments	20,128	--	--	20,128	--	20,128	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	86,496	--	(86,496)	--	--	--	--
Total Non Operating Income/(Expense)	51,470	(11)	(98,940)	(47,482)	218,250	(265,732)	(21.76) %
Ending Cash	\$ 37,444,740	(165,504)					
Net Increase/(Decrease) in Net Position	\$ (165,504)	\$ (3,219,089)		3,659,008	\$ 2,758,517	\$ 900,491	132.64 %
Unaudited - Ending Net Position, as of 03/31/2017				\$ 11,388,252	\$ 10,487,761	\$ 900,491	

It was moved by Annette Heldman and seconded by Susan Kinder to approve the Third Quarter Financials as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

VI. Third Quarter Investment Report

The Executive Director reviewed the 2016/17 Third Quarter Investment Report with the Board.

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	03/31/2017
Inception date	07/12/10
Beginning Total Value	\$9,999,850.00
Net Contributions/Withdrawals	\$5,033,025.75
Investment Earnings	\$1,104,882.33
Total Ending Value	\$16,137,758.08
Current Quarter	0.34%
Fiscal Year to Date	-0.72%
Since Inception (annualized % per year)	1.14%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	0.98%
Last 5 Years (annualized % per year)	0.94%
Since Inception (annualized % per year)	1.16%
Year 2017 (YTD)	0.34%
Year 2016	0.99%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	29.05%

It was moved by Teresa Kapellas and seconded by Annette Heldman to approve the Third Quarter Investment Report as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

VII. 2017/2018 Budget

The Executive Director presented the 2017/18 Budget to the Board. The budget was developed using year to date 2016/17 data and preliminary estimates for 2017/18 rates and costs. Because all the rates are not firm at this time, estimates were used for this report. Salaries have been distributed to each program based upon a time study.

Alameda County Schools Insurance Group (ACSIG)						
Consolidated						
2017/2018 Budget						
	Budget 2017/2018	Allocations	Change in Accruals		2017/2018 Budget	2016/2017 Budget
Audited - Beginning Net Position, as of 07/01/2017				\$ 29,375,762		
Beginning Cash	\$ 29,375,762				\$ 29,375,762	\$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	\$ 156,427,872	\$ --	\$ --	\$ 156,427,872	\$ 156,427,872	\$ 147,408,159
Total Operating Revenue	156,427,872	--	--	156,427,872	156,427,872	147,408,159
Operating Expenditures:						
Classified Salaries	251,052	--	--	251,052	251,052	236,778
Statutory Benefits	56,552	--	--	56,552	56,552	55,498
Health & Welfare	39,000	--	--	39,000	39,000	39,000
Employer Tax Expense	3,476	--	--	3,476	3,476	3,411
Net Pension Expense	39,345	--	--	39,345	39,345	--
Telephone & Internet	7,350	--	--	7,350	7,350	7,500
Supplies Office	4,200	--	--	4,200	4,200	5,775
Supplies - Other	2,625	--	--	2,625	2,625	4,725
Eligibility Processing	245,627	--	--	245,627	245,627	257,060
Brokerage Fees-Dental-ACSIG	288,000	--	--	288,000	288,000	276,000
Brokerage Fees-Dental-MD	350,000	--	--	350,000	350,000	300,000
Travel and Conferences	23,100	--	--	23,100	23,100	21,000
Mileage	8,925	--	--	8,925	8,925	8,925
Dues & Memberships	1,575	--	--	1,575	1,575	1,575
Postage & Meter	8,350	--	--	8,350	8,350	3,400
Insurance Expense-PPS&NCR	25,192,893	--	--	25,192,893	25,192,893	23,989,931
PPPS payroll adjustment	2,000,000	--	--	2,000,000	2,000,000	1,500,000
Utility - Operating-Rent	33,761	--	--	33,761	33,761	1,330,360
Advertising	600	--	--	600	600	6,860
Contract Services	26,275	--	--	26,275	26,275	8,426
Contract Services-PL-Investigation	20,000	--	--	20,000	20,000	--
Contract Services-PL-Legal	6,375	--	--	6,375	6,375	10,000
Audit Fees	15,540	--	--	15,540	15,540	14,175
Other Services/Operating Expenses	10,500	--	--	10,500	10,500	5,250
Capital Equipment/Depreciation	2,625	--	--	2,625	2,625	2,550
Repairs & Maintenance	3,675	--	--	3,675	3,675	4,800
Legal	2,100	--	--	2,100	2,100	2,550
Accounting Services	15,750	--	--	15,750	15,750	15,750
County Courier	4,200	--	--	4,200	4,200	3,675
Shredding	1,575	--	--	1,575	1,575	1,575
Copier & Scanner	15,000	--	--	15,000	15,000	15,000
Claims Administration Services	154,000	--	--	154,000	154,000	190,000
Self-Insurance Fee	290,000	--	--	290,000	290,000	245,000
Claims Paid-WC	2,500,000	--	--	2,500,000	2,500,000	3,000,000
Claims Paid-PL	50,000	--	--	50,000	50,000	80,000
Physical Abilities Testing	25,000	--	--	25,000	25,000	10,000
Safety Inspection	12,445	--	--	12,445	12,445	12,445
Training	20,000	--	--	20,000	20,000	5,000
First-Aid Program	10,000	--	--	10,000	10,000	10,000
Food Service Training	5,000	--	--	5,000	5,000	10,000
Special Ed Training	15,000	--	--	15,000	15,000	10,000
Bank Charge & WC Penalty Reimb	17,200	--	--	17,200	17,200	15,000
Cobra Premiums	242,000	--	--	242,000	242,000	250,000
Dental Insurance Premiums	123,000,000	--	--	123,000,000	123,000,000	113,877,908
Vision Insurance Premiums	3,340,000	--	--	3,340,000	3,340,000	2,550,000
Claim Development Expense	(2,510,000)	--	--	(2,510,000)	(2,510,000)	(2,430,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	155,850,690	--	--	155,850,690	155,850,690	146,166,902
Net Increase/(Decrease)						
from Operations	577,182	--	--	577,182	577,182	1,241,257
Non Operating Income/(Expense)						
Interest Income	231,500	--	--	231,500	231,500	218,250
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
GASB 68	--	--	--	--	--	--
Total Non Operating Income/(Expense)	231,500	--	--	231,500	231,500	218,250
Ending Cash	\$ 30,184,444	--	--			
Net Increase/(Decrease) in Net Position	\$ --	\$ --	\$ --	\$ 808,682	\$ 808,682	\$ 1,459,507

It was moved by Minh Vu and seconded by Bryan Richards to approve the Budget as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

Dental

VIII. Dental Rates 2017/2018

The Executive Director presented the 2017/18 Dental program proposed rate changes. The program has been performing exceptionally well and efficiently. The past 3 years have seen flat rates and rebates in this program. ACSIG has recognized a downward trend by keeping rates flat from year to year. This positive claims experience has continued in 2016/17 and we are recommending a 2% decrease in rates for 2017/18.

It was moved by Dina Stewart and seconded by Annette Heldman to approve the Dental Rates as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

Vision

IX. Vision Rates 2017/2018

The Executive Director presented the 2017/18 Vision program proposed rate changes. The underwriting model shows a slight decrease in claim development within the past several years. Because of the increasing growth within the program, it is our recommendation that rates remain flat for 2017/18.

It was moved by Annette Heldman and seconded by Marites Fermin to approve the Vision Rates as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

Property & Liability

X. Property & Liability Rates 2017/2018

The Executive Director presented the 2017/18 Property and Liability rates to the Board. ACSIG has 5 members in the Property & Liability pool. NCR rates showed very little change in 2017/18. Due to positive claims experience, ACSIG has seen a decrease in both its Property and Liability experience modification factors programs.

2017/2018 Property & Liability Program Rates

ACSIG	Property	Liability	Total
ACOE	\$29,199	\$25,874	\$55,073
Albany	\$71,667	\$183,147	\$254,814
Dublin	\$213,777	\$491,363	\$705,140
Emery	\$57,509	\$35,562	\$93,071
Piedmont	\$70,320	\$136,680	\$207,000
ACSIG TOTAL	\$442,474	\$872,625	\$1,315,098

\$50,000 loss fund funding included for Property
 \$100,000 loss funding included for Liability
 Safety Inspection fee of \$12, 446 Included

It was moved by Theresa Kapellas and seconded by Minh Vu to approve the Property and Liability Rates as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan

Nays: None

Abstain: None

Workers Compensation

XI. Actuarial Study - Ultimate Loss

The Executive Director presented the February 2017 Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. Bay Actuarial estimates that ACSIG's liability for unpaid losses were \$18.5M on December 31, 2016 and project that it will be \$17.8M on June 30, 2017. The corresponding discounted values (at 1.5% interest) are \$16.4M and \$15.7M.

Allan Garde joined the meeting at 12:25pm.

It was moved by Bryan Richards and seconded by Dora Siu to approve the Ultimate Loss Actuarial Study as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan, Garde

Nays: None

Abstain: None

XII. Actuarial Study - Ex-Mods

The Executive Director presented the February 2017 Actuarial Study that determines the 2016/17 program year experience modification factor. Experience Modification factor takes a look at ACSIG as a whole and how each member performs within the ACSIG program. As a whole, all numbers should equal 1 due to some members performing above average and some performing below. ACSIG as an entity approved the assumption that member will have an ex-mod below .75 and no member will have an ex-mod 1.25 to help protect one another.

MEMBER	NEW EX-MOD 12/31/16	OLD EX-MOD 12/31/15
ACOE	0.750	0.750
ALAMEDA	1.188	1.009
ALBANY	0.989	1.206
CASTRO VALLEY	1.078	0.998
DUBLIN	0.768	0.864
EDEN ROP	0.750	0.983
EMERY	0.750	0.750
FREMONT	0.917	0.988
LIVERMORE	1.092	1.114
MISSION ROP	0.750	0.750
MT. HOUSE	1.250	1.250
NEWARK	1.000	1.250
NEW HAVEN	1.076	0.938
PIEDMONT	0.750	0.750
PLEASANTON	0.920	0.750
SAN LEANDRO	1.115	1.197
SAN LORENZO	1.250	1.250
SUNOL GLEN	0.750	0.782
TRI VALLEY ROP	0.750	1.085

It was moved by Bryan Richards and seconded by Dora Siu to approve the Ex-Mods as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan, Garde

Nays: None

Abstain: None

XIII. Workers Compensation Rates 2017/2018

The Executive Director presented the 2017/18 Workers Compensation rates to the Board. The base rate dropped from \$3.11 to \$2.75 due to overcoming the deficit.

2017/2018 Workers' Compensation Rates

	2014/2015 Actual Payroll	2015/2016 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2017/2018 PREMIUM
ACOE	\$24,650,909	\$25,061,341	2.75	0.7500	2.06	\$516,890
ALAMEDA	\$63,724,582	\$68,660,947	2.75	1.1880	3.27	\$2,243,153
ALBANY	\$26,634,210	\$27,672,524	2.75	0.9890	2.72	\$752,623
CASTRO VALLEY	\$57,098,359	\$61,699,837	2.75	1.0780	2.96	\$1,829,092
DUBLIN	\$57,362,013	\$66,582,268	2.75	0.7680	2.11	\$1,406,218
EDEN ROP	\$3,457,372	\$3,885,140	2.75	0.7500	2.06	\$80,131
EMERY	\$5,862,048	\$5,695,727	2.75	0.7500	2.06	\$117,474
FREMONT	\$216,697,574	\$242,522,930	2.75	0.9170	2.52	\$6,115,822
LIVERMORE	\$74,245,093	\$78,864,191	2.75	1.0920	3.00	\$2,368,292
MISSION ROP	\$3,864,371	\$3,996,482	2.75	0.7500	2.06	\$82,427
MT. HOUSE	\$235,401	\$174,844	2.75	1.2500	3.44	\$6,010
NEWARK	\$40,748,743	\$43,428,226	2.75	1.0000	2.75	\$1,194,276
NEW HAVEN	\$80,611,552	\$82,394,985	2.75	1.0760	2.96	\$2,438,068
PIEDMONT	\$22,993,262	\$23,943,792	2.75	0.7500	2.06	\$493,841
PLEASANTON *	\$94,213,075	\$100,602,848	2.75	0.9200	2.53	\$2,545,252
SAN LEANDRO	\$57,484,959	\$60,732,865	2.75	1.1150	3.07	\$1,862,221
SAN LORENZO	\$73,608,462	\$74,342,651	2.75	1.2500	3.44	\$2,555,529
SUNOL GLEN	\$1,807,540	\$1,912,229	2.75	0.7500	2.06	\$39,440
TRI VALLEY ROP	\$2,659,030	\$3,200,723	2.75	0.7500	2.06	\$66,015
TOTAL PREMIUMS	\$907,958,555	\$975,374,549				\$26,712,774

Average Ex Mod 1.00000

Payrolls based upon 2015/2016 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

Rate Build UP

PIPS K-12 Rate	2.610195 (assume 5% increase in rate and 10% ex-mod)		
ACSIG Ex-mod	0.87714	2.2895	\$ 24,040,240.68
Claims Admin	154,000		\$ 154,000.00
ACSIG Admin	\$ 219,150.00		\$ 219,150.00
Self-Insurance Fee	\$ 250,000.00		\$ 250,000.00
PIPS Adj	\$ 2,000,000.00		\$ 2,000,000.00
			\$ 26,663,390.68

est. 17/18 payroll \$ 1,050,018,477

percentage due to growth in payroll 7.65%

overall increase in costs -10.61%

It was moved by Annette Heldman and seconded by Marites Fermin to approve the Workers Compensation rates as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan, Garde

Nays: None

Abstain: None

XIV. Informational Report for Fiscal Year End

Laurena Grabert from SETECH presented the 2017/2018 Informational Report for the Fiscal Year Ended June 30, 2016. The following numbers reflect each member's portion of the unfunded liability.

Alameda County Schools Insurance Group												
Workers' Compensation												
Allocation Net Position - Assets/(Deficit) by Member												
As of 06/30/2016												
Members	Sub-Total From Page 11	Program Years								Total		
		2012/2013		2013/2014		2014/2015		2015/2016				
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets			
Alameda COE	\$ (276,716)	2.00 %	\$ 44,180	2.29 %	\$ 25,525	2.28 %	\$ 48,889	2.18 %	\$ 122,485	\$ (35,637)		
Alameda	(1,159,023)	5.85	129,226	6.71	74,791	6.80	145,809	7.26	407,909	(401,288)		
Albany	(333,428)	2.41	53,237	2.76	30,764	2.78	59,610	2.65	148,893	(40,924)		
Castro Valley	(710,882)	5.31	117,298	4.72	52,610	4.77	102,281	5.21	292,728	(145,965)		
Dublin	(315,399)	3.65	80,628	3.85	42,913	4.68	100,351	5.03	282,615	191,108		
Eden ROP	(177,637)	0.37	8,173	0.28	3,121	0.36	7,719	0.38	21,351	(137,273)		
Emery	(166,542)	0.67	14,800	0.80	8,917	0.54	11,579	0.54	30,340	(100,906)		
Fremont	(1,688,865)	28.86	637,517	29.82	332,381	28.74	616,258	26.46	1,486,678	1,383,969		
Livermore	(1,011,396)	9.10	201,019	9.31	103,772	9.50	203,704	9.91	556,802	53,901		
Mission ROP	(107,141)	0.39	8,615	0.39	4,347	0.40	8,577	0.39	21,912	(63,690)		
Mt. House	(7,849)	0.03	663	0.04	446	0.03	643	0.03	1,686	(4,411)		
Newark	(877,387)	4.36	96,312	4.46	49,712	5.80	124,367	5.76	323,631	(283,365)		
New Haven	(1,520,017)	9.28	204,995	8.18	91,176	7.06	151,384	8.17	459,038	(613,424)		
Piedmont	(325,710)	1.91	42,192	1.90	21,178	1.95	41,813	1.86	104,506	(116,021)		
Pleasanton	(1,044,700)	9.71	214,494	9.50	105,889	8.42	180,546	8.00	449,487	(94,284)		
San Leandro	(543,444)	6.13	135,412	5.15	57,403	6.23	133,587	6.84	384,311	167,269		
San Lorenzo	(1,740,171)	9.42	208,088	9.22	102,768	9.10	195,127	8.81	494,997	(739,191)		
Sunol Glen	(27,834)	0.13	2,872	0.13	1,449	0.13	2,788	0.14	7,866	(12,859)		
Tri Valley ROP	(38,316)	0.42	9,278	0.49	5,463	0.43	9,221	0.38	21,351	6,997		
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--		
Totals	\$(12,072,457)	100.00 %	\$ 2,208,999	100.00 %	\$ 1,114,625	100.00 %	\$ 2,144,253	100.00 %	\$ 5,618,586	\$(985,994)		

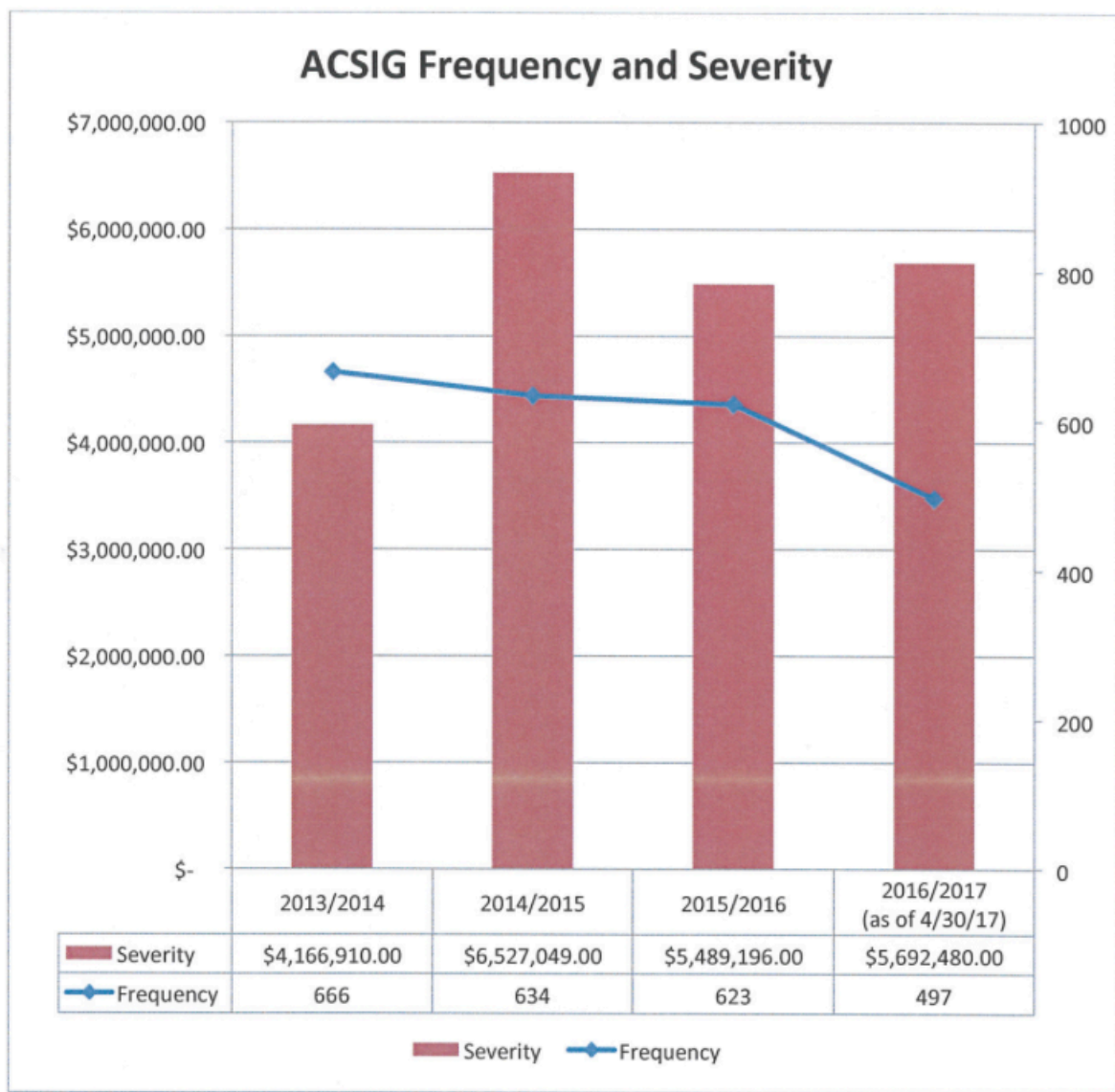
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SETECH 837 page 12

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XV. 3 Year Point in Time Comparison

Michael Clark from Keenan & Associates discussed the top 10% of claim frequency filing districts. The past 3 years have shown some decrease in frequency, but the rate of severity has leveled out. With effective and consistent return to work practices, injured workers can be returned to the work place thus reducing total temporary disability payments. The service team has been working diligently with members to implement positive risk management techniques.



Administrative

XVI. Election of Executive Committee

Due to Dr. Candi Clark, Raul Parungao, and Akur Varadarajan's terms expiring, we have 3 seats available for rotation on the Executive Committee. All 3 members have agreed to sit for another 2 years.

It was moved by Bryan Richards and seconded by Annette Heldman to approve the Election of Executive Committee as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan, Garde

Nays: None

Abstain: None

XVII. ACSIG Salaries & Benefits

The Executive Director presented a cost of living increase proposal for the ACSIG staff of 2%. The average from 8 settled agencies was 2%. The overall cost of this increase totals \$6,615.

It was moved by Theresa Kapellas and seconded by Minh Vu to approve the ACSIG Salary as presented.

Ayes: Kinder, Kapellas, Krueger, Fermin, Siu, Vu, Veasley, Stewart, Richards, Heldman, Duncan, Garde

Nays: None

Abstain: None

XVIII. Meeting Calendar

The Full Board received the draft 2017/18 Calendar with the following dates.

2017/ 2018 Calendar (DRAFT)

November 2, 2017	Executive Committee	9:00am – 12:00pm
November 9, 2017	Joint Full Board Lunch will be served	12:00pm – 3:00pm
December 14, 2017	Executive Committee	9:00am – 12:00pm
February 15, 2018	Executive Committee	9:00am – 12:00pm
May 10, 2018	Executive Committee	9:00am – 12:00pm
May 17, 2018	Joint Full Board Lunch will be served	12:00pm – 3:00pm

XIX. Future Planning

XX. This meeting was adjourned at 1:00PM



Alameda County Schools Insurance Group

P.O. Box 2487
Dublin, CA 94568
Phone (925) 225-1030
Fax (925) 225-0653
www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2017/2018 Executive Committee

The Alameda County Schools Insurance Group (ACSIG) has a seven member Executive Committee that works directly with the Executive Director to manage the operations of ACSIG. The Committee members serve a 2-year term and the expiration of term is on a cycle so that 3 seats are up in one year and the remaining 4 seats expire the subsequent year. This year, the Executive Committee has three(3) seats up for election. Due to retirements and resignations, there is only 1 remaining incumbent for the three vacancies. Therefore, the Executive Committee will need to recruit two new members. The Executive Committee meets approximately 4 times a year, including the annual strategic planning session.

The committee will discuss recruitment efforts for the Full Board meeting.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: Election of Officers

Due to the recent resignation of Dr. Candi Clark, the Executive Committee has a vacancy of officers. We will need to elect a President, Vice-President and Secretary for the 2017/18 fiscal year.

Currently, Dr. Candi Clark was Board President and Dr. Raul Parungao is the the Vice-President and Susan Kinder is the Secretary.

Alameda County Schools Insurance Group
Executive Committee Officers and Terms

MEMBER	OFFICE	TERM EXPIRES
Dr. Candi Clark	President	2017
Raul Parungao	Vice President	2017
Susan Kinder	Secretary	2018
Allan Garde	Member	2018
Annette Heldman	Member	2018
Bryan Richards	Member	2018
Vacant		2017

**Officers serve a one year term.

**Committee members are elected for 2 years.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2017/2018 Calendar

Enclosed is a draft calendar for the 2017/2018 fiscal year. We need to change the date of the February 15, 2018 Executive Committee meeting to February 8, 2018 due to a scheduling conflict

Please check this date at your earliest convenience and notify Celina Flotte of any conflicts.



2017/ 2018 Calendar

November 2, 2017	Executive Committee	9:00am – 12:00pm
November 9, 2017	Joint Full Board Lunch will be served	12:00pm – 3:00pm
December 14, 2017	Executive Committee	9:00am – 12:00pm
February 15, 2018	Executive Committee	9:00am – 12:00pm
May 10, 2018	Executive Committee	9:00am – 12:00pm
May 17, 2018	Joint Full Board Lunch will be served	12:00pm – 3:00pm



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: ACOE Endorsement

ACOE is a member of the ACSIG Property/Liability program. Earlier this year, ACOE approved the sponsorship of the ACOE Opportunity Charter School. As a member of Northern California ReLiEF, an endorsed charter school must be approved by the local JPA Board.

This Charter has been reviewed by the NCR Underwriting Committee and found to be in compliance with all NCR requirements. The Executive Committee will review this information and make a recommendation to the Full Board.



Alameda County Schools Insurance Group

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August 31, 2017

Ron Martin
JPA Manager
Northern California Relief
2355 Crenshaw Blvd, #200
Torrance, CA 90501

RE: Opportunity Charter School

Dear Mr. Martin:

Thank you for your assistance in the clarification of the insurance needs of the new ACOE Opportunity Charter. This Charter school will be a dependent Charter sponsored by the Alameda County Office of Education (ACOE). ACOE is currently a covered member of the Alameda County Schools Insurance Group (ACSIG). It is the intent of ACSIG to endorse the ACOE Opportunity Charter onto its coverage documents. However, the ACSIG Board of Directors doesn't meet until November 2017. Therefore, Board approval cannot be made before that time.

Please consider this correspondence as verification of ACSIG's intent and extend conditional coverage for ACOE Opportunity Charter. I will forward all necessary paperwork after the November 9, 2017 Board meeting.

Thank you again for your consideration in this matter. Please feel free to contact me if you should have any questions or concerns.

Sincerely,

Kimberly Dennis
Executive Director



Alameda County Schools Insurance Group

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Dublin, CA 94568
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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2016/2017 Fourth Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2016/2017 Fourth Quarter financial statements for review. These financial statements reflect the 2015/2016 audited, annual balances. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

A representative from SETECH will review the financial statements with the Executive Committee.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF JUNE 30, 2017 AND FOR THE FISCAL YEAR THEN ENDED

As mandated by Section 53646 of the California Government Code, Alameda County Schools Insurance Group is required to disclose that it is able to meet its pool's expenditure requirements for the next six months and is in complete compliance with the current Investment Policy as of the date of this report.



President

SETECH (Service Enhancement Technologies)

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For the Executive Committee Meeting of November 2, 2017
For the Board Meeting of November 9, 2017

Alameda County Schools Insurance Group (ACSIG)

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Distribution and Use of Report

This financial management information report (Report) prepared by Service Enhancement Technologies (SETECH), a Division of Keenan & Associates, is intended solely for internal use by the Authority's Officers, Board Members, Advisory Committee Members, and for internal decision making purposes only in regards to the Authority's insurance program.

SETECH makes no representations or warranties regarding the use of this Report for any other purpose other than for the Authority's insurance program. The official version of the Report is finalized only upon approval by the Authority's Board of Directors and/or Advisory Committee in accordance with the Authority's Agreement and Bylaws following presentation by SETECH or Keenan & Associates. We understand that members may wish to provide a copy of this Report to auditors and regulatory authorities on the conditions that:

- A) The official approved Report is used,
- B) The entire Report be distributed rather than any excerpts,
- C) All recipients be made aware that a SETECH staff member is available to answer any questions regarding the contents of the Report,
- D) The recipients recognize that the furnishing of this Report is not a substitute for their own due diligence, and they place no undue reliance on the Report or the data for purposes other than for which it was created. No creation of any duty or liability of SETECH to the recipient is owed if the Report is used for purposes other than for which it was created.

SETECH may utilize actuarial projections as an integral component of this Report, as provided by the Authority's actuary and in the case of some Benefit Groups, by a staff member of the Keenan & Associates Technical Department. We may also rely upon financial data provided by the Authority's Treasurer, Accountant or County Office of Education. We have not audited this data and are not responsible for its accuracy. With any financial analysis, the accuracy and relevance of the conclusions as well as the reasonableness of the recommendations depend upon the accuracy and relevance of the underlying data. Financial information provided in this Report is subject to an annual independent financial audit.

SETECH strives to maintain the strictest confidentiality of any information for our clients. The pages of this Report indicate that the information contained in the Report is for "Client Confidential Use Only." This indicates that SETECH will only disclose information contained in these Reports to our intended clients, their members or their contracted parties.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2016 and 06/30/2017

	Audited As of 06/30/2016	Activity 07/01/2016 - 06/30/2017	Audited As of 06/30/2017
Assets:			
Current Assets			
Workers Compensation	\$ 8,758,964	4,967,772	\$ 13,726,737
Dental	3,019,012	(945,028)	2,073,984
Vision	1,175,897	75,127	1,251,024
Property and Liability	1,206,795	28,117	1,234,912
Operations	169,423	68,828	238,251
Cash and Cash Equivalents	\$ 14,330,091	4,194,816	\$ 18,524,908
Investments Morgan Stanley - current	1,701,027	331,211	2,032,238
Accounts Receivable	7,965,408	(137,423)	7,827,985
Prepaid Expense	--	9,948	9,948
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	23,996,526	4,398,552	28,395,079
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,370,020	(351,551)	14,018,468
Capital - Equipment, net of depreciation	3,555	(592)	2,963
	14,373,575	(352,143)	14,021,431
Total Assets	\$ 38,370,101	\$ 4,046,409	\$ 42,416,510
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	44,203	173,465	217,668
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,414,640	\$ (2,361,242)	\$ 3,053,398
Prefunding deposits (2)	3,418,159	399,141	3,817,300
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	3,542,657	290,309	3,832,965
Subtotal Current Liabilities	12,375,456	(1,671,792)	10,703,663
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,149,791	(1,904,682)	14,245,110
Unallocated Loss Adjustment Expense (ULAE)	1,570,819	(204,981)	1,365,838
Subtotal Noncurrent Claim Liabilities	17,720,610	(2,109,663)	15,610,948
Net Pension Liability (NPL)	525,511	60,685	586,196
Total Liabilities	\$ 30,621,577	\$ (3,720,770)	\$ 26,900,807
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	63,483	65,024	128,507
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,725,689	7,876,212	15,601,901
Designated - Capital Assets	3,555	(592)	2,963
Total Net Position	\$ 7,729,244	\$ 7,875,620	\$ 15,604,864
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 38,370,101	\$ 4,046,409	\$ 42,416,510

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is a internal function used to transfer or allocate expense and income from one program to another without transfer of cash.
- (2) Estimated six weeks of dental claims funded by each member to maintain positive cash flow.
- (3) Morgan Stanley Smith Barney Investment shown at Fair Market Value, accrued interest shown as accounts receivable.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Fiscal Year Ended 06/30/2017

	Cash Activity 07/01/2016 06/30/2017	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2016				<u>\$ 7,729,244</u>			
Beginning Cash	<u>\$ 30,401,138</u>				<u>\$ 7,729,244</u>		
Operating Revenue:							
Premiums Paid by Members	\$ 158,177,835	\$ --	\$ (12,723)	\$ 158,165,112	\$ 147,391,011	\$ 10,774,101	107.31 %
Other Income	34,814	(34,567)	--	247	--	247	--
Total Operating Revenue	<u>158,212,649</u>	<u>(34,567)</u>	<u>(12,723)</u>	<u>158,165,359</u>	<u>147,391,011</u>	<u>10,774,348</u>	<u>107.31</u>
Operating Expenditures:							
Classified Salaries	126,531	125,091	(14,479)	237,143	236,778	365	100.15
Statutory Benefits	14,372	56,508	(57)	70,823	55,498	15,325	127.61
Health & Welfare	27,946	18,632	460	47,037	39,000	8,037	120.61
Employer Tax Expense	--	3,915	--	3,915	3,411	504	114.79
Net Pension Expense	--	(47,757)	--	(47,757)	--	(47,757)	--
Telephone & Internet	6,488	--	(108)	6,380	5,250	1,130	121.52
Supplies Office	1,675	--	--	1,675	5,250	(3,575)	31.90
Supplies - Other	1,946	--	--	1,946	5,250	(3,304)	37.07
Eligibility Processing	208,279	--	--	208,279	252,000	(43,721)	82.65
Brokerage Fees-Dental-ACSIG	271,257	--	--	271,257	276,000	(4,743)	98.28
Brokerage Fees-Dental-MD	402,435	--	--	402,435	300,000	102,435	134.15
Travel and Conferences	16,098	6,829	(168)	22,759	21,000	1,759	108.38
Mileage	5,370	--	--	5,370	8,925	(3,555)	60.17
Dues & Memberships	6,635	--	--	6,635	1,575	5,060	421.27
Postage & Meter	6,929	--	336	7,265	3,400	3,865	213.67
Insurance Expense-PIPS&NCR	20,585,426	--	--	20,585,426	23,989,931	(3,404,505)	85.81
Insurance Expense-PIPS Adj	2,212,707	--	--	2,212,707	1,500,000	712,707	147.51
Utility - Operating-Rent	92,983	(49,380)	(9,948)	33,655	35,420	(1,765)	95.02
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	12,650	5,000	--	17,650	8,426	9,224	209.47
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,250	--	--	13,250	14,175	(925)	93.47
Other Services/Operating Expenses	2,499	--	--	2,499	5,250	(2,751)	47.60
Capital Equipment/Depreciation	--	--	592	592	2,550	(1,958)	23.22
Repairs & Maintenance	--	--	--	--	4,800	(4,800)	--
Legal	--	--	--	--	2,550	(2,550)	--
Accounting Services	9,800	4,200	--	14,000	15,750	(1,750)	88.89
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	625	157	--	782	1,575	(793)	49.64
Copier & Scanner	10,712	255	(39)	10,928	15,000	(4,072)	72.85
Claims Administration Services	174,342	--	4,725	179,067	190,000	(10,933)	94.25
Self-Insurance Fee	261,221	--	--	261,221	245,000	16,221	106.62
Claims Paid-WC	1,115,280	--	165,227	1,280,507	3,000,000	(1,719,493)	42.68
Claims Paid-PL	42,495	--	(15,000)	27,495	80,000	(52,505)	34.37
Physical Abilities Testing	9,800	--	245	10,045	22,445	(12,400)	44.75
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	20,894	--	3,051	23,945	10,000	13,945	239.45
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	26,826	--	--	26,826	15,000	11,826	178.84
Cobra Premiums	188,075	--	--	188,075	250,000	(61,925)	75.23
Dental Insurance Premiums	124,695,138	--	(2,377,551)	122,317,587	113,877,908	8,439,679	107.41
Vision Insurance Premiums	3,664,754	--	12,936	3,677,690	2,758,000	919,690	133.35
Claim Development Expense	--	--	(1,819,353)	(1,819,353)	(2,430,000)	610,647	74.87
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	<u>154,235,438</u>	<u>123,450</u>	<u>(4,049,131)</u>	<u>150,309,757</u>	<u>144,867,892</u>	<u>5,441,865</u>	<u>103.76 %</u>
Net Increase/(Decrease) from Operations	<u>3,977,211</u>	<u>(158,017)</u>	<u>4,036,408</u>	<u>7,855,602</u>	<u>2,523,119</u>	<u>5,332,483</u>	<u>311.34 %</u>
Non Operating Income/(Expense)							
Interest Income	322,130	(18)	16,119	338,231	218,250	119,981	154.97
Net Increase/(Decrease) in Fair Value	(337,414)	--	--	(337,414)	--	(337,414)	--
Realized Gain/(Loss) on Investments	19,201	--	--	19,201	--	19,201	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	193,348	--	(193,348)	--	--	--	--
Total Non Operating Income/(Expense)	<u>197,265</u>	<u>(18)</u>	<u>(177,229)</u>	<u>20,018</u>	<u>218,250</u>	<u>(198,232)</u>	<u>9.17 %</u>
Ending Cash	<u>\$ 34,575,614</u>	<u>(158,035)</u>					
Net Increase/(Decrease) in Net Position		<u>\$ (158,035)</u>	<u>\$ 3,859,179</u>	<u>7,875,620</u>	<u>\$ 2,741,369</u>	<u>\$ 5,134,251</u>	<u>287.29 %</u>
Audited - Ending Net Position, as of 06/30/2017				<u>\$ 15,604,864</u>	<u>\$ 10,470,613</u>	<u>\$ 5,134,251</u>	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2016 and 06/30/2017

	Audited As of 06/30/2016	Activity 07/01/2016 - 06/30/2017	Audited As of 06/30/2017
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 4,265,592	5,821,652	\$ 10,087,244
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,411	106	17,517
Union Bank Claims - #0129	564,239	(508,493)	55,746
Union Bank Claims Trust Account - #0600	648,218	(315,837)	332,381
Local Agency Investment Funds (L.A.I.F.)	3,156,805	20,557	3,177,362
Money Market - Morgan Stanley	106,699	(50,213)	56,487
Cash and Cash Equivalents	<u>\$ 8,758,964</u>	<u>4,967,772</u>	<u>\$ 13,726,737</u>
Investments Morgan Stanley - current	1,701,027	331,211	2,032,238
Accounts Receivable	240,872	(52,194)	188,678
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(997,048)</u>	<u>928,379</u>	<u>(68,669)</u>
Subtotal Current Assets	<u>9,703,815</u>	<u>6,175,168</u>	<u>15,878,984</u>
Noncurrent Assets			
Investments Morgan Stanley	8,815,661	(1,429,240)	7,386,420
Capital - Equipment, net of depreciation	--	--	--
	<u>8,815,661</u>	<u>(1,429,240)</u>	<u>7,386,420</u>
Total Assets	<u>\$ 18,519,476</u>	<u>\$ 4,745,928</u>	<u>\$ 23,265,404</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>13,261</u>	<u>52,039</u>	<u>65,300</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 1,778	\$ 3,295	\$ 5,073
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,680,000	(89,000)	1,591,000
Subtotal Current Liabilities	<u>1,681,778</u>	<u>(85,705)</u>	<u>1,596,073</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,140,255	(1,930,298)	14,209,957
Unallocated Loss Adjustment Expense (ULAE)	1,520,000	(192,000)	1,328,000
Subtotal Noncurrent Claim Liabilities	<u>17,660,255</u>	<u>(2,122,298)</u>	<u>15,537,957</u>
Net Pension Liability (NPL)	<u>157,653</u>	<u>18,205</u>	<u>175,858</u>
Total Liabilities	<u>\$ 19,499,686</u>	<u>\$ (2,189,798)</u>	<u>\$ 17,309,888</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>19,045</u>	<u>19,507</u>	<u>38,552</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(985,994)	6,968,258	5,982,264
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ (985,994)</u>	<u>\$ 6,968,258</u>	<u>\$ 5,982,264</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 18,519,476</u>	<u>\$ 4,745,928</u>	<u>\$ 23,265,404</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2017

	<u>Cash Activity</u> <u>07/01/2016</u> <u>06/30/2017</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2016/2017</u> <u>Budget</u>	<u>Variance</u>	<u>Percentage</u> <u>of</u> <u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016				\$ (985,994)			
Beginning Cash and Investments	\$ 19,275,652				\$ (985,994)		
Operating Revenue:							
Premiums Paid by Members	\$ 28,156,666	\$ --	\$ 107,600	\$ 28,264,266	\$ 28,264,268	\$ (2)	100.00 %
Other Income	247	--	--	247	--	--	--
Total Operating Revenue	28,156,913	--	107,600	28,264,513	28,264,268	(2)	100.00
Operating Expenditures:	--						
Classified Salaries	--	61,858	--	61,858	59,432	2,426	104.08
Statutory Benefits	--	23,208	--	23,208	13,930	9,278	166.60
Health & Welfare	--	14,111	--	14,111	7,800	6,311	180.91
Employer Tax Expense	--	934	--	934	856	78	109.09
Net Pension Expense	--	(14,326)	--	(14,326)	--	(14,326)	--
Telephone & Internet	--	957	--	957	750	207	127.60
Supplies Office	--	251	--	251	750	(499)	33.47
Supplies - Other	--	292	--	292	750	(458)	38.93
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	3,414	--	3,414	3,000	414	113.80
Mileage	--	805	--	805	1,275	(470)	63.18
Dues & Memberships	--	995	--	995	225	770	442.22
Postage & Meter	--	121	--	121	100	21	121.00
Insurance Expense-PIPS	19,382,444	--	--	19,382,444	22,758,486	(3,376,042)	85.17
PIPS Contribution Adjustment	2,212,707	--	--	2,212,707	1,500,000	712,707	147.51
Utility - Operating-Rent	--	5,048	--	5,048	5,060	(12)	99.76
Advertising	--	--	--	--	300	(300)	--
Contract Services - Actuarial	8,150	--	--	8,150	8,426	(276)	96.72
Contract Services -Claim Audit	--	--	--	--	--	--	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	1,988	--	1,988	2,025	(37)	98.17
Other Services/Operating Expenses	--	375	--	375	750	(375)	50.00
Capital Equipment/Depreciation	--	--	--	--	750	(750)	--
Repairs & Maintenance	--	--	--	--	300	(300)	--
Legal	--	--	--	--	750	(750)	--
Accounting Services	--	2,100	--	2,100	2,250	(150)	93.33
County Courier	--	--	--	--	525	(525)	--
Shredding	--	117	--	117	675	(558)	17.33
Copier & Scanner	--	183	--	183	250	(67)	73.20
Claims Administration Services	170,000	--	--	170,000	170,000	--	100.00
Self-Insurance Fee	261,221	--	--	261,221	245,000	16,221	106.62
Claims Paid-WC	1,115,280	--	165,227	1,280,507	3,000,000	(1,719,493)	42.68
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	9,800	--	245	10,045	10,000	45	100.45
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	20,894	--	3,051	23,945	10,000	13,945	239.45
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	(875)	--	--	(875)	--	(875)	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	(2,211,298)	(2,211,298)	(2,400,000)	188,702	92.14
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	23,179,621	102,431	(2,042,775)	21,239,277	25,429,415	(4,190,138)	83.52 %
Net Increase/(Decrease) from Operations	4,977,292	(102,431)	2,150,375	7,025,236	2,834,853	4,190,136	247.82 %
Non Operating Income/(Expense)							
Interest Income	205,351	--	5,433	210,784	150,000	60,784	140.52
Net Increase/(Decrease) in Fair Value	(279,057)	--	--	(279,057)	--	(279,057)	--
Realized Gain/(Loss) on Investments	11,295	--	--	11,295	--	11,295	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer, Other Income	(1,045,137)	--	1,045,136	--	--	247	--
Total Non Operating Income/(Expense)	(1,107,549)	\$ --	\$ 1,050,570	(56,978)	150,000	(206,731)	(37.99) %
Ending Cash	\$ 23,145,395						
Net Increase/(Decrease) in Net Position				6,968,258	2,984,853	3,983,405	
Audited - Ending Net Position, as of 06/30/2017				\$ 5,982,264	\$ 1,998,859	\$ 3,983,405	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2016 and 06/30/2017

	Audited As of 06/30/2016	Activity 07/01/2016 - 06/30/2017	Audited As of 06/30/2017
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 212,879	219,413	\$ 432,292
Union Bank - Eligibility #9938	2,706,607	(1,132,106)	1,574,501
Union Bank - Expense #2064	564	9,480	10,044
Union Bank - Cobra Trust #0273	98,962	(41,815)	57,147
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 3,019,012</u>	<u>(945,028)</u>	<u>\$ 2,073,984</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,584,385	(125,997)	7,458,388
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>1,780,181</u>	<u>(891,923)</u>	<u>888,258</u>
Subtotal Current Assets	<u>12,383,578</u>	<u>(1,962,948)</u>	<u>10,420,630</u>
Noncurrent Assets			
Investments - Morgan Stanley	4,475,843	1,082,392	5,558,235
Capital - Equipment, net of depreciation	--	--	--
	<u>4,475,843</u>	<u>1,082,392</u>	<u>5,558,235</u>
Total Assets	<u>\$ 16,859,421</u>	<u>\$ (880,556)</u>	<u>\$ 15,978,865</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>22,102</u>	<u>86,732</u>	<u>108,834</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,117,585	\$ (2,377,552)	\$ 2,740,033
Prefunding deposits	3,337,589	355,641	3,693,230
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	<u>1,709,000</u>	<u>190,000</u>	<u>1,899,000</u>
Subtotal Current Liabilities	<u>10,164,174</u>	<u>(1,831,911)</u>	<u>8,332,263</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	<u>262,756</u>	<u>30,342</u>	<u>293,098</u>
Total Liabilities	<u>\$ 10,426,930</u>	<u>\$ (1,801,569)</u>	<u>\$ 8,625,361</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>31,742</u>	<u>32,511</u>	<u>64,253</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	6,422,851	975,234	7,398,085
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 6,422,851</u>	<u>\$ 975,234</u>	<u>\$ 7,398,085</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 16,859,421</u>	<u>\$ (880,556)</u>	<u>\$ 15,978,865</u>

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2017

	<u>Cash Activity</u>			<u>Balance</u>	<u>Percentage</u>		
	<u>07/01/2016</u>	<u>06/30/2017</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Year</u> <u>to Date</u>	<u>2016/2017</u> <u>Budget</u>	<u>Variance</u> <u>of</u> <u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016					\$ 6,422,851		
Beginning Cash and Investments	\$ 7,494,855					\$ 6,422,851	
Operating Revenue:							
Premiums Paid by Members	\$ 124,909,507	\$ --	\$ (135,811)	\$ 124,773,696	\$ 115,000,000	\$ 9,773,696	108.50 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	124,909,507	--	(135,811)	124,773,696	115,000,000	9,773,696	108.50
Operating Expenditures:							
Classified Salaries	--	132,102	--	132,102	135,791	(3,689)	97.28
Statutory Benefits	--	31,989	--	31,989	31,828	161	100.51
Health & Welfare	--	23,519	--	23,519	25,350	(1,831)	92.78
Employer Tax Expense	--	2,322	--	2,322	1,956	366	118.72
Net Pension Expense	--	(23,879)	--	(23,879)	--	(23,879)	--
Telephone & Internet	--	4,467	--	4,467	3,750	717	119.11
Supplies Office	--	1,173	--	1,173	3,750	(2,577)	31.28
Supplies - Other	--	1,361	--	1,361	3,750	(2,389)	36.31
Eligibility Processing	208,279	--	--	208,279	252,000	(43,721)	82.65
Brokerage Fees-Dental-ACSIG	271,257	--	--	271,257	276,000	(4,743)	98.28
Brokerage Fees-Dental-MD	402,435	--	--	402,435	300,000	102,435	134.15
Travel and Conferences	--	15,930	--	15,930	15,000	930	106.20
Mileage	--	3,759	--	3,759	6,375	(2,616)	58.96
Dues & Memberships	--	4,645	--	4,645	1,125	3,520	412.84
Postage & Meter	--	6,901	--	6,901	3,150	3,751	219.07
Insurance Expense	--	--	--	--	--	--	--
Net, Operating-Rent	--	23,558	--	23,558	25,300	(1,742)	93.11
Advertising	--	--	--	--	1,500	(1,500)	--
Contract Services - Actuarial	--	5,000	--	5,000	--	5,000	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contracted Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	9,274	--	9,274	10,125	(851)	91.60
Other Services/Operating Expenses	--	1,749	--	1,749	3,750	(2,001)	46.64
Capital Equipment/Depreciation	--	--	--	--	1,500	(1,500)	--
Repairs & Maintenance	--	--	--	--	3,750	(3,750)	--
Legal	--	--	--	--	1,500	(1,500)	--
Accounting Services	--	9,800	--	9,800	11,250	(1,450)	87.11
County Courier	--	--	--	--	2,625	(2,625)	--
Shredding	--	547	--	547	750	(203)	72.89
Copier & Scanner	--	10,381	--	10,381	14,250	(3,869)	72.85
Claims Administration Services	--	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--	--
Training	--	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--	--
Bank Charge	27,701	--	--	27,701	15,000	12,701	184.67
Cobra Premiums	188,075	--	--	188,075	250,000	(61,925)	75.23
Dental Insurance Premiums	124,695,138	--	(2,377,551)	122,317,587	113,877,908	8,439,679	107.41
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	190,000	190,000	--	190,000	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	125,792,885	264,597	(2,187,551)	123,869,931	115,289,033	8,580,898	107.44 %
Net Increase/(Decrease)							
from Operations	(883,379)	(264,597)	2,051,741	903,765	(289,033)	1,192,798	(312.69) %
Non Operating Income/(Expense)							
Interest Income	90,892	--	9,814	100,706	50,000	50,706	201.41
Net Increase/(Decrease) in Fair Value	(35,863)	--	--	(35,863)	--	(35,863)	--
Realized Gain/(Loss) on Investments	6,626	--	--	6,626	--	6,626	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
I Transfer, YE Close, Rebate	959,088	--	(959,088)	--	--	--	--
Total Non Operating							
Income/(Expense)	1,020,743	\$ --	\$ (949,274)	71,469	50,000	21,469	142.94 %
Ending Cash	\$ 7,632,219						
Net Increase/(Decrease)							
in Net Position				975,234	(239,033)	1,214,267	%
Audited - Ending Net Position, as of 06/30/2017	\$ 7,398,085			\$ 7,398,085	\$ 6,183,818	\$ 1,214,267	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2016 and 06/30/2017

	Audited As of 06/30/2016	Activity 07/01/2016 - 06/30/2017	Audited As of 06/30/2017
Assets:			
Current Assets			
Cash with County #44902	\$ 1,175,897	75,127	\$ 1,251,024
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	1,175,897	75,127	1,251,024
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	140,151	16,357	156,508
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	252,984	46,134	299,118
Subtotal Current Assets	1,569,032	137,618	1,706,650
Noncurrent Assets			
Investments - Morgan Stanley	1,078,516	(4,703)	1,073,813
Capital - Equipment, net of depreciation	--	--	--
	1,078,516	(4,703)	1,073,813
Total Assets	\$ 2,647,548	\$ 132,915	\$ 2,780,463
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	4,420	17,347	21,767
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 268,949	\$ 12,935	\$ 281,884
Prefunding deposits	80,570	43,500	124,070
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	142,000	158,000	300,000
Subtotal Current Liabilities	491,519	214,435	705,954
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	52,551	6,069	58,620
Total Liabilities	\$ 544,070	\$ 220,504	\$ 764,574
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	6,348	6,503	12,851
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,101,550	(76,745)	2,024,805
Designated - Capital Assets	--	--	--
Total Net Position	\$ 2,101,550	\$ (76,745)	\$ 2,024,805
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 2,647,548	\$ 132,915	\$ 2,780,463

Alameda County Schools Insurance Group (ACSIG)
Vision
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2017

	<u>Cash Activity</u>			<u>Balance</u>		<u>Percentage</u>	
	<u>07/01/2016</u>		<u>Change in</u>	<u>Year</u>		<u>2016/2017</u>	<u>of</u>
	<u>06/30/2017</u>	<u>Allocations</u>	<u>Accruals</u>	<u>to Date</u>		<u>Budget</u>	<u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016				\$ 2,101,550			
Beginning Cash and Investments	\$ 2,254,413				\$ 2,101,550		
Operating Revenue:							
Premiums Paid by Members	\$ 3,784,919	\$ --	\$ 15,488	\$ 3,800,407	\$ 2,800,000	\$ 1,000,407	135.73 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	3,784,919	--	15,488	3,800,407	2,800,000	1,000,407	135.73
Operating Expenditures:							
Classified Salaries	--	24,508	--	24,508	23,678	830	103.50
Statutory Benefits	--	8,045	--	8,045	5,550	2,495	144.95
Health & Welfare	--	4,704	--	4,704	3,900	804	120.61
Employer Tax Expense	--	385	--	385	341	44	112.86
Net Pension Expense	--	(4,776)	--	(4,776)	--	(4,776)	--
Telephone & Internet	--	638	--	638	500	138	127.60
Supplies Office	--	167	--	167	500	(333)	33.40
Supplies - Other	--	195	--	195	500	(305)	39.00
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	2,276	--	2,276	2,000	276	113.80
Mileage	--	537	--	537	850	(313)	63.18
Dues & Memberships	--	664	--	664	150	514	442.67
Postage & Meter	--	194	--	194	150	44	129.33
Insurance Expense	--	--	--	--	--	--	--
Utility - Operating-Rent	--	3,366	--	3,366	3,373	(7)	99.79
Advertising	--	--	--	--	200	(200)	--
Contract Services - Actuarial	--	--	--	--	--	--	--
Contract Services - Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--	--
Audit Fees	--	1,325	--	1,325	1,350	(25)	98.15
Other Services/Operating Expenses	--	250	--	250	500	(250)	50.00
Capital Equipment/Depreciation	--	--	--	--	200	(200)	--
Repairs & Maintenance	--	--	--	--	500	(500)	--
Legal	--	--	--	--	200	(200)	--
Accounting Services	--	1,400	--	1,400	1,500	(100)	93.33
County Courier	--	--	--	--	350	(350)	--
Shredding	78	--	--	78	100	(22)	78.00
Copier & Scanner	292	--	--	292	400	(108)	73.00
Claims Administration Services	--	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--	--
Training	--	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	3,664,754	--	12,936	3,677,690	2,758,000	919,690	133.35
Claim Development Expense	--	--	158,000	158,000	--	158,000	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	3,665,124	43,877	170,936	3,879,937	2,804,792	1,075,145	138.33 %
Net Increase/(Decrease) from Operations	119,795	(43,877)	(155,448)	(79,530)	(4,792)	(74,738)	%
Non Operating Income/(Expense)							
Interest Income	23,129	--	870	23,999	17,500	6,499	137.14
Net Increase/(Decrease) in Fair Value	(22,494)	--	--	(22,494)	--	(22,494)	--
Realized Gain/(Loss) on Investments	1,280	--	--	1,280	--	1,280	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer	(51,286)	--	51,287	--	--	--	--
Total Non Operating Income/(Expense)	(49,371)	\$ --	\$ 52,157	2,785	17,500	(14,715)	15.91 %
Ending Cash	\$ 2,324,837						
Net Increase/(Decrease) in Net Position				(76,745)	\$ 12,708	\$ (89,453)	%
Audited - Ending Net Position, as of 06/30/2017				\$ 2,024,805	\$ 2,114,258	\$ (89,453)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2016 and 06/30/2017

	Audited As of 06/30/2016	Activity 07/01/2016 - 06/30/2017	Audited As of 06/30/2017
Assets:			
Current Assets			
Cash with County - #44903	\$ 342,818	(304,108)	\$ 38,710
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	850,669	329,603	1,180,272
Union Bank - Claims Trust #1186	13,308	2,622	15,930
Cash and Cash Equivalents	<u>\$ 1,206,795</u>	<u>28,117</u>	<u>\$ 1,234,912</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	15,000	15,000
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(887,464)</u>	<u>10,241</u>	<u>(877,223)</u>
Subtotal Current Assets	<u>319,331</u>	<u>53,358</u>	<u>372,689</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 319,331</u>	<u>\$ 53,358</u>	<u>\$ 372,689</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>4,420</u>	<u>17,347</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 227	\$ 4,726	\$ 4,953
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	11,657	31,309	42,965
Subtotal Current Liabilities	<u>11,884</u>	<u>36,035</u>	<u>47,918</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	9,536	25,616	35,153
Unallocated Loss Adjustment Expense (ULAE)	50,819	(12,981)	37,838
Subtotal Noncurrent Claim Liabilities	<u>60,355</u>	<u>12,635</u>	<u>72,991</u>
Net Pension Liability (NPL)	<u>52,551</u>	<u>6,069</u>	<u>58,620</u>
Total Liabilities	<u>\$ 124,790</u>	<u>\$ 48,670</u>	<u>\$ 179,529</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>6,348</u>	<u>6,503</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	192,613	9,464	202,077
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 192,613</u>	<u>\$ 9,464</u>	<u>\$ 202,077</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 319,331</u>	<u>\$ 47,290</u>	<u>\$ 372,690</u>

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2017

	<u>Cash Activity</u>			<u>Change in</u>	<u>Balance</u>		<u>2016/2017</u>		<u>Percentage</u>
	<u>07/01/2016</u>	<u>06/30/2017</u>	<u>Allocations</u>	<u>Accruals</u>	<u>Year</u>	<u>to Date</u>	<u>Budget</u>	<u>Variance</u>	<u>of</u>
									<u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016						\$ 192,613			
Beginning Cash and Investments	\$ 1,206,795						\$ 192,613		
Operating Revenue:									
Premiums Paid by Members	\$ 1,326,743	\$ --	\$ --	\$ --	\$ 1,326,743		\$ 1,326,743	\$ --	100.00 %
Other Income	--	--	--	--	--		--	--	--
Total Operating Revenue	1,326,743	--	--	--	1,326,743		1,326,743	--	100.00
Operating Expenditures:									
Classified Salaries	--	18,675	--	--	18,675		17,877	798	104.47
Statutory Benefits	--	7,581	--	--	7,581		4,190	3,391	180.94
Health & Welfare	--	4,704	--	--	4,704		1,950	2,754	241.22
Employer Tax Expense	--	274	--	--	274		258	16	106.39
Net Pension Expense	--	(4,776)	--	--	(4,776)		--	(4,776)	--
Telephone & Internet	--	318	--	--	318		250	68	127.31
Supplies Office	--	84	--	--	84		250	(166)	33.58
Supplies - Other	--	97	--	--	97		250	(153)	38.98
Eligibility Processing	--	--	--	--	--		--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--		--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--		--	--	--
Travel and Conferences	--	1,139	--	--	1,139		1,000	139	113.86
Mileage	--	268	--	--	268		425	(157)	63.18
Dues & Memberships	--	332	--	--	332		75	257	442.00
Postage & Meter	--	49	--	--	49		--	49	--
Insurance Expense-NCR	1,202,982	--	--	--	1,202,982		1,231,445	(28,463)	97.69
							--	--	--
Utility - Operating-Rent	--	1,683	--	--	1,683		1,687	(4)	99.76
Advertising	--	--	--	--	--		100	(100)	--
Contract Services - Actuarial	4,500	--	--	--	4,500		--	4,500	--
Contract Services -Claim Audit	--	--	--	--	--		--	--	--
Contract Services - Legal	--	--	--	--	--		--	--	--
Audit Fees	--	663	--	--	663		675	(12)	98.22
Other Services/Operating Expenses	--	125	--	--	125		250	(125)	50.14
Capital Equipment/Depreciation	--	--	--	--	--		100	(100)	--
Repairs & Maintenance	--	--	--	--	--		250	(250)	--
Legal	--	--	--	--	--		100	(100)	--
Accounting Services	--	700	--	--	700		750	(50)	93.33
County Courier	--	--	--	--	--		175	(175)	--
Shredding	--	40	--	--	40		50	(10)	79.74
Copier & Scanner	--	72	--	--	72		100	(28)	72.34
Claims Administration Services	4,342	--	--	4,725	9,067		20,000	(10,933)	45.34
Self-Insurance Fee	--	--	--	--	--		--	--	--
Claims Paid-WC	--	--	--	--	--		--	--	--
Claims Paid-PL	42,495	--	--	(15,000)	27,495		80,000	(52,505)	34.37
Physical Abilities Testing	--	--	--	--	--		12,445	(12,445)	--
Training	--	--	--	--	--		--	--	--
First-Aid Program	--	--	--	--	--		--	--	--
Food Service Training	--	--	--	--	--		--	--	--
Special Ed Training	--	--	--	--	--		--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--		--	--	--
Cobra Premiums	--	--	--	--	--		--	--	--
Dental Insurance Premiums	--	--	--	--	--		--	--	--
Vision Insurance Premiums	--	--	--	--	--		--	--	--
Claim Development Expense	--	--	--	43,945	43,945		(30,000)	73,945	(146.48)
ACA Fees	--	--	--	--	--		--	--	--
Total Operating Expenditures	1,254,319	32,030	33,670	1,320,019			1,344,652	(24,633)	98.17 %
Net Increase/(Decrease)									
from Operations	72,424	(32,030)	(33,670)	6,724			(17,909)	24,633	-- %
Non Operating Income/(Expense)									
Interest Income	2,740	--	--	2,740			750	1,990	365.33
Net Increase/(Decrease) in Fair Value	--	--	--	--			--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--			--	--	--
Cumulative effect of GASB 68	--	--	--	--			--	--	--
Interfund Transfer, Other Income	(47,047)	--	47,047	--			--	--	--
Total Non Operating									
Income/(Expense)	(44,307)	\$ --	\$ 47,047	2,740			750	1,990	365.33 %
Ending Cash	\$ 1,234,912								
Net Increase/(Decrease)									
in Net Position						9,464	(17,159)	26,623	-- %
Audited - Ending Net Position, as of 06/30/2017						\$ 202,077	\$ 175,454	\$ 26,623	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2016 and 06/30/2017

	Audited As of 06/30/2016	Activity 07/01/2016 - 06/30/2017	Unaudited As of 06/30/2017
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ 34,482	5,359	\$ 39,841
Union Bank Checking Account #1521	134,941	63,469	198,410
Cash and Cash Equivalents	<u>\$ 169,423</u>	<u>68,828</u>	<u>\$ 238,251</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	9,411	9,411
Prepaid Expense	--	9,948	9,948
Interfund Receivable/(payable)	<u>(148,653)</u>	<u>(92,831)</u>	<u>(241,484)</u>
Subtotal Current Assets	<u>20,770</u>	<u>(4,644)</u>	<u>16,126</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>3,555</u>	<u>(592)</u>	<u>2,963</u>
	<u>3,555</u>	<u>(592)</u>	<u>2,963</u>
Total Assets	<u>\$ 24,325</u>	<u>\$ (5,236)</u>	<u>\$ 19,089</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 26,101	\$ (4,646)	\$ 21,455
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>26,101</u>	<u>(4,646)</u>	<u>21,455</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	<u>\$ 26,101</u>	<u>\$ (4,646)</u>	<u>\$ 21,455</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	--	(5,331)
Designated - Capital Assets	<u>3,555</u>	<u>(592)</u>	<u>2,963</u>
Total Net Position	<u>\$ (1,776)</u>	<u>\$ (592)</u>	<u>\$ (2,368)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 24,325</u>	<u>\$ (5,238)</u>	<u>\$ 19,087</u>

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2017

	<u>Cash Activity</u>			<u>Balance</u>			<u>Percentage</u>
	<u>07/01/2016</u>		<u>Change in</u>	<u>Year</u>		<u>2016/2017</u>	<u>of</u>
	<u>06/30/2017</u>	<u>Allocations</u>	<u>Accruals</u>	<u>to Date</u>		<u>Budget</u>	<u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016				\$ (1,776)			
Beginning Cash and Investments	\$ 169,423					\$ (1,776)	
Operating Revenue:							
Contributions	\$ --	\$ --	\$ --	\$ --		\$ --	%
Offset to Rent - Sub Lease	34,567	(34,567)	--	--		--	--
Total Operating Revenue	34,567	(34,567)	--	--		--	--
Operating Expenditures:							
Classified Salaries	126,531	(112,052)	(14,479)	--		--	--
Statutory Benefits	14,372	(14,315)	(57)	--		--	--
Health & Welfare	27,946	(28,406)	460	--		--	--
Employer Tax Expense	--	--	--	--		--	--
Net Pension Expense	--	--	--	--		--	--
Telephone & Internet	6,488	(6,380)	(108)	--		--	--
Supplies Office	1,675	(1,675)	--	--		--	--
Supplies - Other	1,946	(1,946)	--	--		--	--
Eligibility Processing	--	--	--	--		--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--		--	--
Brokerage Fees-Dental-MD	--	--	--	--		--	--
Travel and Conferences	16,098	(15,930)	(168)	--		--	--
Mileage	5,370	(5,370)	--	--		--	--
Dues & Memberships	6,635	(6,635)	--	--		--	--
Postage & Meter	6,929	(7,265)	336	--		--	--
Insurance Expense	--	--	--	--		--	--
Utility - Operating-Rent	92,983	(83,035)	(9,948)	--		--	--
Advertising	--	--	--	--		--	--
Contract Services - Actuarial	--	--	--	--		--	--
Contract Services -Claim Audit	--	--	--	--		--	--
Contract Services	--	--	--	--		--	--
Audit Fees	13,250	(13,250)	--	--		--	--
Other Services/Operating Expense:	2,499	(2,499)	--	--		--	--
Capital Equipment/Depreciation	--	--	592	592		--	592
Repairs & Maintenance	--	--	--	--		--	--
Legal	--	--	--	--		--	--
Accounting Services	9,800	(9,800)	--	--		--	--
County Courier	--	--	--	--		--	--
Shredding	547	(547)	--	--		--	--
Copier & Scanner	10,420	(10,381)	(39)	--		--	--
Claims Administration Services	--	--	--	--		--	--
Self-Insurance Fee	--	--	--	--		--	--
Claims Paid-WC	--	--	--	--		--	--
Claims Paid-PL	--	--	--	--		--	--
Physical Abilities Testing	--	--	--	--		--	--
Training	--	--	--	--		--	--
First-Aid Program	--	--	--	--		--	--
Food Service Training	--	--	--	--		--	--
Special Ed Training	--	--	--	--		--	--
Bank Charge & WC Penalty Reimb	--	--	--	--		--	--
Cobra Premiums	--	--	--	--		--	--
Dental Insurance Premiums	--	--	--	--		--	--
Insurance - Vision	--	--	--	--		--	--
Claim Development Expense	--	--	--	--		--	--
ACA Fees	--	--	--	--		--	--
Total Operating Expenditures	343,489	(319,485)	(23,411)	592		--	592 -- %
Net Increase/(Decrease)							
from Operations	(308,922)	284,918	23,411	(592)		--	(592) -- %
Non Operating Income/(Expense)							
Interest Income	19	(18)	--	--		--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--		--	--
Realized Gain/(Loss) on Investments	--	--	--	--		--	--
Cumulative effect of GASB 68	--	--	--	--		--	--
Interfund Transfer & YE Close	377,731	--	(377,731)	--		--	--
Total Non Operating							
Income/(Expense)	377,750	\$ (18)	\$ (377,731)	--		--	-- %
Ending Cash	\$ 238,251						
Net Increase/(Decrease)							
in Net Position				\$ (592)		\$ (592)	-- %
Audited - Ending Net Position, as of 06/30/2017				\$ (2,368)		\$ (1,776)	\$ (592)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2017

	Self-Insured Program Years												Totals to Page 7A
	1978/1979	1984/1985	1985/1986	1986/1987	1987/1988	1988/1989	1989/1990	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	
Paid Claims	\$ 916,460	\$ 1,828,378	\$ 2,852,551	\$ 2,806,837	\$ 2,869,489	\$ 4,014,955	\$ 2,924,176	\$ 5,552,326	\$ 5,166,253	\$ 4,066,839	\$ 3,709,502	\$ 4,762,441	\$ 41,470,207
Reserves	28,969	--	25,625	67,150	15,731	33,675	29,352	93,787	59,434	209,869	124,016	234,373	921,981
Incurred Claims	945,429	1,828,378	2,878,176	2,873,987	2,885,220	4,048,630	2,953,528	5,646,113	5,225,687	4,276,708	3,833,518	4,996,814	42,392,188
Incurred But Not Reported (IBNR)	3,513	--	--	86,013	24,780	41,370	36,472	103,887	104,313	163,292	136,482	193,186	893,308
Non- Discounted Estimated Ultimate Incurred (1)	948,942	1,828,378	2,878,176	2,960,000	2,910,000	4,090,000	2,990,000	5,750,000	5,330,000	4,440,000	3,970,000	5,190,000	43,285,496
Anticipated Investment Income (Discount) (2)	(1,624)	--	(1,281)	(7,658)	(2,350)	(5,103)	(4,937)	(15,814)	(13,755)	(31,719)	(22,924)	(38,480)	(145,645)
Discounted Estimated Ultimate (1-2)	947,318	1,828,378	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
Paid Claims	(916,460)	(1,828,378)	(2,852,551)	(2,806,837)	(2,869,489)	(4,014,955)	(2,924,176)	(5,552,326)	(5,166,253)	(4,066,839)	(3,709,502)	(4,762,441)	(41,470,207)
Remaining Estimated Unpaid Claim Liabilities	\$ 30,858	\$ --	\$ 24,344	\$ 145,505	\$ 38,161	\$ 69,942	\$ 60,887	\$ 181,860	\$ 149,992	\$ 341,442	\$ 237,574	\$ 389,079	\$ 1,669,644

(1) Per Bay Actuarial Consultants actuarial study dated February 2017.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 06/30/2016 & 06/30/2017.

Historical Discounted Estimated Ultimate Incurred:													
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2010	793,059	1,889,004	2,789,731	2,944,000	2,906,506	4,017,275	2,912,254	5,524,202	5,140,647	4,323,930	3,718,595	5,137,560	42,096,763
As of 06/30/2011	852,621	1,886,310	2,800,604	2,899,286	2,949,183	4,029,712	2,912,357	5,687,163	5,154,464	4,316,645	3,706,533	5,171,358	42,366,236
As of 06/30/2012	865,386	1,891,056	2,829,735	2,939,513	2,664,915	3,978,682	2,914,559	5,840,572	5,219,982	4,364,052	3,687,860	5,166,611	42,362,923
As of 06/30/2013	954,963	1,828,378	2,917,252	3,003,200	2,674,593	4,009,091	2,922,237	5,789,363	5,200,522	4,331,119	3,639,169	5,209,906	42,479,793
As of 06/30/2014	959,089	1,828,378	2,943,554	2,948,967	2,906,382	4,010,866	2,993,154	5,793,307	5,156,348	4,321,092	3,728,346	5,145,562	42,735,045
As of 06/30/2015	959,745	1,828,378	2,944,649	2,957,392	2,916,153	4,077,607	2,993,338	5,759,425	5,259,555	4,304,405	3,847,149	5,130,367	42,978,163
As of 06/30/2016	919,585	1,828,378	2,935,792	2,958,911	2,907,220	4,065,869	2,966,210	5,750,806	5,315,636	4,278,349	3,855,186	5,114,027	42,895,969
As of 06/30/2017	947,318	1,828,378	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
Increase/Decrease	27,733	--	(58,897)	(6,569)	430	19,028	18,853	(16,620)	609	129,932	91,890	37,493	243,882

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2017

	Totals From Page 7	Self-Insured Program Years							Totals To Page 7B
		1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	
Paid Claims	\$ 41,470,207	\$ 5,315,494	\$ 7,094,336	\$ 6,785,108	\$ 9,089,418	\$ 7,311,110	\$ 10,697,418	\$ 11,812,619	\$ 99,575,710
Reserves	921,981	132,313	334,682	603,972	1,225,272	628,581	650,281	649,760	5,146,842
Incurred Claims	42,392,188	5,447,807	7,429,018	7,389,080	10,314,690	7,939,691	11,347,699	12,462,379	104,722,552
Incurred But Not Reported (IBNR)	893,308	162,193	340,982	380,920	595,310	480,309	752,301	817,621	4,422,944
Non- Discounted Estimated Ultimate Incurred (1)	43,285,496	5,610,000	7,770,000	7,770,000	10,910,000	8,420,000	12,100,000	13,280,000	109,145,496
Anticipated Investment Income (Discount) (2)	(145,645)	(26,800)	(64,188)	(99,474)	(192,982)	(120,869)	(152,881)	(158,477)	(961,316)
Discounted Estimated Ultimate (1-2)	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
Paid Claims	(41,470,207)	(5,315,494)	(7,094,336)	(6,785,108)	(9,089,418)	(7,311,110)	(10,697,418)	(11,812,619)	(99,575,710)
Remaining Estimated Unpaid Claim Liabilities	\$ 1,669,644	\$ 267,706	\$ 611,476	\$ 885,418	\$ 1,627,600	\$ 988,021	\$ 1,249,701	\$ 1,308,904	\$ 8,608,470

(1) Per Bay Actuarial Consultants actuarial study dated February 2017.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 06/30/2016 & 06/30/2017.

Historical Discounted Estimated Ultimate Incurred:									
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	6,333,000	8,381,000	7,897,000	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	6,651,000	9,924,000	9,258,000	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	7,464,000	11,199,000	10,319,000	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	7,691,266	12,739,081	11,713,580	N/A
As of 06/30/2010	42,096,763	5,727,741	7,172,192	6,843,071	10,750,070	7,983,737	13,184,486	12,525,480	106,283,540
As of 06/30/2011	42,366,236	5,721,425	7,145,019	7,440,306	11,250,829	8,670,787	13,295,238	12,326,440	108,216,280
As of 06/30/2012	42,362,923	5,641,456	7,470,783	7,427,596	11,162,085	8,724,801	11,904,345	13,678,790	108,372,779
As of 06/30/2013	42,479,793	5,833,514	7,743,609	7,798,325	11,018,070	9,598,230	12,098,931	13,618,383	110,188,855
As of 06/30/2014	42,735,045	5,738,160	7,577,599	7,714,653	11,132,297	8,733,944	11,771,811	13,128,192	108,531,701
As of 06/30/2015	42,978,163	5,752,631	7,584,812	7,808,635	10,993,497	8,806,657	11,818,771	13,083,683	108,826,849
As of 06/30/2016	42,895,969	5,607,306	7,562,358	7,660,593	11,011,641	8,642,537	11,753,128	12,959,861	108,093,393
As of 06/30/2017	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
Increase/Decrease	243,882	(24,106)	143,454	9,933	(294,623)	(343,406)	193,991	161,662	90,787

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2017

		Self-Insured Program Years								As of 06/30/2017 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2016 Totals		07/01/2016 - 06/30/2017	
Totals From Page 7A												
Paid Claims	\$ 99,575,710	\$ 9,899,622	\$ 5,937,992	\$ 5,457,213	\$ 8,566,827	\$ 8,223,101	\$ 8,370,296	\$ 8,661,620	\$ 154,692,381	\$ 153,212,401	\$ 1,479,980	
Reserves	5,146,842	323,694	433,465	218,211	834,011	725,767	733,679	494,212	8,909,881	10,453,729	(1,543,848)	
Incurred Claims	104,722,552	10,223,316	6,371,457	5,675,424	9,400,838	8,948,868	9,103,975	9,155,832	163,602,262	163,666,130	(63,868)	
Incurred But Not Reported (IBNR)	4,422,944	596,684	568,543	284,576	1,069,162	401,132	596,025	984,168	8,923,234	9,722,140	(798,906)	
Non- Discounted Estimated Ultimate Incurred (1)	109,145,496	10,820,000	6,940,000	5,960,000	10,470,000	9,350,000	9,700,000	10,140,000	172,525,496	173,388,270	(862,774)	
Anticipated Investment Income (Discount) (2)	(961,316)	(103,082)	(122,245)	(63,351)	(255,025)	(151,004)	(179,510)	(196,625)	(2,032,158)	(2,355,614)	323,456	
Discounted Estimated Ultimate (1-2)	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338	171,032,656	(539,318)	
Paid Claims	(99,575,710)	(9,899,622)	(5,937,992)	(5,457,213)	(8,566,827)	(8,223,101)	(8,370,296)	(8,661,620)	(154,692,381)	(153,212,401)	(1,479,980)	
Remaining Estimated Unpaid Claim Liabilities	\$ 8,608,470	\$ 817,296	\$ 879,763	\$ 439,436	\$ 1,648,148	\$ 975,895	\$ 1,150,194	\$ 1,281,755	\$ 15,800,957	\$ 17,820,255	\$ (2,019,298)	
(1) Per Bay Actuarial Consultants actuarial study dated February 2017.						Estimated Current Portion /Short-Term Liability (1)		(1,591,000)				
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 06/30/2016 & 06/30/2017.						Estimated Non-Current portion of Claim Liabilities		\$ 14,209,957				
Historical Discounted Estimated Ultimate Incurred:												
As of 06/30/2006	N/A	6,787,000	4,378,000	2,665,000	1,943,000	--	--	--	N/A	Claim Development Expense		
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A	Claim Liabilities	\$ (2,019,298)	
As of 06/30/2008	N/A	8,867,000	5,704,000	4,776,000	6,673,000	6,867,000	6,117,000	--	N/A	and ULAE	(192,000)	
As of 06/30/2009	N/A	9,952,286	6,342,724	5,888,070	8,380,255	9,209,624	10,474,925	8,012,622	N/A	Decrease	\$ (2,211,298)	
As of 06/30/2010	106,283,540	9,857,770	7,326,142	6,233,943	8,159,431	9,705,395	11,525,318	10,768,305	169,859,844			
As of 06/30/2011	108,216,280	9,806,352	7,347,756	6,873,035	9,276,212	9,956,828	10,929,748	10,770,204	173,176,415			
As of 06/30/2012	108,372,779	11,103,705	7,180,516	6,779,730	9,113,232	10,061,847	10,833,352	11,378,258	174,823,419			
As of 06/30/2013	110,188,855	10,710,077	7,136,860	6,043,782	8,435,497	9,522,890	10,141,142	10,501,500	172,680,603			
As of 06/30/2014	108,531,701	10,454,102	6,798,117	6,067,506	10,203,448	9,772,238	10,362,281	10,585,137	172,774,530			
As of 06/30/2015	108,826,849	10,457,705	6,920,842	6,214,866	10,347,509	9,539,023	9,859,233	10,469,961	172,635,988			
As of 06/30/2016	108,093,393	10,531,877	6,860,336	6,223,567	10,366,713	9,216,061	9,639,692	10,101,017	171,032,656			
As of 06/30/2017	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338			
Increase/Decrease	90,787	185,041	(42,581)	(326,918)	(151,738)	(17,065)	(119,202)	(157,642)	(539,318)			

Claim Development Expense		
Claim Liabilities	\$	(2,019,298)
and ULAE		(192,000)
Decrease	\$	(2,211,298)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 06/30/2017

	Self-Insured Program Years										As of 06/30/2017	Activity	
												As of 06/30/2016	07/01/2016 - 06/30/2017
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017				
Paid Claims	\$ 45,000	\$ 39,048	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 26,438	\$ --	\$ 403,293	\$ 372,229	\$ 31,064	
Reserves	--	--	--	--	--	--	--	47,206	20,000	67,206	--	67,206	
Incurred Claims	45,000	39,048	33,141	96,543	125,045	20,000	18,078	73,644	20,000	470,499	372,229	98,270	
Incurred But Not Reported (IBNR)	--	--	--	--	--	--	--	(22,299)	34,069	11,770	21,770	(10,000)	
Non- Discounted Estimated Ultimate Incurred (1)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345 (3)	54,069	482,269	394,000	88,269	
Anticipated Investment Income (Discount) (2)	--	--	--	--	--	--	--	(208)	(649)	(857)	(577)	(280)	
Discounted Estimated Ultimate (1-2)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,137	53,420	481,412	393,423	87,989	
Paid Claims	(45,000)	(39,048)	(33,141)	(96,543)	(125,045)	(20,000)	(18,078)	(26,438)	--	(403,293)	(372,229)	(31,064)	
Remaining Estimated Unpaid Claim Liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 24,699	\$ 53,420	\$ 78,119	\$ 21,194	\$ 56,925	
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65										(42,965)			
Estimated Non-Current portion of Claim Liabilities										\$ 35,154			
(1) Per Bay Actuarial Consultants actuarial study dated February 2017.													
(2) Discounted at 1.0%.													
(3) Not adjusted for negative IBNR, based upon Actuarial report, will be adjusted at 06/30/2017 if incurred has not been reduced.													
Historical Estimated Ultimate Incurred:													
As of 06/30/2011	117,441	63,001	80,193	--	--	--	--	--	--	260,635			
As of 06/30/2012	117,441	63,001	80,193	77,802	--	--	--	--	--	338,437			
As of 06/30/2013	117,507	49,777	62,638	115,793	108,539	--	--	--	--	454,254			
As of 06/30/2014	117,507	49,777	37,638	100,792	148,539	111,900	--	--	--	566,153			
As of 06/30/2015	117,507	48,738	33,141	96,543	126,562	20,863	32,843	--	--	566,153			
As of 06/30/2016	45,000	39,048	33,141	96,543	126,562	20,863	7,843	25,000	--	394,000			
As of 06/30/2017	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345	54,069	482,269			
Increase/Decrease	--	--	--	--	(1,517)	(863)	10,235	26,345	54,069	88,269			

Claim Development Expense	
Claim Liabilities	\$ 56,925
and ULAE	(12,981)
Increase	\$ 43,944

Claim Development Expense	
Claim Liabilities	\$ 56,925
and ULAE	(12,981)
Increase	<u>\$ 43,944</u>

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001 

www.treasurer.ca.gov/pmia-laif/laif.asp

August 07, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

April 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
4/14/2017	4/13/2017	QRD	1534064	SYSTEM	6,067.14

Account Summary

Total Deposit:	6,067.14	Beginning Balance:	3,171,295.13
Total Withdrawal:	0.00	Ending Balance:	3,177,362.27

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001 

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August 07, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

May 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,177,362.27
Total Withdrawal:	0.00	Ending Balance:	3,177,362.27

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001 

www.treasurer.ca.gov/pmia-laif/laif.asp

August 07, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

June 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,177,362.27
Total Withdrawal:	0.00	Ending Balance:	3,177,362.27



JOHN CHIANG
TREASURER
STATE OF CALIFORNIA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
06/13/17	0.96	0.91	182
06/14/17	0.96	0.91	179
06/15/17	0.98	0.92	187
06/16/17	0.98	0.92	186
06/17/17	0.98	0.92	186
06/18/17	0.98	0.92	186
06/19/17	0.98	0.92	183
06/20/17	0.98	0.92	182
06/21/17	0.99	0.92	181
06/22/17	1.00	0.92	186
06/23/17	1.00	0.92	188
06/24/17	1.00	0.92	188
06/25/17	1.00	0.92	188
06/26/17	1.01	0.93	184
06/27/17	1.01	0.93	182
06/28/17	1.01	0.93	182
06/29/17	1.01	0.93	181
06/30/17	1.03	0.93	194
07/01/17	1.03	1.03	194
07/02/17	1.03	1.03	194
07/03/17	1.03	1.03	199
07/04/17	1.03	1.03	199
07/05/17	1.04	1.03	197
07/06/17	1.04	1.03	196
07/07/17	1.04	1.04	195
07/08/17	1.04	1.04	195
07/09/17	1.04	1.04	195
07/10/17	1.05	1.04	192
07/11/17	1.04	1.04	194
07/12/17	1.05	1.04	194
07/13/17	1.05	1.04	182

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

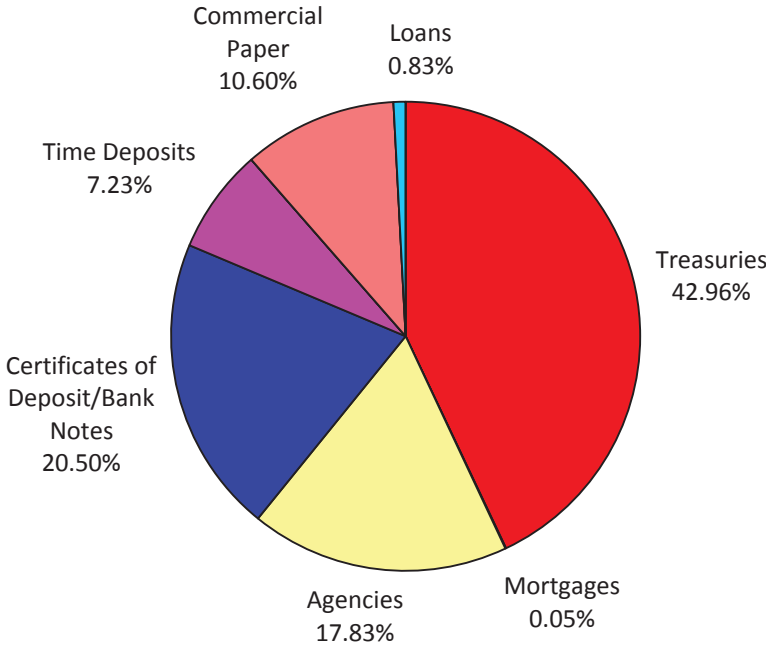
Quarter Ending 06/30/17

Apportionment Rate: 0.92%
Earnings Ratio: .00002531309414880
Fair Value Factor: 0.998940671
Daily: 1.03%
Quarter to Date: 0.93%
Average Life: 194

PMIA Average Monthly Effective Yields

June 2017 0.978%
May 2017 0.925%
Apr 2017 0.884%

Pooled Money Investment Account
Portfolio Composition
06/30/17
\$77.6 billion



Based on data available as of 7/14/2017



Alameda County Schools Insurance Group

P.O. Box 2487

Dublin, CA 94568

Phone (925) 225-1030

Fax (925) 225-0653

www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2016/2017 Audit

The audit for fiscal year 2016/2017 is complete and a draft of the report is included for your review. The audit team was very professional, seasoned and conducted the audit in a timely and efficient manner. SETECH provided all necessary support and the audit was quite favorable. There were no audit findings.

Heather Daud from Christy White and Associates will review the report with the Executive Committee. The Executive Committee will be asked to approve a recommendation to the full Board.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

AUDIT REPORT

JUNE 30, 2017 AND 2016

San Diego

Los Angeles

San Francisco
Bay Area

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
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JUNE 30, 2017 AND 2016

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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, 2017 and 2016, 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.

Christy White, CPA

Michael Ash, CPA

Heather Rubio

SAN DIEGO
LOS ANGELES
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State Board of Accountancy*

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, 2017 and 2016, 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 4 through 11. 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 25, 2017 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 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.

A handwritten signature in cursive script that reads "Christy White Associates".

San Diego, California
October 25, 2017

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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, 2016, and 2017. 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.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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 YEARS ENDED JUNE 30, 2017 AND 2016**

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 2016/2017, ACSIG's net position improved by \$7.9 million. This group moved from a deficit position, to an equity position of \$7.7 million in 2015/2016. In 2016/2017, this equity position has increased to \$15.6 million, as of 06/30/2017. All programs (below) are in an equity position.

By Program:

Workers' Compensation

In 2016/2017 the Worker's Compensation program moved from a deficit to an equity net position. In 2016/2017, the deficit of \$986 thousand, as of 06/30/2016, was offset by an equity increase of \$7 million. As of 06/30/2017, equity in the program is \$6 million.

In 2016/2017, assets increased by \$4.7 million and liabilities decreased by \$2.2 million. Operating income was in excess of expense by \$7 million.

Based upon the annual actuarial report performed in 2016/2017, the re-estimation of the ultimate cost for the self-insured claims prior the 07/01/2009 decreased by \$900 thousand. This was offset by an increase in liability of \$323 thousand related to the discount factor of 1.5%. As claims are paid, discount is applied to a decreasing cash reserve amount, reducing the discount available for claim liabilities. All claim liabilities are fully funded.

In 2016/2017, the Members funded, \$0.35/per \$100 of payroll towards reduction of the deficit.

Property/Liability

In 2016/2017, the net equity position increased by \$9 thousand, as of 06/30/2017, net assets remain in excess of liabilities by \$202 thousand. All liabilities are fully reserved in this program.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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 auditing 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 YEARS ENDED JUNE 30, 2017 AND 2016

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 06/30/2015, 06/30/2016, and 06/30/2017, showing total assets versus total liabilities, with a percentage of change between program years.

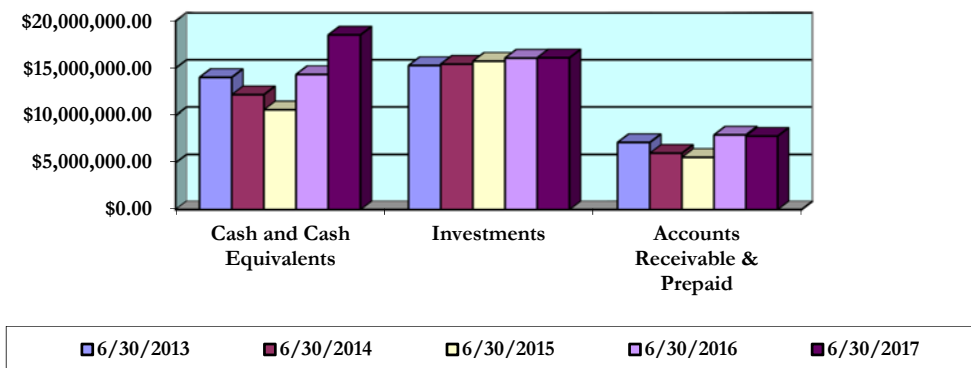
	As of		2015/2016			2016/2017		
	06/30/15	06/30/16	Variance	%	06/30/17	Variance	%	
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 10,579,149	\$ 14,330,091	\$ 3,750,942	35.46 %	\$ 18,524,908	\$ 4,194,817	29.27	
Investments, current	608,107	1,701,027	1,092,920	179.72	2,032,238	331,211	19.47	
Accounts Receivable	5,582,053	7,965,408	2,383,355	42.70	7,827,985	(137,423)	(1.73)	
Prepaid Expense	--	--	--	--	9,948	9,948	--	
Total Current Assets	16,769,309	23,996,526	7,227,217	43.10	28,395,079	4,398,553	18.33	
Noncurrent								
Investments	15,133,468	14,370,020	(763,448)	(5.04)	14,018,468	(351,552)	(2.45)	
Capital assets, net	4,147	3,555	(592)	(14.28)	2,963	(592)	(16.65)	
Total Noncurrent Assets	15,137,615	14,373,575	(764,040)	(5.05)	14,021,431	(352,144)	(2.45)	
Total Assets	31,906,924	38,370,101	6,463,177	20.26	42,416,510	4,046,409	10.55	
DEFERRED OUTFLOW OF RESOURCES								
Deferred outflow of resources - pen	--	44,203	44,203	--	217,668	173,465	392.43	
LIABILITIES								
Current Liabilities								
Accounts payable	2,721,576	5,414,640	2,693,064	98.95	3,053,398	(2,361,242)	(43.61)	
Prefunding deposits	3,116,431	3,418,159	301,728	9.68	3,817,300	399,141	11.68	
Current portion of unpaid claims an claim adjustment expenses	3,665,741	3,542,657	(123,084)	(3.36)	3,832,965	290,308	8.19	
Total current Liabilities	9,503,748	12,375,456	2,871,708	30.22	10,703,663	(1,671,793)	(13.51)	
Noncurrent Liabilities	21,145,944	17,720,610	(3,425,334)	(16.20)	15,610,948	(2,109,662)	(11.91)	
Total noncurrent Liabilities	21,145,944	17,720,610	(3,425,334)	(16.20)	15,610,948	(2,109,662)	(11.91)	
Net pension liabilities	--	525,511	525,511	--	586,196	60,685	--	
Total Liabilities	30,649,692	30,621,577	(28,115)	(0.09)	26,900,807	(3,720,770)	(12.15)	
DEFERRED INFLOW OF RESOURCES								
Deferred inflow of resources - pensi	--	63,483	63,483	--	128,507	65,024	102.43	
NET POSITION								
	\$ 1,257,232	\$ 7,729,244	\$ 6,472,012	514.78 %	\$ 15,604,864	\$ 7,875,620	101.89	

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Assets:

In 2016/2017, the assets of ACSIG increased by \$4 million or 10.55%, 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, page 14, 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. Annually variance in assets can be seen below.

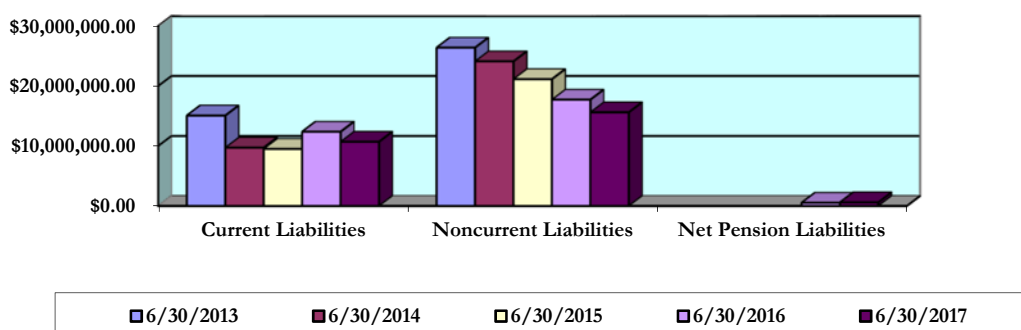


Liabilities:

In 2016/2017, the liabilities of ACSIG decreased by \$3.7 million or 12.15%.

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.



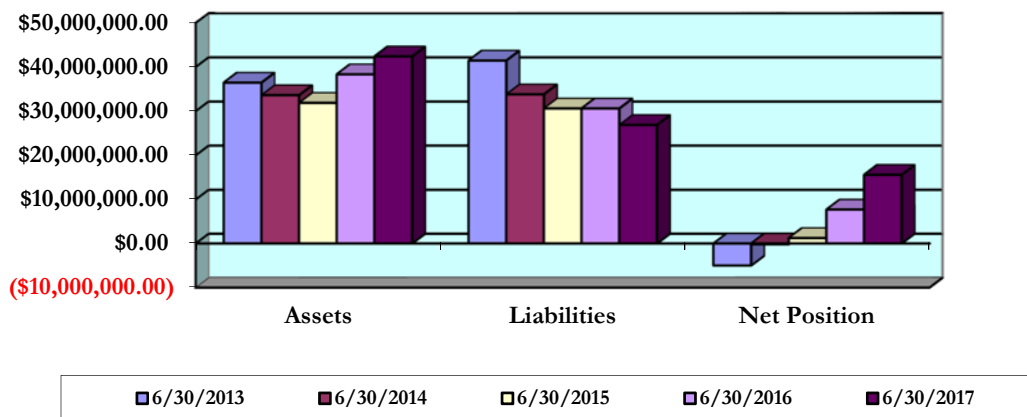
**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Net Position:

In 2016/2017, as of 06/30/2017, ACSIG's ending Net Position is \$15.6 million. A change in net position of \$7.9 million, from 07/01/2016 – 06/30/2017 is due to the following factors.

- 1) Increase in net assets from net operating income, greater than operating expenditures of \$7.9 million
- 2) Increase in net assets from non-operating investment income of \$20 thousand.

Statement of Net Position year variances can be seen below.



Statements of Revenues, Expenses and Change in Net Position:

In 2016/2017, revenues exceeded expenses by \$7.9 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				Fiscal Year		
	06/30/15	06/30/16	Increase/ (Decrease) 2015/2016 Variance	Percentage	Ended 06/30/17	Increase/ (Decrease) 2016/2017 Variance	Percentage
Operating Revenue:							
Member Contributions	\$ 136,200,959	\$ 151,865,101	\$ 15,664,142	11.50 %	\$ 158,165,112	\$ 6,300,011	4.15 %
Other	--	5,798	5,798	--	247	(5,551)	--
Total Operating Revenue	136,200,959	151,870,899	15,669,940	11.51	158,165,359	6,294,460	4.14
Operating Expenses:							
Claims and Claims Adj Expense	113,161,917	122,619,880	9,457,963	8.36	125,732,817	3,112,937	2.54
Insurance Expense	20,185,197	20,932,781	747,584	3.70	22,798,133	1,865,352	8.91
Services and other operating	1,258,578	1,316,044	57,466	4.57	1,463,432	147,388	11.20
Salaries and benefits	333,061	521,616	188,555	56.61	311,162	(210,454)	(40.35)
Supplies	7,426	2,896	(4,530)	(61.00)	3,621	725	25.03
Depreciation	592	592	--	--	592	--	--
Total Operating Expenses	134,946,771	145,393,809	10,447,038	7.74	150,309,757	4,915,948	3.38
Net Operating Income/(loss)	1,254,188	6,477,090	5,222,902	416.44	7,855,602	1,378,512	21.28
Non Operating Income/(Expense)	195,714	380,236	184,522	94.28	20,018	(360,218)	(94.74)
Change in Net Position	1,449,902	6,857,326	5,407,424	372.95	7,875,620	1,018,294	14.85
Cumulative effect of GASB 68	--	(385,314)	(385,314)	--	--	385,314	--
Beginning Net Position	(192,670)	1,257,232	1,449,902	(752.53)	7,729,244	6,472,012	514.78
Ending Net Position	\$ 1,257,232	\$ 7,729,244	\$ 6,857,326	514.78 %	\$ 15,604,864	\$ 7,490,306	101.89 %

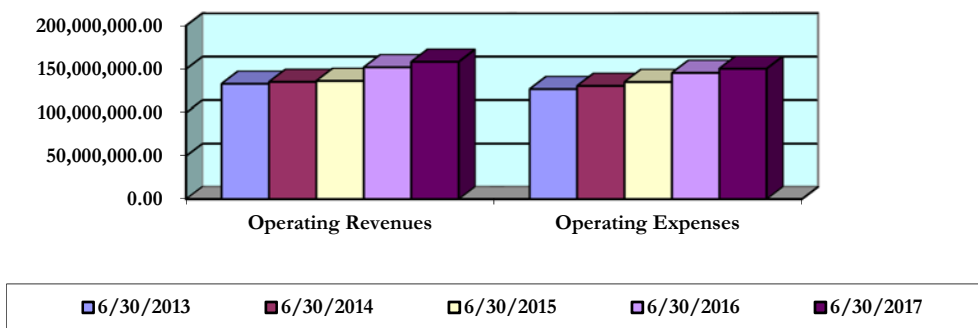
**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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

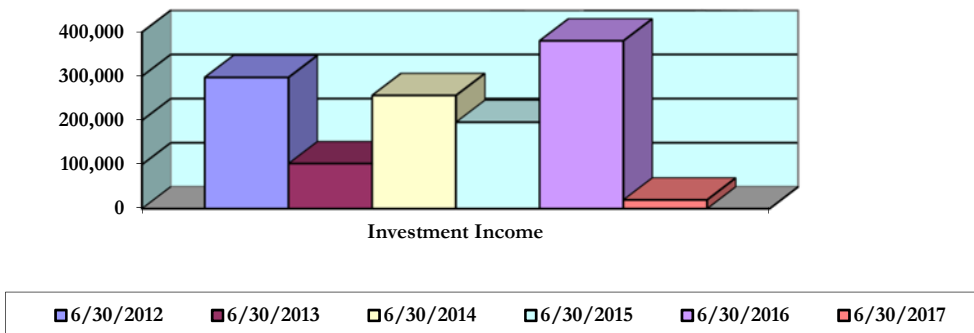
In 2016/2017, operating revenue increased by \$6.3 million, or 4.14%.

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
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 18,524,908	\$ 14,330,091
Investments, current	2,032,238	1,701,027
Accounts receivable	7,827,985	7,965,408
Prepaid expenses	9,948	-
Total Current Assets	28,395,079	23,996,526
Noncurrent Assets		
Investments	14,018,468	14,370,020
Capital assets, net of depreciation	2,963	3,555
Total Noncurrent Assets	14,021,431	14,373,575
Total Assets	42,416,510	38,370,101
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension	217,668	44,203
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	3,053,398	5,414,640
Prefunding deposits	3,817,300	3,418,159
Current portion of unpaid claims and claim adjustment expenses	3,832,965	3,542,657
Total Current Liabilities	10,703,663	12,375,456
Noncurrent Liabilities		
Unpaid claims and claim adjustment expenses less		
current portion	15,610,948	17,720,610
Net pension liability	586,196	525,511
Total Liabilities	26,900,807	30,621,577
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension	128,507	63,483
NET POSITION		
Unrestricted	15,601,901	7,725,689
Net investment in capital assets	2,963	3,555
Total Net Position	15,604,864	7,729,244
Total Liabilities and Net Position	\$ 42,634,178	\$ 38,414,304

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING REVENUE		
Member contributions	\$ 158,165,112	\$ 151,865,101
Other income	247	5,798
Total Operating Revenues	158,165,359	151,870,899
OPERATING EXPENSES		
Claims and claims adjustment expense	125,732,817	122,619,880
Insurance expense	22,798,133	20,932,781
Services and other operating	1,463,432	1,316,044
Salaries and benefits	311,162	521,616
Supplies	3,621	2,896
Depreciation	592	592
Total Operating Expense	150,309,757	145,393,809
Net Operating Income/(Loss)	7,855,602	6,477,090
NON-OPERATING REVENUE:		
Investment income	20,018	380,236
CHANGE IN NET POSITION	7,875,620	6,857,326
Net Position - Beginning	7,729,244	1,257,232
Cumulative effect of GASB 68	-	(385,314)
Net Position - Beginning, as restated	7,729,244	871,918
Net Position - Ending	\$ 15,604,864	\$ 7,729,244

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash flows from operating activities		
Cash received from members and others	\$ 158,701,923	\$ 149,789,272
Cash payments for claims	(127,552,171)	(126,168,298)
Cash payments for insurance	(22,808,081)	(20,932,781)
Cash payments to suppliers for goods and services	(3,828,295)	1,374,124
Cash payments for employee salaries and benefits	(358,918)	(362,139)
Net cash provided by (used in) operating activities	4,154,458	3,700,178
Cash flows from investing activities		
Purchase of investments	(297,873)	(225,530)
Interest income received	338,232	276,294
Net cash provided by (used in) investing activities	40,359	50,764
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	4,194,817	3,750,942
CASH AND CASH EQUIVALENTS		
Beginning of year	14,330,091	10,579,149
End of year	\$ 18,524,908	\$ 14,330,091
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 7,855,602	\$ 6,477,090
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	592	592
(Increase) decrease in:		
Accounts receivable	137,423	(2,383,355)
Prepaid expenses	(9,948)	-
Deferred outflows	(173,465)	(44,203)
Increase (decrease) in:		
Accounts payable	(2,361,242)	2,693,064
Prefunding deposits	399,141	301,728
Unpaid claims and claim adjustment expenses	(1,819,354)	(3,548,418)
Deferred inflows	65,024	63,483
Net pension liability	60,685	140,197
Net cash provided by (used in) operating activities	\$ 4,154,458	\$ 3,700,178

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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, 2017 AND 2016

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, 2017 and 2016 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, 2017 AND 2016

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, 2017 AND 2016

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, 2015 (the beginning of the measurement period ended June 30, 2016).

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, 2017 AND 2016

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, 2017 and 2016 are reported at fair value and consisted of the following:

	Fiscal Year Ended	
	2017	2016
Cash and cash equivalents		
Cash in bank	\$ 3,464,272	\$ 2,458,736
Cash in County Treasury	11,826,787	8,607,851
Local Agency Investment Fund	3,177,362	3,156,805
Money market accounts	56,487	106,699
Total cash and cash equivalents	\$ 18,524,908	\$ 14,330,091

Custodial Credit Risk: The Group limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Interest-bearing cash balances held in banks are insured up to \$250,000 and non-interest bearing cash balances held in banks are fully insured by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2017, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were \$18,176,597 and \$348,311, and the bank balances were \$17,684,188 and \$372,029, respectively, of which \$1,355,406 was insured. At June 30, 2016, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were \$13,688,565 and \$661,526, and the bank balances were \$13,684,188 and \$751,324, respectively, of which \$1,297,313 was insured.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

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, 2017, 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, 2017, this fund was yielding approximately 0.55% 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, 2017 AND 2016

NOTE 3 – INVESTMENTS

At June 30, 2017 and 2016, investments are reported at fair value and consisted of the following:

	2017	2016
Investments		
Corporate Bonds	\$ 4,634,404	\$ 4,677,692
Federal Agency Bonds and Notes	7,357,381	7,176,828
U.S. Treasury Notes	4,058,921	4,216,527
Total investments	\$ 16,050,706	\$ 16,071,047
Investments maturing within one year	2,032,238	1,701,027
Long-term investments	\$ 14,018,468	\$ 14,370,020

Maturities of investments held at June 30, 2017 consist of the following:

	Rating	Fair Value	Maturity	
			Less Than One Year	One Year through Five Years
Investment maturities:				
Corporate Bonds	A-	\$ 4,634,404	\$ 400,723	\$ 4,233,681
Federal Agency Bonds and Notes:				
FHLMC	AA+	2,957,951	398,500	2,559,451
FNMA	AA+	4,399,430	-	4,399,430
U.S. Treasury Notes	TSY	4,058,921	1,233,015	2,825,906
		\$ 16,050,706	\$ 2,032,238	\$ 14,018,468

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, 2017, 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, 2017, 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 25%
FNMA 27%
FHLMC 18%

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

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, 2017 were as follows:

	Quoted Prices		
	Level 1	Uncategorized	Total
Investment in county treasury	\$ -	\$ 11,826,787	\$ 11,826,787
Local Agency Investment Fund	-	3,177,362	3,177,362
Money Market	-	56,487	56,487
Corporate Bonds	4,634,404	-	4,634,404
Federal Bonds & Notes	7,357,381	-	7,357,381
U.S. Treasury Notes	4,058,921	-	4,058,921
Total fair market value of investments	\$ 16,050,706	\$ 15,060,636	\$ 31,111,342

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

NOTE 4 – ACCOUNTS RECEIVABLE

The balance of \$7,827,985 as of June 30, 2017 and \$7,965,408 as of June 30, 2016 consisted of premiums due from members.

NOTE 5 – CAPITAL ASSETS

The following is a summary as of June 30, 2017 and 2016 of furniture and equipment, net of accumulated depreciation:

	2017	2016
Capital Assets		
Furniture and equipment	\$ 5,923	\$ 5,923
Less accumulated depreciation	2,960	2,368
Total capital assets, net	\$ 2,963	\$ 3,555

Activity for furniture and equipment for the years ended June 30, 2017 and 2016 included the following:

Furniture and Equipment Activity	2017	2016
Furniture and equipment, net, beginning of year	\$ 3,555	\$ 4,147
Current year depreciation	592	592
Furniture and equipment, net, end of year	\$ 2,963	\$ 3,555

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

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, 2017 and 2016:

	2017	2016
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 21,263,267	\$ 24,811,685
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	117,074,535	116,496,198
Change in provision for covered events of prior years	(910,489)	(1,232,035)
Total incurred claims and claim adjustment expenses	\$ 116,164,046	\$ 115,264,163
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	114,824,398	114,620,714
Claims and claim adjustment expenses attributable to covered events of prior years	3,159,002	4,191,867
Total payments:	117,983,400	118,812,581
Total unpaid claims and claim adjustment expenses, end of year	\$ 19,443,913	\$ 21,263,267

The components of the unpaid claims and claim adjustment expenses as of June 30, 2017 and 2016 were as follows:

	2017	2016
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 6,944,071	\$ 8,097,538
Claims incurred but not reported (IBNR)	11,134,004	11,594,910
Unallocated loss adjustment expenses (ULAE)	1,365,838	1,570,819
Total unpaid claims and claim adjustment expenses, end of year	\$ 19,443,913	\$ 21,263,267

The current and long-term portions were \$3,832,965 and \$15,610,948, respectively, as of June 30, 2017 and were \$3,542,657 and \$17,720,610, respectively, as of June 30, 2016. 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 \$21,476,928 and \$23,619,458 at June 30, 2017 and 2016, respectively.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM

Qualified employees are covered under an agent multi-employer defined benefit pension plan maintained by an agency of the State of California. The Group's employees are members of the California Public Employees' Retirement Systems (CalPERS). The Group's defined benefit pension plan (the "Plan") provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investments and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues a separate comprehensive annual financial report.

The Group's plan had less than 100 active members as of the June 30, 2012 actuarial valuation. As a result, the Group's members are required to participate in a larger risk pool Miscellaneous 2.5% at 55 Risk Pool. Unfunded liabilities are amortized as level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan accrued liability exceeds the actuarial value of plan assets, then the amortization payment of the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Plan Description

All qualified employees are eligible to participate in the Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information may be obtained from the CalPERS Executive Office at 400 P Street; Sacramento, California 95814.

Benefits Provided

The benefits for the defined benefit plan is 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

The Group 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 2017 was 13.888% of annual payroll. Contributions to the plan from the Group were \$51,863 for the year ended June 30, 2017.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (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, 2017, the Group reported a liability of \$586,196 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015, and rolling forward the total pension liability to June 30, 2016. The Group’s proportion of the net pension liability was based on a projection of the Group’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school Groups, actuarially determined. At June 30, 2016, the Group’s proportion was 0.017 percent, which was a decrease of 0.00530 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Group recognized pension expense of \$4,107. At June 30, 2017, the Group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ -	\$ 100,703
Differences between expected and actual experience	135,326	469
Changes in assumptions	-	19,349
Changes in proportion and differences between Group contributions and proportionate share of contributions	30,479	7,986
Group contributions subsequent to the measurement date	51,863	-
	<u>\$ 217,668</u>	<u>\$ 128,507</u>

The \$51,863 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:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 36,659	\$ 15,307
2019	36,578	12,352
2020	29,624	100,848
2021	62,944	-
	<u>\$ 165,805</u>	<u>\$ 128,507</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (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, 2015, and rolling forward the total pension liability to June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Yield*	7.50%
Wage Inflation	Varies by Entry Age and Service

* Net of investment expenses, but gross of administrative expenses.

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 20 years of mortality improvements using Society of Actuaries Scale BB.

The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011.

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 rounded down to the nearest one quarter of one percent.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Years 11+**</u>
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
	<u>100%</u>		

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Discount rate

The discount rate used to measure the total pension liability was 7.65 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 Group’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Group’s proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Group’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
Group’s proportionate share of the net pension liability	\$ 913,278	\$ 586,196	\$ 315,879

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

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, 2017 and 2016 was \$81,140 and \$79,040 respectively. The future minimum rental commitments on the non-cancelable operating lease ending in October 2019 as follows:

Year Ended	Minimum Rental
June 30,	Commitment
2018	\$ 83,240
2019	85,340
2020	28,680
Total	\$ 197,260

The Group has a commercial sub-lease for office space to Keenan & Associates. The term of the sub-lease will end on June 30, 2017. Keenan & Associates agrees to pay rent of \$3,904 per month or \$46,848 per year.

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, 2016 (most recent information available) are as follows:

	NCRLF	PIPS
Total Assets	\$ 68,292,756	\$ 117,633,714
Total Liabilities	52,527,059	104,282,740
Total Net Position	<u>\$ 15,765,697</u>	<u>\$ 13,350,974</u>
Revenues	\$ 52,504,353	\$ 265,453,036
Expenses	(43,938,040)	(262,540,194)
Change in Net Position	<u>\$ 8,566,313</u>	<u>\$ 2,912,842</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017 AND 2016

NOTE 10 – NET POSITION

Net Position is composed of the following elements as of June 30, 2017 and 2016:

	2017	2016
NET POSITION		
Unrestricted	\$ 15,601,901	\$ 7,725,689
Net investment in capital assets	2,963	3,555
Total Net Position	\$ 15,604,864	\$ 7,729,244

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, 2017 AND 2016

	2017	2016
Unpaid claims and claim adjustment expenses, beginning of fiscal year	<u>\$ 19,340,255</u>	<u>\$ 22,868,518</u>
Incurred claims and claim adjustment expenses:		
Change in provision for covered events of prior years	(930,791)	(1,211,428)
Total incurred claims and claim adjustment expenses	<u>(930,791)</u>	<u>(1,211,428)</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	1,280,507	2,316,835
Total payments:	<u>1,280,507</u>	<u>2,316,835</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 17,128,957</u>	<u>\$ 19,340,255</u>
 Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 6,877,723	\$ 8,098,115
Claims incurred but not reported (IBNR)	8,923,234	9,722,140
Unallocated loss adjustment expenses (ULAE)	1,328,000	1,520,000
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 17,128,957</u>	<u>\$ 19,340,255</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unpaid claims and claim adjustment expenses, beginning of fiscal year	<u>\$ 72,012</u>	<u>\$ 92,167</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	51,137	24,484
Change in provision for covered events of prior years	<u>20,302</u>	<u>(20,607)</u>
Total incurred claims and claim adjustment expenses	<u>71,439</u>	<u>3,877</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	<u>27,495</u>	<u>24,032</u>
Total payments:	<u>27,495</u>	<u>24,032</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 115,956</u>	<u>\$ 72,012</u>
 Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 66,348	\$ (577)
Claims incurred but not reported (IBNR)	11,770	21,770
Unallocated loss adjustment expenses (ULAE)	<u>37,838</u>	<u>50,819</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 115,956</u>	<u>\$ 72,012</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unpaid claims and claim adjustment expenses, beginning of fiscal year	<u>\$ 142,000</u>	<u>\$ 142,000</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	3,185,838	2,798,029
Total incurred claims and claim adjustment expenses	<u>3,185,838</u>	<u>2,798,029</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	\$ 2,885,838	\$ 2,656,029
Claims and claim adjustment expenses attributable to covered events of prior years	142,000	142,000
Total payments:	<u>3,027,838</u>	<u>2,798,029</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 300,000</u>	<u>\$ 142,000</u>
 Unpaid claims and claim adjustment expenses, end of year		
Claims incurred but not reported (IBNR)	\$ 300,000	\$ 142,000
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 300,000</u>	<u>\$ 142,000</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unpaid claims and claim adjustment expenses, beginning of fiscal year	<u>\$ 1,709,000</u>	<u>\$ 1,709,000</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	113,837,560	113,673,685
Total incurred claims and claim adjustment expenses	<u>113,837,560</u>	<u>113,673,685</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	111,938,560	111,964,685
Claims and claim adjustment expenses attributable to covered events of prior years	1,709,000	1,709,000
Total payments:	<u>113,647,560</u>	<u>113,673,685</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>1,899,000</u>	<u>1,709,000</u>
 Unpaid claims and claim adjustment expenses, end of year		
Claims reserves	\$ -	\$ -
Claims incurred but not reported (IBNR)	1,899,000	1,709,000
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 1,899,000</u>	<u>\$ 1,709,000</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, 2017 AND 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Group's proportion of the net pension liability	0.017%	0.022%	0.019%
Group's proportionate share of the net pension liability	\$ 586,196	\$ 525,511	\$ 385,314
Group's covered-employee payroll	\$ 237,143	\$ 210,454	\$ 211,975
Group's proportionate share of the net pension liability as a percentage of its covered-employee payroll	247.2%	249.7%	181.8%
Plan fiduciary net position as a percentage of the total pension liability.	74.1%	78.4%	83.4%

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF GROUP CONTRIBUTIONS - CALPERS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 AND 2016

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, 2017 AND 2016

		For Policy Years Ended June 30,										
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1 Required contribution and investment revenue												
Earned	\$	7,325,000	\$ 17,374,000	\$ 17,002,915	\$ 17,891,871	\$ 18,552,720	\$ 20,034,030	\$ 19,217,218	\$ 19,670,032	\$ 20,284,500	\$ 24,754,573	\$ 28,208,126
Ceded		-	(3,310,000)	(2,187,413)	(16,302,424)	(16,026,575)	(15,786,084)	(16,512,219)	(18,073,558)	(19,975,089)	(20,534,560)	(19,382,444)
Net earned	\$	7,325,000	\$ 14,064,000	\$ 14,815,502	\$ 1,589,447	\$ 2,526,145	\$ 4,247,946	\$ 2,704,999	\$ 1,596,474	\$ 309,411	\$ 4,220,013	\$ 8,825,682
2 Unallocated expenses	\$	1,154,000	\$ 786,000	\$ 3,120,092	\$ 1,052,191	\$ 170,715	\$ 319,437	\$ 488,659	\$ 453,830	\$ 427,285	\$ 588,457	\$ 589,245
3 Estimated losses and expenses, end of fiscal year:												
Incurred	\$	3,498,000	\$ 6,117,000	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceded		-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$	3,498,000	\$ 6,117,000	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Net paid (cumulative) as of:												
End of fiscal year	\$	1,193,000	\$ 1,473,000	\$ 2,015,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$	2,998,000	\$ 4,228,134	\$ 4,135,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Two years later	\$	4,538,126	\$ 5,634,001	\$ 5,638,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three years later	\$	5,627,580	\$ 6,605,109	\$ 6,715,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Four years later	\$	6,431,869	\$ 6,992,411	\$ 7,600,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five years later	\$	6,836,694	\$ 7,454,482	\$ 7,880,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$	7,302,122	\$ 7,819,727	\$ 8,515,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$	7,522,166	\$ 8,322,517	\$ 8,661,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$	8,850,630	\$ 8,370,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$	8,850,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Reestimated ceded losses and expenses	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Reestimated net incurred losses and expenses:												
End of fiscal year	\$	3,498,000	\$ 6,117,000	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$	6,867,000	\$ 10,474,925	\$ 10,768,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Two years later	\$	9,209,624	\$ 11,525,318	\$ 10,770,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three years later	\$	9,705,395	\$ 10,929,748	\$ 11,378,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Four years later	\$	9,956,828	\$ 10,833,352	\$ 10,501,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five years later	\$	10,061,847	\$ 10,141,142	\$ 10,585,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$	9,522,890	\$ 10,362,281	\$ 10,469,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$	9,772,238	\$ 9,859,233	\$ 10,101,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$	9,539,023	\$ 9,639,692	\$ 9,943,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$	9,216,061	\$ 9,520,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$	5,718,061	\$ 3,522,692	\$ 2,088,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

		For Policy Years Ended June 30,										
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1 Required contribution and investment revenue												
Earned	\$	414,000	\$ 390,000	\$ 544,363	\$ 552,093	\$ 559,195	\$ 630,698	\$ 675,900	\$ 744,613	\$ 935,595	\$ 1,130,013	\$ 1,329,483
Ceded		-	(7,000)	(541,854)	(559,419)	(545,530)	(560,273)	(611,537)	(663,484)	(831,111)	(1,032,437)	(1,202,982)
Net earned	\$	414,000	\$ 383,000	\$ 2,509	\$ (7,326)	\$ 13,665	\$ 70,425	\$ 64,363	\$ 81,129	\$ 104,484	\$ 97,576	\$ 126,501
2 Unallocated expenses	\$	13,000	\$ 4,000	\$ 18,183	\$ 32,828	\$ 8,069	\$ 9,016	\$ 21,810	\$ 453,830	\$ 20,129	\$ 40,075	\$ 50,373
3 Estimated losses and expenses, end of fiscal year:												
Incurred	\$	22,000	\$ 147,000	\$ 307,207	\$ 54,796	\$ 82,548	\$ 75,212	\$ 108,036	\$ 110,941	\$ 32,843	\$ 25,000	\$ 54,069
Ceded		-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$	22,000	\$ 147,000	\$ 307,207	\$ 54,796	\$ 82,548	\$ 75,212	\$ 108,036	\$ 110,941	\$ 32,843	\$ 25,000	\$ 54,069
4 Net paid (cumulative) as of:												
End of fiscal year	\$	-	\$ 27,000	\$ 84,499	\$ 10,931	\$ 18,839	\$ 1,683	\$ 22,371	\$ -	\$ -	\$ 6,681	\$ -
One year later	\$	17,000	\$ 273,370	\$ 111,503	\$ 42,740	\$ 20,496	\$ 16,543	\$ 89,764	\$ 20,000	\$ 6,771	\$ 26,438	
Two years later	\$	80,674	\$ 83,044	\$ 131,676	\$ 28,438	\$ 33,140	\$ 76,543	\$ 113,117	\$ 20,000	\$ 18,078		
Three years later	\$	65,794	\$ 83,044	\$ 107,846	\$ 48,738	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000			
Four years later	\$	65,794	\$ 60,441	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543	\$ 125,045				
Five years later	\$	47,530	\$ 60,441	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543					
Six years later	\$	47,530	\$ 60,411	\$ 117,507	\$ 48,738	\$ 33,141						
Seven years later	\$	47,530	\$ 60,411	\$ 117,507	\$ 48,738							
Eight years later	\$	47,530	\$ 60,411	\$ 117,507								
Nine years later	\$	47,530	\$ 60,411									
Ten years later	\$	47,530										
5 Reestimated ceded losses and expenses	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Reestimated net incurred losses and expenses:												
End of fiscal year	\$	22,000	\$ 147,000	\$ 307,207	\$ 54,796	\$ 82,548	\$ 75,212	\$ 101,000	\$ 111,900	\$ 32,843	\$ 25,000	\$ 54,069
One year later	\$	60,000	\$ 401,609	\$ 121,183	\$ 79,867	\$ 78,773	\$ 112,560	\$ 148,539	\$ 20,863	\$ 7,843	\$ 51,345	
Two years later	\$	81,110	\$ 83,044	\$ 144,849	\$ 62,351	\$ 60,496	\$ 100,792	\$ 126,562	\$ 20,863	\$ 18,078		
Three years later	\$	65,794	\$ 83,044	\$ 117,275	\$ 48,738	\$ 37,639	\$ 96,543	\$ 126,562	\$ 20,863			
Four years later	\$	65,794	\$ 60,441	\$ 117,507	\$ 49,777	\$ 33,141	\$ 96,543	\$ 126,562				
Five years later	\$	47,530	\$ 60,441	\$ 117,507	\$ 48,738	\$ 33,141	\$ 96,543					
Six years later	\$	47,530	\$ 60,441	\$ 117,507	\$ 48,738	\$ 33,141						
Seven years later	\$	47,530	\$ 60,441	\$ 117,507	\$ 48,738							
Eight years later	\$	47,530	\$ 60,441	\$ 117,507								
Nine years later	\$	47,530	\$ 60,441									
Ten years later	\$	47,530										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$	25,530	\$ (86,559)	\$ (189,700)	\$ (6,058)	\$ (49,407)	\$ 21,331	\$ 25,562	\$ (91,037)	\$ (25,000)	\$ 26,345	\$ (54,069)

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

		For Policy Years Ended June 30,																																
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017																						
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											
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											
2 Unallocated expenses													\$	-	\$	-	\$	-	\$	14,493	\$	96,930	\$	140,236	\$	153,671	\$	-	\$	-	\$	61,866	\$	49,023
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											
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 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											
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													
Two years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,634,127	\$	1,704,628	\$	2,067,215	\$	2,173,883															
Three years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,634,127	\$	1,704,628	\$	2,067,215																	
Four years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,634,127	\$	1,704,628																			
Five years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,634,127																					
Six years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209																							
Seven years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642																									
Eight years later		\$	-	\$	-	\$	1,357,704																											
Nine years later		\$	-	\$	-																													
Ten years later		\$	-																															
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											
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													
Two years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,684,127	\$	1,959,342	\$	2,238,178	\$	2,473,429															
Three years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,684,127	\$	1,959,342	\$	2,238,178																	
Four years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,684,127	\$	1,959,342																			
Five years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209	\$	1,684,127																					
Six years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642	\$	1,628,209																							
Seven years later		\$	-	\$	-	\$	1,357,704	\$	1,466,642																									
Eight years later		\$	-	\$	-	\$	1,357,704																											
Nine years later		\$	-	\$	-																													
Ten years later		\$	-																															
7 Increase in estimated net incurred losses and expenses from end of fiscal year													\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,248,723	\$	3,835,689								

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	For Policy Years Ended June 30,																					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017											
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	\$	124,845,510
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	\$	124,845,510
2 Unallocated expenses	\$	-	\$	-	\$	1,146,804	\$	957,079	\$	949,743	\$	1,029,464	\$	1,445,739	\$	1,390,347	\$	1,368,341	\$	1,298,208	\$	1,386,223
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
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
4 Net paid (cumulative) as of:																						
End of fiscal year	\$	-	\$	-	\$	103,285,514	\$	104,144,349	\$	106,317,825	\$	105,924,157	\$	101,578,890	\$	101,723,414	\$	103,154,414	\$	111,964,685	\$	113,837,560
One year later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	105,924,157	\$	101,578,890	\$	103,154,414	\$	104,863,414	\$	113,673,685		
Two years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	105,924,157	\$	101,578,890	\$	103,154,414	\$	104,863,414				
Three years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	105,924,157	\$	101,578,890	\$	103,154,414						
Four years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	105,924,157	\$	101,578,890								
Five years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	105,924,157										
Six years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825												
Seven years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349														
Eight years later	\$	-	\$	-	\$	104,364,662																
Nine years later	\$	-	\$	-																		
Ten years later	\$	-																				
5 Reestimated ceded losses and expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
6 Reestimated 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
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		
Two years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	107,551,157	\$	108,570,853	\$	108,725,325	\$	110,650,572				
Three years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	107,551,157	\$	108,570,853	\$	108,725,325						
Four years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	107,551,157	\$	108,570,853								
Five years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825	\$	107,551,157										
Six years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349	\$	107,944,825												
Seven years later	\$	-	\$	-	\$	104,364,662	\$	106,367,349														
Eight years later	\$	-	\$	-	\$	104,364,662																
Nine years later	\$	-	\$	-																		
Ten years later	\$	-																				
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, 2017

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2017 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 238,251	\$ 13,726,737	\$ 1,234,912	\$ 1,251,024	\$ 2,073,984	\$ 18,524,908
Investments, Current	-	2,032,238	-	-	-	2,032,238
Accounts Receivable	9,409	188,678	15,001	156,508	7,458,388	7,827,984
Prepaid Expenses	9,948	-	-	-	-	9,948
Interfund Receivable/(Payable)	(241,484)	(68,669)	(877,223)	299,118	888,258	-
Total Current Assets	16,124	15,878,984	372,690	1,706,650	10,420,630	28,395,078
Noncurrent Assets						
Investments	-	7,386,420	-	1,073,813	5,558,235	14,018,468
Capital Assets, Net of Depreciation	2,963	-	-	-	-	2,963
Total Assets	\$ 19,087	\$ 23,265,404	\$ 372,690	\$ 2,780,463	\$ 15,978,865	\$ 42,416,509
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources - pension	\$ -	\$ 65,300	\$ 21,767	\$ 21,767	\$ 108,834	\$ 217,668
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	\$ 21,455	\$ 5,073	\$ 4,953	\$ 281,884	\$ 2,740,033	\$ 3,053,398
Prefunding Deposits	-	-	-	124,070	3,693,230	3,817,300
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	1,591,000	42,965	300,000	1,899,000	3,832,965
Total Current Liabilities	21,455	1,596,073	47,918	705,954	8,332,263	10,703,663
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	14,209,957	35,153	-	-	14,245,110
Unallocated Loss Adjustment Expense (ULAE)	-	1,328,000	37,838	-	-	1,365,838
Net Pension Liability	-	175,858	58,620	58,620	293,098	586,196
Total Noncurrent Liabilities	-	15,713,815	131,611	58,620	293,098	16,197,144
Total Liabilities	21,455	17,309,888	179,529	764,574	8,625,361	26,900,807
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources - pension	\$ -	\$ 38,552	\$ 12,851	\$ 12,851	\$ 64,253	\$ 128,507
NET POSITION						
Unrestricted	(5,331)	5,982,264	202,077	2,024,805	7,398,085	15,601,900
Net Investment in Capital Assets	2,963	-	-	-	-	2,963
Total Net Position	(2,368)	5,982,264	202,077	2,024,805	7,398,085	15,604,863
Total Liabilities and Net Position	\$ 19,087	\$ 23,292,152	\$ 381,606	\$ 2,789,379	\$ 16,023,446	\$ 42,505,670

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION, continued
JUNE 30, 2016

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2016 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 169,423	\$ 8,758,964	\$ 1,206,795	\$ 1,175,897	\$ 3,019,012	\$ 14,330,091
Investments, Current	-	1,701,027	-	-	-	1,701,027
Accounts Receivable	-	240,872	-	140,151	7,584,385	7,965,408
Interfund Receivable/(Payable)	(148,653)	(997,048)	(887,464)	252,984	1,780,181	-
Total Current Assets	20,770	9,703,815	319,331	1,569,032	12,383,578	23,996,526
Noncurrent Assets						
Investments	-	8,815,661	-	1,078,516	4,475,843	14,370,020
Capital Assets, Net of Depreciation	3,555	-	-	-	-	3,555
Total Assets	\$ 24,325	\$ 18,519,476	\$ 319,331	\$ 2,647,548	\$ 16,859,421	\$ 38,370,101
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources - pension	\$ -	\$ 13,261	\$ 4,420	\$ 4,420	\$ 22,102	\$ 44,203
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	\$ 26,101	\$ 1,778	\$ 227	\$ 268,949	\$ 5,117,585	\$ 5,414,640
Prefunding Deposits	-	-	-	80,570	3,337,589	3,418,159
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	1,680,000	11,657	142,000	1,709,000	3,542,657
Total Current Liabilities	26,101	1,681,778	11,884	491,519	10,164,174	12,375,456
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	16,140,255	9,536	-	-	16,149,791
Unallocated Loss Adjustment Expense (ULAE)	-	1,520,000	50,819	-	-	1,570,819
Net Pension Liability	-	157,653	52,551	52,551	262,756	525,511
Total Noncurrent Liabilities	-	17,817,908	112,906	52,551	262,756	18,246,121
Total Liabilities	26,101	19,499,686	124,790	544,070	10,426,930	30,621,577
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources - pension	\$ -	\$ 19,045	\$ 6,348	\$ 6,348	\$ 31,742	\$ 63,483
NET POSITION						
Unrestricted	(4,739)	(985,994)	192,613	2,101,550	6,422,851	7,726,281
Net Investment in Capital Assets	2,963	-	-	-	-	2,963
Total Net Position	(1,776)	(985,994)	192,613	2,101,550	6,422,851	7,729,244
Total Liabilities and Net Position	\$ 24,325	\$ 18,513,692	\$ 317,403	\$ 2,645,620	\$ 16,849,781	\$ 38,350,821

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2017 Total
OPERATING REVENUE						
Member contributions	\$ -	\$ 28,264,266	\$ 1,326,743	\$ 3,800,407	\$ 124,773,696	\$ 158,165,112
Other	-	247	-	-	-	247
Total Operating Revenues	-	28,264,513	1,326,743	3,800,407	124,773,696	158,165,359
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	(930,791)	71,439	3,835,689	122,756,480	125,732,817
Insurance premiums	-	21,595,151	1,202,982	-	-	22,798,133
Services and other operating expenses	-	486,582	18,336	11,255	946,258	1,462,431
Salaries and benefits	-	86,791	27,079	32,633	164,659	311,162
Supplies	-	544	183	360	2,534	3,621
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	21,238,277	1,320,019	3,879,937	123,869,931	150,308,756
Net Operating Income/(Loss)	(592)	7,026,236	6,724	(79,530)	903,765	7,856,603
NON-OPERATING REVENUE:						
Investment income/ (loss)	-	(57,978)	2,740	2,785	71,469	19,016
Total Non-Operating Revenues	-	(57,978)	2,740	2,785	71,469	19,016
CHANGE IN NET POSITION	(592)	6,968,258	9,464	(76,745)	975,234	7,875,619
Beginning Net Position	(1,776)	(985,994)	192,613	2,101,550	6,422,851	7,729,244
Ending Net Position	\$ (2,368)	\$ 5,982,264	\$ 202,077	\$ 2,024,805	\$ 7,398,085	\$ 15,604,863

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
FOR THE YEAR ENDED JUNE 30, 2016

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2016 Total
OPERATING REVENUE						
Member contributions	\$ -	\$ 24,592,229	\$ 1,128,579	\$ 3,329,392	\$ 122,814,901	\$ 151,865,101
Other	-	5,798	-	-	-	5,798
Total Operating Revenues	-	24,598,027	1,128,579	3,329,392	122,814,901	151,870,899
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	(1,180,646)	3,877	3,248,723	120,547,926	122,619,880
Insurance premiums	-	19,900,344	1,032,437	-	-	20,932,781
Services and other operating expenses	-	417,335	11,825	9,780	956,843	1,395,783
Salaries and benefits	-	139,905	44,054	51,796	206,123	441,878
Supplies	-	435	144	289	2,028	2,896
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	19,277,373	1,092,337	3,310,588	121,712,920	145,393,810
Net Operating Income/(Loss)	(592)	5,320,654	36,242	18,804	1,101,981	6,477,089
NON-OPERATING REVENUE:						
Investment income	-	156,546	1,434	26,980	195,276	380,236
Cumulative effect of net pension liability expense	-	(115,594)	(38,531)	(38,531)	(192,657)	(385,313)
Total Non-Operating Revenues	-	40,952	(37,097)	(11,551)	2,619	(5,077)
CHANGE IN NET POSITION	(592)	5,361,606	(855)	7,253	1,104,600	6,472,012
Beginning Net Position	(1,184)	(6,347,600)	193,468	2,094,297	5,318,251	1,257,232
Ending Net Position	\$ (1,776)	\$ (985,994)	\$ 192,613	\$ 2,101,550	\$ 6,422,851	\$ 7,729,244

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**

Christy White, CPA

Michael Ash, CPA

Heather Rubio

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, 2017 and 2016, 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 25, 2017.

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.

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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 of 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 cursive script that reads "Christy White Associates".

San Diego, California
October 25, 2017



Alameda County Schools Insurance Group

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Phone (925) 225-1030
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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2017/2018 First Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2017/2018. First Quarter financial statements for review. These financial statements reflect the 2016/2017 annual balances previously reviewed on this agenda. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

A representative from SETECH will review the financial statements with the Executive Committee. The Executive Committee will be asked to recommend approval to the full Board at its November 9, 2017 meeting.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF SEPTEMBER 30, 2017 AND
FOR THE THREE MONTHS THEN ENDED

As mandated by Section 53646 of the California Government Code, Alameda County Schools Insurance Group is required to disclose that it is able to meet its pool's expenditure requirements for the next six months and is in complete compliance with the current Investment Policy as of the date of this report.



President

SETECH (Service Enhancement Technologies)

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For the Executive Committee Meeting of November 2, 2017
For the Board Meeting of November 9, 2017

Alameda County Schools Insurance Group (ACSIG)

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Distribution and Use of Report

This financial management information report (Report) prepared by Service Enhancement Technologies (SETECH), a Division of Keenan & Associates, is intended solely for internal use by the Authority's Officers, Board Members, Advisory Committee Members, and for internal decision making purposes only in regards to the Authority's insurance program.

SETECH makes no representations or warranties regarding the use of this Report for any other purpose other than for the Authority's insurance program. The official version of the Report is finalized only upon approval by the Authority's Board of Directors and/or Advisory Committee in accordance with the Authority's Agreement and Bylaws following presentation by SETECH or Keenan & Associates. We understand that members may wish to provide a copy of this Report to auditors and regulatory authorities on the conditions that:

- A) The official approved Report is used,
- B) The entire Report be distributed rather than any excerpts,
- C) All recipients be made aware that a SETECH staff member is available to answer any questions regarding the contents of the Report,
- D) The recipients recognize that the furnishing of this Report is not a substitute for their own due diligence, and they place no undue reliance on the Report or the data for purposes other than for which it was created. No creation of any duty or liability of SETECH to the recipient is owed if the Report is used for purposes other than for which it was created.

SETECH may utilize actuarial projections as an integral component of this Report, as provided by the Authority's actuary and in the case of some Benefit Groups, by a staff member of the Keenan & Associates Technical Department. We may also rely upon financial data provided by the Authority's Treasurer, Accountant or County Office of Education. We have not audited this data and are not responsible for its accuracy. With any financial analysis, the accuracy and relevance of the conclusions as well as the reasonableness of the recommendations depend upon the accuracy and relevance of the underlying data. Financial information provided in this Report is subject to an annual independent financial audit.

SETECH strives to maintain the strictest confidentiality of any information for our clients. The pages of this Report indicate that the information contained in the Report is for "Client Confidential Use Only." This indicates that SETECH will only disclose information contained in these Reports to our intended clients, their members or their contracted parties.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2017 and 09/30/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 09/30/2017	As of 09/30/2017
Assets:			
Current Assets			
Workers Compensation	\$ 13,726,737	(6,775,940)	\$ 6,950,797
Dental	2,073,984	1,347,300	3,421,284
Vision	1,251,024	(77,423)	1,173,601
Property and Liability	1,234,912	(1,180,864)	54,048
Operations	238,251	(10,419)	227,832
Cash and Cash Equivalents	\$ 18,524,908	(6,697,346)	\$ 11,827,562
Investments Morgan Stanley - current	2,032,238	(835,507)	1,196,731
Accounts Receivable	7,827,985	8,496,707	16,324,692
Prepaid Expense	9,948	2,523,036	2,532,984
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	28,395,079	3,486,890	31,881,969
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,018,468	891,927	14,910,395
Capital - Equipment, net of depreciation	2,963	--	2,963
	14,021,431	891,927	14,913,358
Total Assets	\$ 42,416,510	\$ 4,378,817	\$ 46,795,327
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	217,668	--	217,668
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,053,398	\$ 2,850,617	\$ 5,904,015
Prefunding deposits (2)	3,817,300	--	3,817,300
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	3,832,965	2,498	3,835,464
Subtotal Current Liabilities	10,703,663	2,853,115	13,556,779
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,245,110	(204,162)	14,040,947
Unallocated Loss Adjustment Expense (ULAE)	1,365,838	--	1,365,838
Subtotal Noncurrent Claim Liabilities	15,610,948	(204,162)	15,406,785
Net Pension Liability (NPL)	586,196	--	586,196
Total Liabilities	\$ 26,900,807	\$ 2,648,953	\$ 29,549,760
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	128,507	--	128,507
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	15,601,901	1,729,864	17,331,765
Designated - Capital Assets	2,963	--	2,963
Total Net Position	\$ 15,604,864	\$ 1,729,864	\$ 17,334,728
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 42,416,510	\$ 4,378,817	\$ 46,795,327

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is an internal function used to transfer or allocate expense and income from one program to another without transfer of cash.
- (2) Estimated six weeks of dental claims funded by each member to maintain positive cash flow.
- (3) Morgan Stanley Smith Barney Investment shown at Fair Market Value, accrued interest shown as accounts receivable.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Three Months Ended 09/30/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 147,391,011	\$ 158,165,112	\$ 156,427,872	\$ 43,391,348	\$ 113,036,524	27.74 %
Other Income	--	247	--	--	--	--
Total Operating Revenue	147,391,011	158,165,359	156,427,872	43,391,348	113,036,524	27.74
Operating Expenditures:						
Classified Salaries	236,778	237,143	251,051	64,171	186,880	25.56
Statutory Benefits	55,498	70,823	56,552	15,377	41,175	27.19
Health & Welfare	39,000	47,037	39,000	14,865	24,135	38.12
Employer Tax Expense	3,411	3,915	3,477	1,016	2,461	29.23
Net Pension Expense	--	(47,757)	39,345	--	39,345	--
Telephone & Internet	5,250	6,380	7,350	755	6,595	10.28
Supplies Office	5,250	1,675	4,200	349	3,851	8.31
Supplies - Other	5,250	1,946	2,625	151	2,474	5.74
Eligibility Processing	252,000	208,279	240,000	51,239	188,761	21.35
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	70,375	217,625	24.44
Brokerage Fees-Dental-MD	300,000	402,435	350,000	99,831	250,169	28.52
Travel and Conferences	21,000	22,759	23,100	818	22,282	3.54
Mileage	8,925	5,370	8,925	2,584	6,341	28.95
Dues & Memberships	1,575	6,635	1,575	835	740	53.02
Postage & Meter	3,400	7,265	8,350	1,098	7,252	13.15
Insurance Expense-PIPS&NCR	23,989,931	20,585,426	25,192,893	5,257,206	19,935,687	20.87
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	--	2,000,000	--
Utility - Operating-Rent	35,420	33,655	39,388	8,985	30,403	22.81
Advertising	2,100	--	600	--	600	--
Contract Services	8,426	17,650	26,275	--	26,275	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
Contract Services	10,000	--	6,375	--	6,375	--
Audit Fees	14,175	13,250	15,540	6,625	8,915	42.63
Other Services/Operating Expenses	5,250	2,499	10,500	1,278	9,222	12.17
Capital Equipment/Depreciation	2,550	592	2,625	--	2,625	--
Repairs & Maintenance	4,800	--	3,675	--	3,675	--
Legal	2,550	--	2,100	--	2,100	--
Accounting Services	15,750	14,000	15,750	3,605	12,145	22.89
County Courier	3,675	--	4,200	--	4,200	--
Shredding	1,575	782	1,574	274	1,300	17.42
Copier & Scanner	15,000	10,928	15,000	1,744	13,256	11.63
Claims Administration Services	190,000	179,067	154,000	4,951	149,049	3.21
Self-Insurance Fee	245,000	261,221	290,000	--	290,000	--
Claims Paid-WC	3,000,000	1,280,507	2,500,000	267,436	2,232,564	10.70
Claims Paid-PL	80,000	27,495	50,000	37,980	12,020	75.96
Physical Abilities Testing	10,000	10,045	25,000	3,185	21,815	12.74
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	5,697	4,303	56.97
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	15,000	26,826	17,200	6,893	10,307	40.08
Cobra Premiums	250,000	188,075	242,000	46,967	195,033	19.41
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	34,777,402	88,222,598	28.27
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	1,192,549	2,147,451	35.71
Claim Development Expense	(2,430,000)	(1,819,353)	(2,510,000)	(201,664)	(2,308,336)	8.03
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	144,867,892	150,309,757	155,850,690	41,744,577	114,106,113	26.78 %
Net Increase/(Decrease) from Operations	2,523,119	7,855,602	577,182	1,646,771	(1,069,589)	285.31 %
Non Operating Income/(Expense)						
Interest Income	218,250	338,231	231,500	105,701	125,799	45.66
Net Increase/(Decrease) in Fair Value	--	(337,414)	--	(22,700)	22,700	--
Realized Gain/(Loss) on Investments	--	19,201	--	92	(92)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	218,250	20,018	231,500	83,093	148,407	35.89 %
Net Increase/(Decrease) in Net Position	\$ 2,741,369	\$ 7,875,620	\$ 808,682	\$ 1,729,864	\$ (921,182)	213.91 %
Beginning Balance Prior Year End	\$ 7,729,244	\$ 7,729,244	\$ 15,604,864	\$ 15,604,864	\$ --	100.00 %
Unaudited Ending Balance, as of 09/30/2017	<u>\$ 10,470,613</u>	<u>\$ 15,604,864</u>	<u>\$ 16,413,546</u>	<u>\$ 17,334,728</u>	<u>\$ (921,182)</u>	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2017 and 09/30/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 09/30/2017	As of 09/30/2017
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 10,087,244	(6,910,206)	\$ 3,177,038
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,517	36	17,553
Union Bank Claims - #0129	55,746	98,720	154,466
Union Bank Claims Trust Account - #0600	332,381	19,659	352,040
Local Agency Investment Funds (L.A.I.F.)	3,177,362	7,317	3,184,679
Money Market - Morgan Stanley	56,487	8,534	65,021
Cash and Cash Equivalents	<u>\$ 13,726,737</u>	<u>(6,775,940)</u>	<u>\$ 6,950,797</u>
Investments Morgan Stanley - current	2,032,238	(835,507)	1,196,731
Accounts Receivable	188,678	6,556,313	6,744,991
Prepaid Expense	--	1,654,829	1,654,829
Interfund Receivable/(payable)	<u>(68,669)</u>	<u>3,565</u>	<u>(65,104)</u>
Subtotal Current Assets	<u>15,878,984</u>	<u>603,260</u>	<u>16,482,244</u>
Noncurrent Assets			
Investments Morgan Stanley	7,386,420	865,182	8,251,602
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>7,386,420</u>	<u>865,182</u>	<u>8,251,602</u>
Total Assets	<u>\$ 23,265,404</u>	<u>\$ 1,468,442</u>	<u>\$ 24,733,846</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>65,300</u>	<u>--</u>	<u>65,300</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,073	\$ --	\$ 5,073
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,591,000	--	1,591,000
Subtotal Current Liabilities	<u>1,596,073</u>	<u>--</u>	<u>1,596,073</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,209,957	(206,206)	14,003,751
Unallocated Loss Adjustment Expense (ULAE)	1,328,000	--	1,328,000
Subtotal Noncurrent Claim Liabilities	<u>15,537,957</u>	<u>(206,206)</u>	<u>15,331,751</u>
Net Pension Liability (NPL)	<u>175,858</u>	<u>--</u>	<u>175,858</u>
Total Liabilities	<u>\$ 17,309,888</u>	<u>\$ (206,206)</u>	<u>\$ 17,103,682</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>38,552</u>	<u>--</u>	<u>38,552</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	5,982,264	1,674,648	7,656,912
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 5,982,264</u>	<u>\$ 1,674,648</u>	<u>\$ 7,656,912</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 23,265,404</u>	<u>\$ 1,468,442</u>	<u>\$ 24,733,846</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 28,264,268	\$ 28,264,266	\$ 26,712,774	\$ 6,678,194	\$ 20,034,580	25.00 %
Other Income	--	247	--	--	--	--
Total Operating Revenue	28,264,268	28,264,513	26,712,774	6,678,194	20,034,580	25.00
Operating Expenditures:						
Classified Salaries	59,432	61,858	61,053	14,877	46,176	24.37
Statutory Benefits	13,930	23,208	14,246	4,424	9,822	31.05
Health & Welfare	7,800	14,111	7,800	4,459	3,341	57.17
Employer Tax Expense	856	934	876	220	656	25.11
Net Pension Expense	--	(14,326)	8,547	--	8,547	--
Telephone & Internet	750	957	1,050	113	937	10.76
Supplies Office	750	251	600	52	548	8.67
Supplies - Other	750	292	375	23	352	6.13
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,000	3,414	3,300	123	3,177	3.73
Mileage	1,275	805	1,275	388	887	30.40
Dues & Memberships	225	995	225	125	100	55.56
Postage & Meter	100	121	100	18	82	18.00
Insurance Expense-PIPS	22,758,486	19,382,444	24,040,241	4,964,488	19,075,753	20.65
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	--	2,000,000	--
Utility - Operating-Rent	5,060	5,048	5,627	1,348	4,279	23.96
Advertising	300	--	300	--	300	--
Contract Services - Actuarial	8,426	8,150	10,000	--	10,000	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
CAJPA Dues/Accreditation	--	--	--	--	--	--
Audit Fees	2,025	1,988	2,220	994	1,226	44.77
Other Services/Operating Expenses	750	375	1,500	192	1,308	12.80
Capital Equipment/Depreciation	750	--	375	--	375	--
Repairs & Maintenance	300	--	525	--	525	--
Legal	750	--	300	--	300	--
Accounting Services	2,250	2,100	2,250	541	1,709	24.04
County Courier	525	--	600	--	600	--
Shredding	675	117	225	41	184	18.22
Copier & Scanner	250	183	250	29	221	11.60
Claims Administration Services	170,000	170,000	154,000	--	154,000	--
Self-Insurance Fee	245,000	261,221	290,000	--	290,000	--
Claims Paid-WC	3,000,000	1,280,507	2,500,000	267,436	2,232,564	10.70
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	10,000	10,045	25,000	3,185	21,815	12.74
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	5,697	4,303	56.97
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	(875)	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,400,000)	(2,211,298)	(2,500,000)	(206,206)	(2,293,794)	8.25
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	25,429,415	21,239,277	26,702,860	5,062,567	21,640,293	18.96 %
Net Increase/(Decrease) from Operations	2,834,853	7,025,236	9,914	1,615,627	(1,605,713)	16,296.42 %
Non Operating Income/(Expense)						
Interest Income	150,000	210,784	150,000	72,321	77,679	48.21
Net Increase/(Decrease) in Fair Value	--	(279,057)	--	(13,354)	13,354	--
Realized Gain/(Loss) on Investments	--	11,295	--	54	(54)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	150,000	(56,978)	150,000	59,021	90,979	39.35 %
Net Increase/(Decrease) in Net Position	2,984,853	6,968,258	159,914	1,674,648	(1,514,734)	1,047.22 %
Beginning Balance Prior Year End	(985,994)	(985,994)	5,982,264	5,982,264	--	100.00 %
Unaudited Ending Balance, as of 09/30/2017	\$ 1,998,859	\$ 5,982,264	\$ 6,142,178	\$ 7,656,912	\$ (1,514,734)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2017 and 09/30/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 09/30/2017	As of 09/30/2017
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 432,292	285,699	\$ 717,991
Union Bank - Eligibility #9938	1,574,501	823,221	2,397,722
Union Bank - Expense #2064	10,044	224,687	234,731
Union Bank - Cobra Trust #0273	57,147	13,693	70,840
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 2,073,984</u>	<u>1,347,300</u>	<u>\$ 3,421,284</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,458,388	1,392,976	8,851,364
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>888,258</u>	<u>35,620</u>	<u>923,878</u>
Subtotal Current Assets	<u>10,420,630</u>	<u>2,775,896</u>	<u>13,196,526</u>
Noncurrent Assets			
Investments - Morgan Stanley	5,558,235	22,415	5,580,650
Capital - Equipment, net of depreciation	--	--	--
	<u>5,558,235</u>	<u>22,415</u>	<u>5,580,650</u>
Total Assets	<u>\$ 15,978,865</u>	<u>\$ 2,798,311</u>	<u>\$ 18,777,176</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>108,834</u>	<u>--</u>	<u>108,834</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 2,740,033	\$ 2,740,034	\$ 5,480,067
Prefunding deposits	3,693,230	--	3,693,230
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	<u>1,899,000</u>	<u>--</u>	<u>1,899,000</u>
Subtotal Current Liabilities	<u>8,332,263</u>	<u>2,740,034</u>	<u>11,072,297</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	<u>293,098</u>	<u>--</u>	<u>293,098</u>
Total Liabilities	<u>\$ 8,625,361</u>	<u>\$ 2,740,034</u>	<u>\$ 11,365,395</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>64,253</u>	<u>--</u>	<u>64,253</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,398,085	58,277	7,456,362
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 7,398,085</u>	<u>\$ 58,277</u>	<u>\$ 7,456,362</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 15,978,865</u>	<u>\$ 2,798,311</u>	<u>\$ 18,777,176</u>

Alameda County Schools Insurance Group (ACSIG)

Dental

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Three Months Ended 09/30/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 115,000,000	\$ 124,773,696	\$ 125,000,000	\$ 35,169,642	\$ 89,830,358	28.14 %
Other Income	--	--	--	--	--	--
Total Operating Revenue	115,000,000	124,773,696	125,000,000	35,169,642	89,830,358	28.14
Operating Expenditures:						
Classified Salaries	135,791	132,102	146,919	38,924	107,995	26.49
Statutory Benefits	31,828	31,989	32,355	7,997	24,358	24.72
Health & Welfare	25,350	23,519	25,350	7,432	17,918	29.32
Employer Tax Expense	1,956	2,322	1,989	641	1,348	32.23
Net Pension Expense	--	(23,879)	24,767	--	24,767	--
Telephone & Internet	3,750	4,467	5,250	529	4,721	10.08
Supplies Office	3,750	1,173	3,000	244	2,756	8.13
Supplies - Other	3,750	1,361	1,875	106	1,769	5.65
Eligibility Processing	252,000	208,279	240,000	51,239	188,761	21.35
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	70,375	217,625	24.44
Brokerage Fees-Dental-MD	300,000	402,435	350,000	99,831	250,169	28.52
Travel and Conferences	15,000	15,930	16,500	572	15,928	3.47
Mileage	6,375	3,759	6,375	1,809	4,566	28.38
Dues & Memberships	1,125	4,645	1,125	585	540	52.00
Postage & Meter	3,150	6,901	8,100	1,043	7,057	12.88
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Net, Operating-Rent	25,300	23,558	28,134	6,289	21,845	22.35
Advertising	1,500	--	--	--	--	--
Contract Services - Actuarial	--	5,000	15,000	--	15,000	--
Contract Services - Claim Audit	--	--	--	--	--	--
Contracted Services	10,000	--	6,375	--	6,375	--
Audit Fees	10,125	9,274	11,100	4,638	6,462	41.78
Other Services/Operating Expenses	3,750	1,749	7,500	894	6,606	11.92
Capital Equipment/Depreciation	1,500	--	1,875	--	1,875	--
Repairs & Maintenance	3,750	--	2,625	--	2,625	--
Legal	1,500	--	1,500	--	1,500	--
Accounting Services	11,250	9,800	11,250	2,524	8,726	22.44
County Courier	2,625	--	3,000	--	3,000	--
Shredding	750	547	1,124	192	932	17.08
Copier & Scanner	14,250	10,381	14,250	1,657	12,593	11.63
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge	15,000	27,701	17,200	6,893	10,307	40.08
Cobra Premiums	250,000	188,075	242,000	46,967	195,033	19.41
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	34,777,402	88,222,598	28.27
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	190,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	115,289,033	123,869,931	124,514,538	35,128,783	89,385,755	28.21 %
Net Increase/(Decrease) from Operations	(289,033)	903,765	485,462	40,859	444,603	8.42 %
Non Operating Income/(Expense)						
Interest Income	50,000	100,706	60,000	25,219	34,781	42.03
Net Increase/(Decrease) in Fair Value	--	(35,863)	--	(7,833)	7,833	--
Realized Gain/(Loss) on Investments	--	6,626	--	32	(32)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
I Transfer, YE Close, Rebate	--	--	--	--	--	--
Total Non Operating Income/(Expense)	50,000	71,469	60,000	17,418	42,582	29.03 %
Net Increase/(Decrease) in Net Position	(239,033)	975,234	545,462	58,277	487,185	10.68 %
Beginning Balance Prior Year End	6,422,851	6,422,851	7,398,085	7,398,085	--	100.00 %
Unaudited Ending Balance, as of 09/30/2017	\$ 6,183,818	\$ 7,398,085	\$ 7,943,547	\$ 7,456,362	\$ 487,185	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2017 and 09/30/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 09/30/2017	As of 09/30/2017
Assets:			
Current Assets			
Cash with County #44902	\$ 1,251,024	(77,423)	\$ 1,173,601
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	<u>1,251,024</u>	<u>(77,423)</u>	<u>1,173,601</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	156,508	218,643	375,151
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>299,118</u>	<u>(11,627)</u>	<u>287,491</u>
Subtotal Current Assets	<u>1,706,650</u>	<u>129,593</u>	<u>1,836,243</u>
Noncurrent Assets			
Investments - Morgan Stanley	1,073,813	4,330	1,078,143
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>1,073,813</u>	<u>4,330</u>	<u>1,078,143</u>
Total Assets	<u>\$ 2,780,463</u>	<u>\$ 133,923</u>	<u>\$ 2,914,386</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>21,767</u>	<u>--</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 281,884	\$ 118,115	\$ 399,999
Prefunding deposits	124,070	--	124,070
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	300,000	--	300,000
Subtotal Current Liabilities	<u>705,954</u>	<u>118,115</u>	<u>824,069</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	<u>--</u>	<u>--</u>	<u>--</u>
Subtotal Noncurrent Claim Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Net Pension Liability (NPL)	58,620	--	58,620
Total Liabilities	<u>\$ 764,574</u>	<u>\$ 118,115</u>	<u>\$ 882,689</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>12,851</u>	<u>--</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,024,805	15,808	2,040,613
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 2,024,805</u>	<u>\$ 15,808</u>	<u>\$ 2,040,613</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 2,780,463</u>	<u>\$ 133,923</u>	<u>\$ 2,914,386</u>

Alameda County Schools Insurance Group (ACSIG)

Vision

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Three Months Ended 09/30/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 2,800,000	\$ 3,800,407	\$ 3,400,000	\$ 1,214,737	\$ 2,185,263	35.73 %
Other Income	--	--	--	--	--	--
Total Operating Revenue	2,800,000	3,800,407	3,400,000	1,214,737	2,185,263	35.73
Operating Expenditures:						
Classified Salaries	23,678	24,508	25,105	5,861	19,244	23.35
Statutory Benefits	5,550	8,045	5,655	1,486	4,169	26.28
Health & Welfare	3,900	4,704	3,900	1,486	2,414	38.10
Employer Tax Expense	341	385	348	90	258	25.86
Net Pension Expense	--	(4,776)	3,515	--	3,515	--
Telephone & Internet	500	638	700	76	624	10.86
Supplies Office	500	167	400	35	365	8.75
Supplies - Other	500	195	250	15	235	6.00
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,000	2,276	2,200	82	2,118	3.73
Mileage	850	537	850	258	592	30.35
Dues & Memberships	150	664	150	84	66	56.00
Postage & Meter	150	194	150	29	121	19.33
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	3,373	3,366	3,751	898	2,853	23.94
Advertising	200	--	200	--	200	--
Contract Services - Actuarial	--	--	850	--	850	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	1,350	1,325	1,480	663	817	44.80
Other Services/Operating Expenses	500	250	1,000	128	872	12.80
Capital Equipment/Depreciation	200	--	250	--	250	--
Repairs & Maintenance	500	--	350	--	350	--
Legal	200	--	200	--	200	--
Accounting Services	1,500	1,400	1,500	361	1,139	24.07
County Courier	350	--	400	--	400	--
Shredding	100	78	150	27	123	18.00
Copier & Scanner	400	292	400	47	353	11.75
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	1,192,549	2,147,451	35.71
Claim Development Expense	--	158,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	2,804,792	3,879,937	3,393,754	1,204,175	2,189,579	35.48 %
Net Increase/(Decrease) from Operations	(4,792)	(79,530)	6,246	10,562	(4,316)	169.09 %
Non Operating Income/(Expense)						
Interest Income	17,500	23,999	20,000	6,753	13,247	33.77
Net Increase/(Decrease) in Fair Value	--	(22,494)	--	(1,513)	1,513	--
Realized Gain/(Loss) on Investments	--	1,280	--	6	(6)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	17,500	2,785	20,000	5,246	14,754	26.23 %
Net Increase/(Decrease) in Net Position	12,708	(76,745)	26,246	15,808	10,438	60.23 %
Beginning Balance Prior Year End	2,101,550	2,101,550	2,024,805	2,024,805	--	100.00 %
Unaudited Ending Balance, as of 09/30/2017	\$ 2,114,258	\$ 2,024,805	\$ 2,051,051	\$ 2,040,613	\$ 10,438	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2017 and 09/30/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 09/30/2017	As of 09/30/2017
Assets:			
Current Assets			
Cash with County - #44903	\$ 38,710	1,408	\$ 40,118
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	1,180,272	(1,169,488)	10,784
Union Bank - Claims Trust #1186	15,930	(12,784)	3,146
Cash and Cash Equivalents	<u>\$ 1,234,912</u>	<u>(1,180,864)</u>	<u>\$ 54,048</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	15,000	328,775	343,775
Prepaid Expense	--	878,155	878,155
Interfund Receivable/(payable)	<u>(877,223)</u>	<u>(40,392)</u>	<u>(917,615)</u>
Subtotal Current Assets	<u>372,689</u>	<u>(14,326)</u>	<u>358,363</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 372,689</u>	<u>\$ (14,326)</u>	<u>\$ 358,363</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>21,767</u>	<u>--</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 4,952	\$ --	\$ 4,952
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	42,965	2,498	45,464
Subtotal Current Liabilities	<u>47,917</u>	<u>2,498</u>	<u>50,416</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	35,153	2,044	37,196
Unallocated Loss Adjustment Expense (ULAE)	37,838	--	37,838
Subtotal Noncurrent Claim Liabilities	<u>72,991</u>	<u>2,044</u>	<u>75,034</u>
Net Pension Liability (NPL)	<u>58,620</u>	<u>--</u>	<u>58,620</u>
Total Liabilities	<u>\$ 179,528</u>	<u>\$ 4,542</u>	<u>\$ 184,070</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>12,851</u>	<u>--</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	202,077	(18,868)	183,209
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 202,077</u>	<u>\$ (18,868)</u>	<u>\$ 183,209</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 372,689</u>	<u>\$ (14,326)</u>	<u>\$ 358,363</u>

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 1,326,743	\$ 1,326,743	\$ 1,315,098	\$ 328,775	\$ 986,323	25.00 %
Other Income	--	--	--	--	--	--
Total Operating Revenue	1,326,743	1,326,743	1,315,098	328,775	986,323	25.00
Operating Expenditures:						
Classified Salaries	17,877	18,675	17,974	4,509	13,465	25.08
Statutory Benefits	4,190	7,581	4,296	1,470	2,826	34.21
Health & Welfare	1,950	4,704	1,950	1,488	462	76.30
Employer Tax Expense	258	274	264	65	199	24.73
Net Pension Expense	--	(4,776)	2,516	--	2,516	--
Telephone & Internet	250	318	350	37	313	10.67
Supplies Office	250	84	200	18	182	8.91
Supplies - Other	250	97	125	7	118	5.40
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,000	1,139	1,100	41	1,059	3.70
Mileage	425	268	425	129	296	30.42
Dues & Memberships	75	332	75	41	34	54.67
Postage & Meter	--	49	--	8	(8)	--
Insurance Expense-NCR	1,231,445	1,202,982	1,152,652	292,718	859,934	25.40
Insurance Expense-PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	1,687	1,683	1,876	450	1,426	23.99
Advertising	100	--	100	--	100	--
Contract Services - Actuarial	--	4,500	425	--	425	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--
Audit Fees	675	663	740	330	410	44.59
Other Services/Operating Expenses	250	125	500	64	436	12.75
Capital Equipment/Depreciation	100	--	125	--	125	--
Repairs & Maintenance	250	--	175	--	175	--
Legal	100	--	100	--	100	--
Accounting Services	750	700	750	179	571	23.87
County Courier	175	--	200	--	200	--
Shredding	50	40	75	14	61	18.91
Copier & Scanner	100	72	100	11	89	11.42
Claims Administration Services	20,000	9,067	--	4,951	(4,951)	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	80,000	27,495	50,000	37,980	12,020	75.96
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(30,000)	43,945	(10,000)	4,542	(14,542)	(45.42)
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	1,344,652	1,320,019	1,239,538	349,052	890,486	28.16 %
Net Increase/(Decrease) from Operations	(17,909)	6,724	75,560	(20,277)	95,837	(26.84) %
Non Operating Income/(Expense)						
Interest Income	750	2,740	1,500	1,408	92	93.87
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	750	2,740	1,500	1,408	92	93.87 %
Net Increase/(Decrease) in Net Position	(17,159)	9,464	77,060	(18,869)	95,929	(24.49) %
Beginning Balance Prior Year End	192,613	192,613	202,077	202,077	--	100.00 %
Unaudited Ending Balance, as of 09/30/2017	\$ 175,454	\$ 202,077	\$ 279,137	\$ 183,209	\$ 95,929	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2017 and 09/30/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 09/30/2017	Unaudited As of 09/30/2017
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ 39,841	13,182	\$ 53,023
Union Bank Checking Account #1521	198,410	(23,601)	174,809
Cash and Cash Equivalents	<u>\$ 238,251</u>	<u>(10,419)</u>	<u>\$ 227,832</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	9,411	--	9,411
Prepaid Expense	9,948	(9,948)	--
Interfund Receivable/(payable)	<u>(241,484)</u>	<u>12,834</u>	<u>(228,650)</u>
Subtotal Current Assets	<u>16,126</u>	<u>(7,533)</u>	<u>8,593</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>2,963</u>	<u>--</u>	<u>2,963</u>
	<u>2,963</u>	<u>--</u>	<u>2,963</u>
Total Assets	<u>\$ 19,089</u>	<u>\$ (7,533)</u>	<u>\$ 11,556</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 21,455	\$ (7,531)	\$ 13,924
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>21,455</u>	<u>(7,531)</u>	<u>13,924</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	<u>\$ 21,455</u>	<u>\$ (7,531)</u>	<u>\$ 13,924</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	--	(5,331)
Designated - Capital Assets	<u>2,963</u>	<u>--</u>	<u>2,963</u>
Total Net Position	<u>\$ (2,368)</u>	<u>\$ --</u>	<u>\$ (2,368)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 19,087</u>	<u>\$ (7,531)</u>	<u>\$ 11,556</u>

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	-- %
Offset to Rent - Sub Lease	--	--	--	--	--	--
Total Operating Revenue	--	--	--	--	--	--
Operating Expenditures:						
Classified Salaries	--	--	--	--	--	--
Statutory Benefits	--	--	--	--	--	--
Health & Welfare	--	--	--	--	--	--
Employer Tax Expense	--	--	--	--	--	--
Net Pension Expense	--	--	--	--	--	--
Telephone & Internet	--	--	--	--	--	--
Supplies Office	--	--	--	--	--	--
Supplies - Other	--	--	--	--	--	--
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	--	--	--	--	--	--
Mileage	--	--	--	--	--	--
Dues & Memberships	--	--	--	--	--	--
Postage & Meter	--	--	--	--	--	--
Insurance Expense	--	--	--	--	--	--
Utility - Operating-Rent	--	--	--	--	--	--
Advertising	--	--	--	--	--	--
Contract Services - Actuarial	--	--	--	--	--	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	--	--	--	--	--	--
Other Services/Operating Expenses	--	--	--	--	--	--
Capital Equipment/Depreciation	--	592	--	--	--	--
Repairs & Maintenance	--	--	--	--	--	--
Legal	--	--	--	--	--	--
Accounting Services	--	--	--	--	--	--
County Courier	--	--	--	--	--	--
Shredding	--	--	--	--	--	--
Copier & Scanner	--	--	--	--	--	--
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Insurance - Vision	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	--	592	--	--	--	-- %
Net Increase/(Decrease) from Operations	--	(592)	--	--	--	-- %
Non Operating Income/(Expense)						
Interest Income	--	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer & YE Close	--	--	--	--	--	--
Total Non Operating Income/(Expense)	--	--	--	--	--	-- %
Net Increase/(Decrease) in Net Position	--	(592)	--	--	--	-- %
Beginning Balance Prior Year End	(1,776)	(1,776)	(2,368)	(2,368)	--	100.00 %
Unaudited Ending Balance, as of 09/30/2017	\$ (1,776)	\$ (2,368)	\$ (2,368)	\$ (2,368)	\$ --	

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2017

	Self-Insured Program Years												Totals to Page 7A
	1978/1979	1984/1985	1985/1986	1986/1987	1987/1988	1988/1989	1989/1990	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	
Paid Claims	\$ 916,460	\$ 1,828,378	\$ 2,852,970	\$ 2,810,789	\$ 2,869,841	\$ 4,015,579	\$ 2,924,411	\$ 5,553,936	\$ 5,166,253	\$ 4,069,877	\$ 3,709,934	\$ 4,764,791	\$ 41,483,219
Reserves	--	--	25,228	63,198	37,551	33,051	29,117	92,579	59,434	206,854	123,584	232,024	902,620
Incurred Claims	916,460	1,828,378	2,878,198	2,873,987	2,907,392	4,048,630	2,953,528	5,646,515	5,225,687	4,276,731	3,833,518	4,996,815	42,385,839
Incurred But Not Reported (IBNR)	32,482	--	(22)	86,013	2,608	41,370	36,472	103,485	104,313	163,269	136,482	193,185	899,657
Non- Discounted Estimated Ultimate Incurred (1)	948,942	1,828,378	2,878,176	2,960,000	2,910,000	4,090,000	2,990,000	5,750,000	5,330,000	4,440,000	3,970,000	5,190,000	43,285,496
Anticipated Investment Income (Discount) (2)	(1,624)	--	(1,260)	(7,461)	(2,329)	(5,061)	(4,919)	(15,685)	(13,755)	(31,460)	(22,886)	(38,269)	(144,709)
Discounted Estimated Ultimate (1-2)	947,318	1,828,378	2,876,916	2,952,539	2,907,671	4,084,939	2,985,081	5,734,315	5,316,245	4,408,540	3,947,114	5,151,731	43,140,787
Paid Claims	(916,460)	(1,828,378)	(2,852,970)	(2,810,789)	(2,869,841)	(4,015,579)	(2,924,411)	(5,553,936)	(5,166,253)	(4,069,877)	(3,709,934)	(4,764,791)	(41,483,219)
Remaining Estimated Unpaid Claim Liabilities	\$ 30,858	\$ --	\$ 23,946	\$ 141,750	\$ 37,830	\$ 69,360	\$ 60,670	\$ 180,379	\$ 149,992	\$ 338,663	\$ 237,180	\$ 386,940	\$ 1,657,568

(1) Per Bay Actuarial Consultants actuarial study dated February 2017.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017.

Historical Discounted Estimated Ultimate Incurred:													
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2010	793,059	1,889,004	2,789,731	2,944,000	2,906,506	4,017,275	2,912,254	5,524,202	5,140,647	4,323,930	3,718,595	5,137,560	42,096,763
As of 06/30/2011	852,621	1,886,310	2,800,604	2,899,286	2,949,183	4,029,712	2,912,357	5,687,163	5,154,464	4,316,645	3,706,533	5,171,358	42,366,236
As of 06/30/2012	865,386	1,891,056	2,829,735	2,939,513	2,664,915	3,978,682	2,914,559	5,840,572	5,219,982	4,364,052	3,687,860	5,166,611	42,362,923
As of 06/30/2013	954,963	1,828,378	2,917,252	3,003,200	2,674,593	4,009,091	2,922,237	5,789,363	5,200,522	4,331,119	3,639,169	5,209,906	42,479,793
As of 06/30/2014	959,089	1,828,378	2,943,554	2,948,967	2,906,382	4,010,866	2,993,154	5,793,307	5,156,348	4,321,092	3,728,346	5,145,562	42,735,045
As of 06/30/2015	959,745	1,828,378	2,944,649	2,957,392	2,916,153	4,077,607	2,993,338	5,759,425	5,259,555	4,304,405	3,847,149	5,130,367	42,978,163
As of 06/30/2016	919,585	1,828,378	2,935,792	2,958,911	2,907,220	4,065,869	2,966,210	5,750,806	5,315,636	4,278,349	3,855,186	5,114,027	42,895,969
As of 06/30/2017	947,318	1,828,378	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
As of 09/30/2017	947,318	1,828,378	2,876,916	2,952,539	2,907,671	4,084,939	2,985,081	5,734,315	5,316,245	4,408,540	3,947,114	5,151,731	43,140,787
Increase/Decrease	--	--	21	197	21	42	18	129	--	259	38	211	936

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2017

	Totals From Page 7	Self-Insured Program Years							Totals To Page 7B
		1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	
Paid Claims	\$ 41,483,219	\$ 5,316,923	\$ 7,101,127	\$ 6,786,960	\$ 9,136,756	\$ 7,317,291	\$ 10,702,854	\$ 11,818,886	\$ 99,664,016
Reserves	902,620	221,115	331,569	602,120	1,203,820	622,904	663,636	710,035	5,257,819
Incurred Claims	<u>42,385,839</u>	<u>5,538,038</u>	<u>7,432,696</u>	<u>7,389,080</u>	<u>10,340,576</u>	<u>7,940,195</u>	<u>11,366,490</u>	<u>12,528,921</u>	<u>104,921,835</u>
Incurred But Not Reported (IBNR)	<u>899,657</u>	<u>71,962</u>	<u>337,304</u>	<u>380,920</u>	<u>569,424</u>	<u>479,805</u>	<u>733,510</u>	<u>751,079</u>	<u>4,223,661</u>
Non- Discounted Estimated Ultimate Incurred (1)	43,285,496	5,610,000	7,770,000	7,770,000	10,910,000	8,420,000	12,100,000	13,280,000	109,145,496
Anticipated Investment Income (Discount) (2)	(144,709)	(26,670)	(63,543)	(99,287)	(187,964)	(120,195)	(152,289)	(157,800)	(952,457)
Discounted Estimated Ultimate (1-2)	<u>43,140,787</u>	<u>5,583,330</u>	<u>7,706,457</u>	<u>7,670,713</u>	<u>10,722,036</u>	<u>8,299,805</u>	<u>11,947,711</u>	<u>13,122,200</u>	<u>108,193,039</u>
Paid Claims	<u>(41,483,219)</u>	<u>(5,316,923)</u>	<u>(7,101,127)</u>	<u>(6,786,960)</u>	<u>(9,136,756)</u>	<u>(7,317,291)</u>	<u>(10,702,854)</u>	<u>(11,818,886)</u>	<u>(99,664,016)</u>
Remaining Estimated Unpaid Claim Liabilities	<u>\$ 1,657,568</u>	<u>\$ 266,407</u>	<u>\$ 605,330</u>	<u>\$ 883,753</u>	<u>\$ 1,585,280</u>	<u>\$ 982,514</u>	<u>\$ 1,244,857</u>	<u>\$ 1,303,314</u>	<u>\$ 8,529,023</u>

(1) Per Bay Actuarial Consultants actuarial study dated February 2017.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017.

Historical Discounted Estimated Ultimate Incurred:									
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	6,333,000	8,381,000	7,897,000	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	6,651,000	9,924,000	9,258,000	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	7,464,000	11,199,000	10,319,000	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	7,691,266	12,739,081	11,713,580	N/A
As of 06/30/2010	42,096,763	5,727,741	7,172,192	6,843,071	10,750,070	7,983,737	13,184,486	12,525,480	106,283,540
As of 06/30/2011	42,366,236	5,721,425	7,145,019	7,440,306	11,250,829	8,670,787	13,295,238	12,326,440	108,216,280
As of 06/30/2012	42,362,923	5,641,456	7,470,783	7,427,596	11,162,085	8,724,801	11,904,345	13,678,790	108,372,779
As of 06/30/2013	42,479,793	5,833,514	7,743,609	7,798,325	11,018,070	9,598,230	12,098,931	13,618,383	110,188,855
As of 06/30/2014	42,735,045	5,738,160	7,577,599	7,714,653	11,132,297	8,733,944	11,771,811	13,128,192	108,531,701
As of 06/30/2015	42,978,163	5,752,631	7,584,812	7,808,635	10,993,497	8,806,657	11,818,771	13,083,683	108,826,849
As of 06/30/2016	42,895,969	5,607,306	7,562,358	7,660,593	11,011,641	8,642,537	11,753,128	12,959,861	108,093,393
As of 06/30/2017	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
As of 09/30/2017	43,140,787	5,583,330	7,706,457	7,670,713	10,722,036	8,299,805	11,947,711	13,122,200	108,193,039
Increase/Decrease	936	130	645	187	5,018	674	592	677	8,859

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2017

		Self-Insured Program Years								As of 09/30/2017 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2017 Totals		07/01/2017 - 09/30/2017	
Totals From Page 7A												
Paid Claims	\$ 99,664,016	\$ 9,911,088	\$ 5,943,988	\$ 5,464,440	\$ 8,575,842	\$ 8,255,490	\$ 8,393,130	\$ 8,718,586	\$ 154,926,580	\$ 154,692,381	\$ 234,199	
Reserves	5,257,819	285,848	427,469	210,984	882,939	605,574	711,247	369,670	8,751,550	8,909,881	(158,331)	
Incurred Claims	104,921,835	10,196,936	6,371,457	5,675,424	9,458,781	8,861,064	9,104,377	9,088,256	163,678,130	163,602,262	75,868	
Incurred But Not Reported (IBNR)	4,223,661	623,064	568,543	284,576	1,011,219	488,936	595,623	1,051,744	8,847,366	8,923,234	(75,868)	
Non- Discounted Estimated Ultimate Incurred (1)	109,145,496	10,820,000	6,940,000	5,960,000	10,470,000	9,350,000	9,700,000	10,140,000	172,525,496	172,525,496	- -	
Anticipated Investment Income (Discount) (2)	(952,457)	(101,798)	(121,513)	(62,441)	(253,817)	(146,664)	(176,427)	(189,048)	(2,004,165)	(2,032,158)	27,993	
Discounted Estimated Ultimate (1-2)	108,193,039	10,718,202	6,818,487	5,897,559	10,216,183	9,203,336	9,523,573	9,950,952	170,521,331	170,493,338	27,993	
Paid Claims	(99,664,016)	(9,911,088)	(5,943,988)	(5,464,440)	(8,575,842)	(8,255,490)	(8,393,130)	(8,718,586)	(154,926,580)	(154,692,381)	(234,199)	
Remaining Estimated Unpaid Claim Liabilities \$	8,529,023	\$ 807,114	\$ 874,499	\$ 433,119	\$ 1,640,341	\$ 947,846	\$ 1,130,443	\$ 1,232,366	\$ 15,594,751	\$ 15,800,957	\$ (206,206)	
(1) Per Bay Actuarial Consultants actuarial study dated February 2017.						Estimated Current Portion /Short-Term Liability (1)			(1,591,000)			
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017.						Estimated Non-Current portion of Claim Liabilities			\$ 14,003,751			
Historical Discounted Estimated Ultimate Incurred:										Claim Development Expense		
As of 06/30/2006	N/A	6,787,000	4,378,000	2,665,000	1,943,000	--	--	--	N/A	Claim Liabilities	\$ (206,206)	
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A	and ULAE	--	
As of 06/30/2008	N/A	8,867,000	5,704,000	4,776,000	6,673,000	6,867,000	6,117,000	--	N/A	Decrease	\$ (206,206)	
As of 06/30/2009	N/A	9,952,286	6,342,724	5,888,070	8,380,255	9,209,624	10,474,925	8,012,622	N/A			
As of 06/30/2010	106,283,540	9,857,770	7,326,142	6,233,943	8,159,431	9,705,395	11,525,318	10,768,305	169,859,844			
As of 06/30/2011	108,216,280	9,806,352	7,347,756	6,873,035	9,276,212	9,956,828	10,929,748	10,770,204	173,176,415			
As of 06/30/2012	108,372,779	11,103,705	7,180,516	6,779,730	9,113,232	10,061,847	10,833,352	11,378,258	174,823,419			
As of 06/30/2013	110,188,855	10,710,077	7,136,860	6,043,782	8,435,497	9,522,890	10,141,142	10,501,500	172,680,603			
As of 06/30/2014	108,531,701	10,454,102	6,798,117	6,067,506	10,203,448	9,772,238	10,362,281	10,585,137	172,774,530			
As of 06/30/2015	108,826,849	10,457,705	6,920,842	6,214,866	10,347,509	9,539,023	9,859,233	10,469,961	172,635,988			
As of 06/30/2016	108,093,393	10,531,877	6,860,336	6,223,567	10,366,713	9,216,061	9,639,692	10,101,017	171,032,656			
As of 06/30/2017	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338			
As of 09/30/2017	108,193,039	10,718,202	6,818,487	5,897,559	10,216,183	9,203,336	9,523,573	9,950,952	170,521,331			
Increase/Decrease	8,859	1,284	732	910	1,208	4,340	3,083	7,577	27,993			

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 09/30/2017

	Self-Insured Program Years											As of 09/30/2017	Activity	
													As of 06/30/2017	07/01/2017 - 09/30/2017
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018				
Paid Claims	\$ 45,000	\$ 39,048	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 41,784	\$ 20,000	\$ --	\$ 438,639	\$ 403,293	\$ 35,346	
Reserves	--	--	--	--	--	--	--	31,859	20,000	--	51,859	67,206	(15,347)	
Incurred Claims	45,000	39,048	33,141	96,543	125,045	20,000	18,078	73,644	40,000	--	490,498	470,499	19,999	
Incurred But Not Reported (IBNR)	--	--	--	--	--	--	--	(22,299)	14,069	40,000	31,770	11,770	20,000	
Non- Discounted Estimated Ultimate Incurred (1)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345	(3 54,069	40,000	522,269	482,269	40,000	
Anticipated Investment Income														
(Discount) (2)	--	--	--	--	--	--	--	(80)	(409)	(480)	(969)	(857)	(112)	
Discounted Estimated Ultimate (1-2)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,265	53,660	39,520	521,300	481,412	39,888	
Paid Claims	(45,000)	(39,048)	(33,141)	(96,543)	(125,045)	(20,000)	(18,078)	(41,784)	(20,000)	--	(438,639)	(403,293)	(35,346)	
Remaining Estimated Unpaid Claim Liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,481	\$ 33,660	\$ 39,520	\$ 82,661	\$ 78,119	\$ 4,542	
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65											(45,464)			
Estimated Non-Current portion of Claim Liabilities											\$ 37,197			
(1) Per Bay Actuarial Consultants actuarial study dated February 2017. 2017/2018 Estimated based upon budget.														
(2) Discounted at 1.0%.														
(3) Not adjusted for negative IBNR, based upon Actuarial report, maybe adjusted at year end if incurred has not been reduced.														
Historical Estimated Ultimate Incurred:														
As of 06/30/2011	117,441	63,001	80,193	--	--	--	--	--	--	--	260,635			
As of 06/30/2012	117,441	63,001	80,193	77,802	--	--	--	--	--	--	338,437			
As of 06/30/2013	117,507	49,777	62,638	115,793	108,539	--	--	--	--	--	454,254			
As of 06/30/2014	117,507	49,777	37,638	100,792	148,539	111,900	--	--	--	--	566,153			
As of 06/30/2015	117,507	48,738	33,141	96,543	126,562	20,863	32,843	--	--	--	566,153			
As of 06/30/2016	45,000	39,048	33,141	96,543	126,562	20,863	7,843	25,000	--	--	394,000			
As of 06/30/2017	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345	54,069	--	482,269			
As of 09/30/2017	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345	54,069	40,000	522,269			
Increase/Decrease	--	--	--	--	--	--	--	--	--	40,000	40,000			
												Claim Development Expense		
												Claim Liabilities	\$ 4,542	
												and ULAE	--	
												Increase	\$ 4,542	

Claim Development Expense		
Claim Liabilities	\$	4,542
and ULAE		--
Increase	\$	4,542

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

August 07, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

July 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/14/2017	7/13/2017	QRD	1542805	SYSTEM	7,317.03

Account Summary

Total Deposit:	7,317.03	Beginning Balance:	3,177,362.27
Total Withdrawal:	0.00	Ending Balance:	3,184,679.30

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001 

www.treasurer.ca.gov/pmia-laif/laif.asp

September 01, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

August 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,184,679.30
Total Withdrawal:	0.00	Ending Balance:	3,184,679.30

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001 

www.treasurer.ca.gov/pmia-laif/laif.asp

October 04, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

PMIA Average Monthly Yields

Account Number:
35-01-001

Tran Type Definitions

September 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,184,679.30
Total Withdrawal:	0.00	Ending Balance:	3,184,679.30



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/18/17	1.12	1.08	177
09/19/17	1.12	1.08	176
09/20/17	1.12	1.08	174
09/21/17	1.12	1.08	173
09/22/17	1.12	1.08	179
09/23/17	1.12	1.08	179
09/24/17	1.12	1.08	179
09/25/17	1.12	1.08	175
09/26/17	1.12	1.08	173
09/27/17	1.12	1.08	179
09/28/17	1.13	1.08	180
09/29/17	1.13	1.08	180
09/30/17	1.11	1.08	190
10/01/17	1.11	1.11	191
10/02/17	1.13	1.12	198
10/03/17	1.13	1.12	200
10/04/17	1.13	1.13	198
10/05/17	1.13	1.13	197
10/06/17	1.13	1.13	196
10/07/17	1.13	1.13	196
10/08/17	1.13	1.13	196
10/09/17	1.13	1.13	193
10/10/17	1.13	1.13	194
10/11/17	1.13	1.13	192
10/12/17	1.14	1.13	193
10/13/17	1.14	1.13	193
10/14/17	1.14	1.13	193
10/15/17	1.14	1.13	193
10/16/17	1.15	1.14	195
10/17/17	1.15	1.14	193
10/18/17	1.15	1.14	193

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

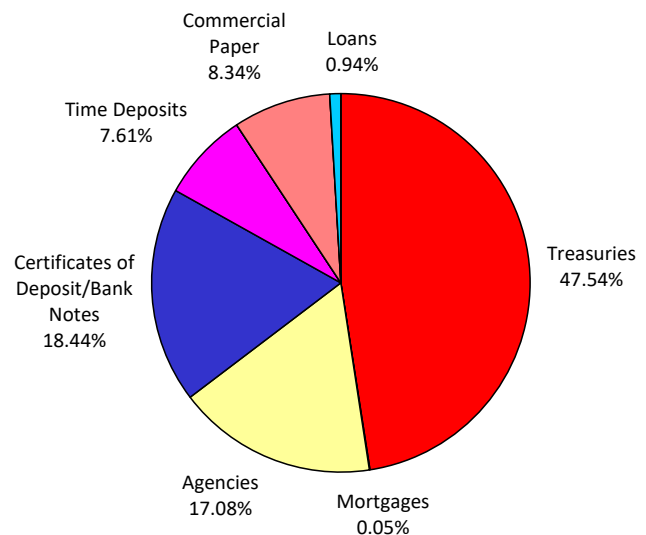
Quarter Ending 09/30/17

Apportionment Rate: 1.07%
 Earnings Ratio: .00002942867511750
 Fair Value Factor: .999042071
 Daily: 1.11%
 Quarter to Date: 1.08%
 Average Life: 190

**PMIA Average Monthly
Effective Yields**

Sept 2017 1.111
 Aug 2017 1.084
 July 2017 1.051

**Pooled Money Investment Account
Portfolio Composition
09/30/17
\$74.1 billion**



Based on data available as of 10/18/2017



Alameda County Schools Insurance Group

P.O. Box 2487
Dublin, CA 94568
Phone (925) 225-1030
Fax (925) 225-0653
www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2016/2017 Fourth Quarter Investment Report

In an effort to improve ACSIG's interest earnings, the Executive Committee amended its investment policy and selected Morgan Stanley Smith Barney as its investment advisor effective July 1, 2010. 2010-2011 was the first full year that ACSIG invested funds outside of the Alameda County Treasurer. I am pleased to say, although returns were low due to market conditions, the portfolio has yielded over \$1 million in revenue.

Enclosed is ACSIG's third quarterly investment report. Cary Alison from Morgan Stanley Wealth Management will be in attendance at the full Board meeting to address this item and outline the current investment strategy.

Morgan Stanley

July 27, 2017

Kimberly Dennis, Executive Director
ACSIG – Alameda County Schools Insurance Group
PO Box 2487
Dublin, CA 94568-0710

Dear Board:

Please find attached your portfolio summary. I certify that your portfolio is compliant with California government code sections 53600 and 53601 as well as your current investment policy statement as of the date of this report.

Time Weighted Performance Summary (Net of fees) – June 30, 2017

Total Ending Value	\$16,198,635.43
--------------------	-----------------

Rolling Periods

Quarter to Date	0.38%
Year to Date	0.72%
Last 12 Months	-0.35%
Last 3 Years	0.95%
Last 5 Years	0.93%
Since Inception (annualized %)	1.17%

Calendar Years

2017 (ytd)	0.72%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

Morgan Stanley uses Interactive Data Concepts (IDC) for its bond pricing services. More details on the portfolio summary are attached and can also be found in the monthly statements.

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cary Allison', with a stylized flourish at the end.

Cary M. Allison, CIMA®
Senior Institutional Consultant, U.S. Government Entity Specialist
www.morganstanley.com
cary.allison@morganstanley.com

Attachment

Fixed Income Report

Prepared on July 27, 2017

Prepared For: **ACSIG - Alameda County Schools Ins Group**

Account No. 171-041349

ALAMEDA COUNTY SCHOOLS INS GROUP
ATTENTION: KIMBERLY DENNIS
P O BOX 2487
DUBLIN CA 94568-0710

Cary Allison

Financial Advisor

Senior Vice President

Tel: +1 916 797-7742

Cary.Allison@morganstanley.com

<http://www.morganstanleyfa.com/cary.allison>**Your Branch:**

1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661

TABLE OF CONTENTS

Account(s) Included In This Report	3
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Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

Reporting Currency: USD

ACCOUNT(S) DETAIL

Account Name and Address	Account Type/Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
Alameda County Schools Ins Group P O Box 2487 DUBLIN	Western Asset - Gov Sec Mgmt 3 year CES	Advisory	171-041349	04/27/10	

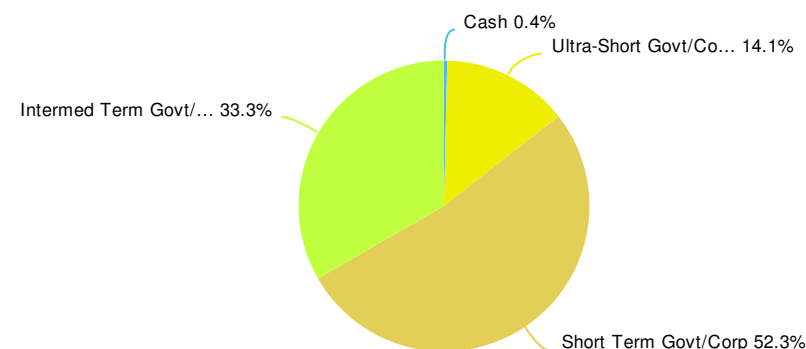
Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

TIME-WEIGHTED RETURN % (NET OF FEES)

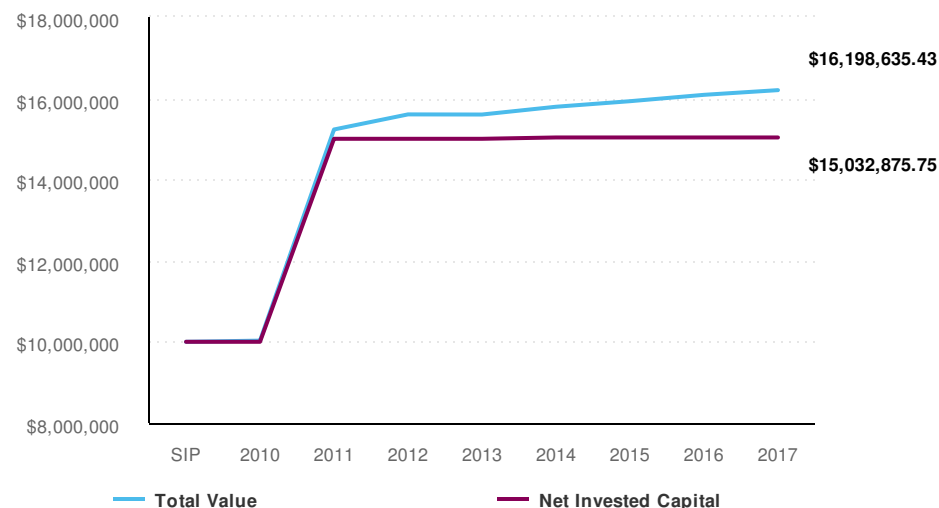
	Quarter to Date 03/31/17-06/30/17	Year to Date 12/31/16-06/30/17	Performance Inception 07/12/10-06/30/17
Beginning Total Value	\$16,137,758.08	\$16,082,980.87	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	60,877.35	115,654.55	1,165,759.68
Ending Total Value	\$16,198,635.43	\$16,198,635.43	\$16,198,635.43
TIME WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	0.38%	0.72%	1.17%
BC Gov 1-3 Yr	0.20	0.48	0.79
BC Gov/Cr 1-5 yr	0.56	1.14	1.69
Citi CD 6 Month	0.07	0.14	0.34

ASSET ALLOCATION



Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL

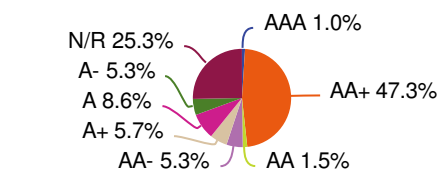


Does not include Performance Ineligible Assets.

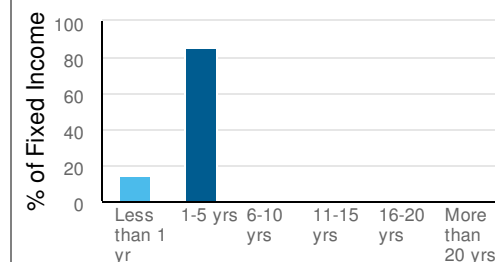
The Maturity Schedule only includes securities with a stated maturity date.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

FIXED INCOME QUALITY AND MATURITY



S&P Rating	Total Value
AAA	\$161,327.92
AA+	7,632,516.82
AA	238,567.25
AA-	862,174.94
A+	922,445.35
A	1,386,884.43
A-	854,961.95
N/R	4,082,268.40
Total	\$16,141,147.05



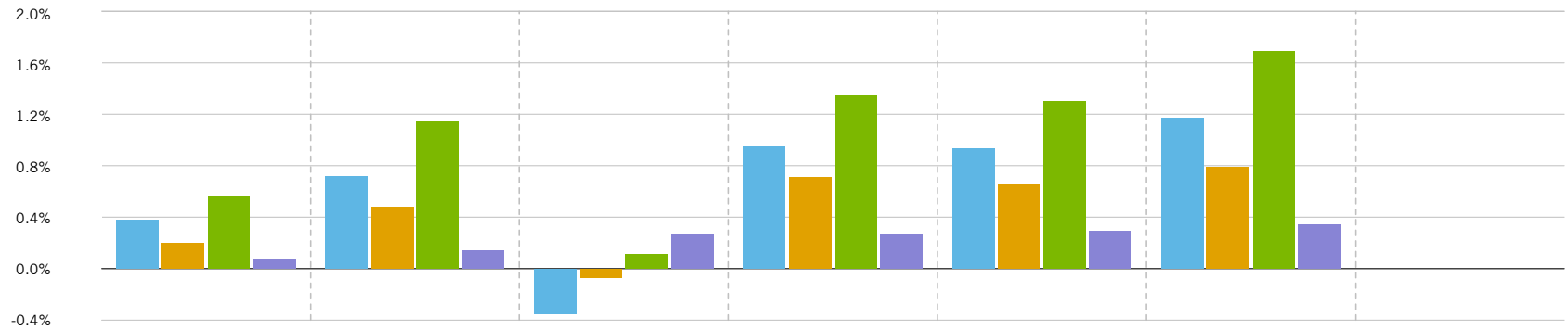
	Par Value
Less than 1 yr	\$2,278,594.09
1-5 yrs	13,862,552.96
6-10 yrs	0.00
11-15 yrs	0.00
16-20 yrs	0.00
More than 20 yrs	0.00
Total	\$16,141,147.05

TIME WEIGHTED PERFORMANCE SUMMARY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 03/31/17 - 06/30/17	Year to Date 12/31/16 - 06/30/17	Last 12 Months 06/30/16 - 06/30/17	Last 3 Years 06/30/14 - 06/30/17	Last 5 Years 06/30/12 - 06/30/17	Performance Inception 07/12/10 - 06/30/17
Beginning Total Value	\$16,137,758.08	\$16,082,980.87	\$16,255,106.57	\$15,711,381.44	\$15,431,234.53	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	0.00	32,875.75	32,875.75	5,033,025.75
Investment Earnings	60,877.35	115,654.55	-56,471.15	454,378.24	734,525.15	1,165,759.68
Ending Total Value	\$16,198,635.43	\$16,198,635.43	\$16,198,635.43	\$16,198,635.43	\$16,198,635.43	\$16,198,635.43
Return % (Net of Fees)	0.38	0.72	-0.35	0.95	0.93	1.17
BC Gov 1-3 Yr	0.20	0.48	-0.07	0.71	0.65	0.79
BC Gov/Cr 1-5 yr	0.56	1.14	0.11	1.35	1.30	1.69
Citi CD 6 Month	0.07	0.14	0.27	0.27	0.29	0.34

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 06/30/17

Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
2017 (YTD)	\$16,082,980.87	\$0.00	\$115,654.55	\$16,198,635.43	0.72%	0.48%	1.14%	0.14%
2QTR	16,137,758.08	0.00	60,877.35	16,198,635.43	0.38	0.20	0.56	0.07
1QTR	16,082,980.87	0.00	54,777.20	16,137,758.08	0.34	0.28	0.57	0.07
2016	\$15,926,083.41	\$0.00	\$156,897.47	\$16,082,980.87	0.99%	0.87%	1.56%	0.27%
4QTR	16,240,430.74	0.00	-157,449.87	16,082,980.87	-0.97	-0.45	-1.05	0.07
3QTR	16,255,106.57	0.00	-14,675.83	16,240,430.74	-0.09	-0.10	0.04	0.07
2QTR	16,150,162.43	0.00	104,944.15	16,255,106.57	0.65	0.52	0.98	0.07
1QTR	15,926,083.41	0.00	224,079.02	16,150,162.43	1.41	0.89	1.61	0.07
2015	\$15,789,357.87	\$0.00	\$136,725.54	\$15,926,083.41	0.87%	0.57%	0.97%	0.27%
4QTR	16,009,547.07	0.00	-83,463.67	15,926,083.41	-0.52	-0.43	-0.57	0.07
3QTR	15,915,884.25	0.00	93,662.82	16,009,547.07	0.59	0.32	0.60	0.07
2QTR	15,924,833.29	0.00	-8,949.04	15,915,884.25	-0.06	0.15	-0.02	0.07
1QTR	15,789,357.87	0.00	135,475.42	15,924,833.29	0.86	0.54	0.96	0.07
2014	\$15,597,806.94	\$32,875.75	\$158,675.18	\$15,789,357.87	1.01%	0.64%	1.42%	0.27%
4QTR	15,731,323.54	0.00	58,034.33	15,789,357.87	0.37	0.19	0.41	0.07
3QTR	15,711,381.44	32,875.75	-12,933.65	15,731,323.54	-0.08	0.03	-0.05	0.07
2QTR	15,638,820.00	0.00	72,561.44	15,711,381.44	0.46	0.27	0.65	0.07
1QTR	15,597,806.94	0.00	41,013.06	15,638,820.00	0.26	0.14	0.40	0.07
2013	\$15,600,964.10	\$0.00	-\$3,157.16	\$15,597,806.94	-0.03%	0.37%	0.28%	0.27%
4QTR	15,588,728.38	0.00	9,078.56	15,597,806.94	0.06	0.07	0.14	0.07
3QTR	15,506,118.74	0.00	82,609.64	15,588,728.38	0.53	0.29	0.63	0.07
2QTR	15,618,935.48	0.00	-112,816.74	15,506,118.74	-0.72	-0.11	-0.75	0.07
1QTR	15,600,964.10	0.00	17,971.38	15,618,935.48	0.11	0.12	0.27	0.07
2012	\$15,229,289.11	\$0.00	\$371,674.99	\$15,600,964.10	2.44%	0.51%	2.24%	0.49%
4QTR	15,574,837.84	0.00	26,126.26	15,600,964.10	0.17	0.07	0.20	0.10
3QTR	15,431,234.53	0.00	143,603.31	15,574,837.84	0.93	0.26	0.89	0.12
2QTR	15,363,956.06	0.00	67,278.47	15,431,234.53	0.43	0.20	0.59	0.14
1QTR	15,229,289.11	0.00	134,666.95	15,363,956.06	0.88	-0.02	0.54	0.14
2011	\$10,028,996.97	\$5,000,000.00	\$200,292.14	\$15,229,289.11	1.91%	1.56%	3.14%	0.39%
4QTR	10,184,368.27	5,000,000.00	44,920.84	15,229,289.11	0.36	0.21	0.43	0.11
3QTR	10,177,172.05	0.00	7,196.22	10,184,368.27	0.07	0.47	0.91	0.09
2QTR	10,049,163.76	0.00	128,008.29	10,177,172.05	1.27	0.81	1.49	0.09

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS (Continued)

From 07/12/10 - 06/30/17

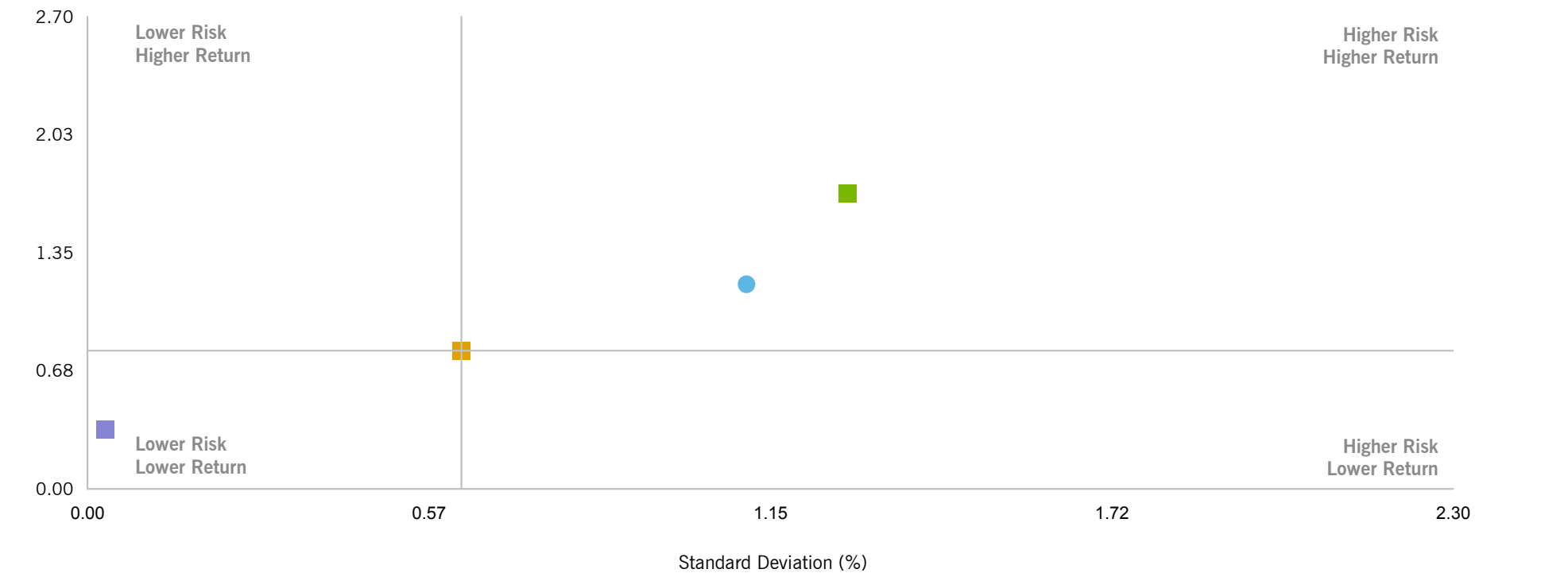
Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
1QTR	10,028,996.97	0.00	20,166.79	10,049,163.76	0.20	0.06	0.27	0.10
2010 Performance Inception: 07/12/10	\$9,999,850.00	\$150.00	\$28,996.97	\$10,028,996.97	0.29%	0.53%	1.03%	0.25%
4QTR	10,078,017.02	0.00	-49,020.05	10,028,996.97	-0.49	-0.13	-0.60	0.13
3QTR Performance Inception: 07/12/10	9,999,850.00	150.00	78,017.02	10,078,017.02	0.78	0.66	1.64	0.12

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS

Annualized Return (%)



	Return % (Net of Fees) 07/12/10-06/30/17	Standard Deviation 07/12/10-06/30/17 (%)
● Portfolio	1.17 %	1.11 %
■ BC Gov 1-3 Yr	0.79	0.63
■ BC Gov/Cr 1-5 yr	1.69	1.28
■ Citi CD 6 Month	0.34	0.03

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
3M CO	\$81,084.55	\$81,000.00	\$98.89	\$80,104.14	-\$980.41	1.64%	0.50%
	\$81,084.55			\$80,473.42		1.62%	
<i>Cusip: 88579YAU5, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/19/2021, Coupon: 1.625, Call Date: 8/19/2021, Call Price: 100.000, Accrued Interest: \$369.281</i>							
ACE INA HOLDINGS INC	122,674.57	121,000.00	100.57	121,689.70	-984.87	2.28	0.76
	122,674.57			122,130.34		2.26	
<i>Cusip: 00440EAT4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/3/2020, Coupon: 2.300, Call Date: 10/3/2020, Call Price: 100.000, Accrued Interest: \$440.641</i>							
AMERICAN EXPRESS CREDIT	161,577.18	162,000.00	100.45	162,720.90	1,143.72	1.77	1.01
	161,577.18			163,209.98		1.78	
<i>Cusip: 0258MODW6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 7/31/2018, Coupon: 1.782, Call Date: 6/30/2018, Call Price: 100.000, Accrued Interest: \$489.076</i>							
APPLE INC	80,961.12	81,000.00	100.21	81,170.91	209.79	1.41	0.50
	80,961.12			81,353.32		1.41	
<i>Cusip: 037833AG5, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/3/2018, Coupon: 1.422, Accrued Interest: \$182.410</i>							
BANK OF NEW YORK MELLON	158,275.13	158,000.00	100.44	158,699.94	424.81	2.09	0.99
	158,275.13			160,220.69		2.09	
<i>Cusip: 06406HCP2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 1/15/2019, Coupon: 2.100, Call Date: 12/15/2018, Call Price: 100.000, Accrued Interest: \$1520.748</i>							
BB&T CORPORATION	80,058.20	79,000.00	101.12	79,882.43	-175.77	2.42	0.50
	80,058.20			80,769.53		2.41	
<i>Cusip: 05531FAS2, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/15/2020, Coupon: 2.450, Call Date: 12/15/2019, Call Price: 100.000, Accrued Interest: \$887.104</i>							
BERKSHIRE HATHAWAY INC	157,957.61	157,000.00	100.76	158,199.48	241.87	2.08	0.99
	157,957.61			159,445.01		2.07	
<i>Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: \$1245.533</i>							
BOEING CAPITAL CORPORATION	77,388.56	76,000.00	101.43	77,089.08	-299.48	2.85	0.48
	77,388.56			77,915.58		2.77	
<i>Cusip: 097014AM6, Moody's Rating: A2, S & P Rating: A, Maturity Date: 8/15/2018, Coupon: 2.900, Call Date: 7/15/2018, Call Price: 100.000, Accrued Interest: \$826.500</i>							
BURLINGTON NORTH SANTA FE	76,429.78	74,000.00	103.02	76,237.02	-192.76	5.58	0.48
	76,429.78			77,478.06		5.35	
<i>Cusip: 12189TBA1, Moody's Rating: A3, S & P Rating: A, Maturity Date: 3/15/2018, Coupon: 5.750, Accrued Interest: \$1241.041</i>							
CATERPILLAR FINANCIAL SE	78,359.80	77,000.00	100.56	77,428.12	-931.68	2.08	0.48
	78,359.80			77,522.44		2.04	
<i>Cusip: 14912L6B2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: \$94.324</i>							
CHEVRON CORP	72,457.45	71,000.00	101.24	71,880.40	-577.05	2.38	0.45
	72,457.45			72,085.55		2.35	
<i>Cusip: 166764AY6, Moody's Rating: AA2, S & P Rating: AA-, Maturity Date: 11/17/2020, Coupon: 2.419, Call Date: 10/17/2020, Call Price: 100.000, Accrued Interest: \$205.145</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
CISCO SYSTEMS INC	159,107.94	159,000.00	101.61	161,551.95	2,444.01	2.41	1.00
	159,107.94			161,714.26		2.45	
<i>Cusip: 17275RAX0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 6/15/2020, Coupon: 2.450, Accrued Interest: \$162.312</i>							
COCA-COLA CO/THE	80,823.37	80,000.00	99.81	79,848.80	-974.57	1.87	0.50
	80,823.37			80,111.30		1.84	
<i>Cusip: 191216BT6, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: \$262.500</i>							
COLGATE-PALMOLIVE CO	80,727.84	81,000.00	99.50	80,594.19	-133.65	0.90	0.50
	80,727.84			80,713.67		0.90	
<i>Cusip: 19416QEB2, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 5/1/2018, Coupon: 0.900, Accrued Interest: \$119.475</i>							
COMCAST CORP	149,066.96	139,000.00	108.35	150,612.06	1,545.10	4.75	0.95
	149,066.96			152,978.34		4.58	
<i>Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: \$2366.282</i>							
COSTCO WHOLESALE CORP	81,154.71	80,000.00	99.76	79,810.40	-1,344.31	1.70	0.50
	81,154.71			79,867.07		1.66	
<i>Cusip: 22160KAF2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: \$56.666</i>							
EXXON MOBIL CORPORATION	161,947.74	159,000.00	100.66	160,043.04	-1,904.70	2.20	1.00
	161,947.74			161,210.89		2.16	
<i>Cusip: 30231GAV4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 3/1/2021, Coupon: 2.222, Call Date: 2/1/2021, Call Price: 100.000, Accrued Interest: \$1167.845</i>							
GENERAL ELEC CAP CORP	154,939.56	141,000.00	108.53	153,027.30	-1,912.26	4.26	0.97
	154,939.56			156,161.12		4.09	
<i>Cusip: 36962G4Y7, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: \$3133.822</i>							
HOME DEPOT INC	79,754.86	79,000.00	100.70	79,553.00	-201.86	1.98	0.49
	79,754.86			79,618.83		1.96	
<i>Cusip: 437076BE1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 6/15/2019, Coupon: 2.000, Call Date: 5/15/2019, Call Price: 100.000, Accrued Interest: \$65.833</i>							
HONEYWELL INTERNATIONAL	80,569.08	81,000.00	99.32	80,450.82	-118.26	1.40	0.50
	80,569.08			80,639.82		1.40	
<i>Cusip: 438516BJ4, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/30/2019, Coupon: 1.400, Accrued Interest: \$189.000</i>							
INTEL CORP	79,601.23	79,000.00	101.69	80,334.31	733.08	2.40	0.50
	79,601.23			81,146.14		2.41	
<i>Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: \$811.834</i>							
JOHN DEERE CAPITAL CORP	79,769.15	79,000.00	100.97	79,763.93	-5.22	2.22	0.50
	79,769.15			80,124.37		2.20	
<i>Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: \$360.438</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
JOHNSON & JOHNSON	81,339.12	81,000.00	100.24	81,197.64	-141.48	1.64	0.50
	81,339.12			81,290.45		1.64	
<i>Cusip: 478160BG8, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 12/5/2018, Coupon: 1.650, Accrued Interest: \$92.812</i>							
JP MORGAN CHASE & CO	155,247.52	155,000.00	100.52	155,807.55	560.03	2.04	0.97
	155,247.52			156,391.85		2.03	
<i>Cusip: 46625HJF8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 1/25/2018, Coupon: 2.056, Accrued Interest: \$584.302</i>							
KIMBERLY-CLARK CORP	80,313.62	80,000.00	99.81	79,846.40	-467.22	1.40	0.50
	80,313.62			80,266.40		1.39	
<i>Cusip: 494368BT9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 2/15/2019, Coupon: 1.400, Accrued Interest: \$420.000</i>							
MASTERCARD INC	159,790.89	161,000.00	99.35	159,955.11	164.22	2.01	0.99
	159,790.89			160,303.94		2.01	
<i>Cusip: 57636QAF1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 11/21/2021, Coupon: 2.000, Call Date: 10/21/2021, Call Price: 100.000, Accrued Interest: \$348.832</i>							
METLIFE INC	143,089.50	135,000.00	105.59	142,539.75	-549.75	6.45	0.90
	143,089.50			145,990.86		6.11	
<i>Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: \$3451.106</i>							
MICROSOFT CORP	80,294.94	80,000.00	99.84	79,872.80	-422.14	1.30	0.50
	80,294.94			80,037.47		1.29	
<i>Cusip: 594918BF0, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/3/2018, Coupon: 1.300, Accrued Interest: \$164.666</i>							
OCCIDENTAL PETROLEUM CORP	78,963.09	74,000.00	106.52	78,827.76	-135.33	3.84	0.50
	78,963.09			80,083.50		3.76	
<i>Cusip: 674599BY0, Moody's Rating: A3, S & P Rating: A, Maturity Date: 2/1/2021, Coupon: 4.100, Call Date: 11/1/2020, Call Price: 100.000, Accrued Interest: \$1255.739</i>							
ORACLE CORP	79,491.49	79,000.00	101.15	79,909.29	417.80	2.34	0.50
	79,491.49			80,769.24		2.33	
<i>Cusip: 68389XQ8, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/15/2019, Coupon: 2.375, Accrued Interest: \$859.947</i>							
PACCAR FINANCIAL CORP	80,148.69	81,000.00	98.52	79,800.39	-348.30	1.21	0.50
	80,148.69			80,172.99		1.21	
<i>Cusip: 69371RN36, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 8/12/2019, Coupon: 1.200, Accrued Interest: \$372.599</i>							
PEPSICO INC	160,036.82	160,000.00	100.10	160,166.40	129.58	1.50	1.00
	160,036.82			160,681.48		1.50	
<i>Cusip: 713448DA3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 10/13/2017, Coupon: 1.505, Accrued Interest: \$515.078</i>							
PNC FUNDING CORP	152,042.33	142,000.00	107.57	152,750.82	708.49	4.76	0.96
	152,042.33			155,621.39		4.58	
<i>Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$2870.568</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
PROCTER & GAMBLE CO/THE	150,083.12	149,000.00	100.46	149,682.42	-400.70	1.89	0.93
	150,083.12			150,146.39		1.87	
<i>Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$463.968</i>							
QUALCOMM INC	81,322.09	81,000.00	100.46	81,370.17	48.08	2.09	0.51
	81,322.09			81,530.82		2.09	
<i>Cusip: 747525AP8, Moody's Rating: A1, S & P Rating: A, Maturity Date: 5/20/2020, Coupon: 2.100, Accrued Interest: \$160.650</i>							
STATE STREET CORP STT	71,845.96	70,000.00	101.88	71,314.60	-531.36	2.50	0.45
	71,845.96			71,969.10		2.46	
<i>Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$654.500</i>							
TARGET CORP	77,932.33	73,000.00	105.66	77,129.61	-802.72	3.66	0.49
	77,932.33			78,426.12		3.54	
<i>Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$1296.510</i>							
THE WALT DISNEY COMPANY	78,377.46	78,000.00	100.68	78,531.18	153.72	2.13	0.49
	78,377.46			79,010.99		2.13	
<i>Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A+, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$479.808</i>							
TRAVELERS COMPANIES INC	78,552.68	77,000.00	101.91	78,469.93	-82.75	5.64	0.49
	78,552.68			78,654.41		5.50	
<i>Cusip: 89417EAC3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 12/15/2017, Coupon: 5.750, Accrued Interest: \$184.479</i>							
UNITED PARCEL SERVICE	78,864.62	74,000.00	105.71	78,228.36	-636.26	4.84	0.49
	78,864.62			79,165.95		4.69	
<i>Cusip: 911312AK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/1/2019, Coupon: 5.125, Accrued Interest: \$937.590</i>							
UNITEDHEALTH GROUP INC	120,071.95	118,000.00	102.11	120,483.90	411.95	2.64	0.76
	120,071.95			121,944.15		2.64	
<i>Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$1460.249</i>							
US BANCORP	80,235.56	79,000.00	100.83	79,658.07	-577.49	2.18	0.50
	80,235.56			79,971.88		2.15	
<i>Cusip: 91159HHH6, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/25/2019, Coupon: 2.200, Call Date: 3/25/2019, Call Price: 100.000, Accrued Interest: \$313.805</i>							
VISA INC	160,137.44	159,000.00	100.84	160,329.24	191.80	2.18	0.99
	160,137.44			160,484.71		2.18	
<i>Cusip: 92826CAB8, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2020, Coupon: 2.200, Call Date: 11/14/2020, Call Price: 100.000, Accrued Interest: \$155.465</i>							
WAL-MART STORES INC	79,137.99	74,000.00	105.19	77,840.60	-1,297.39	3.44	0.49
	79,137.99			79,122.24		3.33	
<i>Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$1281.639</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME TOTAL (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
Corporate Fixed Income Total	\$4,642,005.60	\$4,554,000.00		\$4,634,403.91	-\$7,601.69		28.92%
	\$4,642,005.60			\$4,668,926.03			

GOVERNMENT SECURITIES

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN BK	\$650,447.75	\$655,000.00	\$97.44	\$638,212.35	-\$12,235.40	1.15%	3.98%
	\$650,447.75			\$641,610.16		1.13%	
Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: \$3397.806							
FED HOME LN MTG CORP	953,395.37	950,000.00	99.60	946,209.50	-7,185.87	1.25	5.89
	953,395.37			951,124.43		1.24	
Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: \$4914.930							
FED HOME LN MTG CORP	504,537.51	500,000.00	99.34	496,675.00	-7,862.51	1.38	3.08
	504,537.51			497,801.74		1.36	
Cusip: 3137EADR7, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 5/1/2020, Coupon: 1.375, Accrued Interest: \$1126.735							
FED HOME LN MTG CORP	484,090.63	481,000.00	99.45	478,354.50	-5,736.13	1.25	2.97
	484,090.63			479,824.22		1.23	
Cusip: 3137EADM8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/2/2019, Coupon: 1.250, Accrued Interest: \$1469.720							
FED HOME LN MTG CORP MED TERM NOTE	398,340.00	400,000.00	99.63	398,500.00	160.00	0.75	2.47
	398,340.00			399,175.00		0.75	
Cusip: 3137EAEA3, S & P Rating: AA+, Maturity Date: 4/9/2018, Coupon: 0.750, Accrued Interest: \$675.000							
FED NATL MTG ASSN	557,495.42	557,000.00	100.27	558,476.05	980.63	1.62	3.49
	557,495.42			562,473.68		1.62	
Cusip: 3135GOA78, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/21/2020, Coupon: 1.625, Accrued Interest: \$3997.634							
FED NATL MTG ASSN	479,570.68	493,000.00	98.20	484,106.28	4,535.60	1.40	3.01
	479,570.68			485,669.15		1.41	
Cusip: 3135GOQ89, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/7/2021, Coupon: 1.375, Accrued Interest: \$1562.874							
FED NATL MTG ASSN	320,059.47	321,000.00	99.80	320,351.58	292.11	1.12	2.00
	320,059.47			321,956.58		1.12	
Cusip: 3135GOE33, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/20/2018, Coupon: 1.125, Accrued Interest: \$1604.997							
FED NATL MTG ASSN	721,917.04	733,000.00	98.77	724,006.09	2,089.05	1.39	4.51
	721,917.04			727,477.66		1.39	
Cusip: 3135GOJ20, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/26/2021, Coupon: 1.375, Accrued Interest: \$3471.569							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of June 30, 2017 | Reporting Currency: USD

GOVERNMENT SECURITIES (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED NATL MTG ASSN	361,801.53	355,000.00	100.57	357,019.95	-4,781.58	1.86	2.21
	361,801.53			357,056.93		1.83	
Cusip: 3135G0H55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: \$36.977							
FED NATL MTG ASSN	353,214.12	354,000.00	100.34	355,210.68	1,996.56	1.61	2.20
	353,214.12			355,737.99		1.62	
Cusip: 3135G0YT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: \$527.311							
FED NATL MTG ASSN	893,384.92	890,000.00	100.78	896,897.50	3,512.58	1.86	5.59
	893,384.92			902,969.89		1.86	
Cusip: 3135G0ZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: \$6072.390							
FED NATL MTG ASSN	702,914.92	699,000.00	100.62	703,361.76	446.84	1.86	4.38
	702,914.92			707,075.19		1.84	
Cusip: 3135G0YM9, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/18/2018, Coupon: 1.875, Accrued Interest: \$3713.431							
UNITED STATES TREASURY NOTE	843,745.40	843,000.00	99.75	840,926.22	-2,819.18	1.25	5.22
	843,745.40			842,672.92		1.25	
Cusip: 912828ST8, Moody's Rating: AAA, Maturity Date: 4/30/2019, Coupon: 1.250, Accrued Interest: \$1746.704							
UNITED STATES TREASURY NOTE	1,235,134.07	1,221,000.00	100.98	1,233,014.64	-2,119.43	2.72	7.71
	1,235,134.07			1,244,146.30		2.54	
Cusip: 912828PY0, Moody's Rating: AAA, Maturity Date: 2/28/2018, Coupon: 2.750, Accrued Interest: \$11131.662							
UNITED STATES TREASURY NOTE	639,992.90	641,000.00	99.30	636,493.77	-3,499.13	1.38	3.96
	639,992.90			639,415.72		1.37	
Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$2921.947							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	99.39	397,548.00	3,704.40	1.25	2.48
	393,843.60			399,619.82		1.26	
Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: \$2071.820							
UNITED STATES TREASURY NOTE	960,855.98	961,000.00	98.95	950,938.33	-9,917.65	1.38	5.93
	960,855.98			956,413.64		1.37	
Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$5475.307							
Government Securities Total	\$11,454,741.31	\$11,454,000.00		\$11,416,302.20	-\$38,439.11		71.08%
	\$11,454,741.31			\$11,472,221.01			

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

DISCLOSURES

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Money Market Fund: An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

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Market values used for performance calculation do not include performance ineligible assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible

Assets include life insurance, Manually Added assets and some annuities and Externally Held accounts. Unless otherwise indicated, performance is a composite calculation on the entire portfolio and may include brokerage and investment advisory accounts, as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, Performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and /or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Realized/Unrealized Gain/Loss: The gain and loss information is provided for informational purposes only, may not be complete, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax planning or preparation. Gain and loss values are estimates and should be independently verified. We are not responsible for any gain and loss information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Projected 12 Month Income: Projected Next 12 Months income includes cash income such as interest and cash dividends, based on current yields and may include income from Morgan Stanley & Co. and Externally Held accounts where data is available. These are projections based on historical data and the actual income may be lower or higher than the projections. Projected income for Morgan Stanley & Co. and Externally Held accounts is calculated based upon data obtained from sources that we believe to be reliable, however, Morgan Stanley Wealth Management does not guarantee its accuracy or timeliness. As such, Morgan Stanley Wealth Management recommends confirming projected income information with the custodian institution prior to taking any action. Projections will not include income from Manually Added assets.

Bank Deposit Program: Under the Bank Deposit Program, cash balances held in account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest bearing FDIC-insured deposit account(s), at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (<https://www.fdic.gov/deposit/deposits/>). Cash balances generally include the uninvested cash in a client's account(s) minus certain items such as purchase transactions due to settle within a specified time period, other charges to a client's account(s), and cash balances that are designated as collateral for a client's obligations.

GENERAL DEFINITIONS

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor>

Accrued Interest: The interest earned but not yet received at both the beginning and end of each reporting period.

Adjusted Cost: Adjusted Cost generally reflects the security's original cost adjusted as required by applicable tax rules, including the accrual of discount or premium. Adjusted cost figures are provided for reference purposes only. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events and may not reflect all of the basis adjustments required to make for tax reporting purposes. Please review with your tax advisor on what is the best method for allocating cost basis for your account.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Coupon Rate: The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Global Investment Manager Analysis (GIMA): Global Investment Manager Analysis (GIMA) reviews certain investment products in various advisory programs. For these programs, a GIMA status will apply:

Focus List (FL): Investment products on the Focus List have been subject to an in-depth review and possess GIMA's highest level of confidence.

Approved List (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved List (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. GIMA no longer covers these products. For more information, please ask your Financial Advisor for the applicable Morgan Stanley ADV brochure.

Gross Accumulated Value (\$): Gross Accumulated Value is the most current market value provided by carriers of the Annuity or Life insurance product.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Overweight (OVWEIGHT): The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (EQWEIGHT): The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (UNWEIGHT): The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR): Currently, the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net Invested Premium(\$): Net Invested Premium is the total amount invested minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Not Rated: Not Rated is assigned to an unrated issuer, obligation and/or program and can also include mutual funds and ETFs.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples include life insurance, Manually Added assets and some annuities and Externally Held accounts.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Value: Total Value represents the Market Value of the portfolio or of a given Asset Class inclusive of interest and dividend accruals. Total Value for Asset Allocation before January 2014 does not include accruals. Total Value for Morgan Stanley & Co. and Externally Held accounts may not include accruals.

BENCHMARK DEFINITIONS

BC Gov 1-3 Yr: The Barclays 1-3 Year Government Bond Index is composed of government bonds with maturities between one and three years.

BC Gov/Cr 1-5 yr: The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. This index is the 1-5 Yr component of the U.S. Government/Credit index.

Citi CD 6 Month: The Citigroup Certificate-of-Deposit indexes measure the monthly return equivalents of yield averages that are not marked to market. The CD rate is a rotating sample (collected by the New York Federal Reserve Bank) of five banks and dealers surveyed daily about secondary-market dealer offer rates for jumbo certificates of deposit. Returns for these indexes are calculated on a monthly basis only.



Alameda County Schools Insurance Group

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2017/2018 First Quarter Investment Report

In an effort to improve ACSIG's interest earnings, the Executive Committee amended its investment policy and selected Morgan Stanley Smith Barney as its investment advisor effective July 1, 2010. 2010-2011 was the first full year that ACSIG invested funds outside of the Alameda County Treasurer. I am pleased to say, although returns were low due to market conditions, the portfolio has yielded over \$1 million in revenue.

Enclosed is ACSIG's first quarterly investment report. Cary Allison from Morgan Stanley Wealth Management will be in attendance to address this item and outline the current investment strategy. The Executive Committee will be asked to approve a recommendation to the full Board.

Morgan Stanley

October 5, 2017

Kimberly Dennis, Executive Director
ACSIG – Alameda County Schools Insurance Group
PO Box 2487
Dublin, CA 94568-0710

Dear Board:

Please find attached your portfolio summary. I certify that your portfolio is compliant with California government code sections 53600 and 53601 as well as your current investment policy statement as of the date of this report.

Time Weighted Performance Summary (Net of fees) – September 30, 2017

Total Ending Value	\$16,243,278.19
--------------------	-----------------

Rolling Periods

Quarter to Date	0.28%
Year to Date	1.00%
Last 12 Months	0.02%
Last 3 Years	1.07%
Last 5 Years	0.80%
Since Inception (annualized %)	1.17%

Calendar Years

2017 (ytd)	1.00%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2017-18	0.28%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

Morgan Stanley uses Interactive Data Concepts (IDC) for its bond pricing services. More details on the portfolio summary are attached and can also be found in the monthly statements.

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cary Allison', with a stylized flourish at the end.

Cary M. Allison, CIMA®
Senior Institutional Consultant, U.S. Government Entity Specialist
www.morganstanley.com
cary.allison@morganstanley.com

Attachment

Fixed Income Report

Prepared on October 05, 2017

Prepared For: **ACSIG - Alameda County Schools Ins Group**

Account No. 171-041349

ALAMEDA COUNTY SCHOOLS INS GROUP
ATTENTION: KIMBERLY DENNIS
P O BOX 2487
DUBLIN CA 94568-0710

Cary Allison

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Senior Vice President
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Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

Reporting Currency: USD

ACCOUNT(S) DETAIL

Account Name and Address	Account Type/Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
Alameda County Schools Ins Group P O Box 2487 DUBLIN	Western Asset - Gov Sec Mgmt 3 year CES	Advisory	171-041349	04/27/10	

INVESTMENT SUMMARY

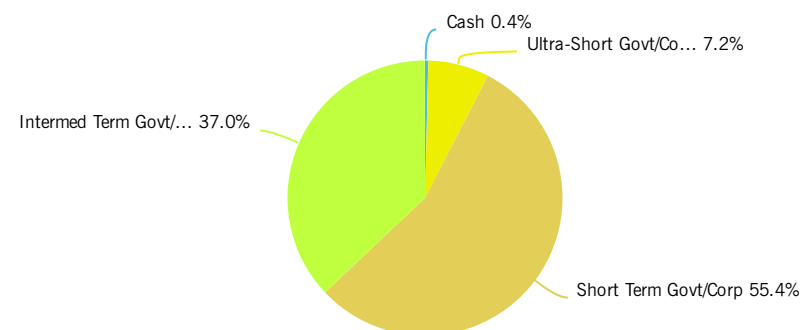
Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

TIME-WEIGHTED RETURN % (NET OF FEES)

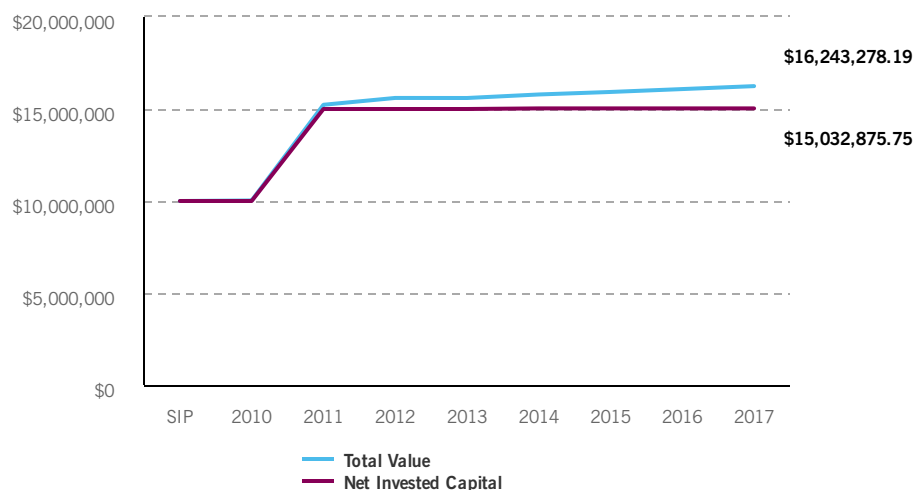
	Quarter to Date 06/30/17-09/30/17	Year to Date 12/31/16-09/30/17	Performance Inception 07/12/10-09/30/17
Beginning Total Value	\$16,198,635.43	\$16,082,980.87	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	44,642.77	160,297.32	1,210,402.44
Ending Total Value	\$16,243,278.19	\$16,243,278.19	\$16,243,278.19
TIME WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	0.28%	1.00%	1.17%
BC Gov 1-3 Yr	0.24	0.72	0.80
BC Gov/Cr 1-5 yr	0.43	1.58	1.69
Citi CD 6 Month	0.07	0.20	0.34

ASSET ALLOCATION



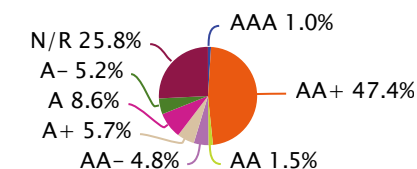
Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL

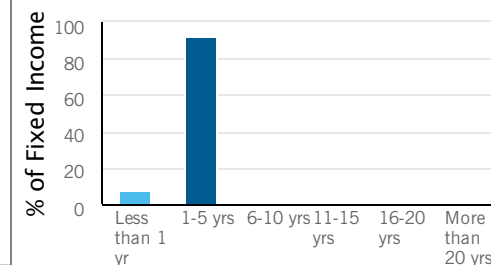


Does not include Performance Ineligible Assets.

FIXED INCOME QUALITY AND MATURITY



S&P Rating	Total Value
AAA	\$161,865.36
AA+	7,666,547.42
AA	237,223.47
AA-	780,876.87
A+	922,965.17
A	1,388,341.84
A-	849,269.52
N/R	4,171,167.47
Total	\$16,178,257.11



	Par Value
Less than 1 yr	\$1,161,513.68
1-5 yrs	15,016,743.44
6-10 yrs	0.00
11-15 yrs	0.00
16-20 yrs	0.00
More than 20 yrs	0.00
Total	\$16,178,257.11

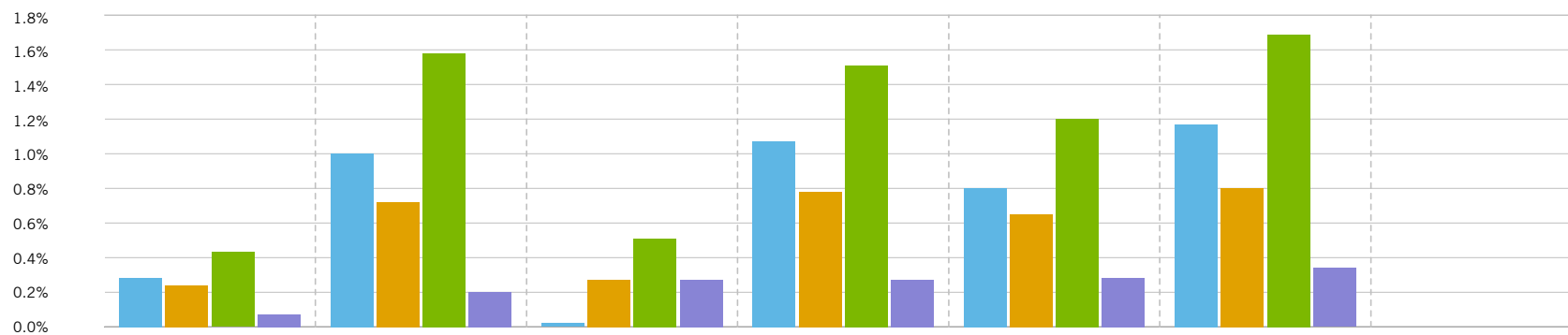
The Maturity Schedule only includes securities with a stated maturity date. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Allocations prior to Jan 2014 do not reflect interest and dividend accruals and may be different from Total Values for performance purposes.

TIME WEIGHTED PERFORMANCE SUMMARY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 06/30/17 - 09/30/17	Year to Date 12/31/16 - 09/30/17	Last 12 Months 09/30/16 - 09/30/17	Last 3 Years 09/30/14 - 09/30/17	Last 5 Years 09/30/12 - 09/30/17	Performance Inception 07/12/10 - 09/30/17
Beginning Total Value	\$16,198,635.43	\$16,082,980.87	\$16,240,430.74	\$15,731,323.54	\$15,574,837.84	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	32,875.75	5,033,025.75
Investment Earnings	44,642.77	160,297.32	2,847.45	511,954.65	635,564.60	1,210,402.44
Ending Total Value	\$16,243,278.19	\$16,243,278.19	\$16,243,278.19	\$16,243,278.19	\$16,243,278.19	\$16,243,278.19
Return % (Net of Fees)	0.28	1.00	0.02	1.07	0.80	1.17
BC Gov 1-3 Yr	0.24	0.72	0.27	0.78	0.65	0.80
BC Gov/Cr 1-5 yr	0.43	1.58	0.51	1.51	1.20	1.69
Citi CD 6 Month	0.07	0.20	0.27	0.27	0.28	0.34

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 09/30/17

Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
2017 (YTD)	\$16,082,980.87	\$0.00	\$160,297.32	\$16,243,278.19	1.00%	0.72%	1.58%	0.20%
3QTR	16,198,635.43	0.00	44,642.77	16,243,278.19	0.28	0.24	0.43	0.07
2QTR	16,137,758.08	0.00	60,877.35	16,198,635.43	0.38	0.20	0.56	0.07
1QTR	16,082,980.87	0.00	54,777.20	16,137,758.08	0.34	0.28	0.57	0.07
2016	\$15,926,083.41	\$0.00	\$156,897.47	\$16,082,980.87	0.99%	0.87%	1.56%	0.27%
4QTR	16,240,430.74	0.00	-157,449.87	16,082,980.87	-0.97	-0.45	-1.05	0.07
3QTR	16,255,106.57	0.00	-14,675.83	16,240,430.74	-0.09	-0.10	0.04	0.07
2QTR	16,150,162.43	0.00	104,944.15	16,255,106.57	0.65	0.52	0.98	0.07
1QTR	15,926,083.41	0.00	224,079.02	16,150,162.43	1.41	0.89	1.61	0.07
2015	\$15,789,357.87	\$0.00	\$136,725.54	\$15,926,083.41	0.87%	0.57%	0.97%	0.27%
4QTR	16,009,547.07	0.00	-83,463.67	15,926,083.41	-0.52	-0.43	-0.57	0.07
3QTR	15,915,884.25	0.00	93,662.82	16,009,547.07	0.59	0.32	0.60	0.07
2QTR	15,924,833.29	0.00	-8,949.04	15,915,884.25	-0.06	0.15	-0.02	0.07
1QTR	15,789,357.87	0.00	135,475.42	15,924,833.29	0.86	0.54	0.96	0.07
2014	\$15,597,806.94	\$32,875.75	\$158,675.18	\$15,789,357.87	1.01%	0.64%	1.42%	0.27%
4QTR	15,731,323.54	0.00	58,034.33	15,789,357.87	0.37	0.19	0.41	0.07
3QTR	15,711,381.44	32,875.75	-12,933.65	15,731,323.54	-0.08	0.03	-0.05	0.07
2QTR	15,638,820.00	0.00	72,561.44	15,711,381.44	0.46	0.27	0.65	0.07
1QTR	15,597,806.94	0.00	41,013.06	15,638,820.00	0.26	0.14	0.40	0.07
2013	\$15,600,964.10	\$0.00	-\$3,157.16	\$15,597,806.94	-0.03%	0.37%	0.28%	0.27%
4QTR	15,588,728.38	0.00	9,078.56	15,597,806.94	0.06	0.07	0.14	0.07
3QTR	15,506,118.74	0.00	82,609.64	15,588,728.38	0.53	0.29	0.63	0.07
2QTR	15,618,935.48	0.00	-112,816.74	15,506,118.74	-0.72	-0.11	-0.75	0.07
1QTR	15,600,964.10	0.00	17,971.38	15,618,935.48	0.11	0.12	0.27	0.07
2012	\$15,229,289.11	\$0.00	\$371,674.99	\$15,600,964.10	2.44%	0.51%	2.24%	0.49%
4QTR	15,574,837.84	0.00	26,126.26	15,600,964.10	0.17	0.07	0.20	0.10
3QTR	15,431,234.53	0.00	143,603.31	15,574,837.84	0.93	0.26	0.89	0.12
2QTR	15,363,956.06	0.00	67,278.47	15,431,234.53	0.43	0.20	0.59	0.14
1QTR	15,229,289.11	0.00	134,666.95	15,363,956.06	0.88	-0.02	0.54	0.14
2011	\$10,028,996.97	\$5,000,000.00	\$200,292.14	\$15,229,289.11	1.91%	1.56%	3.14%	0.39%
4QTR	10,184,368.27	5,000,000.00	44,920.84	15,229,289.11	0.36	0.21	0.43	0.11
3QTR	10,177,172.05	0.00	7,196.22	10,184,368.27	0.07	0.47	0.91	0.09

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS (Continued)

From 07/12/10 - 09/30/17

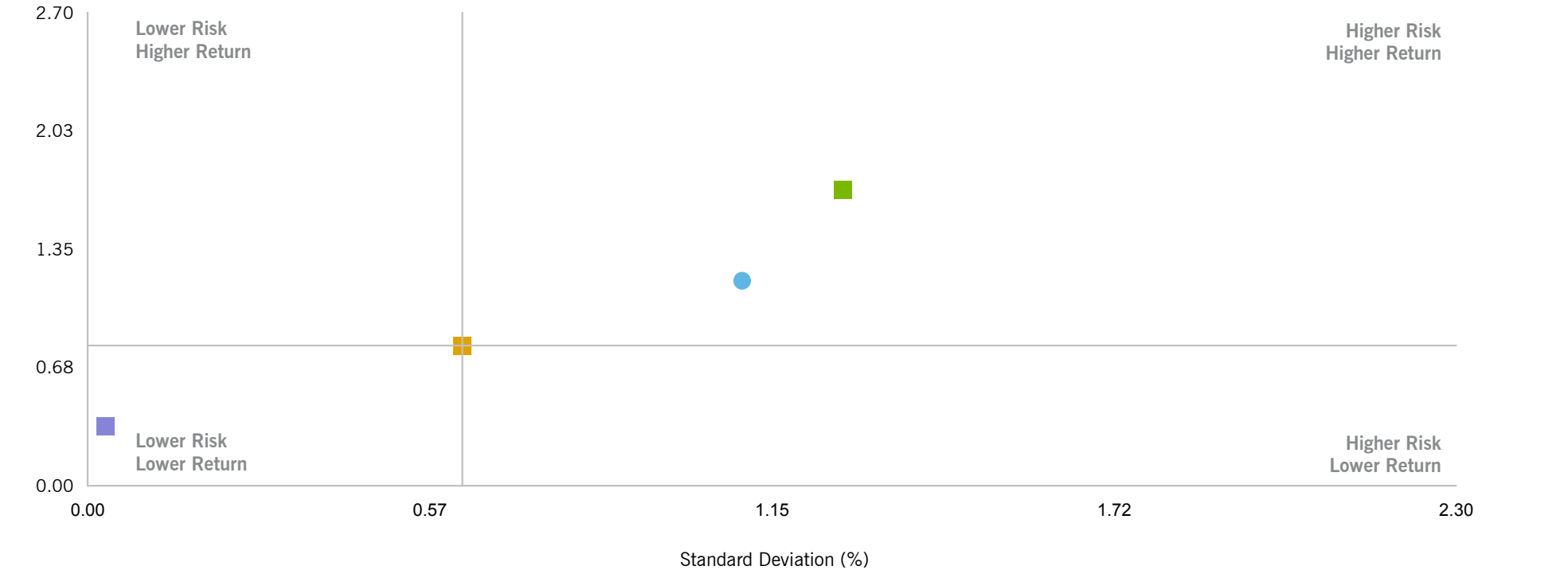
Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
2QTR	10,049,163.76	0.00	128,008.29	10,177,172.05	1.27	0.81	1.49	0.09
1QTR	10,028,996.97	0.00	20,166.79	10,049,163.76	0.20	0.06	0.27	0.10
2010 Performance Inception: 07/12/10	\$9,999,850.00	\$150.00	\$28,996.97	\$10,028,996.97	0.29%	0.53%	1.03%	0.25%
4QTR	10,078,017.02	0.00	-49,020.05	10,028,996.97	-0.49	-0.13	-0.60	0.13
3QTR Performance Inception: 07/12/10	9,999,850.00	150.00	78,017.02	10,078,017.02	0.78	0.66	1.64	0.12

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS

Annualized Return (%)



	Return % (Net of Fees) 07/12/10-09/30/17	Standard Deviation 07/12/10-09/30/17 (%)
● Portfolio	1.17 %	1.10 %
■ BC Gov 1-3 Yr	0.80	0.63
■ BC Gov/Cr 1-5 yr	1.69	1.27
■ Citi CD 6 Month	0.34	0.03

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
3M CO	\$81,079.74	\$81,000.00	\$98.57	\$79,840.89	-\$1,238.85	1.64%	0.49%
	\$81,079.74			\$79,881.11		1.62%	
<i>Cusip: 88579YAU5, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/19/2021, Coupon: 1.625, Call Date: 8/19/2021, Call Price: 100.000, Accrued Interest: \$40.218</i>							
ACE INA HOLDINGS INC	122,553.84	121,000.00	100.73	121,886.93	-666.91	2.28	0.76
	122,553.84			123,023.32		2.26	
<i>Cusip: 00440EAT4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/3/2020, Coupon: 2.300, Call Date: 10/3/2020, Call Price: 100.000, Accrued Interest: \$1136.391</i>							
AMERICAN EXPRESS CREDIT	162,259.79	159,000.00	101.19	160,892.10	-1,367.69	2.66	1.00
	162,259.79			161,214.08		2.64	
<i>Cusip: 0258MOEG0, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/3/2022, Coupon: 2.700, Call Date: 2/1/2022, Call Price: 100.000, Accrued Interest: \$321.975</i>							
APPLE INC	161,144.77	157,000.00	101.89	159,965.73	-1,179.04	2.64	1.00
	161,144.77			161,578.91		2.62	
<i>Cusip: 037833BF6, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/13/2022, Coupon: 2.700, Accrued Interest: \$1613.175</i>							
BANK OF NEW YORK MELLON	158,231.17	158,000.00	100.39	158,622.52	391.35	2.09	0.99
	158,231.17			159,313.77		2.09	
<i>Cusip: 06406HCP2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 1/15/2019, Coupon: 2.100, Call Date: 12/15/2018, Call Price: 100.000, Accrued Interest: \$691.248</i>							
BB&T CORPORATION	79,956.77	79,000.00	101.06	79,838.98	-117.79	2.42	0.50
	79,956.77			80,242.21		2.41	
<i>Cusip: 05531FAS2, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/15/2020, Coupon: 2.450, Call Date: 12/15/2019, Call Price: 100.000, Accrued Interest: \$403.229</i>							
BERKSHIRE HATHAWAY INC	157,847.29	157,000.00	100.97	158,524.47	677.18	2.07	0.98
	157,847.29			158,945.75		2.07	
<i>Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: \$421.283</i>							
BOEING CAPITAL CORPORATION	77,081.92	76,000.00	101.04	76,786.60	-295.32	2.87	0.48
	77,081.92			77,062.10		2.77	
<i>Cusip: 097014AM6, Moody's Rating: A2, S & P Rating: A, Maturity Date: 8/15/2018, Coupon: 2.900, Call Date: 7/15/2018, Call Price: 100.000, Accrued Interest: \$275.500</i>							
BURLINGTON NORTH SANTA FE	79,928.93	77,000.00	103.36	79,584.12	-344.81	2.95	0.49
	79,928.93			79,681.97		2.94	
<i>Cusip: 12189LAH4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 3/15/2022, Coupon: 3.050, Call Date: 12/15/2021, Call Price: 100.000, Accrued Interest: \$97.854</i>							
CATERPILLAR FINANCIAL SE	78,187.24	77,000.00	100.67	77,518.98	-668.26	2.08	0.48
	78,187.24			78,017.55		2.04	
<i>Cusip: 14912L6B2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: \$498.574</i>							
CHEVRON CORP	72,353.45	71,000.00	101.46	72,037.31	-316.14	2.38	0.45
	72,353.45			72,671.83		2.35	
<i>Cusip: 166764AY6, Moody's Rating: AA2, S & P Rating: AA-, Maturity Date: 11/17/2020, Coupon: 2.419, Call Date: 10/17/2020, Call Price: 100.000, Accrued Interest: \$634.517</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
CISCO SYSTEMS INC	159,099.16	159,000.00	101.58	161,509.02	2,409.86	2.41	1.01
	159,099.16			162,645.21		2.45	
<i>Cusip: 17275RAX0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 6/15/2020, Coupon: 2.450, Accrued Interest: \$1136.187</i>							
COCA-COLA CO/THE	80,763.44	80,000.00	99.95	79,963.20	-800.24	1.87	0.50
	80,763.44			80,600.70		1.84	
<i>Cusip: 191216BT6, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: \$637.500</i>							
COMCAST CORP	148,157.13	139,000.00	107.67	149,666.86	1,509.73	4.78	0.93
	148,157.13			150,243.52		4.58	
<i>Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: \$576.657</i>							
COSTCO WHOLESALE CORP	81,039.36	80,000.00	99.90	79,920.80	-1,118.56	1.70	0.50
	81,039.36			80,317.47		1.67	
<i>Cusip: 22160KAF2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: \$396.666</i>							
EXXON MOBIL CORPORATION	161,754.32	159,000.00	100.76	160,200.45	-1,553.87	2.20	0.99
	161,754.32			160,485.05		2.17	
<i>Cusip: 30231GAV4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 3/1/2021, Coupon: 2.222, Call Date: 2/1/2021, Call Price: 100.000, Accrued Interest: \$284.600</i>							
GENERAL ELEC CAP CORP	153,982.38	141,000.00	108.10	152,416.77	-1,565.61	4.27	0.95
	153,982.38			153,920.28		4.08	
<i>Cusip: 36962G4Y7, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: \$1503.510</i>							
HOME DEPOT INC	79,660.12	79,000.00	100.62	79,492.96	-167.16	1.98	0.49
	79,660.12			79,953.79		1.95	
<i>Cusip: 437076BE1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 6/15/2019, Coupon: 2.000, Call Date: 5/15/2019, Call Price: 100.000, Accrued Interest: \$460.833</i>							
HONEYWELL INTERNATIONAL	80,569.08	81,000.00	99.38	80,496.99	-72.09	1.40	0.50
	80,569.08			80,969.49		1.40	
<i>Cusip: 438516BJ4, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/30/2019, Coupon: 1.400, Accrued Interest: \$472.500</i>							
INTEL CORP	79,554.22	79,000.00	101.82	80,436.22	882.00	2.40	0.50
	79,554.22			80,764.18		2.42	
<i>Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: \$327.959</i>							
JOHN DEERE CAPITAL CORP	79,664.19	79,000.00	100.92	79,728.38	64.19	2.22	0.50
	79,664.19			80,533.19		2.20	
<i>Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: \$804.812</i>							
JOHNSON & JOHNSON	81,280.47	81,000.00	100.18	81,142.56	-137.91	1.64	0.50
	81,280.47			81,569.50		1.64	
<i>Cusip: 478160BG8, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 12/5/2018, Coupon: 1.650, Accrued Interest: \$426.937</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
JP MORGAN CHASE & CO.	160,049.89	148,000.00	107.98	159,813.36	-236.53	4.28	1.00
	160,049.89			162,475.30		4.26	
Cusip: 46625HHZ6, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 5/10/2021, Coupon: 4.625, Accrued Interest: \$2661.944							
KIMBERLY-CLARK CORP	80,265.94	80,000.00	99.62	79,699.20	-566.74	1.40	0.49
	80,265.94			79,839.20		1.39	
Cusip: 494368BT9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 2/15/2019, Coupon: 1.400, Accrued Interest: \$140.000							
MASTERCARD INC	159,790.89	161,000.00	99.48	160,169.24	378.35	2.01	1.00
	159,790.89			161,323.07		2.02	
Cusip: 57636QAF1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 11/21/2021, Coupon: 2.000, Call Date: 10/21/2021, Call Price: 100.000, Accrued Interest: \$1153.832							
METLIFE INC	141,303.99	135,000.00	104.40	140,938.65	-365.34	6.52	0.88
	141,303.99			142,089.02		6.10	
Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: \$1150.369							
MICROSOFT CORP	80,240.46	80,000.00	99.84	79,871.20	-369.26	1.30	0.50
	80,240.46			80,295.87		1.29	
Cusip: 594918BF0, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/3/2018, Coupon: 1.300, Accrued Interest: \$424.666							
OCCIDENTAL PETROLEUM CORP	78,631.52	74,000.00	105.56	78,113.66	-517.86	3.88	0.49
	78,631.52			78,610.90		3.77	
Cusip: 674599BY0, Moody's Rating: A3, S & P Rating: A, Maturity Date: 2/1/2021, Coupon: 4.100, Call Date: 11/1/2020, Call Price: 100.000, Accrued Interest: \$497.239							
ORACLE CORP	79,412.94	79,000.00	101.01	79,799.48	386.54	2.35	0.50
	79,412.94			80,190.37		2.33	
Cusip: 68389X AQ8, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/15/2019, Coupon: 2.375, Accrued Interest: \$390.885							
PACCAR FINANCIAL CORP	80,148.69	81,000.00	98.79	80,022.33	-126.36	1.21	0.50
	80,148.69			80,151.93		1.21	
Cusip: 69371RN36, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 8/12/2019, Coupon: 1.200, Accrued Interest: \$129.599							
PEPSICO INC	160,003.64	160,000.00	100.01	160,019.20	15.56	1.65	0.99
	160,003.64			160,585.06		1.65	
Cusip: 713448DA3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 10/13/2017, Coupon: 1.654, Accrued Interest: \$565.864							
PNC FUNDING CORP	151,110.09	142,000.00	107.01	151,954.20	844.11	4.78	0.95
	151,110.09			153,005.39		4.58	
Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$1051.193							
PROCTER & GAMBLE CO/THE	149,969.88	149,000.00	100.53	149,795.66	-174.22	1.88	0.93
	149,969.88			150,967.38		1.86	
Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$1171.718							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
QUALCOMM INC	81,295.10	81,000.00	100.76	81,616.41	321.31	2.08	0.51
	81,295.10			82,202.31		2.09	
<i>Cusip: 747525AP8, Moody's Rating: A1, S & P Rating: A, Maturity Date: 5/20/2020, Coupon: 2.100, Accrued Interest: \$585.900</i>							
STATE STREET CORP STT	71,703.27	70,000.00	101.73	71,213.10	-490.17	2.50	0.44
	71,703.27			71,421.35		2.46	
<i>Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$208.250</i>							
TARGET CORP	77,538.13	73,000.00	105.27	76,850.02	-688.11	3.68	0.48
	77,538.13			77,439.34		3.55	
<i>Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$589.322</i>							
THE WALT DISNEY COMPANY	78,349.21	78,000.00	100.75	78,584.22	235.01	2.13	0.49
	78,349.21			78,644.78		2.13	
<i>Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A+, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$60.558</i>							
TRAVELERS COMPANIES INC	77,694.36	77,000.00	100.86	77,659.12	-35.24	5.70	0.49
	77,694.36			78,950.47		5.51	
<i>Cusip: 89417EAC3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 12/15/2017, Coupon: 5.750, Accrued Interest: \$1291.354</i>							
UNITED PARCEL SERVICE	78,181.66	74,000.00	105.02	77,717.76	-463.90	4.87	0.49
	78,181.66			79,603.48		4.69	
<i>Cusip: 911312AK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/1/2019, Coupon: 5.125, Accrued Interest: \$1885.715</i>							
UNITEDHEALTH GROUP INC	119,907.30	118,000.00	101.99	120,347.02	439.72	2.64	0.75
	119,907.30			121,010.77		2.63	
<i>Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$663.749</i>							
US BANCORP	80,068.48	79,000.00	100.62	79,485.85	-582.63	2.18	0.50
	80,068.48			80,234.16		2.14	
<i>Cusip: 91159HHH6, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/25/2019, Coupon: 2.200, Call Date: 3/25/2019, Call Price: 100.000, Accrued Interest: \$748.305</i>							
VISA INC	160,058.24	159,000.00	101.02	160,623.39	565.15	2.17	1.00
	160,058.24			161,653.36		2.18	
<i>Cusip: 92826CAB8, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2020, Coupon: 2.200, Call Date: 11/14/2020, Call Price: 100.000, Accrued Interest: \$1029.965</i>							
WAL-MART STORES INC	78,722.86	74,000.00	104.96	77,666.70	-1,056.16	3.45	0.48
	78,722.86			78,277.71		3.33	
<i>Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$611.014</i>							
Corporate Fixed Income Total	\$4,640,595.32	\$4,542,000.00		\$4,632,432.61	-\$8,162.71		28.82%
	\$4,640,595.32			\$4,662,606.18			

GOVERNMENT SECURITIES

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

GOVERNMENT SECURITIES (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN BK	\$650,447.75	\$655,000.00	\$97.69	\$639,849.85	-\$10,597.90	1.15%	3.97%
	\$650,447.75			\$641,405.47		1.13%	
Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: \$1555.618							
FED HOME LN MTG CORP	952,994.24	950,000.00	99.53	945,487.50	-7,506.74	1.25	5.86
	952,994.24			947,433.68		1.24	
Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: \$1946.180							
FED HOME LN MTG CORP	504,145.91	500,000.00	99.45	497,270.00	-6,875.91	1.38	3.09
	504,145.91			500,115.49		1.36	
Cusip: 3137EADR7, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 5/1/2020, Coupon: 1.375, Accrued Interest: \$2845.485							
FED HOME LN MTG CORP	483,753.80	481,000.00	99.43	478,243.87	-5,509.93	1.25	2.97
	483,753.80			481,216.72		1.23	
Cusip: 3137EADM8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/2/2019, Coupon: 1.250, Accrued Interest: \$2972.845							
FED HOME LN MTG CORP MED TERM NOTE	686,957.73	673,000.00	101.77	684,939.02	-2,018.71	2.33	4.26
	686,957.73			688,357.77		2.32	
Cusip: 3137EADB2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/13/2022, Coupon: 2.375, Accrued Interest: \$3418.746							
FED NATL MTG ASSN	557,448.15	557,000.00	100.13	557,701.82	253.67	1.62	3.46
	557,448.15			559,436.64		1.62	
Cusip: 3135GOA78, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/21/2020, Coupon: 1.625, Accrued Interest: \$1734.821							
FED NATL MTG ASSN	479,570.68	493,000.00	98.11	483,697.09	4,126.41	1.40	3.01
	479,570.68			486,954.65		1.41	
Cusip: 3135GOQ89, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/7/2021, Coupon: 1.375, Accrued Interest: \$3257.562							
FED NATL MTG ASSN	721,917.04	733,000.00	98.77	723,976.77	2,059.73	1.39	4.48
	721,917.04			724,928.65		1.39	
Cusip: 3135GOJ20, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/26/2021, Coupon: 1.375, Accrued Interest: \$951.881							
FED NATL MTG ASSN	361,328.24	355,000.00	100.52	356,831.80	-4,496.44	1.86	2.22
	361,328.24			358,532.84		1.82	
Cusip: 3135GOH55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: \$1701.039							
FED NATL MTG ASSN	353,214.12	354,000.00	100.13	354,460.20	1,246.08	1.62	2.20
	353,214.12			356,425.64		1.63	
Cusip: 3135GOYT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: \$1965.436							
FED NATL MTG ASSN	892,875.50	890,000.00	100.56	894,948.40	2,072.90	1.86	5.54
	892,875.50			896,848.92		1.85	
Cusip: 3135GOZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: \$1900.515							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of September 30, 2017 | Reporting Currency: USD

GOVERNMENT SECURITIES (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED NATL MTG ASSN	702,118.02	699,000.00	100.49	702,390.15	272.13	1.86	4.34
	702,118.02			702,827.02		1.84	
<i>Cusip: 3135GOYM9, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/18/2018, Coupon: 1.875, Accrued Interest: \$436.868</i>							
UNITED STATES TREASURY NOTE	843,645.30	843,000.00	99.71	840,563.73	-3,081.57	1.25	5.22
	843,645.30			844,944.81		1.25	
<i>Cusip: 912828ST8, Moody's Rating: AAA, Maturity Date: 4/30/2019, Coupon: 1.250, Accrued Interest: \$4381.079</i>							
UNITED STATES TREASURY NOTE	639,728.22	641,000.00	99.31	636,596.33	-3,131.89	1.38	3.94
	639,728.22			637,366.93		1.37	
<i>Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$770.597</i>							
UNITED STATES TREASURY NOTE	809,168.46	807,000.00	100.22	808,799.61	-368.85	1.62	5.02
	809,168.46			812,078.05		1.62	
<i>Cusip: 912828G95, Moody's Rating: AAA, Maturity Date: 12/31/2019, Coupon: 1.625, Accrued Interest: \$3278.438</i>							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	99.34	397,376.00	3,532.40	1.25	2.46
	393,843.60			398,204.80		1.26	
<i>Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: \$828.804</i>							
UNITED STATES TREASURY NOTE	524,384.70	525,000.00	99.38	521,739.75	-2,644.95	1.76	3.25
	524,384.70			525,559.55		1.75	
<i>Cusip: 912828WZ9, Moody's Rating: AAA, Maturity Date: 4/30/2022, Coupon: 1.750, Accrued Interest: \$3819.800</i>							
UNITED STATES TREASURY NOTE	960,632.10	961,000.00	98.94	950,823.01	-9,809.09	1.38	5.89
	960,632.10			953,013.33		1.37	
<i>Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$2190.321</i>							
Government Securities Total	\$11,518,173.56	\$11,517,000.00		\$11,475,694.90	-\$42,478.66		71.18%
	\$11,518,173.56			\$11,515,650.94			

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

DISCLOSURES

Explanatory Notes and Disclosure: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-".

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Money Market Fund: An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible

Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and /or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Realized/Unrealized Gain/Loss: The gain and loss information is provided for informational purposes only, may not be complete, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax planning or preparation. Gain and loss values are estimates and should be independently verified. We are not responsible for any gain and loss information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease.

The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Bank Deposit Program: Under the Bank Deposit Program, cash balances held in account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest bearing FDIC-insured deposit account(s), at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (<https://www.fdic.gov/deposit/deposits/>). Cash balances generally include the uninvested cash in a client's account(s) minus certain items such as purchase transactions due to settle within a specified time period, other charges to a client's account(s), and cash balances that are designated as collateral for a client's obligations.

GENERAL DEFINITIONS

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor>

Accrued Interest: The interest earned but not yet received at both the beginning and end of each reporting period.

Adjusted Cost: Adjusted Cost generally reflects the security's original cost adjusted as required by applicable tax rules, including the accrual of discount or premium. Adjusted cost figures are provided for reference purposes only. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events and may not reflect all of the basis adjustments required to make for tax reporting purposes. Please review with your tax advisor on what is the best method for allocating cost basis for your account.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Coupon Rate: The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Global Investment Manager Analysis (GIMA): Global Investment Manager Analysis (GIMA) reviews certain investment products in various advisory programs. For these programs, a GIMA status will apply:

Focus List (FL): Investment products on the Focus List have been subject to an in-depth review and possess GIMA's highest level of confidence.

Approved List (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved List (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. GIMA no longer covers these products. For more information, please ask your Financial Advisor for the applicable Morgan Stanley ADV brochure.

Gross Accumulated Value (\$): Gross Accumulated Value is the most current market value provided by carriers of the Annuity or Life insurance product.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's

decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Overweight (OVWEIGHT): The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (EQWEIGHT): The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (UNWEIGHT): The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR): Currently, the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net Invested Premium(\$): Net Invested Premium is the total amount invested minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Not Rated: Not Rated is assigned to an unrated issuer, obligation and/or program and can also include mutual funds and ETFs.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

BENCHMARK DEFINITIONS

BC Gov 1-3 Yr: The Barclays 1-3 Year Government Bond Index is composed of government bonds with maturities between one and three years.

BC Gov/Cr 1-5 yr: The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. This index is the 1-5 Yr component of the U.S. Government/Credit index.

Citi CD 6 Month: The Citigroup Certificate-of-Deposit indexes measure the monthly return equivalents of yield averages that are not marked to market. The CD rate is a rotating sample (collected by

the New York Federal Reserve Bank) of five banks and dealers surveyed daily about secondary-market dealer offer rates for jumbo certificates of deposit. Returns for these indexes are calculated on a monthly basis only.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: Draft 2016/2017 Annual Report

A goal established by the Executive Director was the development of a report to document the historical perspective of the JPA and to highlight the progress of ACSIG. Because this is the third Annual Report published, we tried to target program specific goals and objectives and provide the reader a good explanation of ACSIG Services. Enclosed is a draft annual report developed in response to this goal. Because this is a draft report, please feel free to provide feedback to improve the document.

The draft will be reviewed with the Executive Committee and presented to the full Board at its November 2, 2017 meeting.

Alameda County Schools Insurance Group (ACSIG)



2016/17 Annual Report

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Executive Director's Message



Welcome to the Annual Report for the Alameda County Schools Insurance Group (ACSIG). We are a Joint Powers Authority which began in 1978 and operates programs providing Workers' Compensation coverage, Property & Liability coverage as well as self-funded Dental and Vision coalitions. 2017 continued our improvement to our financial statements and highlighted our successful completion of our deficit reduction plan.

What a difference a year makes. Last year we were projecting that the Workers' Compensation program would finally be in the back and the deficit totally eliminated. With the 2016/17 Financials, ACSIG not only achieved this goal, it ended the year with a net position of nearly \$6 million in the Workers' Compensation fund. This strong financial position speaks to the dedication and commitment of the ACSIG Board. The increase in net position allowed us to eliminate the assessment each member had been charged the past 6 years. This action reduced rates by \$0.35/\$100 payroll with all programs and services remaining the same.

ACSIG was not without its challenges. California schools have seen an ever-growing number of liability claims. Unfortunately, ACSIG is not immune. However, we remain committed to provide the safest environment for students and employees. We can accomplish this through our partnership with Keenan & Associates. There are new micro-learning videos available that help ACSIG members distribute critical information to its employees and parents alike. By empowering adults to recognize the early signs of child abuse, it is our goal to make our schools a place where children are safe from predators. These videos are short in nature and available on-line. They can be incorporated into any staff meeting or parent group and shown as many times as desired. With heightened awareness and renewed commitment, ACSIG members are attacking the problem head-on.

As ACSIG looks forward into 2017/18, all programs reflect either flat or reduced rates due to the strong financial position of all programs. The Dental coalition has grown to more than 100,000 lives statewide, the Vision program has doubled in the past 2 years and ACSIG has been able to assist many agencies throughout the State who were faced with no coverage or double digit increases. These opportunities reinforce the objective of the Coalition to partner with homogeneous agencies to create the best programs for our employees at the most economical pricing.

It is once again my pleasure to lead this organization into tomorrow. There are exciting opportunities ahead and a strong foundation upon which to build. I would like to thank our Board, Membership and Business Partners for their continued commitment and support. ACSIG's success is because of you.

Kimberly Dennis

If you are working on something that you really care about, you don't have to be pushed. The vision pulls you.
- Steve Jobs

Our Mission



Alameda County Schools Insurance Group is an accredited JPA that conservatively balances cost and risk through self- supporting, service driven insurance programs that is committed to providing services to district and county members through education and outstanding customer service.



Governance

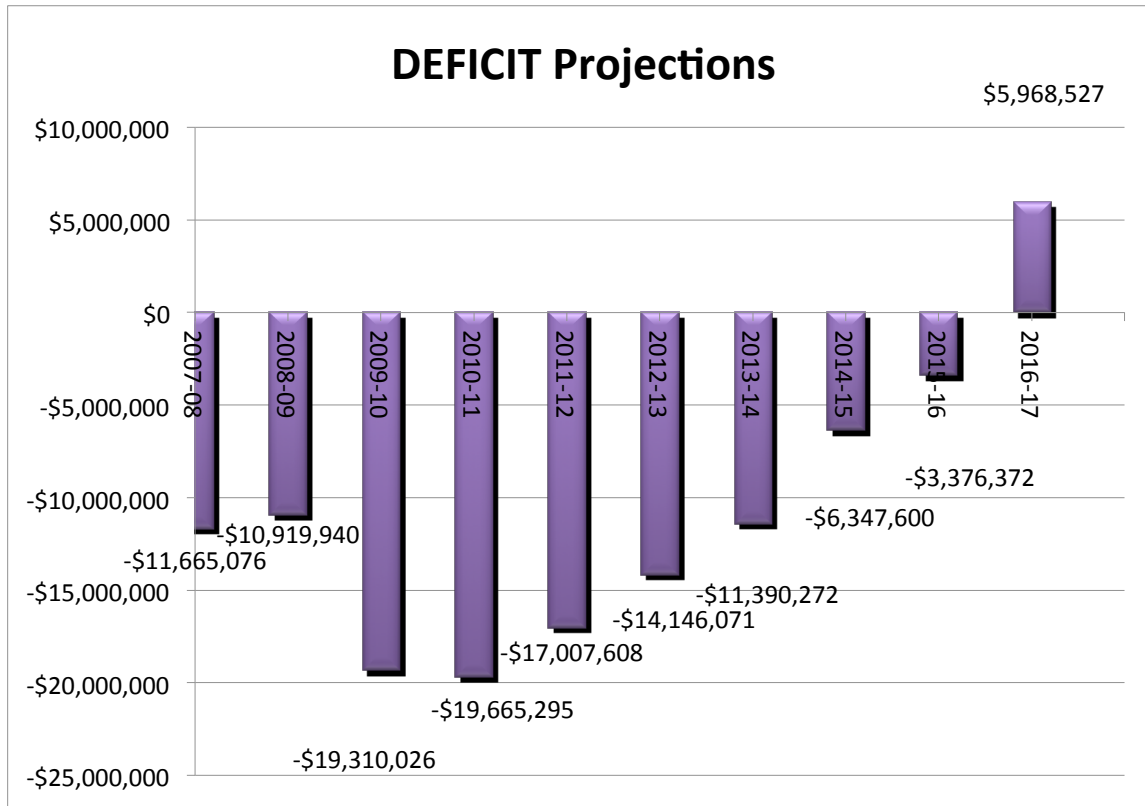
Executive Committee

Dr Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Susan Kinder	Secretary	Livermore USD
Allan Garde	Board Member	Albany USD
Bryan Richards	Board Member	Newark USD
Annette Heldman	Board Member	New Haven USD

Board of Directors

Dr Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Susan Kinder	Secretary	Livermore USD
Allan Garde	Board Member	Albany USD
Bryan Richards	Board Member	Newark USD
Annette Heldman	Board Member	New Haven USD
Vacant	Board Member	San Lorenzo USD
Teresa Kapellas	Board Member	Alameda County Office of Education
Shariq Khan	Board Member	Alameda USD
Joe Sorra	Board Member	Dublin USD
Marites Fermin	Board Member	Eden Area ROP
Dora Siu	Board Member	Emery USD
Joyce Veasley	Board Member	Mission Valley ROP
Dina Stewart	Board Member	Mountain House USD
Bryan Richards	Board Member	Newark USD
Song Chin- Bendib	Board Member	Piedmont USD
Micaela Ochoa	Board Member	Pleasanton USD
Kevin Collins	Board Member	San Leandro USD
Miki Whetfield	Board Member	Sunol Glen USD
Julie Duncan	Board Member	Tri Valley ROP

Evolution of Deficit



	DEFICIT	Revenue	TRANSFER	Expenditures	Change in financial position
2011-12 actual	\$(19,665,295)	\$20,034,030		\$17,376,343	\$2,657,687
2012-13 actual	\$(17,007,608)	\$19,217,218		\$13,937,752	\$5,279,466
2013-14 actual	\$(11,728,142)	\$19,670,032		\$17,322,172	\$2,347,860
2014-15 actual	\$(9,380,282)	\$20,284,500	\$2,450,000	\$19,701,818	\$3,032,682
2015-16 actual	\$(6,347,600)	\$24,592,230		\$19,067,187	\$5,525,043
2016-17 actual	\$(822,557)	\$28,264,513		\$21,309,992	\$6,954,521
2017-18 budget	\$5,968,527				

	Ending Deficit	Open Tail Claims	Outstanding Liability
2011-12	\$(17,007,608)	395	\$35,011,547
2012-13	\$(11,728,142)	296	\$28,388,856
2013-14	\$(9,380,282)	237	\$25,171,516
2014-15	\$(6,347,600)	208	\$21,359,518
2015-16	\$(822,557)	177	\$18,359,518
2016-17	\$5,968,527	139	14830518

Workers Compensation Program

Core Program

The Alameda County Schools Insurance Group (ACSIG) was founded in 1978 for the purpose of self-insuring for Workers' Compensation claims exposure.



This core program has grown throughout the past 35 years and now includes 19 member agencies and employee payroll of over \$1 billion.

Self-Insured Retention

At inception ACSIG was a 100% self-insured program. Beginning in 1979, ACSIG began purchasing reinsurance to provide for catastrophe claims. The following schedule details the self-insured retention and dollar value at which reinsurance was purchased for the program since inception.

Coverage by Fiscal Year

<u>Occurrence</u>	<u>Self-Insured Retention</u>
July 1, 1978 – June 30, 1979	Unlimited
July 1, 1979—June 30, 1980	\$250,000
July 1, 1980—June 30, 1981	\$250,000
July 1, 1981 – June 30, 1982	\$250,000
July 1, 1982 – June 30, 1986	\$250,000
July 1, 1986 – June 30, 1987	\$500,000
July 1, 1988 – June 30, 1995	Unlimited
July 1, 1995 – June 30, 2001	\$2,000,000
July 1, 2001 – June 30, 2003	\$1,000,000
July 1, 2003 – June 30, 2004	Unlimited

July 1, 2004 –June 30, 2006	\$3,000,000
July 1, 2006 – June 30, 2009	\$250,000
July 1, 2009 – Present	\$0

As of July 1, 2009, ACSIG reinsures for \$1 coverage in the Workers Compensation Program through the Projected Insurance Program for Schools (PIPS).

ACSIG 5 Year Workers' Compensation Frequency/Severity as of 6/30/17





Service Team Model

One of the most exciting things about the ACSIG/Keenan partnership is the Service Team delivery model. The Service Team consists of the ACSIG Executive Director, Claims Manager, Account Manager, Claims Analyst and Loss Control Specialists. This dedicated team works together to maximize efficiency and services to reduce the frequency and severity of Workers Comp claims.

The Service Team analyzes loss data in a variety of terms in an effort to target resources to the areas most in need.

Workers Compensation Claims Administration

Since Partnering with ACSIG in July 2007, Keenan has continually improved upon the success achieved the year before. The Key to our success has been our adherence to our basic claims philosophy; effectively manage all aspects of a claim to ensure that benefits are delivered efficiently, and in accordance with California Labor Code. We approach every claim individually, proactively managing the benefits and moving the claim to final resolution. Through utilization of our best practices, and proprietary products, we can provide ACSIG members and their employees with superlative service in the most efficient and cost effective manner. To that end, during the 15/16 fiscal year we were able to deliver the following high level results to ACSIG's member districts:

- From July 2016 to June 2017, Keenan Claims Administration successfully closed/resolved 35 tail claim files (21.9% of ACSIG's self-insured workers compensation claims inventory from the prior year) 8 of the file closures were full and final Compromise and Release settlements. ACSIG ended the fiscal year with a total 139 claim files (33 Active Indemnity & 106 Future Medical).
 - The impact of the claims activity for the fiscal year resulted in an overall reduction of \$2,019,298 in the self-insured workers compensation claim liabilities which contributed to the \$5,982,264 positive effect on the ACSIG's financial position.
- Utilization of Keenan's PRIME program has also delivered significant savings to ACSIG:
 - Overall reduction of 65%; an 8% increase over the 2015/2016 year, with net savings of \$6,911,004.83.
 - Return on investment realized for fiscal year 2016/2017 was \$9.07 compared to \$7.85 from the previous year.
 - There were continued savings realized with the Nurse Case Management Savings and Utilization Reviews. Net savings (the majority of the savings was realized with hospital costs and pharmaceutical control) realized were: \$1,470,655.

The administration of claims by Keenan is based on a district specific case-load handled by a designated Claims Examiner. The designated Claims Examiner handles all claims for the district and is wholly responsible for overall district satisfaction and claims performance. We continue to receive positive feedback regarding this structure of claim handling.

Account Manager Role and Activities

The Account Manager is responsible for servicing and providing technical support to the JPA. The Account Manager works closely with the Executive Director to develop a strategic plan to provide focus and accountability for meeting the needs identified by the JPA and Keenan. Below is a list of the responsibilities and services provided by the Account Manager:

- Provides proactive day-to-day client service by anticipating client needs and responding to client questions and issues in a timely manner
- Oversees the renewal process by working with the Executive Director to obtain payroll information, monitor questionnaire process, sends renewal binders & invoices.
- Maintain relationships with member districts by providing regular visits and open communication
- Works closely with claims and loss control departments on client-related issues
- Schedules and coordinates quarterly Workers' Compensation claim specific lunch and learns
- Provides informational brochures and posters for the WeTip program to districts as needed
- Provides monthly updates of the JPA service plan and provides monthly P&C Bridge and Keenan SafeSchools usage reports to the JPA Executive Director

In addition the Account Manager is responsible for the implementation and training of P&C Bridge and Keenan SafeSchools. The main focus of the Keenan service team, driven by the account manager, is to meet with new district contacts to provide training, to be a resource to current contacts as needed, and to assist the district with the assigning of Keenan SafeSchools online training courses.

Keenan Safeschools Reaches Two-Millionth SafeSchools Training Course Completion

Keenan, the largest privately held insurance brokerage and consulting firm in California, has announced hitting the 2-millionth course completion milestone in its Keenan SafeSchools online training program.

“As educators and administrators, the safety of our staff and students is a paramount priority for all of us,” Dennis said. “It’s an issue that impacts not only the health and well-being of the people involved, but minimizing potential financial and legal liabilities as well. The Keenan SafeSchools resources are an integral part of that effort.”

Keenan SafeSchools, the firm’s comprehensive online safety training and tracking system designed specifically for education agency employees, was introduced in 2008 with 80 online courses. Today, the program offers 223 courses that provide public agencies with important resources for training employees in areas of safety and compliance. Included in the Keenan SafeSchools suite is a Mandated Reporter training course that offers school districts a turnkey solution in compliance with the training mandate of AB 1432 which went into effective Jan. 1, 2015.

ACSIG’s SafeSchools training utilization increased with a total of 55,465 courses being completed this past year. This represents a remarkable 140% increase from the 14/15 year.

Congratulations to ACSIG for the continued commitment to safety!



Risk Management Analyst Role and Activities

The Risk Management Analyst has overall responsibility for the development and delivery of high quality, consistent and internally collaborative workers' compensation claims programs and customer service plans for the JPA and individual member districts. The Claims Analyst collaborates with the Executive Director to clearly outline the vision of the JPA and develop a strategic plan to carry out that vision. While not all inclusive, the following list demonstrates a variety of tasks handled by the Claims Analyst.

- Meet with member Districts and update individual profiles to identify the systems, programs in place, and specific areas for development by individual District.
- Modify Best Practice measures focused on improving internal/external communication and relations between Districts, medical providers, and the Keenan claims team, including meeting with all front-line providers within the Medical Provider Network.
- Attended majority of scheduled claims reviews, provide analytics and assist with Action Plans to bring claims to resolution and/or closure.
- Identify and follow through of training opportunities at the District level.
- Continue to be a resource to Districts interested in implementing Ability USA pre-employment physical abilities testing protocols.
- Maintain ADA/FEHA compliant Job Analysis Bank – 21 specific job analysis, have been completed as of June 2015 for various Classified and Certificated positions.
- Conduct educational workshops/symposiums on topics including “Return-to-Work Program,” “Education Code Industrial Accident Benefits,” “Employment Practices Liability Resource Center,” “ADA-FEHA Symposium”.
- Expansion of the “Company Nurse” Nurse Triage & telephonic claims reporting

tool. The program has continued to demonstrate reduced reporting lag time which leads to placing stronger emphasis on prompt claims investigations and expedited employee benefits

In addition to workers' compensation issues, the Risk Management Analyst assists Districts with coordination of non-industrial "Fitness for Duty" efforts; "Cal OSHA requests for information", "The Interactive Process", "Special Education Resources" and "Employment Practices Liability Resources"

Loss Control / Risk Management

ACSIG closed out the 16/17 fiscal year with a total of 630 claims that had a total incurred of \$7.9M. While this represents an increase of 7 claims and \$2.3M compared to last year, it does not take into account the growth in employee headcount throughout the membership. In addition, 12 of ACSIG's 19 members (63%) experienced the same, or a reduction in the number of claims this past year compared to last year, and these 12 members utilized over 75% of the total Loss Control time spent on all members, which was in excess of 1,000 hours in total. This once again shows a strong correlation between the utilization of Loss Control services being tied to a reduction of claims. Loss Control helped ACSIG control its losses in a variety of ways, including:

- 350 hours conducting ergonomic evaluations
- 315 hours communicating safety information with the members
- 211 hours conducting employee safety trainings
- 48 hours assessing specific safety hazards
- 21 hours attending file reviews
- 17 hours investigating employee injuries/accidents
- 17 hours conducting Indoor Air Quality assessments

One of the main focuses this past year was on Slips/Trips/Falls as well as Special-Education losses. Loss Control provided dozens of trainings and site inspections specifically targeting these two main areas of employee injury. Slip/Trip/Fall inspections were conducted at 37 school sites at four member Districts, with two more Districts being inspected in July 2017. Special-Ed trainings continued this year at five member Districts as well. Four other member districts received other loss-related trainings as well, including Slip/Trip/Fall prevention, Back Injury prevention, ladder safety and ergonomics. As usual, Loss Control conducted a large amount of ergonomic evaluations (80 in total), with the vast majority of those being preventative in nature (pre-claim).

As a result of ACSIG's heavy utilization of Loss Control services, by June 30, 2017 the following members had experienced a reduction in overall claim frequency this year compared to last year:

• Alameda COE • Albany USD • Fremont USD • Livermore Valley JUSD	• Mountain House • New Haven USD • Newark USD • Piedmont USD	• San Leandro USD • San Lorenzo USD • Sunol Glen SD • Tri Valley ROP
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Finally, but certainly not least, online training utilization more than doubled from last year, having over 55,000 courses completed by ACSIG members this past year.

We look forward to our continued partnership with the ACSIG JPA to create a safe working environment for the member Districts' employees.

Special Recognition



June 30, 2017 marked the end of the career of one of ACSIG's long term Board and Executive Committee members, Akur Varadarajan. Mr. Varadarajan retired from New Haven Unified, one of ACSIG's largest members. Akur started on the ACSIG Board not long after the big change in ACSIG leadership and business model. Mr. Varadarajan was a strong leader and helped ACSIG weather its financial challenges. He was not only always willing to ask the tough questions but was also capable of making difficult decisions in the best interest of the JPA. Mr. Varadarajan will be missed.

Additionally, Beverly Heironimus resigned from Dublin Unified. Ms. Heironimus was one of the few remaining Board members who has been with ACSIG since the current Executive Director began at ACSIG in 2006.

Finally, ACSIG loses its long standing Board President. Dr. Candi Clark left the ACSIG family to continue her career in Southern California. Dr. Clark was always present with a new idea and creative solutions to daily problems. Her balance of humor and strong decision-making character will leave a hole in our organization. We wish her nothing but the best and know that we will be seeing her at statewide events.



Property & Liability Program

General Program Information

- ACSIG expanded its program offerings to include property and liability coverage beginning in July 1, 1980.
- For many years, ACSIG self-insured 100% of the claim liability for the Property / Liability program.
- Beginning in 1993, ACSIG joined the Bay Area Schools Insurance Cooperation (BASIC). From 1993-2008, ACSIG self-insured the first \$150,000 of any property/liability claim and purchased reinsurance for the excess coverage.
- Beginning in 2008, ACSIG participates in the Northern California Regional Liability Excess Fund (NCR) for Excess Property & Liability coverage. The total per occurrence coverage for property is \$250,000,000; for liability is \$50,000,000.
- ACSIG self insures its first party property and liability claims at \$25,000 per occurrence and third party claim liabilities at \$25,000 per occurrence.
- Members' deductible/retention is \$5,000 per occurrence for any Property or Liability loss.
- The program includes \$613,864,083 in Total Insured Value (TIV) and represents 18,416 total Average Daily Attendance (ADA).
-

Property and Liability Member Districts

DISTRICT

Alameda County Office of Education

Albany Unified School District

Dublin Unified School District

Emery Unified School District

Piedmont Unified School District

Dental Program



Beginning 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.

Rates are revised and voted on by the JPA Board each May.

There are 99,016 employees covered in the dental program with membership statewide with a total budget of \$150 million annually



PREFERRED BENEFIT
INSURANCE ADMINISTRATORS



Vision Program

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.

Rates are revised and voted on by the JPA Board each May.

Membership represents 30 agencies statewide. Because the program is self-funded, members have a lot of flexibility for plan design. The program totals more than \$2 million annually and covers 10,000 employees statewide. All eligibility is managed through ACSIG who partners with Alliant Insurance Services for all underwriting.



Member Resources

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Allan Garde	Albany USD	510-558-3751	1051 Monroe St. Albany, CA 94706	agarde@ausdk12.org
Dr. Candi Clark (P)	Castro Valley USD	510-537-3000 ext 1230	4400 Alma Ave. Castro Valley, CA 94546	cclark@cv.k12.ca.us
Joe Sorrera	Dublin USD	925-828-2551 ext 8041	7471 Larkdale Ave. Dublin, CA 94568-1599	sorrerajoe@dublinusd.org
Marites Fermin	Eden Area ROP	510-293-2906	26316 Hesperian Blvd. Hayward, CA 94545	mfermin@edenrop.org
Dora Siu	Emery USD	510-601-4902	1275 61st Street Emeryville, CA 94608	dora.siu@emeryusd.org
Raul Parungao (VP)	Fremont USD	510-659-2572 ext 12272	4210 Technology Dr. Fremont, CA 94539-0918	rparungao@fremont.k12.ca.us
Susan Kinder (S)	Livermore Unified	925-606-3255	685 East Jack London Blvd. Livermore, CA 94551-1855	skinder@lvjUSD.k12.ca.us
Joyce Veasley	Mission Valley ROP	510-657-1865 ext 15145	5019 Stevenson Blvd. Fremont, CA 94538	jveasley@mvrop.org
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Vacant	San Lorenzo USD	510-317-4641	15510 Usher St. San Lorenzo, CA 94580	
Miki Whetfield	Sunol Glen USD	925-862-2026	11601 Main St. Sunol, CA 94586	mikiw@sunol.k12.ca.us
Julie Duncan	Tri Valley ROP	925-455-4800 ext 104	1040 Florence Rd. Livermore, CA 94550	jduncan@tvrop.org



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: 2017/2018 Service Plan

One of the excited and unique opportunities available to ACSIG and its member agencies is the existence of a Keenan Service Team. The current Service Team consists of the Account Manager, Tara Cooper-Salaiz, Loss Control Analyst, Dave Kundert, Claims Manager, Patrice Grant and Risk Management Analyst, Michael Clark and myself.

This team is assigned to ACSIG almost exclusively and works on many tasks throughout the year. For the 2017/2018 fiscal year, the Service Team developed a Service Plan to better document responsibilities and timelines.

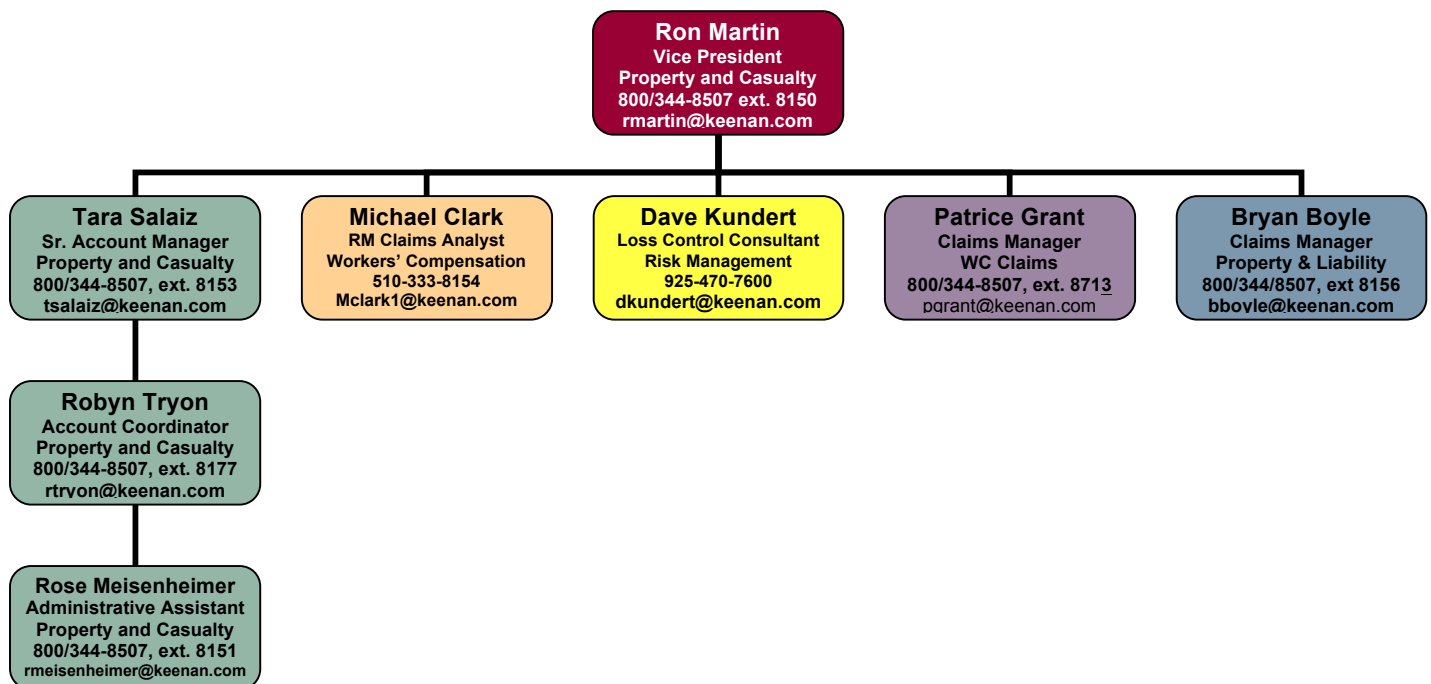
A representative from Keenan & Associates will review the Service Plan with the Executive Committee for their information.

**2017/2018
Service Plan
Alameda County Schools Insurance Group (ACSIG)**

OVERVIEW

The purpose of this Alameda County Schools Insurance Group specific plan is to provide focus and accountability for meeting the needs identified by the JPA and Keenan. The plan lists the specific Keenan services that have been and will be provided to the JPA, who is responsible for providing the service, and to the extent possible, when the services will be provided. The plan will serve as the guide for Keenan and the JPA to best address the JPA's service needs. Keenan will schedule monthly meetings with the JPA Executive Director to review the progress of the plan, and, if necessary, modify the plan to better meet our mutual goal of providing a safe and healthful environment. The plan is a fluid document meant to serve as a guideline to deliver agreed upon services. The plan is organized to reflect the coverage's and services provided by Keenan. Our integrated approach to providing services will ensure good communication and the delivery of quality services to meet your needs. The agreed upon services will be provided under the guidance of the Account Executive, Ron Martin, and the entire service team, who include; Tara Salaiz Sr. Account Manager, Robyn Tryon Account Coordinator, Rose Meisenheimer Administrative Assistant, Michael Clark Risk Management Claims Analyst, Dave Kundert Loss Control Consultant, Patrice Grant, Claims Manager, and Bryan Boyle, Property & Liability Claims Manager.

Keenan & Associates-Organization Chart:



ACTION PLAN

○ **Lunch & Learns/Symposiums:**

Keenan Contact: Service Team

- First Quarter Topic: 10/24/17 – Timely Reporting
- Second Quarter Topic: January/February – Loss Control Compliance
- Third Quarter Topic:
- Fourth Quarter Topic:

○ **Focus Districts:**

Keenan Contact: Michael Clark & Dave Kundert

- Based on claims frequency and severity, we have identified 4 focus districts where Dave and Michael will focus on trends, return to work, training, etc to help reduce frequency and severity.
 - Alameda Unified School District
 - Castro Valley Unified School District
 - Dublin Unified School District
 - Fremont Unified School District
 - Newark Unified School District

○ **Fremont USD:**

Keenan Contact: Michael Clark

- **Company Nurse** – Continue monitoring of reporting process. Follow up to Risk hazards identified through reporting process.
 - Fremont USD is in the process of utilizing Access Omni Care.

○ **Return to Work**

Keenan Contact: Michael Clark

- Focus districts: Alameda Unified, Fremont Unified & Pleasanton Unified
 - Meet with directors, identify and create productive tasks within their departments prior to injuries occurring. Goal is to implement RTW from the first day. With reduction of TTD Days and TTD paid by 25% from prior year.

○ **Post offer, Pre-Employment Physicals & Job Analysis**

Keenan Contact: Michael Clark

- Albany USD – District actively utilizing the program for Custodian and Food Service positions. San Lorenzo has agreed to participate and job descriptions have been updated. San Lorenzo
- Identify additional districts to participate in the program.
- Ability USD met with San Lorenzo USD. District will start participating in the program for Custodial and Food Service positions once the facility in Hayward is up and running. Update: San Lorenzo is up and running.
- Castro Valley – Initial meeting with the district and Ability USD. We are waiting for updated job descriptions from Melinda.

○ **HR Monthly Meetings**

Keenan Contact: Michael Clark

- Keenan will present at HR monthly meetings at a minimum twice per year.

○ **P&C Bridge/KSS**

Keenan Contact: Tara Salaiz

- Mandated Reporter – AB1432
- Integrated Pest Management – SB 1405
 - Assist districts with uploading employee data
 - Assist districts with course assignments and new hire training plans
- Train districts on using Keenan SafeSchools policy builder feature for uploading documents/policies instead of sending out to employees for signature/acknowledgment.
- Provide training to new district contacts and to current contacts as needed.

○ **Reports to Kimberly:**

Keenan Contact: Service Team

- Monthly Point in time comparison report. – Michael Clark
- Quarterly Loss Trend Report – Michael Clark
- Monthly PC Bridge/Keenan SafeSchools Usage Report – Tara Salaiz

○ **Frontline Provider Relations:**

Keenan Contact: Michael Clark

- Monitor treatment protocols and communication of affiliated facilities
 - Kaiser On The Job
 - US Healthworks
 - Valley Care/Stanford
 - CCCMA – St. Rose Occupational Medicine
 - Washington Health Systems
 - Doctors Express
 - Access Onmicare
 - Concentra Urgent Care

○ **Company Nurse – Nurse Triage Program**

Keenan Contact: Michael Clark

- Monitor implementation of newest district participants:
 - Mountain House – Effective 5/1/17
 - Livermore JUSD – Effective 7/1/17
- Continue to monitor progress of established Company Nurse District participants:
 - San Leandro USD
 - Newark USD
 - San Lorenzo USD
 - Castro Valley USD
 - New Haven USD
 - Pleasanton USD
 - Fremont USD
 - Albany USD
 - Emery USD
 - Dublin USD

- **100% Closing Ratio:**

Keenan Contact: Patrice Grant

- **Reduction of Tail Claims:**

Keenan Contact: Patrice Grant

- 10% reduction in tail claims

- **Diary Review:**

Keenan Contact: Patrice Grant

- Maintain diary review of no greater than 60 days on unresolved claims and 90 to 180 days on future medical claims, with supervisor approval. Maintain current diary, in accordance with the above, no greater than 14 days and no more than 10% of caseload off diary.

○ **Quarterly Claim Reviews:**

Keenan Contact: Patrice Grant/Examiners (Lead) Michael to Attend

- Claim Reviews will be completed either annually, semi-annually, quarterly or monthly depending on the total open claim count for each district as follows:

Quarterly: Districts with open claims totaling 50+ to include:

ACOE – moved per district request

Alameda

Fremont

New Haven

Pleasanton

San Leandro

San Lorenzo

Semi-Annually: Districts with open claims totaling 11 – 49 to include:

Albany

Castro Valley

Dublin

Livermore – Moved per district request

Newark

Annually: Districts with open claims totaling 10 or less to include:

Eden Area ROP

Emery

Mission Valley ROP

Mountain House

Piedmont

Sunol Glen

Tri Valley ROP

- Exceptions to the above schedule:
 - ACOE – Due to change in staff, these will continue quarterly until Service Team and Kimberly agree that new staff is on board and quarterly reviews are no longer necessary.
 - Any districts with change in HR staff, especially our key day to day players. When a change in staff occurs, we will schedule a claim review to take place within 60 to 90 days from the change to bring the new players up to speed and will offer quarterly reviews until the new staff is comfortable to go otherwise.
 - If anyone requests an earlier review or if problems or difficulties are occurring where a claim review may resolve any issues, etc.
- If any of the districts are not cooperative with scheduling their claim review, will discuss with Kimberly at regular monthly team meetings to develop plan for compliance.

Property & Liability

ACTION PLAN

○ NCR ReLiEF Inspections:

Keenan Contact: Dave Kundert

- Provide NCR relief inspections & audits annually
- Schedule of inspections/audits by district:
 - Alameda COE – Audit
 - Alameda USD - Audit
 - Albany – Audit
 - Castro Valley – Audit
 - Dublin – Audit
 - Eden Area ROP – Audit
 - Emery – Audit
 - Fremont - Inspection
 - Livermore – Inspection
 - Mission Valley ROP – Audit
 - Mountain House – Audit
 - New Haven – Inspection
 - Newark – Inspection
 - Piedmont – Audit
 - Pleasanton – Audit
 - San Leandro – Audit
 - San Lorenzo – Inspection
 - Sunol Glen – Audit
 - Tri-Valley ROP – Audit



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: Company Nurse Expansion

One of the Action Plans from the ACSIG Strategic Planning session was to implement programs that will help decrease the frequency and severity of workers' compensation claims. In an effort to address this strategy and as a member of PIPS, ACSIG was chosen as a pilot for the Company Nurse program. San Leandro Unified was the member within ACSIG who piloted this program. This program provides a 24-hour, "advice nurse" to whom all injuries are reported. An injured worker (or designee) calls the nurse as soon as an injury occurs. The nurse then directs the employee to medical care or administers "watch and see" or treatment recommendations. The nurse then communicates via email to the District, Keenan claims staff and other designated individuals nearly eliminating the "late reporting" issues currently experienced by many agencies.

Company Nurse currently operates in 11 member agencies representing approximately 80% of ACSIG covered employees. Michael Clark will be presenting some cumulative information on the program as a whole with the Committee to evaluate the impact of the program within ACSIG.



Alameda County Schools Insurance Group 2015/16 vs. 2016/17 Key Results

Key Indicator	7/1/2015 - 6/30/2016	7/1/2016 - 6/30/2017	
Total Injuries Reported	879	933	
Average Reporting Lag Days	18.6	12.3	▼
Average Reporting Lag Days Normalized (outliers over 100 days removed)	2.9 (27)	2.5 (20)	▼
Total Treated	485 (55%)	550 (59%)	▲
Triaged to Treatment	338 (70%)	404 (73%)	▲
Treated without Triage	147 (30%)	146 (27%)	▼
Total ER Visits	44 (5%)	44 (5%)	▬
Treated in ER without Triage	29 (66%)	26 (59%)	▼
Triaged:	511 (58%)	647 (69%)	▲
ER	15 (3%)	18 (3%)	▬
Non-ER	323 (63%)	386 (60%)	▼
Self Care	173 (34%)	243 (38%)	▲



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

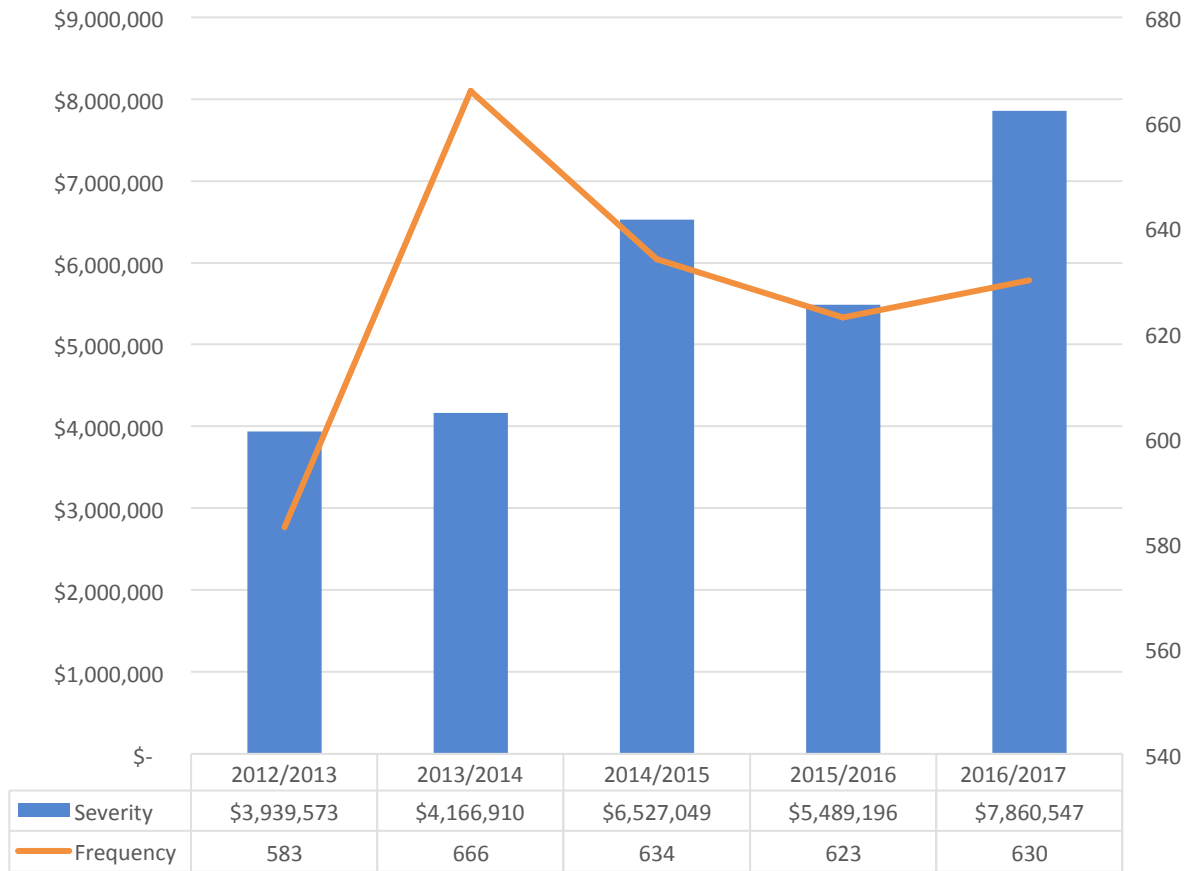
DATE: November 2, 2017

SUBJECT: 5-year Point-in-Time Comparison

As resources are dedicated to improve frequency and severity of injuries within ACSIG, it is important to review claims data to evaluate the effectiveness of programs. Through analysis, we can identify trends within Districts. Additionally, we can identify if there are any abnormalities between program years within Districts so resources can be targeted when necessary.

Enclosed is the latest 5-year comparative using fiscal year data. Tara Salaiz, our Account Manager, will be in attendance at the November 2, 2017 meeting to review this information with the Committee. This information is for review and no action is required.

ACSIG 5 Year Workers' Compensation Frequency/Severity as of 6/30/17





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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: November 2, 2017

SUBJECT: Workers' Compensation Claims Audit

In Spring 2009, ACSIG began conducting independent claims audits. Not only is a claims audit required by CAJPA Accreditation standards, it is also part of the due diligence incorporated by the Board to ensure that injured workers' claims are being handled expeditiously and fairly.

ACSIG has contracted with Wells Fargo Services for a claims audit every two years since 2009. We have been very satisfied with the Wells Fargo team and would like to contract with them again for the 2017 audit.

The Executive Committee will review and take action on this item.



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee
FROM: Kimberly Dennis
DATE: November 2, 2017
SUBJECT: Reinsurer Insolvency

CastlePoint National Insurance Company was one of the reinsurers used by ACSIG prior to its membership in PIPS. ACSIG coverage was for the 2006/2007 through 2008/2009 fiscal years. CastlePoint entered receivership on July 26, 16. As a result, the California Insurance Commissioner has taken control of CastlePoint's operations. It is their responsibility to inventory the assets of the company and to preserve and protect the assets for the benefit of its policy holders and creditor. There is an additional \$200 million of capital being provided to the company to help pay its creditors.

Unfortunately, ACSIG still has open claims effected by our policy with CastlePoint. We anticipate that the assets of the Company will pay the outstanding balances of these claims. Additionally, should there be insufficient funds to cover all claims, the California Insurance Guarantee Association (CIGA) will step in and pay \$500,000 per claim. While we have verbal confirmation that the \$500,000 guarantee if after CastlePoint has paid all claims, we are still waiting for that in writing.

This information will be reviewed by the Executive Director and a representative from Keenan & Associates, who placed this coverage, at the meeting.

Memo

To: Kimberly Dennis
Company: ACSIG
Date: 10/23/2017
From: Patrice Grant
Re: Potential Exposure from Reinsurer Insolvency

I have attached the most recent loss run for the Self-Insured Claims that are currently being handled by CIGA. There is a total of 23 open claim files with total incurred excess of \$125,000 (50% of the ACSIG \$250,000 Self Insured Retention). As of September 30, 2017, the status of these CIGA claims are as follows:

There are 4 (four) claims that have paid amounts over the SIR. Three of those claims have are being reimbursed:

- Claim No. 2205970- Henning, Steve: There has been no dispute on coverage and the claim will be paid but the examiner for CIGA handing the case doesn't have the authority level needed and payment has to be approved by his manager.
- Claim No. 397324- Cavil, Patricia: We are currently receiving reimbursement on the file. There is no dispute with regards to payment. There is \$569,995 in Incurred Reserves above what has been paid. If claim exceeds the \$500,000 CIGA limit, there would be a \$69,995 amount for consideration to the California Liquidators Office (CLO).
- Claim No. 2206375- Flores, David: This case has now passed through the CIGA layer of coverage with full reimbursement and future payments will be paid by MaidenRe. We should be reimbursed in full for the remaining reserves on the file.

There has only 1 (one) claim that has been denied and there is 1 (one) claim with the potential for denial:

- Claim No. 2206171 Vergara, Jacob: This is the only claim CIGA has denied outright and when costs exceed the SIR they will not be reimbursed. \$238,150.87 was paid on this case as of 9-30-17 so this case doesn't have any paid over the SIR now. Potential Exposure on this claim is \$239,130.
- Claim No. 2206417- Armtrout, Denise: CIGA has not denied this case outright but states there is an apportionment issue with another claim and this needs to be settled prior to CIGA paying on this case. We are still attempting to resolve the apportionment issue between the files. We are

aggressively attempting to resolve this claim as well and we are in negotiations with the Applicant Attorney. If CIGA denies this claim we have potential exposure of \$494,791.68.

Additionally, there are 4 (four) corresponding claimants that also have open claim files under PIPS for the same body part which could be construed by CIGA that other coverage exists which may result in a denial of coverage:

- Claim No. 2206171- Dahl, Jeanette
- Claim No. 2206460- August, Michael
- Claim No. 403449- Zanganeh, Hossein
- Claim No. 407334- Dean, Clinton

There are 8 (eight) claims that are reserved in excess of the \$250,000 SIR for specific injuries and reimbursement is anticipated if the SIR is exceeded:

- Claim No. 2206050- Macias, Ana
- Claim No. 2206738- Crosetti, Paula
- Claim No. 2206787- Evans, Barbara
- Claim No. 2206966- Velazquez, Sally
- Claim No. 400615- Martin, Mark
- Claim No. 401595- Mahmoud, Bahgat
- Claim No. 404056- Henry, Colleen
- Claim No. 417829- Hoover, Lynda

These 6 (six) claims are unlikely to reach the maximum SIR Level:

- Claim No. 220940- Fontes, Ilsa
- Claim No. 2206376- Juarez, Cinde
- Claim No. 2206639- Pancholy, Amita
- Claim No. 2206844- Walter, Anne
- Claim No. 2207237- Reid, William
- Claim No. 417758- Ellis, April

Please be advised CIGA has not reviewed all of the claims so the status of these claims may change. If you need claim specific information for the claims, I can provide update status the Board Meeting.

CONFIDENTIAL INFORMATION

Alameda County Schools Insurance Group - Incident Dates 7/1/2006-6/30/2009, OP/RO Claims with Gross Incurred >= \$125,000, valued as of 09/30/2017

CLAIM#	CLAIMANT NAME	INCIDENT DATE	PRODUCER NAME	INSURED NAME	STATUS	SIR	Gross Paid	Total Recoveries	Gross Incurred	Reserves Over SIR (\$750k cap)	Recoverable
2205940	Fontes, Ilda	7/5/06	Alameda County S	San Leandro L	Open	250,000.00	142,116.38	0.00	157,107.89	0.00	0.00
2205970	Hennings, Steve	7/31/06	Alameda County S	Livermore Vall	Open	250,000.00	430,677.15	-152,798.82	670,045.32	420,045.32	267,246.50
2206050	Macias, Ana	9/8/06	Alameda County S	San Leandro L	Re-Open	250,000.00	242,471.43	0.00	656,907.67	406,907.67	406,907.67
2206147	Vergara, Jacob	10/9/06	Alameda County S	San Leandro L	Re-Open	250,000.00	238,150.87	0.00	477,290.01	227,290.01	227,290.01
2206171	Dahl, Jeanette	10/25/06	Alameda County S	Fremont Unifie	Open	250,000.00	163,861.67	0.00	299,357.30	49,357.30	49,357.30
2206375	Flores, David	1/4/07	Alameda County S	San Leandro L	Open	250,000.00	1,005,834.56	-750,000.00	3,093,800.80	750,000.00	0.00
2206376	Juarez, Cindy	1/24/07	Alameda County S	Pleasanton Un	Re-Open	250,000.00	83,564.20	0.00	169,244.11	0.00	0.00
2206427	Armtrout, Denise	2/13/07	Alameda County S	Pleasanton Un	Open	250,000.00	535,469.42	-255,208.32	1,474,089.81	750,000.00	494,791.68
2206460	August, Michael	2/14/07	Alameda County S	New Haven Ur	Open	250,000.00	196,798.28	0.00	346,398.28	96,398.28	96,398.28
2206639	Pancholy, Amita	3/30/07	Alameda County S	Fremont Unifie	Open	250,000.00	68,135.74	0.00	197,636.03	0.00	0.00
2206738	Crosetti, Paula	5/1/07	Alameda County S	San Leandro L	Re-Open	250,000.00	178,959.55	0.00	391,103.44	141,103.44	141,103.44
2206787	Evans, Barbara	6/1/07	Alameda County S	Pleasanton Un	Open	250,000.00	177,245.76	0.00	273,005.11	23,005.11	23,005.11
2206844	Walter, Anne	6/12/07	Alameda County S	San Leandro L	Re-Open	250,000.00	163,039.76	0.00	184,909.76	0.00	0.00
2206966	Velazquez, Sally	8/13/07	Alameda County S	New Haven Ur	Open	250,000.00	119,406.87	0.00	367,799.26	117,799.26	117,799.26
2207237	Reid, William	11/2/07	Alameda County S	San Lorenzo U	Open	250,000.00	147,737.00	0.00	196,932.97	0.00	0.00
397324	Cavil, Patricia	2/7/08	Alameda County S	Eden Area RO	Open	250,000.00	376,928.31	-115,979.17	935,975.00	685,975.00	569,995.83
400615	Martin, Mark	4/21/08	Alameda County S	New Haven Ur	Open	250,000.00	123,059.50	0.00	306,292.95	56,292.95	56,292.95
401595	Mahmoud, Bahgat	5/12/08	Alameda County S	Fremont Unifie	Re-Open	250,000.00	72,336.95	0.00	278,486.53	28,486.53	28,486.53
403449	Zanganeh, Hossein	6/30/08	Alameda County S	Fremont Unifie	Open	250,000.00	182,432.82	0.00	239,219.23	0.00	0.00
404056	Henry, Colleen	7/28/08	Alameda County S	Pleasanton Un	Re-Open	250,000.00	245,244.77	0.00	273,384.77	23,384.77	23,384.77
407334	Dean, Clinton	9/12/08	Alameda County S	Pleasanton Un	Open	250,000.00	222,742.74	0.00	671,447.29	421,447.29	421,447.29
417829	Hoover, Lynda	9/26/08	Alameda County S	Livermore Vall	Open	250,000.00	221,935.51	0.00	441,502.72	191,502.72	191,502.72
417758	Ellis, April C	5/13/09	Alameda County S	San Lorenzo U	Open	250,000.00	41,345.16	0.00	155,159.82	0.00	0.00