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

AGENDA
Full Board

Date: Wednesday, November 9, 2016
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Call to order 12:00 PM

II. Roll call

Executive Committee Members

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

III. Acceptance of the Agenda
The Board will vote on the acceptance of the agenda.

IV. Approval of Minutes
The Board will review and approve the Executive Committee meeting minutes from May 19, 2016 and the Full Board minutes from May 26, 2016 and May 31, 2016.

Consent Calendar

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

- 2015/16 Fourth Quarter Financials
- 2015/16 Fourth Quarter Investment Report
- Annual Report

General Business

V. 2015/16 Audit
The Executive Director will present the 2015/16 Audit. The Board will be asked to approve this report.
Recommendation: For action

VI. Strategic Planning Summary
The Executive Director will present the Strategic Planning Summary.
Recommendation: For discussion

VII. 2016/17 First Quarter Financials
Laurena Grabert from SETECH will present the 2016/17 1st Quarter Financials. The Board will be asked to approve to this report.
Recommendation: For action

VIII. 2016/17 First Quarter Investment Report
The Executive Director will present the 2016/17 1st Quarter Investment report. The Board will be asked to approve this report.
Recommendation: For action

Workers Compensation

IX. **Company Nurse Update**
Michael Clark from Keenan will give the Board an update on the Company Nurse program.
Recommendation: For discussion

X. **2016/17 Service Plan**
The 2016/17 Service Plan will be reviewed by the Board.
Recommendation: For discussion

XI. **Workers Compensation Claims History & Deficit Review**
The Executive Director and Keenan Associates will review a 5-year claims history report.
Recommendation: For discussion

XII. **Post Offer- Pre Placement Program**
The Executive Director will review a risk reduction program with the Board.
Recommendation: For discussion

XIII. **Future Planning**

XIV. **Adjournment**



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

MINUTES
Executive Committee

Date: Thursday, May 19, 2016
Time: 9:00 AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. **Susan Kinder called the meeting to order at 9:08am, with a quorum of members present.**

II. **Roll call**

Executive Committee Members

Dr. Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Annette Heldman	Board Member	San Lorenzo USD
Akur Varadarajan	Board Member	New Haven 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
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

III. **Acceptance of the Agenda**

It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the agenda as presented.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session
Closed session began at 9:20am.

A. Settlement Authorization

- **Claim Numbers:** None

B. Settlement Notification

- **Claims Number:** 439197 Tomaryn; 448686 Duque; 457008 Kaye; 457276 Anastassiou; 458091 Hintze; 464418 Ortega; 472776 Promes; 473905 Perez; 476692 Vong; 480853 Hintze; 481012 Anastassiou; 481475 Miramontes; 482303 Supnet; 487730 Fregoso; 490109 Grasseschi-Robertson; 492283 Klindt; 498780 Martinez; 502042 Anastassiou; 502315 Shooter-Bilodeau; 507874 Matsumoto-Kim; 510601 Alexander; 516946 Costa; 2201229 Reichhoff; 2201862 Hazlett; 2205557 Cabanas

C. Executive Director Evaluation

Open Session
Open session began at 9:33am.

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 Akur Varadarajan to approve the March 3, 2016 Executive Committee Meeting minutes with the corrections to name spellings.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

Workers Compensation

VIII. **Result of Wells Fargo Independent Audit**
The Executive Director presented the results of the Wells Fargo Independent Audit.
It was moved by Akur Varadarajan and seconded by Annette Heldman to approve the Wells Fargo Independent Audit as presented.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

Dental

IX. **Dental Rates 2016/2017**
The Executive Director presented the 2016/2017 Dental rate recommendations to the Executive Committee. The program has been performing exceptionally well and efficiently. The past two years have seen flat rates and rebates in this program. The program operated at a very slight decrease in 2015/16. ACSIG has recognized a downward trend by keeping rates flat from year to year. This approach is continuing in 2016/17, however, no rebate is recommended.
It was moved by Akur Varadarajan and seconded by Raul Parungao to approve Dental Rates.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

Vision

X. **Vision Rates 2016/2017**
The Executive Director presented the 2016/17 Vision rate recommendations to the committee. The underwriting model shows a slight decrease in claim development

within the past several years. In 2014/15 ACSIG reduced rates by 5.2%. The experience within 2015/16 continues to be positive with a flat renewal in 15/16. The fund is trending well and we are recommending a rate pass for 2016/17.
It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the Vision rates as presented with no increase.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

Property & Liability

XI. Property & Liability Rates 2016/2017

The Executive Director presented the 2016/17 Property and Liability rates. ACSIG has 5 members in the Property & Liability pool, which attaches to NCR at the $25,000 SIR. ACSIG's current ex-mod is 1.29 within NCR. NCR rates have increased significantly. The rates for ACSIG are currently showing a 19.5% increase. Additionally, ACSIG needs to fund a $100,000 loss fund to pay our SIR for 2 claims in Property and 2 claims in Liability along with the $12,446 safety inspection.
It was moved by Akur Varadarajan and seconded by Annette Heldman to approve the Vision rates as presented with no increase.
Ayes: Clark, Kinder, and Parungao, Varadarajan
Nays: None
Abstain: None

2016/2017 Property & Liability Program Rates

ACSIG	Property	Liability	Total
ACOE	$29,284	$33,778	$63,062
Albany	$72,033	$194,523	$266,556
Dublin	$215,406	$475,282	$690,688
Emery	$56,289	$36,062	$92,351
Piedmont	$70,620	$143,467	$214,086
ACSIG TOTAL	$443,632	$883,112	$1,326,743

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

XII. PLCA Fee Amendment

The Executive Director presented a fee amendment to the PLCA contract. It was recommended for approval.
Recommendation: For action

General

XIII. **Third Quarter Financial Report**

Laurena Grabert from SETECH presented the 2015/2016 third quarter financials report.

It was moved by Raul Parungao and seconded by Annette Heldman to approve the third quarter financial report rates as presented.

Ayes: Clark, Kinder, and Parungao, Varadarajan
Nays: None
Abstain: None

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Nine Months Ended 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 1,257,232			
Beginning Cash	$ 26,320,724				$ 1,257,232		
Operating Revenue:							
Premiums Paid by Members	$ 117,378,222	$ (25,257)	$ (6,171,638)	$ 111,206,584	$ 136,126,495	$ (24,919,911)	81.69 %
Total Operating Revenue	117,378,222	(25,257)	(6,171,638)	111,206,584	136,126,495	(24,919,911)	81.69
Operating Expenditures:							
Classified Salaries	76,067	100,988	(557)	176,498	227,675	(51,177)	77.52
Statutory Benefits	31,525	18,437	(3,869)	46,093	81,308	(35,215)	56.69
Health & Welfare	9,916	5,869	--	15,785	39,000	(23,215)	40.47
Employer Tax Expense	--	2,549	--	2,549	69,977	(67,428)	3.64
Telephone & Internet	4,291	--	(75)	4,216	10,500	(6,284)	40.15
Supplies Office	1,528	--	(430)	1,098	10,500	(9,402)	10.46
Supplies - Other	793	--	--	793	10,500	(9,707)	7.55
Eligibility Processing	144,455	--	--	144,455	181,200	(36,745)	79.72
Brokerage Fees-Dental-ACSIG	175,192	--	--	175,192	284,000	(108,808)	61.69
Brokerage Fees-Dental-MD	241,763	--	--	241,763	276,000	(34,237)	87.60
Travel and Conferences	12,275	4,923	(790)	16,408	19,500	(3,092)	84.14
Mileage	5,923	--	--	5,923	7,350	(1,427)	80.59
Dues & Memberships	835	--	--	835	1,300	(465)	64.23
Postage & Meter	4,554	--	--	4,554	2,750	1,804	165.60
Insurance Expense-PIPS&NCR	14,773,827	--	--	14,773,827	21,125,746	(6,351,919)	69.93
Insurance Expense-PIPS Adj	1,578,491	--	--	1,578,491	500,000	1,078,491	--
Utility - Operating-Rent	65,850	(36,081)	--	29,769	32,255	(2,486)	92.29
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	8,025	--	--	8,025	19,025	(11,000)	42.18
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,000	--	--	13,000	16,350	(3,350)	79.51
Other Services/Operating Expenses	756	--	--	756	7,125	(6,369)	10.61
Capital Equipment/Depreciation	--	--	--	--	5,250	(5,250)	--
Repairs & Maintenance	--	--	--	--	5,250	(5,250)	--
Legal	--	--	--	--	5,250	(5,250)	--
Accounting Services	7,140	--	--	7,140	15,750	(8,610)	45.33
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	596	97	(210)	483	2,100	(1,617)	--
Copier & Scanner	8,811	193	(728)	8,276	14,999	(6,723)	55.18
Claims Administration Services	175,577	--	(290)	175,287	193,429	(18,142)	90.62
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	1,843,381	--	(141,092)	1,702,289	4,000,000	(2,297,711)	42.56
Claims Paid-PL	7,746	--	--	7,746	100,000	(92,254)	7.75
Physical Abilities Testing	4,410	--	1,225	5,635	22,500	(16,865)	25.04
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	2,227	--	1,590	3,816	25,000	(21,184)	15.26
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	8,889	--	--	8,889	--	8,889	--
Cobra Premiums	--	--	--	--	235,000	(235,000)	--
Dental Insurance Premiums	87,181,102	--	1,400,000	88,581,102	106,652,000	(18,070,898)	83.06
Vision Insurance Premiums	2,481,351	--	(213,567)	2,267,784	2,550,000	(282,216)	88.93
Claim Development Expense	--	--	(3,330,860)	(3,330,860)	(3,050,000)	(280,860)	109.21
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	109,095,059	96,974	(2,289,633)	106,902,380	133,985,974	(27,083,594)	79.79 %
Net Increase/(Decrease) from Operations	8,283,163	(122,231)	(3,881,985)	4,304,204	2,140,521	2,163,683	%
Non Operating Income/(Expense)							
Interest Income	213,160	(4,298)	(12,717)	196,145	218,250	(22,105)	89.87
Net Increase/(Decrease) in Fair Value	48,700	--	--	48,700	--	48,700	--
Realized Gain/(Loss) on Investments	13,901	--	--	13,901	--	13,901	--
Interfund Trans, Other Inc/Exp	(127,138)	265	122,230	(4,643)	--	(4,643)	--
Total Non Operating Income/(Expense)	148,623	(4,033)	109,513	254,103	218,250	35,853	116.43 %
Ending Cash	$ 34,752,510	(126,264)					
Net Increase/(Decrease) in Net Position		$ (126,264)	$ (3,772,472)	4,558,307	$ 2,358,771	$ 2,199,536	%
Unaudited - Ending Net Position, as of 03/31/2016				**$ 5,815,539**	**$ 3,616,003**	**$ 2,199,536**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Workers Compensation	$ 5,329,735	8,672,630	$ 14,002,365
Dental	2,596,127	(77,062)	2,519,065
Vision	1,228,583	(373,972)	854,611
Property and Liability	1,135,222	83,986	1,219,208
Operations	289,482	(82,902)	206,580
Cash and Cash Equivalents	$ 10,579,149	8,222,680	$ 18,801,829
Investments Morgan Stanley - current	608,107	161,338	769,445
Accounts Receivable	5,582,053	120,649	5,702,702
Prepaid Expense	--	--	--
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	16,769,309	8,504,667	25,273,976
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	15,133,468	47,768	15,181,236
Capital - Equipment,net of depreciation	4,147	--	4,147
	15,137,615	47,768	15,185,383
Total Assets	**$ 31,906,924**	**$ 8,552,435**	**$ 40,459,359**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,721,576	$ 1,176,932	$ 3,898,508
Prefunding deposits (2)	3,116,431	--	3,116,431
Advance Contributions	--	6,148,056	6,148,056
Current Portion of claims and claim adjustment	3,665,741	(7,466)	3,658,276
Subtotal Current Liabilities	9,503,748	7,317,522	16,821,271
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,586,125	(3,406,394)	16,179,730
Unallocated Loss Adjustment Expense (ULAE)	1,559,819	83,000	1,642,819
Subtotal Claim Liabilities	21,145,944	(3,323,394)	17,822,549
Total Liabilities	$ 30,649,692	$ 3,994,128	$ 34,643,820
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	1,253,085	4,558,307	5,811,392
Designated - Capital Assets	4,147	--	4,147
Total Net Position	$ 1,257,232	$ 4,558,307	$ 5,815,539
Total Liabilities and Ending Net Position	**$ 31,906,924**	**$ 8,552,435**	**$ 40,459,359**

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, accured interest shown as accounts receivable.

XIV. Third Quarter Investment Report

The Executive Director reviewed the 2015/16 third quarter investment report with the Executive Committee.

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

Ayes: Clark, Kinder, and Parungao, Varadarajan

Nays: None

Abstain: None

Investment Summary Dollar Weighted Return % (Net of fees)	
Date of Report	03/31/16
Inception date	07/12/10
Beginning Total Value	$9,999,850.00
Net Contributions/Withdrawals	$5,033,025.75
Investment Earnings	$1,117,286.68
Total Ending Value	$16,150,162.43
Current Quarter	1.41%
Year to Date	1.41%
Since Inception (annualized % per year)	1.37%

Time Weighted Return % by Period (Net of fees)	
Last 3 Years (annualized % per year)	0.62%
Last 5 Years (annualized % per year)	1.24%
Since Inception (annualized % per year)	1.18%
Year 2016 (YTD)	1.41%
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	29.11%

XV. 2016/2017 Budget

The Executive Director reviewed the 2015/16 Budget to the Executive Committee.

It was moved by Akur Varadarajan and seconded by Raul Parungao to approve the budget with one correction to the PIPS Payroll Adjustment line and Utility/rent.

Ayes: Clark, Kinder, and Parungao, Varadarajan

Nays: None

Abstain: None

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals		2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 29,375,762		
Beginning Cash	$ 29,375,762				$ 29,375,762	$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	$ 147,408,159	$ --	$ --	$ 147,391,011	$ 147,408,159	$ 136,126,495
Total Operating Revenue	147,408,159	--	--	147,391,011	147,408,159	136,126,495
Operating Expenditures:						
Classified Salaries	236,778		--	236,778	236,778	227,675
Statutory Benefits	55,498		--	55,498	55,498	81,308
Health & Welfare	39,000		--	39,000	39,000	39,000
Employer Tax Expense	3,411		--	3,411	3,411	69,977
Telephone & Internet	5,250		--	5,250	5,250	10,500
Supplies Office	5,250		--	5,250	5,250	10,500
Supplies - Other	5,250		--	5,250	5,250	10,500
Eligibility Processing	257,060		--	257,060	257,060	185,808
Brokerage Fees-Dental-ACSIG	276,000		--	276,000	276,000	284,000
Brokerage Fees-Dental-MD	300,000		--	300,000	300,000	276,000
Travel and Conferences	21,000		--	21,000	21,000	19,500
Mileage	8,925		--	8,925	8,925	7,350
Dues & Memberships	1,575		--	1,575	1,575	1,300
Postage & Meter	3,400		--	3,400	3,400	2,750
Insurance Expense-PIPS&NCR	23,989,931		--	23,989,931	23,989,931	21,125,746
PIPS payroll adjustment	1,500,000			1,500,000	1,500,000	
Utility - Operating-Rent	30,359		--	30,359	30,359	527,647
Advertising	2,100		--	2,100	2,100	2,100
Contract Services	8,426		--	8,426	8,426	19,025
Contract Services -PL-Investigation	--		--	--	--	--
Contract Services-PL-Legal	10,000		--	10,000	10,000	10,000
Audit Fees	14,175		--	14,175	14,175	16,350
Other Services/Operating Expenses	5,250		--	5,250	5,250	7,125
Capital Equipment/Depreciation	2,550		--	2,550	2,550	5,250
Repairs & Maintenance	4,800		--	4,800	4,800	5,250
Legal	2,550		--	2,550	2,550	5,250
Accounting Services	15,750		--	15,750	15,750	15,750
County Courier	3,675		--	3,675	3,675	3,575
Shredding	1,575		--	1,575	1,575	2,200
Copier & Scanner	15,000		--	15,000	15,000	14,999
Claims Administration Services	190,000		--	190,000	190,000	193,429
Self-Insurance Fee	245,000		--	245,000	245,000	246,610
Claims Paid-WC	3,000,000		--	3,000,000	3,000,000	4,000,000
Claims Paid-PL	80,000		--	80,000	80,000	100,000
Physical Abilities Testing	22,446		--	22,446	22,446	22,500
Training	5,000		--	5,000	5,000	5,000
First-Aid Program	10,000		--	10,000	10,000	25,000
Food Service Training	10,000		--	10,000	10,000	10,000
Special Ed Training	10,000		--	10,000	10,000	10,000
Bank Charge & WC Penalty Reimb	15,000		--	15,000	15,000	--
Cobra Premiums	250,000	--	--	250,000	250,000	235,000
Dental Insurance Premiums	113,877,908	--	--	113,877,908	113,877,908	106,652,000
Vision Insurance Premiums	2,758,000	--	--	2,758,000	2,758,000	2,550,000
Claim Development Expense	(2,430,000)	--	--	(2,430,000)	(2,430,000)	(3,050,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	144,867,892	--	--	144,867,892	144,867,892	133,985,974
Net Increase/(Decrease) from Operations	2,540,267	--	--	2,523,119	2,540,267	2,140,521
Non Operating Income/(Expense)						
Interest Income	218,250	--	--	218,251	218,250	218,250
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
Net, Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	218,250	--	--	218,251	218,250	218,250
Ending Cash	$ 32,134,279	--				
Net Increase/(Decrease) in Net Position		$ --	$ --	2,741,370	$ 2,758,517	$ 2,358,771

XVI. ACSIG Salaries & Benefits

The Executive Director presented a cost of living increase proposal for the ACSIG staff of 3.5%. The average from 16 settled agencies was 3.71%. The overall cost for this increase would total $9,055.

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

Ayes: Clark, Kinder, and Parungao, Varadarajan

Nays: None

Abstain: None

XVII. Strategic Plan 2016

The Executive Director has initiated some discussion topics for the 2016 Strategic Plan. We will send out dates for early July for this planning session to be organized.

Strategic Planning 2016

Capital Target

Equity Policy

Program Growth

Centralized Services/Service Expansion

Member Outreach

HR Group
- Redundant with NCR?

Succession Plan/Board Transition

JPA Value
- Member Buy-in
- Member Participation

JPA Brand

Service Team

Interest in Education of Board

Trend Analysis & Program Development
- Need Joint Effort with Board Member Support
- Need Traction

Procedure/Policy Development
- Contract Review
- Facility Use Handbook

Best Practices Rewards

XVIII. **Executive Committee Membership**
The Executive Committee discussed possible Board Members for the recruitment to the Executive Committee.

Administrative

XIX. **Investment Policy**
The Executive Committee conducted the annual review of the written investment policy and found no changes necessary.
It was moved by Raul Parungao and seconded by Annette Heldman to approve the Investment Policy as presented.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

XX. **Conflict of Interest Code**
The Executive Committee conducted the annual review of the Conflict of Interest policy and found no changes necessary.
It was moved by Raul Parungao and seconded by Annette Heldman to approve the Conflict of Interest Code as presented.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

XXI. **Authorization of Signatures**
The Executive Committee conducted the annual review of the Authorization of Signatures and found no changes necessary.
It was moved by Raul Parungao and seconded by Annette Heldman to approve the Authorization of Signatures as presented.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

XXII. **Meeting Calendar**
The Executive Committee reviewed the 2016/17 draft calendar. The Executive Committee changed the Joint Full Board meeting from May 18, 2017 to May 25, 2017.

XXIII. **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 Annette Heldman and seconded by Raul Parungao to approve the Posting and Mailing address as presented.
Ayes: Clark, Kinder, Parungao, and Varadarajan
Nays: None
Abstain: None

XXIV. Future Planning

XXV. **The meeting was adjourned at 10:33 am by Dr. Candi Clark.**



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

AGENDA
Full Board

Date: Thursday, May 26, 2016
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. **The meeting was called to order by Dr. Candi Clark at 12:10 PM**

II. **Roll call**

Board Members

Dr. Candi Clark	President	Castro Valley USD
Susan Kinder	Secretary	Livermore Valley Joint USD
Gary Jones	Board Member	Alameda COE
Allan Garde	Board Member	Albany USD
Dora Siu	Board Member	Emery USD
Dina Stewart	Board Member	Mountain House USD
Akur Varadarajan	Board Member	New Haven USD
Bryan Richards	Board Member	Newark USD
Song Chin-Bendib	Board Member	Piedmont USD
Michaela Ochoa	Alternate	Pleasanton USD
Annette Heldman	Board Member	San Lorenzo USD
Heather Morelli	Alternate	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

Laurena Grabert Guest SETECH

III. **Acceptance of the Agenda**
It was moved by Susan Kinder and seconded by Gary Jones to accept the agenda as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
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.

- SETECH Contract
- Safety Inspection Contract
- Executive Committee Minutes from November 5, 2015
- Executive Committee Minutes from March 3, 2016
- Full Board Minutes from November 5, 2015
- 2nd Quarter Financials
- 2nd Quarter Investment Report

It was moved by Akur Varadarajan and seconded by Song Chin-Bendib to approve the consent calendar as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

General

V. Third Quarter Financials
Laurena Grabert from SETECH presented the 2015/2016 Third Quarter Financial statements.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Workers Compensation	$ 5,329,735	8,672,630	$ 14,002,365
Dental	2,596,127	(77,062)	2,519,065
Vision	1,228,583	(373,972)	854,611
Property and Liability	1,135,222	83,986	1,219,208
Operations	289,482	(82,902)	206,580
Cash and Cash Equivalents	$ 10,579,149	8,222,680	$ 18,801,829
Investments Morgan Stanley - current	608,107	161,338	769,445
Accounts Receivable	5,582,053	120,649	5,702,702
Prepaid Expense	--	--	--
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	16,769,309	8,504,667	25,273,976
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	15,133,468	47,768	15,181,236
Capital - Equipment,net of depreciation	4,147	--	4,147
	15,137,615	47,768	15,185,383
Total Assets	**$ 31,906,924**	**$ 8,552,435**	**$ 40,459,359**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,721,576	$ 1,176,932	$ 3,898,508
Prefunding deposits (2)	3,116,431	--	3,116,431
Advance Contributions	--	6,148,056	6,148,056
Current Portion of claims and claim adjustment	3,665,741	(7,466)	3,658,276
Subtotal Current Liabilities	9,503,748	7,317,522	16,821,271
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,586,125	(3,406,394)	16,179,730
Unallocated Loss Adjustment Expense (ULAE)	1,559,819	83,000	1,642,819
Subtotal Claim Liabilities	21,145,944	(3,323,394)	17,822,549
Total Liabilities	$ 30,649,692	$ 3,994,128	$ 34,643,820
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	1,253,085	4,558,307	5,811,392
Designated - Capital Assets	4,147	--	4,147
Total Net Position	$ 1,257,232	$ 4,558,307	$ 5,815,539
Total Liabilities and Ending Net Position	**$ 31,906,924**	**$ 8,552,435**	**$ 40,459,359**

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, accured 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 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 1,257,232			
Beginning Cash	$ 26,320,724				$ 1,257,232		
Operating Revenue:							
Premiums Paid by Members	$ 117,378,222	$ (25,257)	$ (6,171,638)	$ 111,206,584	$ 136,126,495	$ (24,919,911)	81.69 %
Total Operating Revenue	117,378,222	(25,257)	(6,171,638)	111,206,584	136,126,495	(24,919,911)	81.69
Operating Expenditures:							
Classified Salaries	76,067	100,988	(557)	176,498	227,675	(51,177)	77.52
Statutory Benefits	31,525	18,437	(3,869)	46,093	81,308	(35,215)	56.69
Health & Welfare	9,916	5,869	--	15,785	39,000	(23,215)	40.47
Employer Tax Expense	--	2,549	--	2,549	69,977	(67,428)	3.64
Telephone & Internet	4,291	--	(75)	4,216	10,500	(6,284)	40.15
Supplies Office	1,528	--	(430)	1,098	10,500	(9,402)	10.46
Supplies - Other	793	--	--	793	10,500	(9,707)	7.55
Eligibility Processing	144,455	--	--	144,455	181,200	(36,745)	79.72
Brokerage Fees-Dental-ACSIG	175,192	--	--	175,192	284,000	(108,808)	61.69
Brokerage Fees-Dental-MD	241,763	--	--	241,763	276,000	(34,237)	87.60
Travel and Conferences	12,275	4,923	(790)	16,408	19,500	(3,092)	84.14
Mileage	5,923	--	--	5,923	7,350	(1,427)	80.59
Dues & Memberships	835	--	--	835	1,300	(465)	64.23
Postage & Meter	4,554	--	--	4,554	2,750	1,804	165.60
Insurance Expense-PIPS&NCR	14,773,827	--	--	14,773,827	21,125,746	(6,351,919)	69.93
Insurance Expense-PIPS Adj	1,578,491	--	--	1,578,491	500,000	1,078,491	--
Utility - Operating-Rent	65,850	(36,081)	--	29,769	32,255	(2,486)	92.29
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	8,025	--	--	8,025	19,025	(11,000)	42.18
Contract Services -PI-Investigation	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,000	--	--	13,000	16,350	(3,350)	79.51
Other Services/Operating Expenses	756	--	--	756	7,125	(6,369)	10.61
Capital Equipment/Depreciation	--	--	--	--	5,250	(5,250)	--
Repairs & Maintenance	--	--	--	--	5,250	(5,250)	--
Legal	--	--	--	--	5,250	(5,250)	--
Accounting Services	7,140	--	--	7,140	15,750	(8,610)	45.33
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	596	97	(210)	483	2,100	(1,617)	--
Copier & Scanner	8,811	193	(728)	8,276	14,999	(6,723)	55.18
Claims Administration Services	175,577	--	(290)	175,287	193,429	(18,142)	90.62
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	1,843,381	--	(141,092)	1,702,289	4,000,000	(2,297,711)	42.56
Claims Paid-PL	7,746	--	--	7,746	100,000	(92,254)	7.75
Physical Abilities Testing	4,410	--	1,225	5,635	22,500	(16,865)	25.04
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	2,227	--	1,590	3,816	25,000	(21,184)	15.26
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	8,889	--	--	8,889	--	8,889	--
Cobra Premiums	--	--	--	--	235,000	(235,000)	--
Dental Insurance Premiums	87,181,102	--	1,400,000	88,581,102	106,652,000	(18,070,898)	83.06
Vision Insurance Premiums	2,481,351	--	(213,567)	2,267,784	2,550,000	(282,216)	88.93
Claim Development Expense	--	--	(3,330,860)	(3,330,860)	(3,050,000)	(280,860)	109.21
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	109,995,059	96,974	(2,289,653)	106,902,380	133,985,974	(27,083,594)	79.79 %
Net Increase/(Decrease) from Operations	8,283,163	(122,231)	(3,881,985)	4,304,204	2,140,521	2,163,683	%
Non Operating Income/(Expense)							
Interest Income	213,160	(4,298)	(12,717)	196,145	218,250	(22,105)	89.87
Net Increase/(Decrease) in Fair Value	48,700	--	--	48,700	--	48,700	--
Realized Gain/(Loss) on Investments	13,901	--	--	13,901	--	13,901	--
Interfund Trans, Other Inc/Exp	(127,138)	265	122,230	(4,643)	--	(4,643)	--
Total Non Operating Income/(Expense)	148,623	(4,033)	109,513	254,103	218,250	35,853	116.43 %
Ending Cash	$ 34,752,510	(126,264)					
Net Increase/(Decrease) in Net Position		$ (126,264)	$ (3,772,472)	4,558,307	$ 2,358,771	$ 2,199,536	%
Unaudited - Ending Net Position, as of 03/31/2016				$ 5,815,539	$ 3,616,003	$ 2,199,536	

It was moved by Annette Heldman and seconded by Akur Varadarajan to approve the Third Quarter Financials as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

VI. Third Quarter Investment Report

The Executive Director reviewed the 2015/16 Third Quarter Investment Report with the Board.

Investment Summary Dollar Weighted Return % (Net of fees)	
Date of Report	03/31/16
Inception date	07/12/10
Beginning Total Value	$9,999,850.00
Net Contributions/Withdrawals	$5,033,025.75
Investment Earnings	$1,117,286.68
Total Ending Value	$16,150,162.43
Current Quarter	1.41%
Year to Date	1.41%
Since Inception (annualized % per year)	1.37%

Time Weighted Return % by Period (Net of fees)	
Last 3 Years (annualized % per year)	0.62%
Last 5 Years (annualized % per year)	1.24%
Since Inception (annualized % per year)	1.18%
Year 2016 (YTD)	1.41%
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	29.11%

It was moved by Akur Varadarajan and seconded by Annette Heldman to approve the Third Quarter Investment Report as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

VII. 2016/2017 Budget

The Executive Director presented the 2016/2017 Budget to the Board. The budget was developed using year-to-date 2015/16 data and estimates for 2016/17 rates

and costs. Salaries have been distributed to each program based upon a time-study. The assumptions are listed on the on the final pages of the budget.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals		2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 29,375,762		
Beginning Cash	$ 29,375,762				$ 29,375,762	$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	$ 147,408,159	$ -	$ -	$ 147,391,011	$ 147,408,159	$ 136,126,495
Total Operating Revenue	147,408,159	-	-	147,391,011	147,408,159	136,126,495
Operating Expenditures:						
Classified Salaries	236,778		-	236,778	236,778	227,675
Statutory Benefits	55,498		-	55,498	55,498	81,308
Health & Welfare	39,000		-	39,000	39,000	39,000
Employer Tax Expense	3,411		-	3,411	3,411	69,977
Telephone & Internet	5,250		-	5,250	5,250	10,500
Supplies Office	5,250		-	5,250	5,250	10,500
Supplies - Other	5,250		-	5,250	5,250	10,500
Eligibility Processing	257,060		-	257,060	257,060	185,808
Brokerage Fees-Dental-ACSIG	276,000		-	276,000	276,000	284,000
Brokerage Fees-Dental-MD	300,000		-	300,000	300,000	276,000
Travel and Conferences	21,000		-	21,000	21,000	19,500
Mileage	8,925		-	8,925	8,925	7,350
Dues & Memberships	1,575		-	1,575	1,575	1,300
Postage & Meter	3,400		-	3,400	3,400	2,750
Insurance Expense-PIPS&NCR	23,989,931		-	23,989,931	23,989,931	21,125,746
PIPS payroll adjustment	1,500,000			1,500,000	1,500,000	500,000
Utility - Operating-Rent	30,359		-	30,359	30,359	27,647
Advertising	2,100			2,100	2,100	2,100
Contract Services	8,426			8,426	8,426	19,025
Contract Services -PL-Investigation	-			-	-	-
Contract Services-PL-Legal	10,000		-	10,000	10,000	10,000
Audit Fees	14,175			14,175	14,175	16,350
Other Services/Operating Expenses	5,250		-	5,250	5,250	7,125
Capital Equipment/Depreciation	2,550		-	2,550	2,550	5,250
Repairs & Maintenance	4,800		-	4,800	4,800	5,250
Legal	2,550		-	2,550	2,550	5,250
Accounting Services	15,750		-	15,750	15,750	15,750
County Courier	3,675		-	3,675	3,675	3,575
Shredding	1,575		-	1,575	1,575	2,200
Copier & Scanner	15,000		-	15,000	15,000	14,999
Claims Administration Services	190,000		-	190,000	190,000	193,429
Self-Insurance Fee	245,000		-	245,000	245,000	246,610
Claims Paid-WC	3,000,000		-	3,000,000	3,000,000	4,000,000
Claims Paid-PL	80,000		-	80,000	80,000	100,000
Physical Abilities Testing	22,446		-	22,446	22,446	22,500
Training	5,000		-	5,000	5,000	5,000
First-Aid Program	10,000		-	10,000	10,000	25,000
Food Service Training	10,000		-	10,000	10,000	10,000
Special Ed Training	10,000		-	10,000	10,000	10,000
Bank Charge & WC Penalty Reimb	15,000			15,000	15,000	
Cobra Premiums	250,000		-	250,000	250,000	235,000
Dental Insurance Premiums	113,877,908		-	113,877,908	113,877,908	106,652,000
Vision Insurance Premiums	2,758,000		-	2,758,000	2,758,000	2,550,000
Claim Development Expense	(2,430,000)	-	-	(2,430,000)	(2,430,000)	(3,050,000)
Prior Year Adjustment	-	-	-	-	-	-
Total Operating Expenditures	144,867,892	-	-	144,867,892	144,867,892	133,985,974
Net Increase/(Decrease) from Operations	2,540,267	-	-	2,523,119	2,540,267	2,140,521
Non Operating Income/(Expense)						
Interest Income	218,250		-	218,251	218,250	218,250
Change in FMV	-	-	-	-	-	-
Realized Gain/(Loss)	-	-	-	-	-	-
Net, Interfund Transfer	-	-	-	-	-	-
Total Non Operating Income/(Expense)	218,250	-	-	218,251	218,250	218,250
Ending Cash	$ 32,134,279	-				
Net Increase/(Decrease) in Net Position		$ -	$ -	2,741,370	$ 2,758,517	$ 2,358,771

Keenan & Associates License No. 0451271

SETECH - Page 1B

Cabinet Conference 1 of 0x5

It was moved by Bryan Richards and seconded by Susan Kinder to approve the Budget as presented.

Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

Dental

VIII. Dental Rates 2016/2017

The Executive Director presented the 2016/2017 Dental rate recommendations to the Board. The program has been performing exceptionally well and efficiently. The past two years have seen flat rates and rebates in this program. The program operated at a very slight decrease in 2015/16. ACSIG has recognized a downward trend by keeping rates flat from year to year. This approach is continuing in 2016/17, however, no rebate is recommended.

It was moved by Dina Stewart and seconded by Gary Jones to approve the Dental Rates as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

Vision

IX. Vision Rates 2016/2017

The Executive Director presented the 2016/17 Vision rate recommendations to the Board. The underwriting model shows a slight decrease in claim development within the past several years. In 2014/15 ACSIG reduced rates by 5.2%. The experience within 2015/16 continues to be positive with a flat renewal in 15/16. The fund is trending well and we are recommending a rate pass for 2016/17.

It was moved by Bryan Richards and seconded by Akur Varadarajan to approve the Vision Rates as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

Property & Liability

X. Property & Liability Rates 2016/2017

The Executive Director presented the 2016/17 Property and Liability rates to the Board. ACSIG has 5 members in the Property & Liability pool, which attaches to

NCR at the $25,000 SIR. ACSIG's current ex-mod is 1.29 within NCR. NCR rates have increased significantly. The rates for ACSIG are currently showing a 19.5% increase. Additionally, ACSIG needs to fund a $100,000 loss fund to pay our SIR for 2 claims in Property and 2 claims in Liability along with the $12,446 safety inspection.

2016/2017 Property & Liability Program Rates

ACSIG		Property	Liability	Total
	ACOE	$29,284	$33,778	$63,062
	Albany	$72,033	$194,523	$266,556
	Dublin	$215,406	$475,282	$690,688
	Emery	$56,289	$36,062	$92,351
	Piedmont	$70,620	$143,467	$214,086
ACSIG TOTAL		$443,632	$883,112	$1,326,743

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

It was moved by Annette Heldman and seconded by Song Chin-Bendib to approve the P & L Rates as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

XI. Auxiliary/ Foundation Organizations - DUSD

The Executive Director presented the application for Amador Elementary and Kolb Elementary to the Board, and therefore need to endorse their parent clubs onto DUSD's policy. The 'site council' should be removed from the application, as they are automatically covered under the district.

It was moved by Gary Jones and seconded by Allan Garde to approve the Auxiliary Club Endorsement with one change of removing the site council.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

Workers Compensation

XII. Result of Wells Fargo Audit

The Executive Director presented the results of the Wells Fargo Independent Audit. Keenan & Associate continues to improve on their great work with our claims. They received an outstanding 4 out of 5 on this audit.

It was moved by Susan Kinder and seconded by Bryan Richards to approve the Wells Fargo Audit as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

XIII. Actuarial Study - Ultimate Loss

The Executive Director presented the February 2016 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 was $21 million on December 31, 2014 and they project that it will be $20.1 million on June 30, 2015. The discounted estimate (1.5% interest) is $18.5 million on December 31, 2014 and $17.7 million on June 30, 2015.

It was moved by Bryan Richards and seconded by Song Chin-Bendib to approve the Actuarial Study Ultimate Loss as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

XIV. Actuarial Study - Ex-Mods

The Executive Director presented the February 2016 Actuarial Study that determined the 2016/2017 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 12/31/15	OLD EX-MOD 12/31/14
ACOE	0.750	0.750
ALAMEDA	1.009	0.993
ALBANY	1.206	0.901
CASTRO VALLEY	0.998	0.826
DUBLIN	0.864	0.858
EDEN ROP	0.983	1.018
EMERY	0.750	0.750
FREMONT	0.988	1.139
LIVERMORE	1.114	1.174
MISSION ROP	0.750	0.815
MT. HOUSE	1.250	1.239
NEWARK	1.250	1.250
NEW HAVEN	0.938	0.901
PIEDMONT	0.750	0.750
PLEASANTON	0.750	0.750
SAN LEANDRO	1.197	1.065
SAN LORENZO	1.250	1.133
SUNOL GLEN	0.782	0.763
TRI VALLEY ROP	1.085	1.250

It was moved by Gary Jones and seconded by Akur Varadarajan to approve the Actuarial Study Ex-mods as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

XV. Workers Compensation Rates 2016/2017

The Executive Director presented 2016/2017 Workers Compensation rates. The base rate has increased from $2.90 to $3.11. 6.95% of that increase is due specifically to payroll growth. 7.24% is due to a slight increase in PIPS rate and administrative costs now being added to the Workers Compensation program. Based upon the actuarial study, .35 cents is added per $100 of payroll towards reducing the deficit. To assist districts with budget planning, the 2016/20117 rates were based upon 2014/2015 audited payroll. But PIPS is paid based upon 2016/2017 actual payroll.

2016/2017
Workers' Compensation Rates

	2013/2014 Actual Payroll	2014/2015 Actual Payroll	Base Rate	Ex Mod	Rate per $100 Payroll	2016/2017 PREMIUM
ACOE	$24,636,551	$24,650,909	3.11	0.7500	2.33	$574,982
ALAMEDA	$61,967,305	$63,724,582	3.11	1.0090	3.14	$1,999,671
ALBANY	$24,982,608	$26,634,210	3.11	1.2060	3.75	$998,959
CASTRO VALLEY	$53,460,195	$57,098,359	3.11	0.9980	3.10	$1,772,207
DUBLIN	$49,742,372	$57,362,013	3.11	0.8640	2.69	$1,541,340
EDEN ROP	$3,146,268	$3,457,372	3.11	0.9830	3.06	$105,696
EMERY	$6,144,058	$5,862,048	3.11	0.7500	2.33	$136,732
FREMONT	$197,019,408	$216,697,574	3.11	0.9880	3.07	$6,658,423
LIVERMORE	$71,551,054	$74,245,093	3.11	1.1140	3.46	$2,572,251
MISSION ROP	$4,077,930	$3,864,371	3.11	0.7500	2.33	$90,136
MT. HOUSE	$207,725	$235,401	3.11	1.2500	3.89	$9,151
NEWARK	$39,066,489	$40,748,743	3.11	1.2500	3.89	$1,584,107
NEW HAVEN	$76,911,670	$80,611,552	3.11	0.9380	2.92	$2,351,584
PIEDMONT	$21,060,384	$22,993,262	3.11	0.7500	2.33	$536,318
PLEASANTON *	$90,406,310	$94,213,075	3.11	0.7500	2.33	$2,197,520
SAN LEANDRO	$54,476,887	$57,484,959	3.11	1.1970	3.72	$2,139,975
SAN LORENZO	$65,949,277	$73,608,462	3.11	1.2500	3.89	$2,861,529
SUNOL GLEN	$1,562,931	$1,807,540	3.11	0.7820	2.43	$43,960
TRI VALLEY ROP	$2,552,972	$2,659,030	3.11	1.0850	3.37	$89,725
TOTAL PREMIUMS	$848,922,394	$907,958,555				$28,264,268
Average Ex Mod				1.00000		

Payrolls based upon 2014/2015 Unaudited Actuals Reports provided by ACOE
* includes apprentice program

Rate Build UP

	PIPS K-12 Rate		2.53155 (assumes a 5% increase and 2% change to ex-mod)			
	ACSIG Ex-mod		0.919428	2.327577953	$ 22,758,486.25	0.025065556
	Claims Admin		176,000		$ 176,000.00	0.000193841
	Deficit		0.35		$ 3,422,214.14	0.00376913
(assumes 5% inc)	ACSIG Admin	$	165,243.75		$ 165,243.75	0.000181995
	Self-Insurance Fee	$	245,000.00		$ 245,000.00	0.000269836
	PIPS Adj	$	1,500,000.00		$ 1,500,000.00	0.001652058
					$ 28,266,944.14	0.031132417
	est. 16/17 payroll	$	977,775,469.00			
percentage due to growth in payroll			6.95%			
overall increase in costs			7.24%			

It was moved by Akur Varadarajan and seconded by Bryan Richards to approve the Workers Compensation Rates as presented.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

XVI. Informational Report for Fiscal Year End

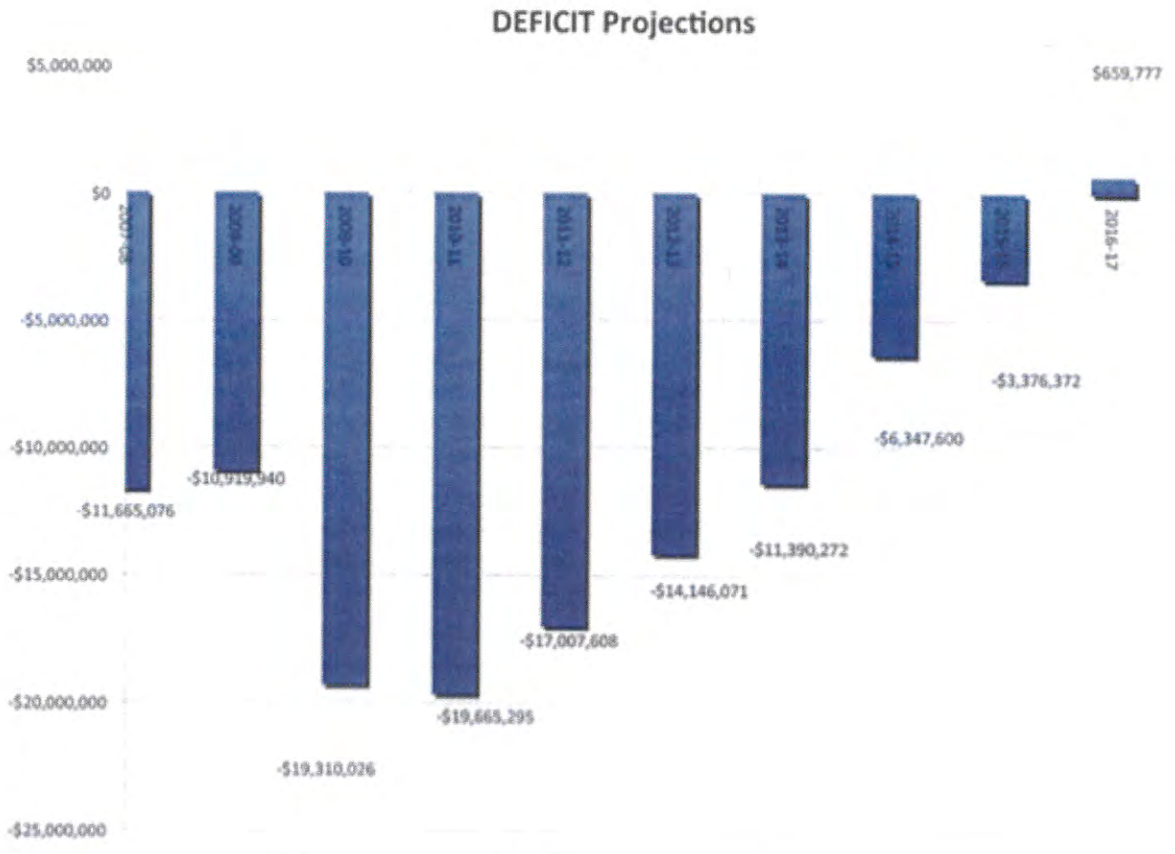
Laurena Grabert from SETECH presented the 2015/2016 Informational Report for the Fiscal Year Ended June 30, 2015. The following numbers reflect each member's portion of the unfunded liability.

Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2015

Members	Sub-Total From Page 4d	Program Years 2002/2013 Pro Rata Share %	2002/2013 Net Assets	2013/2014 Pro Rata Share %	2013/2014 Net Assets	2014/2015 Pro Rata Share %	2014/2015 Net Assets	Pro Rata Share %		Total
Alameda COE	$ (307,696)	2.00 %	$ 43,798	2.29 %	$ 25,305	2.28 %	$ 84,456	-- %	$ --	$ (154,137)
Alameda	(1,251,580)	5.85	128,110	6.71	74,146	6.80	251,886	--	--	(797,438)
Albany	(365,951)	2.41	52,777	2.76	30,498	2.78	102,977	--	--	(179,699)
Castro Valley	(783,233)	5.31	116,285	4.72	52,156	4.77	176,691	--	--	(438,101)
Dublin	(361,819)	3.65	79,932	3.85	42,543	4.68	173,357	--	--	(65,987)
Eden ROP	(183,062)	0.37	8,103	0.28	3,094	0.36	13,335	--	--	(158,530)
Emery	(177,015)	0.67	14,672	0.80	8,840	0.54	20,003	--	--	(133,500)
Fremont	(2,027,921)	28.86	632,010	29.82	329,511	28.74	1,064,589	--	--	(1,811)
Livermore	(1,104,582)	9.10	199,282	9.31	102,876	9.50	351,900	--	--	(450,524)
Mission ROP	(115,384)	0.39	8,541	0.39	4,310	0.40	14,817	--	--	(87,716)
Mt. House	(8,361)	0.03	657	0.04	442	0.03	1,111	--	--	(6,151)
Newark	(943,094)	4.36	95,480	4.46	49,283	5.80	214,844	--	--	(583,487)
New Haven	(1,653,919)	9.28	203,224	8.18	90,389	7.06	261,517	--	--	(1,098,789)
Piedmont	(351,929)	1.91	41,827	1.90	20,995	1.95	72,232	--	--	(216,875)
Pleasanton	(1,159,828)	9.71	212,641	9.50	104,975	8.42	311,894	--	--	(530,318)
San Leandro	(615,939)	6.13	134,242	5.15	56,908	6.23	230,772	--	--	(194,017)
San Lorenzo	(1,861,176)	9.42	206,290	9.22	101,881	9.10	337,083	--	--	(1,215,922)
Sunol Glen	(30,116)	0.13	2,847	0.13	1,437	0.13	4,815	--	--	(21,017)
Tri Valley ROP	(44,118)	0.42	9,198	0.49	5,411	0.43	15,928	--	--	(13,581)
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--
Totals	$ (13,346,723)	100.00 %	$ 2,189,916	100.00 %	$ 1,105,000	100.00 %	$ 3,704,207	-- %	$ --	$ (6,347,600)

XVII. Deficit Review

Based upon the 2011 audit report, the Workers' Compensations program had an operating deficit of $19.6 million. SETECH estimates an improvement of over $9 million, bringing the total new estimate down to $3.3 million as of June 30, 2016. It is projected that deficit will be eliminated by December 2016, and an equity position by June 30, 2017.



WORKERS COMPENSATION FUND

	DEFICIT	Revenue	TRANSFER	Expenditures	change in financial position			Ending Deficit	Open Tail Claims	Outstanding Liability
2011-12 actual	$ (19,665,295)	$ 20,034,030		$ 17,376,343	$ 2,657,687	2011-12	$	(17,007,608)	395	$ 35,011,547
2012-13 actual	$ (17,007,608)	$ 19,217,218		$ 13,937,752	$ 5,279,466	2012-13	$	(11,728,142)	296	$ 28,388,856
2013-14 actual	$ (11,728,142)	$ 19,670,032		$ 17,322,172	$ 2,347,860	2013-14	$	(9,380,282)	237	$ 25,171,516
2014-15 actual	$ (9,380,282)	$ 20,284,500	$ 2,450,000	$ 19,701,818	$ 3,032,682	2014-15	$	(6,347,600)	208	$ 21,359,518
2015-16 budget	$ (6,347,600)	$ 24,592,230		$ 20,419,706	$ 4,172,524	2015-16	$	(2,175,076)	177	$ 18,359,518
2016-17 budget	$ (2,175,076)	$ 28,264,268		$ 25,429,415	$ 2,834,853	2016-17	$	659,777		
2017-18 budget										

XVIII. 3 Year Point in Time Comparison

This report shows the frequency and severity of claims per district. This is a tool the service team uses help districts. This information is also used during file reviews with the teams at the district level.

Keenan

Point in Time Comparison Report

Superpool name : Protected Insurance Program For Schools (JPA (PIPS))
Pool member : Alameda County Schools Insurance Group - PIPS
Account name :

Incident from dt : 07/01/2013
Incident to dt : 04/30/2016
Valuation dt : Apr 2014, Apr 2015, Apr 2016

Alameda County Schools Insurance Group - PIPS

Frequency and Severity

	7/1/2013 - 4/30/2014		7/1/2014 - 4/30/2015		7/1/2015 - 4/30/2016		Totals	
District Count(10)	Frequency	Severity	Frequency	Severity	Frequency	Severity	Frequency	Severity
Alameda County Office of Education	6	$2,970	5	$250,635	7	$185,274	18	$438,879
Alameda Unified School District	55	$178,305	51	$376,705	43	$379,755	129	$1,155,055
Albany Unified School District	16	$129,857	13	$39,378	13	$100,596	46	$269,831
Castro Valley Unified School District	35	$284,072	36	$621,937	25	$90,835	96	$996,844
Dublin Unified School District	21	$68,232	29	$132,057	22	$114,085	72	$314,353
Eden Area ROP	3	$1,360	1	$1,548	3	$12,710	7	$15,819
Emery Unified School District	9	$55,689	1	$204	5	$77,393	15	$133,346
Fremont Unified School District	118	$1,043,530	94	$1,244,973	114	$1,088,853	326	$3,377,349
Livermore Valley Joint Unified School District	49	$662,520	43	$622,638	50	$662,410	142	$1,947,569
Mission Valley ROP	2	$3,000	0	$0	1	$1,000	3	$4,000
New Haven Unified School District	47	$300,974	55	$350,826	37	$399,538	139	$1,051,338
Newark Unified School District	37	$116,357	23	$270,441	22	$244,374	84	$631,413
Piedmont Unified School District	10	$27,412	12	$125,667	12	$105,195	34	$258,275
Pleasanton Unified School District	61	$329,635	39	$670,515	50	$666,822	150	$1,666,971
San Leandro Unified School District	35	$145,966	34	$350,504	37	$255,808	106	$750,156
San Lorenzo Unified School District	56	$193,675	38	$564,976	59	$255,956	173	$1,114,801
Sunol Glen School District	0	$0	0	$0	1	$122	1	$122
Tri Valley Regional Occupational Program	3	$456	2	$3,096	1	$553	6	$4,105
Totals	**585**	**$3,602,667**	**535**	**$5,811,874**	**509**	**$4,601,076**	**1,587**	**$14,015,617**

Administrative

XIX. Election of Executive Committee

We currently have 4 seats up due to the rotation to serve through June 2018. Susan Kinder, Annette Heldman and Allan Garde have agreed to sit for another 2 years. The Board was asked to nominate and vote on the election of one more member to join the Executive Committee.

It was moved by Akur Varadarajan and seconded by Gary Jones that current Executive Committee members Susan Kinder, Anette Heldman and Allan Garde serve another two-year term, and to elect Bryan Richards to join the Executive Committee.
Ayes: Clark, Kinder, Jones, Garde, Siu, Stewart, Varadarajan, Richards, Chin-Bendib, Ochoa, Heldman, Morelli
Nays: None
Abstain: None

XX. ACSIG Salaries & Benefits

The Executive Director presented a cost of living increase proposal for the ACSIG staff of 3.5%. The average from 16 settled agencies was 3.715%. The overall cost for this increase would total $9,055. This item was agendized as information only, therefore there is a conference call set up for Tuesday, May 31, 2016 to approve this salary increase by the Board.

XXI. Meeting Calendar

The Full Board received the draft 2016/2017 calendar with the following meeting dates.

November 10, 2016	Executive Committee	9am-noon
November 17, 2016	Joint Full Board w/HR	12pm with lunch
December 15, 2016	Executive Committee	9am-noon
February 16, 2017	Executive Committee	9am-noon
May 11, 2017	Executive Committee	9am-noon
May 25, 2017	Joint Full Board	12pm with lunch

XXII. Future Planning

XXIII. **The meeting was adjourned at 1:09 PM by Dr. Candi Clark.**

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

SPECIAL MEETING MINUTES
Full Board

Date: Tuesday, May 31, 2016
Time: 10:00AM
Location: Conference Call
Dial-in instructions: 888-431-3632, access code 6477639

I. **Dr. Candi Clark called the meeting to order at 10:18am**

II. **Roll call**

Full Board Members

Dr. Candi Clark	President	Castro Valley USD
Gary Jones	Board Member	Alameda COE
Shariq Khan	Board Member	Alameda USD
Allan Garde	Board Member	Albany USD
Joyce Veasley	Board Member	Mission Valley ROP
Dina Stewart	Board Member	Mountain House USD
Akur Varadarajan	Board Member	New Haven USD
Bryan Richards	Board Member	Newark USD
Annette Heldman	Board Member	San Lorenzo USD
Heather Morelli	Board Member	Tri-Valley ROP

III. **ACSIG Salaries & Benefits**

The Executive Director presented a 3.5% cost of living increase proposal for the ACSIG staff. The total cost of this increase would be $9,055.
It was moved by Bryan Richards and seconded by Allan Garde to approve the proposed cost of living increase as presented.
Ayes: Clark, Jones, Khan, Garde, Veasley, Stewart, Varadarajan, Richards, Heldman, Morelli
Nays: None.
Abstain: None

IV. **Dr. Candi Clark adjourned the meeting at 10:26am.**

Consent Calendar

- 2015/16 Fourth Quarter Financials
- 2015/16 Fourth Quarter Investment Report
- Annual Report

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2015/16 Fourth Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2015/2016 Fourth Quarter financial statements for review. These financial statements reflect the 2014/2015 audited, annual balances. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

A representative from SETECH reviewed this report in detail with the Executive Committee at its November 3, 2016 meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF JUNE 30, 2016 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 3, 2016
For the Full Board Meeting of November 9, 2016

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 06/30/2015 and 06/30/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 06/30/2016	Audited As of 06/30/2016
Assets:			
Current Assets			
Workers Compensation	$ 5,329,735	3,429,229	$ 8,758,964
Dental	2,596,127	422,885	3,019,012
Vision	1,228,583	(52,686)	1,175,897
Property and Liability	1,135,222	71,573	1,206,795
Operations	289,482	(120,059)	169,423
Cash and Cash Equivalents	$ 10,579,149	3,750,942	$ 14,330,091
Investments Morgan Stanley - current	608,107	1,092,920	1,701,027
Accounts Receivable	5,582,053	2,383,355	7,965,408
Prepaid Expense	--	--	--
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	16,769,309	7,227,217	23,996,526
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	15,133,468	(763,448)	14,370,020
Capital - Equipment, net of depreciation	4,147	(592)	3,555
	15,137,615	(764,040)	14,373,575
Total Assets	**$ 31,906,924**	**$ 6,463,177**	**$ 38,370,101**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	44,203	44,203
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,721,576	$ 2,693,064	$ 5,414,640
Prefunding deposits (2)	3,116,431	301,728	3,418,159
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	3,665,741	(123,085)	3,542,657
Subtotal Current Liabilities	9,503,748	2,871,707	12,375,456
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,586,125	(3,436,333)	16,149,791
Unallocated Loss Adjustment Expense (ULAE)	1,559,819	11,000	1,570,819
Subtotal Noncurrent Claim Liabilities	21,145,944	(3,425,333)	17,720,610
Net Pension Liability (NPL)	--	525,511	525,511
Total Liabilities	$ 30,649,692	$ (28,115)	$ 30,621,577
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	63,483	63,483
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	1,253,085	6,472,604	7,725,689
Designated - Capital Assets	4,147	(592)	3,555
Total Net Position	$ 1,257,232	$ 6,472,012	$ 7,729,244
Total Liabilities and Ending Net Position	**$ 31,906,924**	**$ 6,507,380**	**$ 38,414,304**

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 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 1,257,232			
Beginning Cash	$ 26,320,724				$ 1,257,232		
Operating Revenue:							
Premiums Paid by Members	$ 149,629,535	$ --	$ 2,235,566	$ 151,865,101	$ 136,126,495	$ 15,738,606	111.56 %
Other Income	39,474	(33,676)	--	5,798	--	5,798	--
Total Operating Revenue	149,669,009	(33,676)	2,235,566	151,870,899	136,126,495	15,744,404	111.57
Operating Expenditures:							
Classified Salaries	108,279	156,075	7,841	272,195	227,675	44,520	119.55
Statutory Benefits	9,583	55,205	1,079	65,867	81,308	(15,441)	81.01
Health & Welfare	12,660	7,618	--	20,278	39,000	(18,722)	52.00
Employer Tax Expense	--	3,799	--	3,799	69,977	(66,178)	5.43
Net Pension Expense	--	159,477	--	159,477	--	159,477	--
Telephone & Internet	5,533	--	34	5,567	10,500	(4,933)	53.02
Supplies Office	1,943	--	(264)	1,679	10,500	(8,821)	15.99
Supplies - Other	1,276	--	(59)	1,217	10,500	(9,283)	11.59
Eligibility Processing	193,312	--	--	193,312	181,200	12,112	106.68
Brokerage Fees-Dental-ACSIG	264,232	--	--	264,232	284,000	(19,768)	93.04
Brokerage Fees-Dental-MD	322,460	--	--	322,460	276,000	46,460	116.83
Travel and Conferences	13,290	5,541	(360)	18,471	19,500	(1,029)	94.72
Mileage	6,952	--	--	6,952	7,350	(398)	94.59
Dues & Memberships	1,285	--	--	1,285	1,300	(15)	98.85
Postage & Meter	5,159	--	--	5,159	2,750	2,409	187.60
Insurance Expense-PIPS&NCR	19,354,290	--	--	19,354,290	21,125,746	(1,771,456)	91.61
Insurance Expense-PIPS Adj	1,578,491	--	--	1,578,491	500,000	1,078,491	315.70
Utility - Operating-Rent	79,190	(48,108)	--	31,082	32,255	(1,173)	96.36
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	8,025	--	--	8,025	19,025	(11,000)	42.18
Contract Services -Claim Audit	15,750	--	--	15,750	--	15,750	--
Contract Services	1,540	--	--	1,540	10,000	(8,460)	--
Audit Fees	13,000	--	--	13,000	16,350	(3,350)	79.51
Other Services/Operating Expense	2,540	--	--	2,540	7,125	(4,585)	35.65
Capital Equipment/Depreciation	--	--	592	592	5,250	(4,658)	11.28
Repairs & Maintenance	--	--	--	--	5,250	(5,250)	--
Legal	--	--	--	--	5,250	(5,250)	--
Accounting Services	9,520	4,080	--	13,600	15,750	(2,150)	86.35
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	807	148	(214)	741	2,100	(1,359)	35.31
Copier & Scanner	10,894	277	728	11,899	14,999	(3,100)	79.33
Claims Administration Services	175,576	--	(63)	175,513	193,429	(17,916)	90.74
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	2,457,927	--	(141,092)	2,316,835	4,000,000	(1,683,165)	57.92
Claims Paid-PL	18,887	--	5,145	24,032	100,000	(75,968)	24.03
Physical Abilities Testing	7,715	--	(365)	7,350	22,500	(15,150)	32.67
Training	152	--	--	152	5,000	(4,848)	3.04
First-Aid Program	8,476	--	(672)	7,804	25,000	(17,196)	31.22
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	15,627	--	--	15,627	--	15,627	--
Cobra Premiums	212,954	--	--	212,954	235,000	(22,046)	90.62
Dental Insurance Premiums	117,704,976	--	2,629,996	120,334,972	106,652,000	13,682,972	112.83
Vision Insurance Premiums	3,193,341	--	55,382	3,248,723	2,550,000	698,723	127.40
Claim Development Expense	--	--	(3,548,418)	(3,548,418)	(3,050,000)	(498,418)	116.34
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	146,040,406	344,113	(990,710)	145,393,809	133,985,974	11,407,835	108.51 %
Net Increase/(Decrease) from Operations	3,628,603	(377,789)	3,226,276	6,477,090	2,140,521	4,336,569	%
Non Operating Income/(Expense)							
Interest Income	266,616	(28)	9,706	276,294	218,250	58,044	126.60
Net Increase/(Decrease) in Fair Value	73,021	--	--	73,021	--	73,021	--
Realized Gain/(Loss) on Investments	30,921	--	--	30,921	--	30,921	--
Cumulative effect of GASB 68	--	--	(385,314)	(385,314)	--	(385,314)	--
Interfund Trans, Other Inc/Exp	81,254	(45,706)	(35,548)	--	--	--	--
Total Non Operating Income/(Expense)	451,811	(45,735)	(411,156)	(5,078)	218,250	(223,328)	(2.33) %
Ending Cash	$ 30,401,138	(423,524)					
Net Increase/(Decrease) in Net Position		$ (423,524)	$ 2,815,120	6,472,012	$ 2,358,771	$ 4,113,241	%
Audited - Ending Net Position, as of 06/30/2016				**$ 7,729,244**	**$ 3,616,003**	**$ 4,113,241**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2015 and 06/30/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 06/30/2016	Audited As of 06/30/2016
Assets:			
Current Assets			
Funds with County - WC - #44906	$ 1,347,776	2,917,816	$ 4,265,592
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,340	71	17,411
Union Bank Claims - #0129	238,600	325,639	564,239
Union Bank Claims Trust Account - #0600	475,784	172,434	648,218
Local Agency Investment Funds (L.A.I.F.)	3,145,491	11,314	3,156,805
Money Market - Morgan Stanley	104,744	1,955	106,699
Cash and Cash Equivalents	$ 5,329,735	3,429,229	$ 8,758,964
Investments Morgan Stanley - current	608,107	1,092,920	1,701,027
Accounts Receivable	98,001	142,871	240,872
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	(895,283)	(101,765)	(997,048)
Subtotal Current Assets	5,140,560	4,563,255	9,703,815
Noncurrent Assets			
Investments Morgan Stanley	11,383,173	(2,567,512)	8,815,661
Capital - Equipment, net of depreciation	--	--	--
	11,383,173	(2,567,512)	8,815,661
Total Assets	**$ 16,523,733**	**$ 1,995,743**	**$ 18,519,476**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	13,261	13,261
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,815	$ (1,037)	$ 1,778
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,792,000	(112,000)	1,680,000
Subtotal Current Liabilities	1,794,815	(113,037)	1,681,778
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,567,518	(3,427,263)	16,140,255
Unallocated Loss Adjustment Expense (ULAE)	1,509,000	11,000	1,520,000
Subtotal Noncurrent Claim Liabilities	21,076,518	(3,416,263)	17,660,255
Net Pension Liability (NPL)	--	157,653	157,653
Total Liabilities	$ 22,871,333	$ (3,371,647)	$ 19,499,686
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	19,045	19,045
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(6,347,600)	5,361,606	(985,994)
Designated - Capital Assets	--	--	--
Total Net Position	$ (6,347,600)	$ 5,361,606	$ (985,994)
Total Liabilities and Ending Net Position	**$ 16,523,733**	**$ 2,009,004**	**$ 18,532,737**

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ (6,347,600)			
Beginning Cash and Investments	$ 17,321,015				$ (6,347,600)		
Operating Revenue:							
Premiums Paid by Members	$ 24,592,229	$ --	$ --	$ 24,592,229	$ 24,592,230	$ (1)	100.00 %
Other Income	5,798	--	--	5,798	--	--	--
Total Operating Revenue	24,598,027	--	--	24,598,027	24,592,230	(1)	100.02
Operating Expenditures:	--						
Classified Salaries	--	65,478	--	65,478	56,819	8,659	115.24
Statutory Benefits	--	19,595	--	19,595	20,296	(701)	96.55
Health & Welfare	--	6,084	--	6,084	7,800	(1,716)	77.99
Employer Tax Expense	--	905	--	905	17,463	(16,558)	5.18
Net Pension Expense	--	47,843	--	47,843	--	47,843	--
Telephone & Internet	--	835	--	835	1,500	(665)	55.67
Supplies Office	--	252	--	252	1,500	(1,248)	16.80
Supplies - Other	--	183	--	183	1,500	(1,317)	12.20
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	2,771	--	2,771	2,250	521	123.16
Mileage	--	1,043	--	1,043	1,050	(7)	99.31
Dues & Memberships	--	193	--	193	150	43	128.67
Postage & Meter	--	86	--	86	100	(14)	86.00
Insurance Expense-PIPS	18,321,853	--	--	18,321,853	20,103,731	(1,781,878)	91.14
PIPS Contribution Adjustment	1,578,491	--	--	1,578,491	500,000	1,078,491	315.70
Utility - Operating-Rent	--	4,663	--	4,663	4,608	55	101.19
Advertising	--	--	--	--	300	(300)	--
Contract Services - Actuarial	8,025	--	--	8,025	7,775	250	103.22
Contract Services -Claim Audit	15,750	--	--	15,750	--	15,750	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	1,950	--	1,950	2,175	(225)	89.66
Other Services/Operating Expenses	--	381	--	381	2,625	(2,244)	14.51
Capital Equipment/Depreciation	--	--	--	--	750	(750)	--
Repairs & Maintenance	--	--	--	--	750	(750)	--
Legal	--	--	--	--	750	(750)	--
Accounting Services	--	2,040	--	2,040	2,250	(210)	90.67
County Courier	--	--	--	--	525	(525)	--
Shredding	--	111	--	111	750	(639)	14.80
Copier & Scanner	--	199	--	199	250	(51)	79.60
Claims Administration Services	170,000	--	--	170,000	175,429	(5,429)	96.91
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	2,457,927	--	(141,092)	2,316,835	4,000,000	(1,683,165)	57.92
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	7,715	--	(365)	7,350	10,000	(2,650)	73.50
Training	152	--	--	152	5,000	(4,848)	3.04
First-Aid Program	8,476	--	(672)	7,804	25,000	(17,196)	31.22
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	(3,528,263)	(3,528,263)	(3,000,000)	(528,263)	117.61
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	22,793,153	154,612	(3,670,392)	19,277,373	22,219,706	(2,942,333)	86.76 %
Net Increase/(Decrease) from Operations	1,804,875	(154,612)	3,670,392	5,320,654	2,372,524	2,942,332	224.26 %
Non Operating Income/(Expense)							
Interest Income	178,921	--	(356)	178,565	150,000	28,565	119.04
Net Increase/(Decrease) in Fair Value	(42,324)	--	--	(42,324)	--	(42,324)	--
Realized Gain/(Loss) on Investments	20,305	--	--	20,305	--	20,305	--
Cumulative effect of GASB 68	--	--	(115,594)	(115,594)	--	(115,594)	--
Interfund Transfer, Other Income	(7,140)	(45,707)	52,847	--	--	5,798	--
Total Non Operating Income/(Expense)	149,762	$ (45,707)	$ (63,103)	40,952	150,000	(103,250)	27.30 %
Ending Cash	$ 19,275,652						
Net Increase/(Decrease) in Net Position				5,361,606	2,522,524	2,839,082	
Audited - Ending Net Position, as of 06/30/2016				**$ (985,994)**	**$ (3,825,076)**	**$ 2,839,082**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2015 and 06/30/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 06/30/2016	Audited As of 06/30/2016
Assets:			
Current Assets			
Cash with County ACSIG #44901	$ 1,238,394	(1,025,515)	$ 212,879
Union Bank - Eligibility #9938	1,215,836	1,490,771	2,706,607
Union Bank - Expense #2064	5,795	(5,231)	564
Union Bank - Cobra Trust #0273	136,102	(37,140)	98,962
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	$ 2,596,127	422,885	$ 3,019,012
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	5,437,440	2,146,945	7,584,385
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	1,872,988	(92,807)	1,780,181
Subtotal Current Assets	9,906,555	2,477,023	12,383,578
Noncurrent Assets			
Investments - Morgan Stanley	2,693,874	1,781,969	4,475,843
Capital - Equipment, net of depreciation	--	--	--
	2,693,874	1,781,969	4,475,843
Total Assets	**$ 12,600,429**	**$ 4,258,992**	**$ 16,859,421**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	22,102	22,102
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,487,589	$ 2,629,996	$ 5,117,585
Prefunding deposits	3,085,589	252,000	3,337,589
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,709,000	--	1,709,000
Subtotal Current Liabilities	7,282,178	2,881,996	10,164,174
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	262,756	262,756
Total Liabilities	$ 7,282,178	$ 3,144,752	$ 10,426,930
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	31,742	31,742
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	5,318,251	1,104,601	6,422,852
Designated - Capital Assets	--	--	--
Total Net Position	$ 5,318,251	$ 1,104,601	$ 6,422,852
Total Liabilities and Ending Net Position	**$ 12,600,429**	**$ 4,281,094**	**$ 16,881,523**

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 5,318,251			
Beginning Cash and Investments	$ 5,290,001				$ 5,318,251		
Operating Revenue:							
Premiums Paid by Members	$ 120,677,508	$ --	$ 2,137,393	$ 122,814,901	$ 107,800,000	$ 15,014,901	113.93 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	120,677,508	--	2,137,393	122,814,901	107,800,000	15,014,901	113.93
Operating Expenditures:							
Classified Salaries	--	160,593	--	160,593	131,063	29,530	122.53
Statutory Benefits	--	33,136	--	33,136	46,798	(13,662)	70.81
Health & Welfare	--	10,139	--	10,139	25,350	(15,211)	40.00
Employer Tax Expense	--	2,255	--	2,255	40,283	(38,028)	5.60
Net Pension Expense	--	79,739	--	79,739	--	79,739	--
Telephone & Internet	--	3,897	--	3,897	7,500	(3,603)	51.96
Supplies Office	--	1,176	--	1,176	7,500	(6,324)	15.68
Supplies - Other	--	852	--	852	7,500	(6,648)	11.36
Eligibility Processing	193,312	--	--	193,312	181,200	12,112	106.68
Brokerage Fees-Dental-ACSIG	264,232	--	--	264,232	284,000	(19,768)	93.04
Brokerage Fees-Dental-MD	322,460	--	--	322,460	276,000	46,460	116.83
Travel and Conferences	--	12,930	--	12,930	15,000	(2,070)	86.20
Mileage	--	4,866	--	4,866	5,250	(384)	92.69
Dues & Memberships	--	900	--	900	1,000	(101)	89.95
Postage & Meter	--	4,901	--	4,901	2,500	2,401	196.05
Insurance Expense	--	--	--	--	--	--	--
					--	--	--
Net, Operating-Rent	--	21,757	--	21,757	23,040	(1,283)	94.43
Advertising	--	--	--	--	1,500	(1,500)	--
Contract Services - Actuarial	--	--	--	--	9,375	(9,375)	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contracted Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	9,100	--	9,100	12,000	(2,900)	75.83
Other Services/Operating Expenses	--	1,778	--	1,778	3,750	(1,972)	47.41
Capital Equipment/Depreciation	--	--	--	--	3,750	(3,750)	--
Repairs & Maintenance	--	--	--	--	3,750	(3,750)	--
Legal	--	--	--	--	3,750	(3,750)	--
Accounting Services	--	9,520	--	9,520	11,250	(1,730)	--
County Courier	--	--	--	--	2,625	(2,625)	--
Shredding	--	519	--	519	1,125	(606)	46.14
Copier & Scanner	--	11,304	--	11,304	14,249	(2,945)	79.33
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	15,627	--	--	15,627	--	15,627	--
Cobra Premiums	212,954	--	--	212,954	235,000	(22,046)	90.62
Dental Insurance Premiums	117,704,976	--	2,629,996	120,334,972	106,652,000	13,682,972	112.83
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	118,713,561	369,362	2,629,996	121,712,919	108,018,108	13,694,811	112.68 %
Net Increase/(Decrease) from Operations	1,963,947	(369,362)	(492,603)	1,101,982	(218,108)	1,320,090	(505.25) %
Non Operating Income/(Expense)							
Interest Income	66,692	--	9,552	76,244	50,000	26,244	152.49
Net Increase/(Decrease) in Fair Value	110,477	--	--	110,477	--	110,477	--
Realized Gain/(Loss) on Investments	8,555	--	--	8,555	--	8,555	--
Cumulative effect of GASB 68	--	--	(192,657)	(192,657)	--	(192,657)	--
I Transfer, YE Close, Rebate	55,183	1	(55,184)	--	--	--	
Total Non Operating Income/(Expense)	240,906	$ 1	$ (238,289)	2,619	50,000	(47,381)	5.24 %
Ending Cash	$ 7,494,855						
Net Increase/(Decrease) in Net Position				1,104,601	(168,108)	1,272,709	%
Audited - Ending Net Position, as of 06/30/2016				**$ 6,422,852**	**$ 5,150,143**	**$ 1,272,709**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2015 and 06/30/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 06/30/2016	Audited As of 06/30/2016
Assets:			
Current Assets			
Cash with County #44902	$ 1,228,583	(52,686)	$ 1,175,897
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	1,228,583	(52,686)	1,175,897
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	41,467	98,684	140,151
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	154,235	98,749	252,984
Subtotal Current Assets	1,424,285	144,747	1,569,032
Noncurrent Assets			
Investments - Morgan Stanley	1,056,421	22,095	1,078,516
Capital - Equipment, net of depreciation	--	--	--
	1,056,421	22,095	1,078,516
Total Assets	**$ 2,480,706**	**$ 166,842**	**$ 2,647,548**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	4,420	4,420
Liabilities:			
Current Liabilities			
Accounts Payable	$ 213,567	$ 55,382	$ 268,949
Prefunding deposits	30,842	49,728	80,570
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	142,000	--	142,000
Subtotal Current Liabilities	386,409	105,110	491,519
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	52,551	52,551
Total Liabilities	$ 386,409	$ 157,661	$ 544,070
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	6,348	6,348
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,094,297	7,253	2,101,550
Designated - Capital Assets	--	--	--
Total Net Position	$ 2,094,297	$ 7,253	$ 2,101,550
Total Liabilities and Ending Net Position	**$ 2,480,706**	**$ 171,262**	**$ 2,651,968**

Alameda County Schools Insurance Group (ACSIG)
Vision
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 2,094,297			
Beginning Cash and Investments	$ 2,285,004				$ 2,094,297		
Operating Revenue:							
Premiums Paid by Members	$ 3,231,218	$ --	$ 98,174	$ 3,329,392	$ 2,600,000	$ 729,392	128.05 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	3,231,218	--	98,174	3,329,392	2,600,000	729,392	128.05
Operating Expenditures:							
Classified Salaries	--	26,771	--	26,771	22,767	4,004	117.59
Statutory Benefits	--	6,676	--	6,676	8,131	(1,455)	82.10
Health & Welfare	--	2,028	--	2,028	3,900	(1,872)	52.00
Employer Tax Expense	--	373	--	373	6,998	(6,625)	5.34
Net Pension Expense	--	15,948	--	15,948	--	15,948	--
Telephone & Internet	--	557	--	557	1,000	(443)	55.70
Supplies Office	--	168	--	168	1,000	(832)	16.80
Supplies - Other	--	122	--	122	1,000	(878)	12.20
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	1,847	--	1,847	1,500	347	123.13
Mileage	--	695	--	695	700	(5)	99.31
Dues & Memberships	--	129	--	129	100	29	129.00
Postage & Meter	--	138	--	138	150	(12)	92.00
Insurance Expense	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
Utility - Operating-Rent	--	3,108	--	3,108	3,072	36	101.17
Advertising	--	--	--	--	200	(200)	--
Contract Services - Actuarial	--	--	--	--	1,250	(1,250)	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--	--
Audit Fees	--	1,300	--	1,300	1,450	(150)	89.66
Other Services/Operating Expenses	--	254	--	254	500	(246)	50.80
Capital Equipment/Depreciation	--	--	--	--	500	(500)	--
Repairs & Maintenance	--	--	--	--	500	(500)	--
Legal	--	--	--	--	500	(500)	--
Accounting Services	--	1,360	--	1,360	1,500	(140)	90.67
County Courier	--	--	--	--	350	(350)	--
Shredding	74	--	--	74	150	(76)	49.33
Copier & Scanner	318	--	--	318	400	(82)	79.50
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	3,193,341	--	55,382	3,248,723	2,550,000	698,723	127.40
Claim Development Expense	--	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	3,193,733	61,474	55,382	3,310,589	2,607,618	702,971	126.96 %
Net Increase/(Decrease) from Operations	37,485	(61,474)	42,792	18,803	(7,618)	26,421	%
Non Operating Income/(Expense)							
Interest Income	19,543	--	510	20,053	17,500	2,553	114.59
Net Increase/(Decrease) in Fair Value	4,868	--	--	4,868	--	4,868	--
Realized Gain/(Loss) on Investments	2,061	--	--	2,061	--	2,061	--
Cumulative effect of GASB 68	--	--	(38,531)	(38,531)	--	(38,531)	--
Interfund Transfer	(94,549)	1	94,548	--	--	--	
Total Non Operating Income/(Expense)	(68,077)	$ 1	$ 56,526	(11,549)	17,500	(29,049)	(66.00) %
Ending Cash	$ 2,254,413						
Net Increase/(Decrease) in Net Position				7,253	$ 9,882	$ (2,629)	%
Audited - Ending Net Position, as of 06/30/2016				**$ 2,101,550**	**$ 2,104,179**	**$ (2,629)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2015 and 06/30/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 06/30/2016	Audited As of 06/30/2016
Assets:			
Current Assets			
Cash with County - #44903	$ 494,959	(152,141)	$ 342,818
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	622,302	228,367	850,669
Union Bank - Claims Trust #1186	17,961	(4,653)	13,308
Cash and Cash Equivalents	$ 1,135,222	71,573	$ 1,206,795
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	5,145	(5,145)	--
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	(854,442)	(33,022)	(887,464)
Subtotal Current Assets	285,925	33,406	319,331
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	--	--	--
	--	--	--
Total Assets	**$ 285,925**	**$ 33,406**	**$ 319,331**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	4,420	4,420
Liabilities:			
Current Liabilities			
Accounts Payable	$ 290	$ (63)	$ 227
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	22,741	(11,085)	11,657
Subtotal Current Liabilities	23,031	(11,148)	11,884
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	18,607	(9,070)	9,536
Unallocated Loss Adjustment Expense (ULAE)	50,819	--	50,819
Subtotal Noncurrent Claim Liabilities	69,426	(9,070)	60,355
Net Pension Liability (NPL)	--	52,551	52,551
Total Liabilities	$ 92,457	$ (20,218)	$ 124,790
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	6,348	6,348
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	193,468	(855)	192,613
Designated - Capital Assets	--	--	--
Total Net Position	$ 193,468	$ (855)	$ 192,613
Total Liabilities and Ending Net Position	**$ 285,925**	**$ (14,725)**	**$ 323,751**

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 193,468			
Beginning Cash and Investments	$ 1,135,222				$ 193,468		
Operating Revenue:							
Premiums Paid by Members	$ 1,128,579	$ --	$ --	$ 1,128,579	$ 1,134,265	$ (5,686)	99.50 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	1,128,579	--	--	1,128,579	1,134,265	(5,686)	99.50
Operating Expenditures:							
Classified Salaries	--	19,353	--	19,353	17,026	2,327	113.67
Statutory Benefits	--	6,460	--	6,460	6,083	377	106.19
Health & Welfare	--	2,028	--	2,028	1,950	78	103.99
Employer Tax Expense	--	266	--	266	5,233	(4,967)	5.08
Net Pension Expense	--	15,948	--	15,948	--	15,948	--
Telephone & Internet	--	278	--	278	500	(222)	55.66
Supplies Office	--	83	--	83	500	(417)	16.69
Supplies - Other	--	60	--	60	500	(440)	12.03
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	923	--	923	750	173	123.03
Mileage	--	348	--	348	350	(2)	99.31
Dues & Memberships	--	64	--	64	50	14	127.00
Postage & Meter	--	34	--	34	--	34	--
Insurance Expense-NCR	1,032,437	--	--	1,032,437	1,022,015	10,422	101.02
					--		--
Utility - Operating-Rent	--	1,554	--	1,554	1,535	19	101.21
Advertising	--	--	--	--	100	(100)	--
Contract Services - Actuarial	--	--	--	--	625	(625)	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services - Legal	1,540	--	--	1,540	--	1,540	--
Audit Fees	--	650	--	650	725	(75)	89.66
Other Services/Operating Expenses	--	127	--	127	250	(123)	50.78
Capital Equipment/Depreciation	--	--	--	--	250	(250)	--
Repairs & Maintenance	--	--	--	--	250	(250)	--
Legal	--	--	--	--	250	(250)	--
Accounting Services	--	680	--	680	750	(70)	90.67
County Courier	--	--	--	--	175	(175)	--
Shredding	--	37	--	37	75	(38)	49.92
Copier & Scanner	--	78	--	78	100	(22)	77.94
Claims Administration Services	5,576	--	(63)	5,513	18,000	(12,487)	30.63
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	18,887	--	5,145	24,032	100,000	(75,968)	24.03
Physical Abilities Testing	--	--	--	--	12,500	(12,500)	--
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	--	--	(20,155)	(20,155)	(50,000)	29,845	40.31
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	1,058,440	48,970	(15,073)	1,092,337	1,140,542	(48,205)	95.77 %
Net Increase/(Decrease) from Operations	70,139	(48,970)	15,073	36,242	(6,277)	42,519	-- %
Non Operating Income/(Expense)							
Interest Income	1,434	--	--	1,434	750	684	191.20
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	(38,531)	(38,531)	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--	--
Total Non Operating Income/(Expense)	1,434	$ --	$ (38,531)	(37,097)	750	684	(4,946.32) %
Ending Cash	$ 1,206,795						
Net Increase/(Decrease) in Net Position				(855)	(5,527)	43,203	-- %
Audited - Ending Net Position, as of 06/30/2016				**$ 192,613**	**$ 187,941**	**$ 43,203**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2015 and 06/30/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 06/30/2016	Unaudited As of 06/30/2016
Assets:			
Current Assets			
Union Bank - Payroll #0176	$ 49,074	(14,592)	$ 34,482
Union Bank Checking Account #1521	240,408	(105,467)	134,941
Cash and Cash Equivalents	$ 289,482	(120,059)	$ 169,423
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	--	--
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	(277,498)	128,845	(148,653)
Subtotal Current Assets	11,984	8,786	20,770
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	4,147	(592)	3,555
	4,147	(592)	3,555
Total Assets	**$ 16,131**	**$ 8,194**	**$ 24,325**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	--	--
Liabilities:			
Current Liabilities			
Accounts Payable	$ 17,315	$ 8,786	$ 26,101
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	17,315	8,786	26,101
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	$ 17,315	$ 8,786	$ 26,101
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	--	--
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	--	(5,331)
Designated - Capital Assets	4,147	(592)	3,555
Total Net Position	$ (1,184)	$ (592)	$ (1,776)
Total Liabilities and Ending Net Position	**$ 16,131**	**$ 8,194**	**$ 24,325**

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ (1,184)			
Beginning Cash and Investments	$ 289,482				$ (1,184)		
Operating Revenue:							
Contributions	$ --	$ --	$ --	$ --	$ --	$ --	%
Offset to Rent - Sub Lease	33,676	(33,676)	--	--	--	--	
Total Operating Revenue	33,676	(33,676)	--	--	--	--	--
Operating Expenditures:							
Classified Salaries	108,279	(116,120)	7,841	--	--	--	
Statutory Benefits	9,583	(10,662)	1,079	--	--	--	
Health & Welfare	12,660	(12,660)	--	--	--	--	
Employer Tax Expense	--	--	--	--	--	--	
Net Pension Expense	--	--	--	--	--	--	
Telephone & Internet	5,533	(5,567)	34	--	--	--	--
Supplies Office	1,943	(1,679)	(264)	--	--	--	
Supplies - Other	1,276	(1,217)	(59)	--	--	--	
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	13,290	(12,930)	(360)	--	--	--	
Mileage	6,952	(6,952)	--	--	--	--	
Dues & Memberships	1,285	(1,285)	--	--	--	--	
Postage & Meter	5,159	(5,159)	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
	--	--	--	--	--	--	
Utility - Operating-Rent	79,190	(79,190)	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	--	--	
Contract Services -Claim Audit	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	13,000	(13,000)	--	--	--	--	
Other Services/Operating Expense	2,540	(2,540)	--	--	--	--	
Capital Equipment/Depreciation	--	--	592	592	--	592	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	9,520	(9,520)	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	733	(519)	(214)	--	--	--	
Copier & Scanner	10,576	(11,304)	728	--	--	--	
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	281,519	(290,305)	9,377	592	--	592	-- %
Net Increase/(Decrease) from Operations	(247,843)	256,629	(9,377)	(592)	--	(592)	-- %
Non Operating Income/(Expense)							
Interest Income	25	(25)	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer & YE Close	127,760	(1)	(127,759)	--	--	--	--
Total Non Operating Income/(Expense)	127,785	$ (26)	$ (127,759)	--	--	--	-- %
Ending Cash	$ 169,424						
Net Increase/(Decrease) in Net Position				$ (592)	$ --	$ (592)	-- %
Audited - Ending Net Position, as of 06/30/2016				**$ (1,776)**	**$ (1,184)**	**$ (592)**	

1) Percentage Variance calculated using cash activity, prior to allocation

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2016

	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	$ 913,503	$ 1,828,378	$ 2,852,327	$ 2,775,451	$ 2,868,514	$ 4,014,173	$ 2,922,031	$ 5,538,741	$ 5,159,000	$ 4,051,136	$ 3,703,550	$ 4,750,300	$ 41,377,104
Reserves	35,439	- -	74,960	66,214	16,706	34,457	31,497	98,482	82,346	101,937	43,772	261,750	847,560
Incurred Claims	948,942	1,828,378	2,927,287	2,841,665	2,885,220	4,048,630	2,953,528	5,637,223	5,241,346	4,153,073	3,747,322	5,012,050	42,224,664
Incurred But Not Reported (IBNR)	(29,050)	- -	12,713	128,335	24,780	21,370	16,472	132,777	88,654	146,927	122,678	137,950	803,606
Non- Discounted Estimated Ultimate Incurred (1)	919,892	1,828,378	2,940,000	2,970,000	2,910,000	4,070,000	2,970,000	5,770,000	5,330,000	4,300,000	3,870,000	5,150,000	43,028,270
Anticipated Investment Income (Discount) (2)	(307)	- -	(4,208)	(11,089)	(2,780)	(4,131)	(3,790)	(19,194)	(14,364)	(21,651)	(14,814)	(35,973)	(132,301)
Discounted Estimated Ultimate (1-2)	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
Paid Claims	(913,503)	(1,828,378)	(2,852,327)	(2,775,451)	(2,868,514)	(4,014,173)	(2,922,031)	(5,538,741)	(5,159,000)	(4,051,136)	(3,703,550)	(4,750,300)	(41,377,104)
Remaining Estimated Unpaid Claim Liabilities	$ 6,082	$ - -	$ 83,465	$ 183,460	$ 38,706	$ 51,696	$ 44,179	$ 212,065	$ 156,636	$ 227,213	$ 151,636	$ 363,727	$ 1,518,865
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
Increase/Decrease	(40,160)	- -	(8,857)	1,519	(8,933)	(11,738)	(27,128)	(8,619)	56,081	(26,056)	8,037	(16,340)	(82,194)

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2016

	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	$ 41,377,104	$ 5,295,855	$ 7,049,292	$ 6,737,859	$ 8,981,477	$ 7,259,421	$ 10,622,667	$ 11,597,215	$ 98,920,890
Reserves	847,560	168,093	423,134	648,928	1,617,469	1,094,736	791,484	942,654	6,534,058
Incurred Claims	42,224,664	5,463,948	7,472,426	7,386,787	10,598,946	8,354,157	11,414,151	12,539,869	105,454,948
Incurred But Not Reported (IBNR)	803,606	176,052	147,574	383,213	661,054	455,843	475,849	590,131	3,693,322
Non- Discounted Estimated Ultimate Incurred (1)	43,028,270	5,640,000	7,620,000	7,770,000	11,260,000	8,810,000	11,890,000	13,130,000	109,148,270
Anticipated Investment Income (Discount) (2)	(132,301)	(32,694)	(57,642)	(109,407)	(248,359)	(167,463)	(136,872)	(170,139)	(1,054,877)
Discounted Estimated Ultimate (1-2)	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
Paid Claims	(41,377,104)	(5,295,855)	(7,049,292)	(6,737,859)	(8,981,477)	(7,259,421)	(10,622,667)	(11,597,215)	(98,920,890)
Remaining Estimated Unpaid Claim Liabilities	$ 1,518,865	$ 311,451	$ 513,066	$ 922,734	$ 2,030,164	$ 1,383,116	$ 1,130,461	$ 1,362,646	$ 9,172,503

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015 & 06/30/2016.

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
Increase/Decrease	(82,194)	(145,325)	(22,454)	(148,042)	18,144	(164,120)	(65,643)	(123,822)	(733,456)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2016

	Totals From Page 7A	Self-Insured Program Years 2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2016 Totals	Activity: As of 06/30/2015 Totals	Activity: 07/01/2015 - 06/30/2016
Paid Claims	$ 98,920,890	$ 9,819,065	$ 5,812,686	$ 5,392,171	$ 8,520,025	$ 7,909,344	$ 8,322,517	$ 8,515,703	$ 153,212,401	$ 151,276,470	$ 1,935,931
Reserves	6,534,058	186,873	539,863	299,646	897,666	941,286	520,868	533,469	10,453,729	11,505,010	(1,051,281)
Incurred Claims	105,454,948	10,005,938	6,352,549	5,691,817	9,417,691	8,850,630	8,843,385	9,049,172	163,666,130	162,781,480	884,650
Incurred But Not Reported (IBNR)	3,693,322	624,062	657,451	658,183	1,232,309	569,370	996,615	1,290,828	9,722,140	12,892,368	(3,170,228)
Non- Discounted Estimated Ultimate Incurred (1)	109,148,270	10,630,000	7,010,000	6,350,000	10,650,000	9,420,000	9,840,000	10,340,000	173,388,270	175,673,848	(2,285,578)
Anticipated Investment Income (Discount) (2)	(1,054,877)	(98,123)	(149,664)	(126,433)	(283,287)	(203,939)	(200,308)	(238,983)	(2,355,614)	(3,037,860)	682,246
Discounted Estimated Ultimate (1-2)	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	172,635,988	(1,603,332)
Paid Claims	(98,920,890)	(9,819,065)	(5,812,686)	(5,392,171)	(8,520,025)	(7,909,344)	(8,322,517)	(8,515,703)	(153,212,401)	(151,276,470)	(1,935,931)
Remaining Estimated Unpaid Claim Liabilities	$ 9,172,503	$ 712,812	$ 1,047,650	$ 831,396	$ 1,846,688	$ 1,306,717	$ 1,317,175	$ 1,585,314	$ 17,820,255	$ 21,359,518	$ (3,539,263)
								Estimated Current Portion /Short-Term Liability (1)	(1,680,000)		
								Estimated Non-Current portion of Claim Liabilities	$ 16,140,255		

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

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
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A
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
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
Increase/Decrease	(733,456)	74,172	(60,506)	8,701	19,204	(322,962)	(219,541)	(368,944)	(1,603,332)

Claim Development Expense	
Claim Liabilities and ULAE Decrease	$ (3,539,263) 11,000 $ (3,528,263)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 06/30/2016

	Self-Insured Program Years								As of 06/30/2016	Activity	
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016		As of 06/30/2015	07/01/2015 - 09/30/2015
Paid Claims	$ 117,507	$ 48,738	$ 33,141	$ 96,543	$ 125,045	$ 20,000	$ 6,771	$ 6,681	$ 454,426	$ 429,045	$ 25,381
Reserves	--	--	--	--	--	--	--	--	--	11,929	(11,929)
Incurred Claims	117,507	48,738	33,141	96,543	125,045	20,000	6,771	6,681	454,426	440,974	13,452
Incurred But Not Reported (IBNR)	--	0	--	(0)	1,517	863	1,072	18,319	21,770	35,223	(13,453)
Non- Discounted Estimated Ultimate Incurred (1)	117,507	(4) 48,738	(4) 33,141	(4 96,543	(4) 126,562	(3) 20,863	7,843	25,000	476,197	476,197	--
Anticipated Investment Income (Discount) (2)	--	--	--	--	(7)	(24)	(31)	(516)	(577)	(5,803)	5,226
Discounted Estimated Ultimate (1-2)	117,507	48,738	33,141	96,543	126,555	20,839	7,812	24,484	475,620	470,394	5,226
Paid Claims	(117,507)	(48,738)	(33,141)	(96,543)	(125,045)	(20,000)	(6,771)	(6,681)	(454,426)	(429,045)	(25,381)
Remaining Estimated Unpaid Claim Liabilities	$ --	$ --	$ --	$ --	$ 1,510	$ 839	$ 1,041	$ 17,803	$ 21,194	$ 41,349	$ (20,155)
									Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65		(11,657)
									Estimated Non-Current portion of Claim Liabilities		$ 9,537

(1) Per Bay Actuarial Consultants actuarial study dated May 2015.
(2) Discounted at .5%.
(3) Adjusted for negative IBNR **(4) Ultimate adjusted for deductible, not shown on the Actuarial Report.**

Claim Development Expense	
Claim Liabilities and ULAE	$ (20,155)
Increase	$ (20,155)

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	117,507	48,738	33,141	96,543	126,562	20,863	7,843	25,000	451,197
Increase/Decrease	--	--	--	--	--	--	(25,000)	25,000	--

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2015/2016 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 fourth quarterly investment report. Cary Alison from Morgan Stanley Wealth Management reviewed this report in detail with the Executive Committee at its November 3, 2016 meeting.

Wealth Management
1478 Stone Point Dr Suite 500
Roseville, CA 95661

tel 916 797 7742 or 888 335 6370
fax 916 797 7750

Morgan Stanley

July 7, 2016

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

Dear Board:

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

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	06/30/16
Inception date	07/12/10
Beginning Total Value	$9,999,850.00
Net Contributions/Withdrawals	$5,033,025.75
Investment Earnings	$1,222,230.82
Total Ending Value	$16,255,106.57
Current Quarter	0.65%
Year to Date	2.07%
Since Inception (annualized % per year)	1.43%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	1.51%
Last 5 Years (annualized % per year)	1.35%
Since Inception (annualized % per year)	1.43%
Year 2016 (YTD)	2.07%
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	29.18%

More details on the portfolio summary are attached. Please contact me with any questions.

Sincerely,

Cary M. Allison, CIMA®
Senior Institutional Consultant
www.morganstanley.com
cary.allison@morganstanley.com

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Morgan Stanley

Fixed Income Report

Prepared on July 07, 2016

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

Please review the disclosures and definitions throughout this Document.

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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

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, 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.

All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

Morgan Stanley

Alameda County Schools Ins Group 171-041349

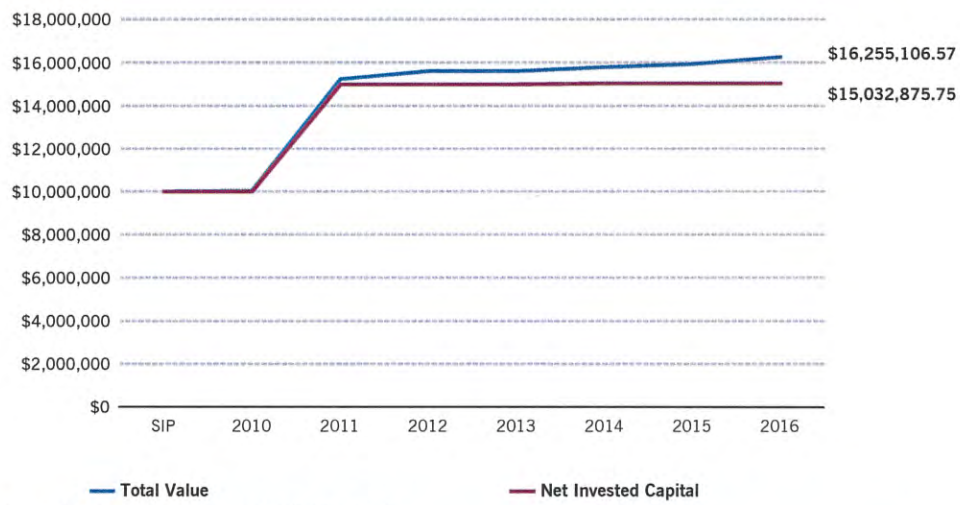
As of June 30, 2016 | Reporting Currency: USD

CHANGE IN VALUE AND RETURN % (NET OF FEES)

	Quarter to Date 03/31/16-06/30/16	Year to Date 12/31/15-06/30/16	Performance Inception 07/12/10-06/30/16
Beginning Total Value	**$16,150,162.43**	**$15,926,083.41**	**$9,999,850.00**
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	104,944.15	329,023.17	1,222,230.82
Ending Total Value	**$16,255,106.57**	**$16,255,106.57**	**$16,255,106.57**
DOLLAR WEIGHTED RATE OF RETURN			
Return % (Net of Fees)	0.65%	2.07%	1.43%

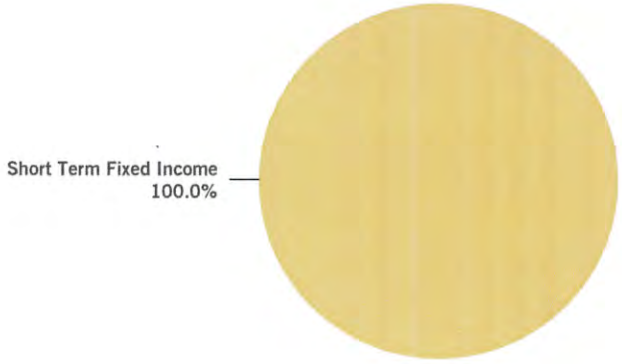
Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

ASSET ALLOCATION



INCOME SUMMARY

	Year To Date 01/01/16-07/06/16	Projected Remaining Year (Until 12/31) 07/07/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
INCOME BY ASSET CLASS			
Cash	$13.37	$0.00	-
Fixed Income & Preferreds	126,112.60	141,982.00	282,634.00
Total Income	**$126,125.97**	**$141,982.00**	**$282,634.00**
INCOME BY TAX CATEGORY			
Taxable	126,125.97	141,982.00	282,634.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
Total Income	**$126,125.97**	**$141,982.00**	**$282,634.00**

Income Summary does not include income from external assets.

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

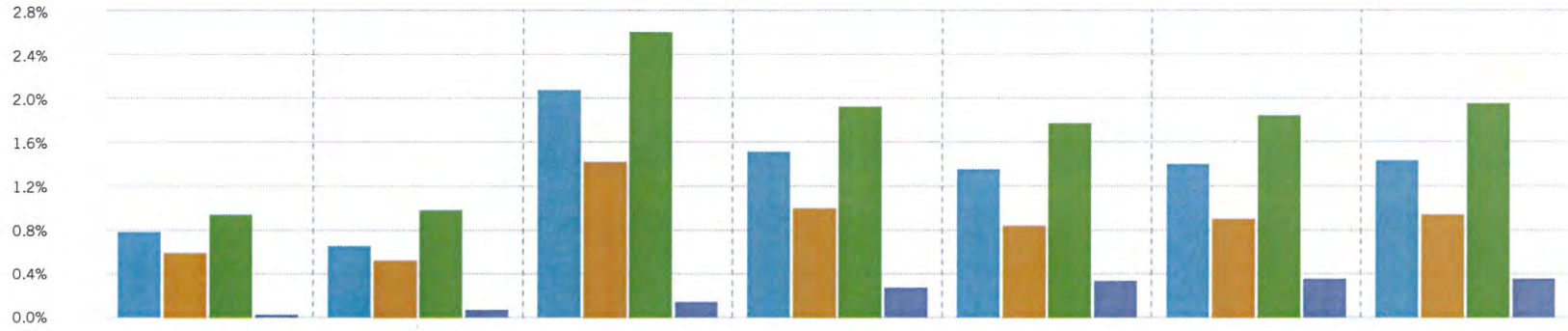
TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

Morgan Stanley

Alameda County Schools Ins Group 171-041349

As of June 30, 2016 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Month to Date 05/31/16 - 06/30/16	Quarter to Date 03/31/16 - 06/30/16	Year to Date 12/31/15 - 06/30/16	Last 3 Years 06/30/13 - 06/30/16	Last 5 Years 06/30/11 - 06/30/16	Performance Inception Month End 07/31/10 - 06/30/16	Performance Inception 07/12/10 - 06/30/16
Beginning Total Value	**$16,129,757.45**	**$16,150,162.43**	**$15,926,083.41**	**$15,506,118.74**	**$10,177,172.05**	**$10,025,516.38**	**$9,999,850.00**
Net Contributions/Withdrawals	0.00	0.00	0.00	32,875.75	5,032,875.75	5,032,875.75	5,033,025.75
Investment Earnings	125,349.13	104,944.15	329,023.17	716,112.08	1,045,058.77	1,196,714.44	1,222,230.82
Ending Total Value	**$16,255,106.57**	**$16,255,106.57**	**$16,255,106.57**	**$16,255,106.57**	**$16,255,106.57**	**$16,255,106.57**	**$16,255,106.57**
Return % (Net of Fees)	**0.78**	**0.65**	**2.07**	**1.51**	**1.35**	**1.40**	**1.43**
BC Gov 1-3 Yr	*0.59*	*0.52*	*1.42*	*1.00*	*0.84*	*0.90*	*0.94*
BC Gov/Cr 1-5 yr	*0.94*	*0.98*	*2.60*	*1.92*	*1.77*	*1.84*	*1.95*
Citi CD 6 Month	*0.02*	*0.07*	*0.14*	*0.27*	*0.33*	*0.35*	*0.35*

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

As of June 30, 2016 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 06/30/16

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
2016 (YTD)	**$15,926,083.41**	**$0.00**	**$329,023.17**	**$16,255,106.57**	**2.07%**	**1.42%**	**2.60%**	**0.14%**
2QTR	*16,150,162.43*	*0.00*	*104,944.15*	*16,255,106.57*	*0.65*	*0.52*	*0.98*	*0.07*
June	16,129,757.45	0.00	125,349.13	16,255,106.57	0.78	0.59	0.94	0.02
May	16,149,697.71	0.00	-19,940.27	16,129,757.45	-0.12	-0.10	-0.12	0.02
April	16,150,162.43	0.00	-464.71	16,149,697.71	0.00	0.04	0.15	0.02
1QTR	*15,926,083.41*	*0.00*	*224,079.02*	*16,150,162.43*	*1.41*	*0.89*	*1.61*	*0.07*
March	16,085,409.16	0.00	64,753.26	16,150,162.43	0.40	0.17	0.52	0.02
February	16,063,789.98	0.00	21,619.18	16,085,409.16	0.13	0.11	0.19	0.02
January	15,926,083.41	0.00	137,706.57	16,063,789.98	0.86	0.61	0.89	0.02
2015	**$15,789,357.87**	**$0.00**	**$136,725.54**	**$15,926,083.41**	**0.87%**	**0.57%**	**0.97%**	**0.27%**
2014	**$15,597,806.94**	**$32,875.75**	**$158,675.18**	**$15,789,357.87**	**1.01%**	**0.64%**	**1.42%**	**0.27%**
2013	**$15,600,964.10**	**$0.00**	**-$3,157.16**	**$15,597,806.94**	**-0.03%**	**0.37%**	**0.28%**	**0.27%**
2012	**$15,229,289.11**	**$0.00**	**$371,674.99**	**$15,600,964.10**	**2.44%**	**0.51%**	**2.24%**	**0.49%**
2011	**$10,028,996.97**	**$5,000,000.00**	**$200,292.14**	**$15,229,289.11**	**1.91%**	**1.56%**	**3.14%**	**0.39%**
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%**

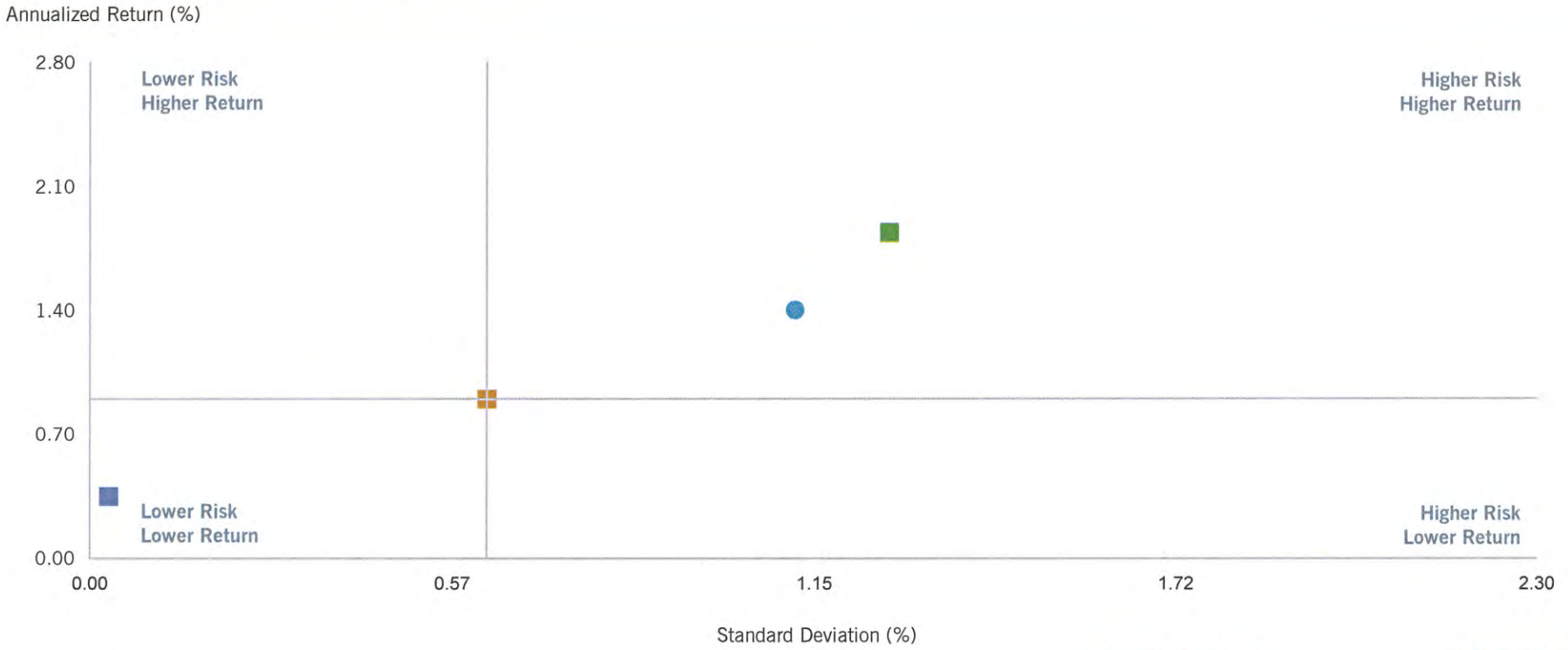
Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

RISK VS. RETURN - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349

As of June 30, 2016 | Reporting Currency: USD

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



	Return % (Net of Fees) 07/31/10-06/30/16	Standard Deviation 07/31/10-06/30/16 (%)
Portfolio	1.40%	1.12%
BC Gov 1-3 Yr	*0.90*	*0.63*
BC Gov/Cr 1-5 yr	*1.84*	*1.27*
Citi CD 6 Month	*0.35*	*0.03*

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.

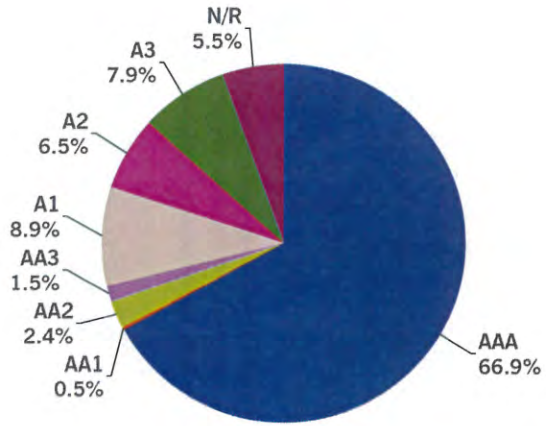
FIXED INCOME & PREFERREDS QUALITY, MATURITY AND ASSET ALLOCATION

Morgan Stanley

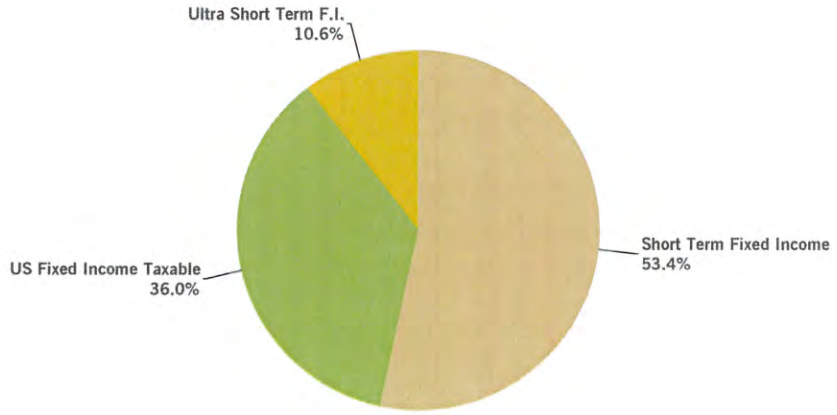
Alameda County Schools Ins Group 171-041349

As of June 30, 2016 | Reporting Currency: USD

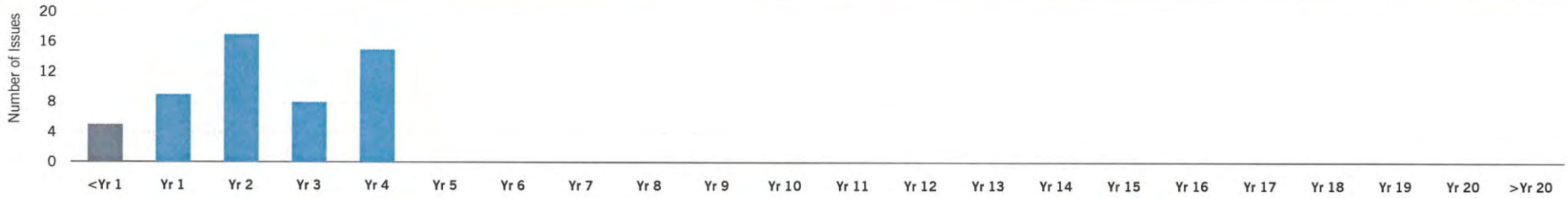
FIXED INCOME AND PREFERREDS QUALITY ANALYSIS



FIXED INCOME AND PREFERREDS ASSET ALLOCATION



MATURITY SCHEDULE



	Number of Issues	Total Value 06/30/16	% of Fixed Income & Preferreds
Less than 1 yr	5	$1,703,917.57	10.6%
1-5 yrs	49	14,445,491.55	89.4
6-10 yrs	0	0.00	0.0
11-15 yrs	0	0.00	0.0
16-20 yrs	0	0.00	0.0
More than 20 yrs	0	0.00	0.0
Others	0	0.00	0.0
Total Fixed Income & Preferreds	**54**	**$16,149,409.12**	**100.0%**

Others includes securities without maturities, such as mutual funds. These securities are not included on the chart.

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
ACE INA HOLDINGS INC	$80,538.70	$79,000.00	$102.81	$81,223.06	$684.36	2.23%	0.51%
	$80,538.70			$81,510.75		2.25%	
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: $287.691							
AMERICAN EXPRESS CREDIT	161,577.18	162,000.00	99.87	161,794.26	217.08	1.24	1.00
	161,577.18			162,136.92		1.24	
Cusip: 0258M0DW6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 7/31/2018, Coupon: 1.248, Call Date: 6/30/2018, Call Price: 100.000, Accrued Interest: $342.658							
APPLE INC	80,961.12	81,000.00	100.15	81,123.12	162.00	0.88	0.50
	80,961.12			81,236.83		0.88	
Cusip: 037833AG5, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/3/2018, Coupon: 0.887, Accrued Interest: $113.706							
BANK OF NEW YORK MELLON	158,451.43	158,000.00	102.23	161,528.14	3,076.71	2.05	1.01
	158,451.43			163,048.89		2.09	
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							
BB&T CORPORATION	151,384.75	151,000.00	100.78	152,177.80	793.05	2.13	0.95
	151,384.75			153,061.57		2.14	
Cusip: 05531FAK9, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/22/2017, Coupon: 2.150, Call Date: 2/22/2017, Call Price: 100.000, Accrued Interest: $883.768							
BERKSHIRE HATHAWAY INC	158,401.20	157,000.00	103.03	161,761.81	3,360.61	2.03	1.01
	158,401.20			163,007.34		2.07	
Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: $1245.533							
BOEING CAPITAL CORPORATION	78,626.01	76,000.00	103.89	78,953.36	327.35	2.79	0.49
	78,626.01			79,779.86		2.80	
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							
CATERPILLAR FINANCIAL SE	79,056.29	77,000.00	102.68	79,063.60	7.31	2.04	0.49
	79,056.29			79,157.92		2.04	
Cusip: 14912L6B2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: $94.324							
CHEVRON CORP	72,875.99	71,000.00	103.15	73,237.21	361.22	2.34	0.46
	72,875.99			73,442.36		2.35	
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							
CISCO SYSTEMS INC	159,143.05	159,000.00	104.13	165,558.75	6,415.70	2.35	1.03
	159,143.05			165,721.06		2.45	
Cusip: 17275RAX0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 6/15/2020, Coupon: 2.450, Accrued Interest: $162.312							
COCA-COLA CO/THE	81,065.13	80,000.00	102.20	81,763.20	698.07	1.83	0.51
	81,065.13			82,025.70		1.85	
Cusip: 191216BT6, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: $262.500							
COMCAST CORP	152,717.45	139,000.00	113.01	157,076.95	4,359.50	4.55	0.99
	152,717.45			159,443.23		4.68	

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

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
Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: $2366.282							
DUKE ENERGY CAROLINAS	152,631.16	152,000.00	100.48	152,729.60	98.44	1.74	0.95
	152,631.16			152,840.43		1.74	
Cusip: 26442CAL8, Moody's Rating: AA2, S & P Rating: A, Maturity Date: 12/15/2016, Coupon: 1.750, Accrued Interest: $110.832							
EXXON MOBIL CORPORATION	162,727.32	159,000.00	103.11	163,936.95	1,209.63	2.15	1.02
	162,727.32			165,085.17		2.17	
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: $1148.218							
GENERAL ELEC CAP CORP	158,784.03	141,000.00	113.40	159,886.95	1,102.92	4.07	1.01
	158,784.03			163,020.77		4.10	
Cusip: 36962G4Y7, Moody's Rating: A1, S & P Rating: AA+, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: $3133.822							
GILEAD SCIENCES INC	159,193.70	158,000.00	101.77	160,801.34	1,607.64	1.81	1.00
	159,193.70			161,743.20		1.83	
Cusip: 375558BE2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/4/2018, Coupon: 1.850, Accrued Interest: $941.855							
HOME DEPOT INC	80,136.20	79,000.00	102.81	81,216.74	1,080.54	1.94	0.50
	80,136.20			81,282.57		1.97	
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							
INTEL CORP	79,789.62	79,000.00	103.99	82,153.68	2,364.06	2.35	0.51
	79,789.62			82,965.51		2.42	
Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: $811.834							
JOHN DEERE CAPITAL CORP	80,192.22	79,000.00	102.77	81,184.35	992.13	2.18	0.51
	80,192.22			81,544.79		2.21	
Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: $360.438							
JP MORGAN CHASE & CO	155,685.45	155,000.00	100.49	155,753.30	67.85	1.53	0.97
	155,685.45			156,190.38		1.53	
Cusip: 46625HJF8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 1/25/2018, Coupon: 1.538, Accrued Interest: $437.075							
MERCK & CO INC	156,048.70	158,000.00	100.95	159,499.42	3,450.72	1.28	0.99
	156,048.70			159,739.05		1.31	
Cusip: 58933YAG0, Moody's Rating: A1, S & P Rating: AA, Maturity Date: 5/18/2018, Coupon: 1.300, Accrued Interest: $239.632							
METLIFE INC	150,292.69	135,000.00	111.65	150,720.75	428.06	6.10	0.96
	150,292.69			154,171.86		6.12	
Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: $3451.106							
MICROSOFT CORP	80,515.37	80,000.00	100.91	80,726.40	211.03	1.28	0.50
	80,515.37			80,891.07		1.28	
Cusip: 594918BF0, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/3/2018, Coupon: 1.300, Accrued Interest: $164.666							

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

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
OCCIDENTAL PETROLEUM CORP	159,501.19	147,000.00	109.46	160,910.61	1,409.42	3.74	1.01
	159,501.19			163,405.12		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: $2494.508							
ORACLE CORP	155,572.18	154,000.00	102.96	158,553.78	2,981.60	2.30	0.99
	155,572.18			160,230.13		2.34	
Cusip: 68389XAQ8, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/15/2019, Coupon: 2.375, Accrued Interest: $1676.353							
PEPSICO INC	160,170.75	160,000.00	100.30	160,476.80	306.05	0.97	1.00
	160,170.75			160,812.11		0.97	
Cusip: 713448DA3, Moody's Rating: A1, S & P Rating: A, Maturity Date: 10/13/2017, Coupon: 0.980, Accrued Interest: $335.309							
PFIZER INC	73,337.72	73,000.00	100.83	73,608.09	270.37	1.43	0.46
	73,337.72			73,687.48		1.44	
Cusip: 717081DU4, Moody's Rating: A1, S & P Rating: AA, Maturity Date: 6/3/2019, Coupon: 1.450, Accrued Interest: $79.388							
PNC FUNDING CORP	155,777.64	142,000.00	111.88	158,868.18	3,090.54	4.58	1.00
	155,777.64			161,738.75		4.67	
Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: $2870.568							
PROCTER & GAMBLE CO/THE	150,539.51	149,000.00	102.81	153,191.37	2,651.86	1.84	0.95
	150,539.51			153,655.34		1.87	
Cusip: 742718EG0, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: $463.968							
STATE STREET CORP STT	72,420.71	70,000.00	103.77	72,639.70	218.99	2.45	0.45
	72,420.71			73,294.20		2.46	
Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: $654.500							
TARGET CORP	159,035.70	146,000.00	109.22	159,458.28	422.58	3.54	1.00
	159,035.70			162,051.30		3.55	
Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: $2593.020							
THE WALT DISNEY COMPANY	78,491.13	78,000.00	103.50	80,729.22	2,238.09	2.07	0.50
	78,491.13			81,209.03		2.13	
Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: $479.808							
UNITED TECHNOLOGIES CORP	152,015.95	151,000.00	100.77	152,155.15	139.20	1.78	0.94
	152,015.95			152,374.10		1.78	
Cusip: 913017BU2, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 6/1/2017, Coupon: 1.800, Accrued Interest: $218.950							
UNITEDHEALTH GROUP INC	78,394.61	77,000.00	104.15	80,197.04	1,802.43	2.59	0.50
	78,394.61			81,149.91		2.65	
Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: $952.874							
US BANCORP	80,910.51	79,000.00	102.56	81,022.40	111.89	2.14	0.50
	80,910.51			81,336.21		2.14	

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

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
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							
VISA INC	160,868.93	160,000.00	100.62	160,993.60	124.67	1.19	1.00
	160,868.93			161,078.93		1.19	
Cusip: 92826CAA0, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2017, Coupon: 1.200, Accrued Interest: $85.333							
WELLS FARGO & COMPANY	160,421.58	158,000.00	102.54	162,019.52	1,597.94	2.43	1.01
	160,421.58			163,292.30		2.45	
Cusip: 949746RS2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 3/4/2021, Coupon: 2.500, Accrued Interest: $1272.777							
Corporate Fixed Income Total	$4,628,252.87	$4,509,000.00		$4,678,694.48	$50,441.61		29.18%
	$4,628,252.87			$4,712,362.12			

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 MTG CORP	$803,772.00	$800,000.00	$101.23	$809,816.00	$6,044.00	1.23%	5.04%
	$803,772.00			$813,954.89		1.24%	
Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: $4138.888							
FED HOME LN MTG CORP	1,176,627.40	1,175,000.00	100.48	1,180,616.50	3,989.10	0.99	7.33
	1,176,627.40			1,183,586.63		0.99	
Cusip: 3137EADL0, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/29/2017, Coupon: 1.000, Accrued Interest: $2970.130							
FED HOME LN MTG CORP MED TERM NOTE	398,340.00	400,000.00	100.12	400,460.00	2,120.00	0.74	2.48
	398,340.00			401,151.66		0.74	
Cusip: 3137EAEA3, S & P Rating: AA+, Maturity Date: 4/9/2018, Coupon: 0.750, Accrued Interest: $691.664							
FED NATL MTG ASSN	1,030,282.84	1,036,000.00	100.51	1,041,283.60	11,000.76	0.87	6.47
	1,030,282.84			1,044,859.23		0.88	
Cusip: 3135G0TG8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/8/2018, Coupon: 0.875, Accrued Interest: $3575.630							
FED NATL MTG ASSN	320,059.47	321,000.00	100.88	323,824.80	3,765.33	1.11	2.02
	320,059.47			325,429.80		1.12	
Cusip: 3135G0E33, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/20/2018, Coupon: 1.125, Accrued Interest: $1604.997							
FED NATL MTG ASSN	363,708.25	355,000.00	103.33	366,807.30	3,099.05	1.81	2.27
	363,708.25			366,844.28		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	102.13	361,536.66	8,322.54	1.59	2.24
	353,214.12			362,063.97		1.63	
Cusip: 3135G0YT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: $527.311							

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

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	895,436.31	890,000.00	102.77	914,626.30	19,189.99	1.82	5.70
	895,436.31			920,698.69		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	706,132.21	699,000.00	102.56	716,859.45	10,727.24	1.82	4.46
	706,132.21			720,572.88		1.85	
Cusip: 3135G0YM9, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/18/2018, Coupon: 1.875, Accrued Interest: $3713.431							
FED NATL MTG ASSN	1,034,248.90	1,041,000.00	101.92	1,060,997.61	26,748.71	1.47	6.57
	1,034,248.90			1,061,344.61		1.51	
Cusip: 3135G0D75, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 6/22/2020, Coupon: 1.500, Accrued Interest: $346.997							
UNITED STATES TREASURY BILL	484,972.84	485,000.00	100.00	484,995.15	22.31	-	3.00
	484,972.84			484,995.15		-	
Cusip: 912796HZ5, Maturity Date: 7/7/2016							
UNITED STATES TREASURY NOTE	1,256,585.51	1,221,000.00	103.57	1,264,638.54	8,053.03	2.65	7.90
	1,256,585.51			1,275,770.20		2.67	
Cusip: 912828PY0, Moody's Rating: AAA, Maturity Date: 2/28/2018, Coupon: 2.750, Accrued Interest: $11131.662							
UNITED STATES TREASURY NOTE	756,335.40	744,000.00	102.01	758,969.28	2,633.88	2.69	4.71
	756,335.40			760,646.32		2.70	
Cusip: 912828NG1, Moody's Rating: AAA, Maturity Date: 5/31/2017, Coupon: 2.750, Accrued Interest: $1677.043							
UNITED STATES TREASURY NOTE	308,728.15	311,000.00	101.52	315,727.20	6,999.05	1.35	1.96
	308,728.15			315,727.20		1.38	
Cusip: 912828VK3, Moody's Rating: AAA, Maturity Date: 6/30/2018, Coupon: 1.375							
UNITED STATES TREASURY NOTE	320,581.95	325,000.00	101.83	330,954.00	10,372.05	1.35	2.06
	320,581.95			332,435.49		1.39	
Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: $1481.486							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	101.46	405,844.00	12,000.40	1.23	2.53
	393,843.60			407,918.17		1.27	
Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: $2074.172							
UNITED STATES TREASURY NOTE	640,579.07	644,000.00	101.77	655,398.80	14,819.73	1.35	4.08
	640,579.07			659,047.83		1.38	
Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: $3649.033							
Government Securities Total	$11,243,448.02	$11,201,000.00		$11,393,355.19	$149,907.17		70.82%
	$11,243,448.02			$11,437,047.00			

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

DISCLOSURES

Explanatory Notes and Disclosures: 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.
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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. Asset allocations may differ from product allocations.
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.

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, and 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, some annuities and assets held externally. 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).
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 Form ADV Part 2 or applicable disclosure brochure and any applicable account statement for more information on transaction costs, 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.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

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 12 Month Income includes cash income such as interest, cash dividends and partnership distributions. It is based on current yields and does not include income from external accounts. These are projections and the actual income may be lower or higher than the projections.

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

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.

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.

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.

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.

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.

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

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of these include life insurance, some annuities and some assets held externally.

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.

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.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures

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.

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

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.

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.

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)

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.

Standard & Poor's Equity Research Ratings: For ease of comparison, Morgan Stanley Wealth Management has normalized Standard & Poor's proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Standard & Poor's rating system. Please refer to a Standard & Poor's research report for a complete description of Standard & Poor's rating system and Standard & Poor's actual proprietary rating on any covered company. Standard & Poor's ratings are described below:
1 / 5-STARS (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis
1 / 4-STARS (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis
2 / 3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis
3 / 2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain
3 / 1-STARS (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis
Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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

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

BENCHMARK DEFINITIONS

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.

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.

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2015-2016 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 fourth 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 was reviewed with the Executive Committee and presented to the full Board at its November 9, 2016 meeting.

Alameda County Schools Insurance Group (*ACSIG*)



2015/16 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. 2016 continued our improvement to our financial statements and highlighted our alignment with our deficit reduction plan.

As the ACSIG Board remains committed to funding the Workers' Compensation deficit, the program continues to offer a competitively priced program while making innovative services available to each partner. The deficit plan adopted by the Board in 2008 reflected a goal of eliminating the deficit by 2017. Our financial reports now reflect a projected, positive fund balance in the Workers' Compensation program for the first time in 10 years.

2016 was a year of integration. We were fortunate to partner with Keenan for the administration of our Workers' Compensation program. The partnership includes the service team. Members of the service team have either worked in or with school districts for over 20 years. They bring a wealth of experience and ideas to each member agency. Because they have direct experience in the same challenges each member experiences, they can offer insight and real-world risk management techniques.

Member agencies experienced a high amount of turnover in the past 18 months. Because of this, we returned to the basics. We sponsored Workers' Comp 101 training, Ed Code training as well as Return to Work training. We continue to evaluate membership and adjust our service delivery not only based upon the highest frequency and severity of claims but also to the institutional knowledge at each agency. It is important to never lose site of our membership and their direct needs.

Claim trends continue to increase in the Special Education category. ParaEducators are being placed in compliance with the IEP and little consideration is being made with respect to the physicality of the student or the Para. While it is always imperative to meet the requirements of the IEP, more attention should be placed on the physical needs of the students in conjunction with the physical ability of the ParaEducator. Special Education staff also need to be made aware of all components of a student's behavior plan to best prepare them for their work environment. Coordination of these factors will help us reduce the number of injuries to this category of employees. ACSIG has worked with Keenan to develop and deliver a live, special education training that could benefit employees. We are working directly with Special Education managers and HR departments to implement this training in all agencies.

As we look forward into 2017, many programs will continue while new program options will be explored. ACSIG is continuing to expand the Company Nurse program into member agencies. Additionally, the Service Team will continue to review loss drivers and work to structure all services toward loss mitigation. We are beginning to evaluate school sites through the eyes of a threat assessment and conversing about the challenges of keeping an open campus vs. keeping kids safe.

While the ACSIG Board has the decision making power over its own budget, it is also important that ACSIG agencies' interests are represented within the organizations to which it belongs. To provide that representation, I serve as a member and Treasurer of the PIPS Board, President of NCR as well serving on all NCR working committees including the Executive Committee. I am also the President of the SAFER Excess Property/Liability JPA to which ACSIG belongs.

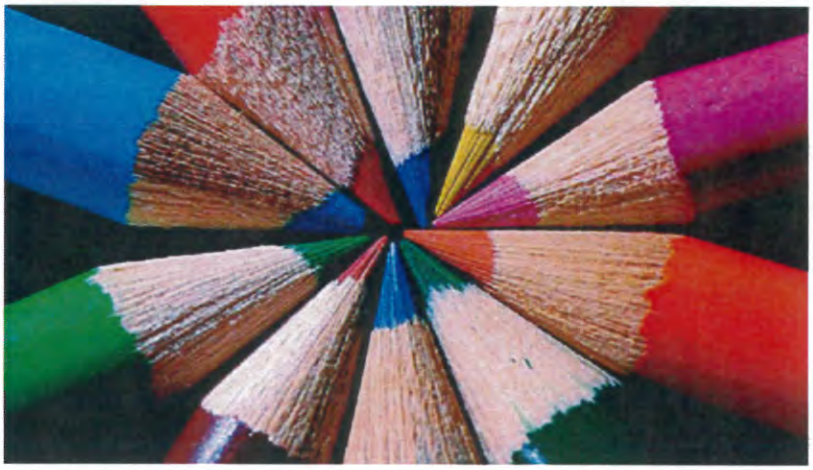
Working on these committees not only allows for input into the processes of each of these agencies, but also provides early information about upcoming changes in law, procedures and, continues to provide the opportunity for ACSIG to participate as a pilot agency in the expansion of Company Nurse.

As I reflect on my 10-years at ACSIG, I am in disbelief. First of all, it's hard to imagine that it has been 10 years. Additionally, as I reflect on the ACSIG organization from all perspectives (ie. service, fiscal, educational) it is amazing how far we have come. While we continue to experience attrition, it is always important to reflect on those who came before us; those who made the difficult decisions that brought us to today. It is with pride that I serve this Board and the partners they represent. I would like to commend the Board for their commitment to ACSIG and their continued fiscal integrity. ACSIG is fully accredited for the second time, the financials reflect positive movement, our tail claims are under 175 and we continue to perform better than the average in our claims experience. All these factors validate the hard work and difficult decisions that have encompassed the past 10 years. It is my privilege to work side by side with each partner. Thank you for your continued confidence and support.

Kimberly Dennis

"Optimism is essential to achievement and it is also the foundation of courage and true progress."
~ Nicholas M. Butler

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.

President's Message



Dr. Candi Clark

ACSIG President, 2015 – Present

To My Alameda County Schools Insurance Group Colleagues:

It is with great pleasure that I present to you the 2016-2017 Annual Report. Over the past few years, we have made significant progress towards balancing the fiscal health and program needs of the organization. We have continued to proactively partner with companies that deliver positive outcomes. As we focus on being innovative, we have remained progressive, creative, and open-minded to new ways of doing business. Alameda County Schools Insurance Group continues to strive to be collaborative and respect the diverse perspectives of our member districts. This type of integrity has allowed us to deliver quality services to our customers.

The success of our organization, in many ways, is dependent on the success of member districts. Access by our stakeholders to relevant information and educational opportunities is vital to effective program offerings. During the past year, we have had many success stories including:

- Expanding the Company Nurse Program;
- Reducing the structural deficit from $19.6 million in 2011 to $3.3 million as of June 2016;
- Providing additional training to member districts on the interactive process of workers compensation; and
- Increased participation in the dental and vision programs.

While the year ahead will again present new challenges and opportunities, I am confident in the strength and professionalism of the Alameda County Schools Insurance Group team to successfully navigate whatever comes our way. We are grateful for the ongoing support of our members and industry colleagues. It truly is a collaborative partnership.

Lastly, I want to express my appreciation for the opportunity to serve as President as we build upon our success as a healthy California Joint Powers Authority.

Sincerely,
Dr. Candi Clark, President
Alameda County Schools Insurance Group



Governance

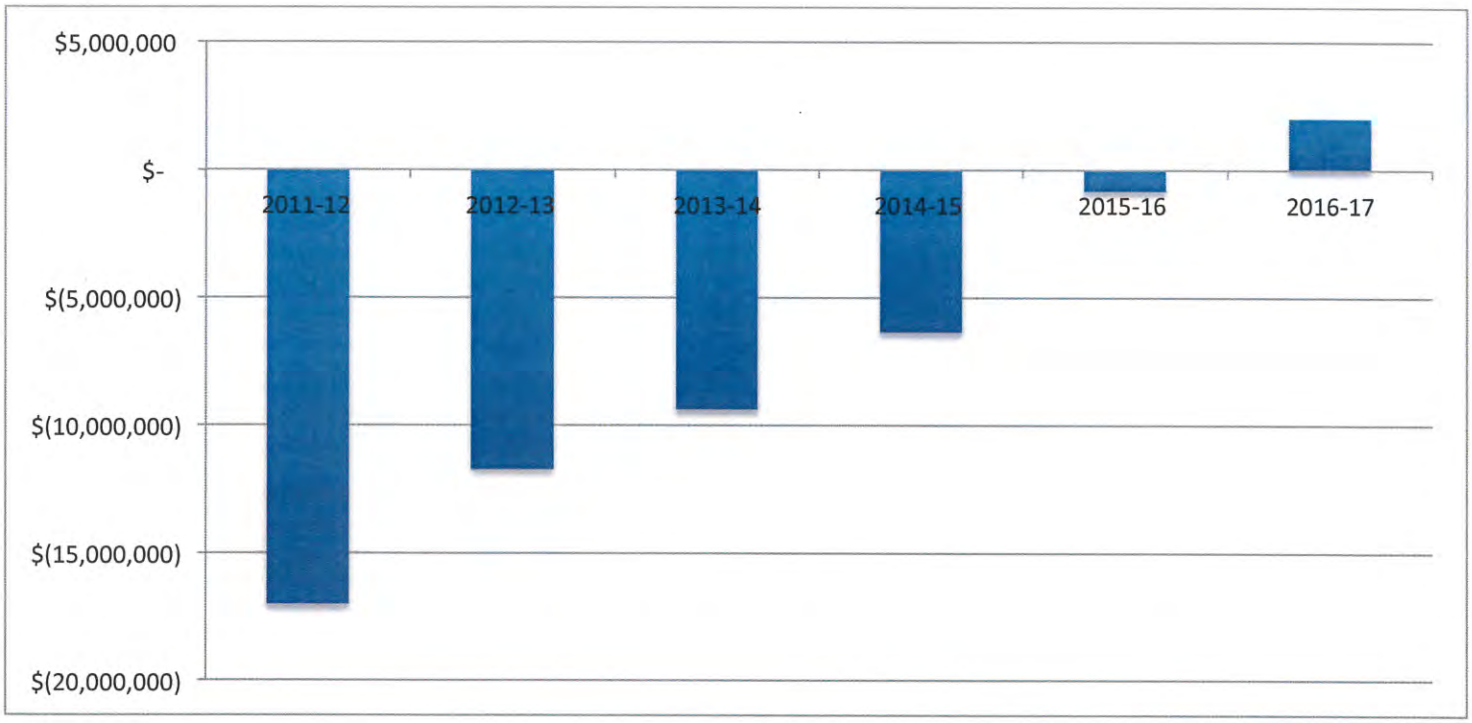
Executive Committee

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
Akur Varadarajan	Board Member	New Haven USD
Annette Heldman	Board Member	San Lorenzo 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
Akur Varadarajan	Board Member	New Haven USD
Annette Heldman	Board Member	San Lorenzo USD
Gary Jones	Board Member	Alameda County Office of Education
Shariq Khan	Board Member	Alameda USD
Beverly Heironimus	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 budget	$(822,557)	$28,264,268		$25,429,415	$2,834,853

	Ending Deficit	Tail Claims	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	$2,012,296	160	

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.

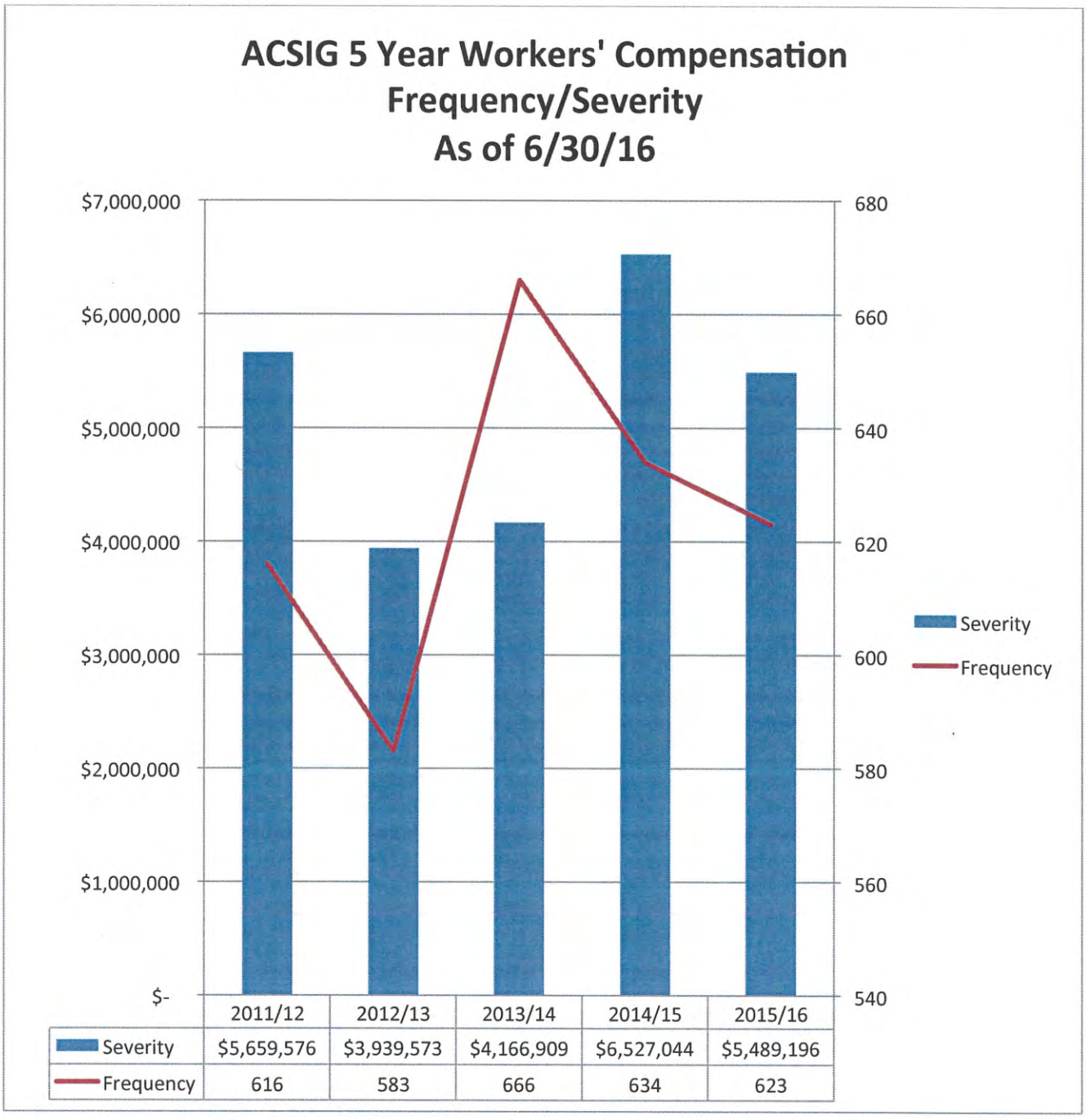
Self-Insured Retention

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

Occurrence	Self-Insured Retention
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

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 6/30/16
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
680
660
640
620
600
580
560
540
Severity
Frequency
2011/12 2012/13 2013/14 2014/15 2015/16
Severity $5,659,576 $3,939,573 $4,166,909 $6,527,044 $5,489,196
Frequency 616 583 666 634 623



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 2015 to June 2016, Keenan Claims Administration successfully closed/resolved 19 tail claim files (11% of ACSIG's self-insured workers compensation claims inventory from the prior year) 14 of the file closures were full and final Compromise and Release settlements. ACSIG ended the fiscal year with a total 160 claim files (52 Active Indemnity & 108 Future Medical).
    - The impact of the claims activity for the fiscal year resulted in an overall reduction of $3,529,00 in the self-insured workers compensation claim liabilities which contributed to the $5,525,043 positive effect on the ACSIG's financial position.
- Utilization of Keenan's PRIME program has also delivered significant savings to ACSIG:
    - Overall reduction of 57%, a 2% point reduction over the 2014/2015 year, in the amount of $4,995,974.15. Return on investment realized for fiscal year 2015/2016 was $7.85.
    - 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: $1,276,168.

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," "A DA-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 performed remarkably well in the 2015/2016 fiscal year both in terms of reducing the number of claims reported as well as utilizing Loss Control services to help prevent losses. 5 of ACSIG's 19 members (26%) experienced a reduction in the number of claims this past year compared to last year, and these 5 members utilized over 33% of the total Loss Control time spent on all members, which was in excess of 520 hours in total. This shows a good correlation between the utilization of Loss Control services being tied to a reduction of claims. Overall, ACSIG experienced 12 fewer claims in 15/16 compared to the same time last year, in part as a result of the tremendous utilization of available Loss Control services, including:

- 139 hours providing safety training to employees
- 147 hours performing ergonomic workstation evaluations
- 29.5 hours researching and assisting with regulatory/Cal-OSHA issues
- Analyzing losses
- Investigating specific safety concerns
- Meeting and speaking with members on various risk management and safety issues

One of the main focuses this past year was on Special-Education losses. Loss Control provided Special Education employee training to five Districts. The Loss Control Consultant was trained on the Special Education Behavior and Back & Injury Prevention. Workstation ergonomics continued to be a high-priority concern of the members this past year, as did concerns regarding Cal-OSHA regulations and visits. Additionally, a few of the members reached out to Loss Control to help them update their Heat Illness Prevention Plan. Loss Control also developed numerous live trainings to meet the specific needs of the Districts requesting the training.

Online training utilization increased immensely, with a total of 55,467 courses being completed by ACSIG members this past year. This represents an incredible 140% increase from the 14/15 year. In addition, three of the top five course completion Districts experienced loss reductions in 15/16.

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

Special Recognition



ACSIG has reached fiscal stability for the first time in many years. While we celebrate the elimination of the deficit, it is also important to remember those who came before us; those who made the difficult decisions at one of the most fiscally challenging times California has ever faced. By voting to impose a surcharge on the established base rates, the ACSIG Board acknowledged the problem of underfunding within the Workers' Compensation program. This surcharge started in 2008 and I am happy to report has brought us into fiscal solvency effective with the 2016/17 budget year.

Many of those visionaries are still on the Board but many more have celebrated their retirement. Retired members Jerry Macy, Lowell Shira, Carlene Naylor, Bill Stephens and Sandra Lepley lead ACSIG through the transition of Executive Director process and movement of the JPA from a deficited, self-administered, self-insured workers' compensation program into one of "dollar-one" coverage. This allowed ACSIG to fully fund its unfunded liability over time in the workers' compensation program.

Yolonda Holmes, the Executive Director of Human Resources from Livermore Joint Unified School District, will be retiring this year. Ms. Holmes has been instrumental in helping ACSIG staff develop and implement effective policies and procedures that have benefited all ACSIG members. I would like to take this opportunity to publicly thank Ms. Holmes for her dedication and commitment to ACSIG and wish her much happiness in her retirement.

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 $612,087,867 in Total Insured Value (TIV) and represents 20,711 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

DELTA DENTAL

PREFERRED BENEFIT
INSURANCE ADMINISTRATORS

Alliant

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.

VSP® Vision care for us

Alliant

Member Resources

JPA CONTACT

Alameda County Schools Insurance Group
PO Box 2487 Dublin CA 94568
PH: (925)225-1030
FAX: (925) 225-0653

Kimberly Dennis
Executive Director
kdennis@acsig.com
Ext. 24

Celina Flotte
Executive Assistant
cflotte@acsig.com
Ext. 25

Amy Perry
COBRA Administrator
aperry@acsig.com
Ext. 23

SERVICE DELIVERY PARTNERS

Workers' Compensation Claims

Keenan and Associates
PO Box 2486 Dublin CA 94568
PH: (925)225-0611
FAX: (925) 225-1280

Liz Richards, Director of Claims
Ext. 6106 lrichards@keenan.com

Carrie Dantzig, Sr. Claims Examiner
Ext. 8704 cdantzig@keenan.com

Kirsten Fisher, Sr. Claims Examiner
Ext. 8701 kfisher@keenan.com

Cinde Hagelberg, Sr. Claims Examiner
Ext. 8707 chagelberg@keenan.com

Nina Drake, Sr. Claims Examiner
Ext. 870 ndrake@keenan.com

Patrice Grant, Manager
Ext. 8713 pgrant@keenan.com

Omolara DaSilva, Claims Examiner
Ext. 8705 odasilva@keenan.com

Jhandel Cabera, Claims Assistant
Ext. 8711 jcabera@keenan.com

Heather Doyle, Claims Assistant
Ext. 8702 hdoyle@keenan.com

Kiet Voong, Claims Tech/File Clerk
Ext. 8700 kvoong@keenan.com

SERVICE TEAM

Loss Control
Dave Kundert
PH (510)502-8528
FAX (510) 986-6756
dkundert@keenan.com

Account Manager
Tara Cooper-Salaiz
PH (510) 986-6761 x 8153
FAX (510) 986-6756
tcooper-salaiz@keenan.com

Claims Analyst
Michael Clark
PH (510) 986-6761 x 8126
FAX (510) 986-6756
mclark1@keenan.com

DENTAL PROGRAM

Delta Dental
Ryan Neese
(916) 861-2424
rneese@delta.org

Preferred Benefit
Jim Harvath
(650) 572-9611 x 122
jharvath@pbia.com

Alliant
Cathy Huynh
PH (949) 660-5943
chuynh@alliant.com

VISION PROGRAM

VSP
Misty Bach
PH (916) 851-4774
FAX (916) 389-8220
misty.bach@vsp.com

Alliant
Cathy Huynh
PH (949) 660-5943
chuynh@alliant.com



Board Contact Information

Name	District	Phone Number	Address	E-mail
Gary Jones	Alameda COE	510-670-4270	313 W. Winton Ave Hayward, CA 94544-1198	gjones@acoe.org
Shariq Khan	Alameda USD	510-337-7082	2060 Challenger Drive #100 Alameda, CA 94501	skhan@alameda.k12.ca.us
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
Beverly Heironimus	Dublin USD	925-828-2551 ext 8041	7471 Larkdale Ave. Dublin, CA 94568-1599	heironimusbeverly@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
Dina Stewart	Mountain House	510-670-4192	3950 Mountain House Rd. Byron, CA 94514	dstewart@acoe.org
Akur Varadarajan	New Haven USD	510-471-1100 ext 60413	34200 Alvarado-Niles Rd. Union City, CA 94587	avaradarajan@nhusd.k12.ca.us
Bryan Richards	Newark USD	510-818-4115	5715 Musick Ave. Newark, CA 94560	brichards@newarkunified.org
Song Chin-Bendib	Piedmont USD	510-594-2608	760 Magnolia Ave. Piedmont, CA 94611	schinbendib@piedmont.k12.ca.us
Micaela Ochoa	Pleasanton USD	925-426-4307	4665 Bernal Ave. Pleasanton, CA 94566-7498	mochoa@pleasantonusd.net
Kevin Collins	San Leandro USD	510-667-3504	14735 Juniper St. San Leandro, CA 94579	kcollins@sanleandro.k12.ca.us
Annette Heldman	San Lorenzo USD	510-317-4641	15510 Usher St. San Lorenzo, CA 94580	aheldman@slzusd.org
Miki Whetfield	Sunol Glen SD	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



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

AGENDA
Full Board

Date: Wednesday, November 9, 2016
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Call to order 12:00 PM

II. Roll call

Executive Committee Members

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

III. Acceptance of the Agenda
The Board will vote on the acceptance of the agenda.

IV. Approval of Minutes
The Board will review and approve the Executive Committee meeting minutes from May 19, 2016 and the Full Board minutes from May 26, 2016 and May 31, 2016.

Consent Calendar

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

- 2015/16 Fourth Quarter Financials
- 2015/16 Fourth Quarter Investment Report
- Annual Report

General Business

V. 2015/16 Audit
The Executive Director will present the 2015/16 Audit. The Board will be asked to approve this report.
Recommendation: For action

VI. Strategic Planning Summary
The Executive Director will present the Strategic Planning Summary.
Recommendation: For discussion

VII. 2016/17 First Quarter Financials
Laurena Grabert from SETECH will present the 2016/17 1st Quarter Financials. The Board will be asked to approve to this report.
Recommendation: For action

VIII. 2016/17 First Quarter Investment Report
The Executive Director will present the 2016/17 1st Quarter Investment report. The Board will be asked to approve this report.
Recommendation: For action

Workers Compensation

IX. Company Nurse Update
Michael Clark from Keenan will give the Board an update on the Company Nurse program.
Recommendation: For discussion

X. 2016/17 Service Plan
The 2016/17 Service Plan will be reviewed by the Board.
Recommendation: For discussion

XI. Workers Compensation Claims History & Deficit Review
The Executive Director and Keenan Associates will review a 5-year claims history report.
Recommendation: For discussion

XII. Post Offer- Pre Placement Program
The Executive Director will review a risk reduction program with the Board.
Recommendation: For discussion

XIII. Future Planning

XIV. Adjournment

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2015/2016 Audit

The audit for fiscal year 2015/2016 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 reviewed the report in detail with the Executive Committee at its November 3, 2016 meeting. The Executive Director will review with the full Board.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

AUDIT REPORT

JUNE 30, 2016 AND 2015

San Diego

Los Angeles

San Francisco Bay Area

christy white associates
A PROFESSIONAL ACCOUNTANCY CORPORATION

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
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FINANCIAL SECTION

christy white associates
A PROFESSIONAL ACCOUNTANCY CORPORATION

Christy White, CPA
Michael Ash, CPA
Heather Rubio

SAN DIEGO
LOS ANGELES
SAN FRANCISCO/BAY AREA

Corporate Office:
348 Olive Street
San Diego, CA 92103

toll-free: 877.220.7229
tel: 619.270.8222
fax: 619.260.9085
www.christywhite.com

Licensed by the California State Board of Accountancy

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, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Alameda County Schools Insurance Group's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alameda County Schools Insurance Group, as of June 30, 2016 and 2015, 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 12. 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 19, 2016 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 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.

Christy White Associates

San Diego, California
October 19, 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, 2015, and 2016. It is provided in order to enhance the information in the independent financial audit, basic financial statements, and notes to the basic financial statements included in the financial audit report. Please read it in conjunction with the Group's financial statements, which immediately follow this section.

Introduction and Background:

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

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

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

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

Dental:

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

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

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

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.

Workers' Compensation (continued):

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 has 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.

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 2015/2016, ACSIG's net position improved by $6.5 million. This group moved from a deficit position, as of 06/30/2015 to an equity position, as of 06/30/2016.

By Program:

Workers' Compensation

The Worker's Compensation program continues to experience a significant reduction to their deficit net position. In 2015/2016, the deficit decreased by $5.4 million, from $6.3 million, as of 06/30/2015, to $986 thousand, as of 06/30/2016. Until the deficit is collected, a portion of the liabilities will remain underfunded.

In 2015/2016, assets increased by $2 million and liabilities decreased by $3.4 million. Operating income was in excess of expense by $5.4 million.

Financial Highlights (continued):

By Program:

Workers' Compensation (continued)

Based upon the annual actuarial report performed in 2015/2016, the re-estimation of the ultimate cost for the self-insured claims prior the 07/01/2009 decreased by $3.2 million. This was offset by an increase in liability of $680 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.

In 2015/2016, the Members funded, $0.35/per $100 of payroll towards reduction of the deficit.

New in 2015/2016, Workers' Compensation received an expense allocation for net pension liability of $545 thousand based upon the implementation of GASB Stmt #68.

Property/Liability

In 2015/2016, the deficit net position remained stable. Deficit net position remained at $193 thousand, as of 06/30/2015 and 06/30/2016.

New in 2015/2016, Property/Liability received an expense allocation for net pension liability of $54 thousand based upon the implementation of GASB Stmt #68.

Dental

In 2015/2016, the net position increased by $1.1 million, as of 06/30/2016, net assets remain is excess of liabilities by $6.4 million. All liabilities are fully reserved in this program.

New in 2015/2016, Dental received an expense allocation for net pension liability of $272 thousand based upon the implementation of GASB Stmt #68.

Vision

The net position increased by $7 thousand in 2015/2016, as of 06/30/2016, net assets remain is excess of liabilities by $2.1 million. All liabilities are fully reserved in this program.

New in 2015/2016, Vision received an expense allocation for net pension liability of $54 thousand based upon the implementation of GASB Stmt #68.

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.

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 06/30/2014, 06/30/2015, and 06/30/2016, showing total assets versus total liabilities, with a percentage of change between program years.

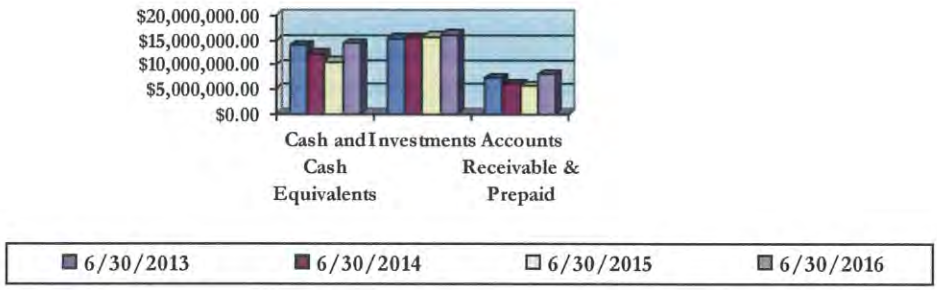
	As of		2014/2015			2015/2016	
	06/30/14	06/30/15	Variance	%	06/30/16	Variance	%
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 12,191,557	$ 10,579,149	$ (1,612,408)	(13.23) %	$ 14,330,091	$ 3,750,942	35.46
Investments, current	761,402	608,107	(153,295)	(20.13)	1,701,027	1,092,920	179.72
Accounts Receivable	6,023,869	5,582,053	(441,816)	(7.33)	7,965,408	2,383,355	42.70
Prepaid Expense	--	--	--	--	--	--	--
Total Current Assets	18,976,828	16,769,309	(2,207,519)	(11.63)	23,996,526	7,227,217	43.10
Noncurrent							
Investments	14,664,893	15,133,468	468,575	3.20	14,370,020	(763,448)	(5.04)
Capital assets, net	4,739	4,147	(592)	(12.49)	3,555	(592)	(14.28)
Total Noncurrent Assets	14,669,632	15,137,615	467,983	3.19	14,373,575	(764,040)	(5.05)
Total Assets	33,646,460	31,906,924	(1,739,536)	(5.17)	38,370,101	6,463,177	20.26
DEFERRED OUTFLOW OF RESOURCES							
Deferred outflow of resources - pen	--	--	--	--	44,203	44,203	--
LIABILITIES							
Current Liabilities							
Accounts payable	2,526,347	2,721,576	195,229	7.73	5,414,640	2,693,064	98.95
Prefunding deposits	3,116,431	3,116,431	--	0.00	3,418,159	301,728	9.68
Current portion of unpaid claims and claim adjustment expenses	4,080,459	3,665,741	(414,718)	(10.16)	3,542,657	(123,084)	(3.36)
Total current Liabilities	9,723,237	9,503,748	(219,489)	(2.26)	12,375,456	2,871,708	30.22
Noncurrent Liabilities	24,115,893	21,145,944	(2,969,949)	(12.32)	17,720,610	(3,425,334)	(16.20)
Total noncurrent Liabilities	24,115,893	21,145,944	(2,969,949)	(12.32)	17,720,610	(3,425,334)	(16.20)
Net pension liabilities	--	--	--	--	525,511	525,511	--
Total Liabilities	33,839,130	30,649,692	(3,189,438)	(9.43)	30,621,577	(28,115)	(0.09)
DEFERRED INFLOW OF RESOURCES							
Deferred inflow of resources - pensi	--	--	--	--	63,483	63,483	--
NET POSITION	$ (192,670)	$ 1,257,232	$ 1,449,902	(752.53) %	$ 7,729,244	$ 6,472,012	514.78

Assets:

In 2015/2016, the assets of ACSIG increased by $6.5 million or 20.26%, 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.

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.

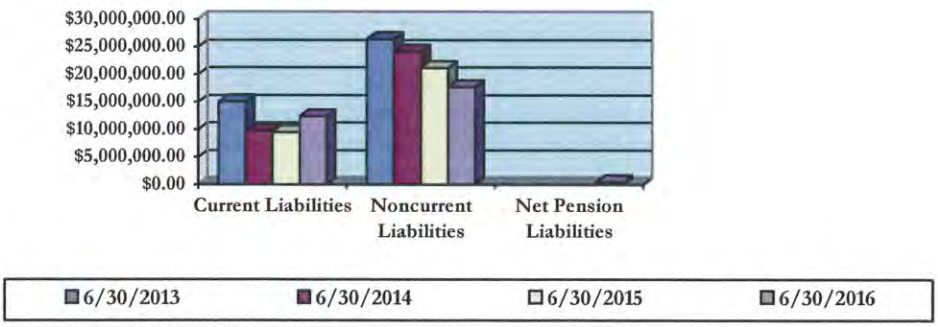


Liabilities:

In 2015/2016, the liabilities of ACSIG decreased by $28 thousand or .09%.

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.

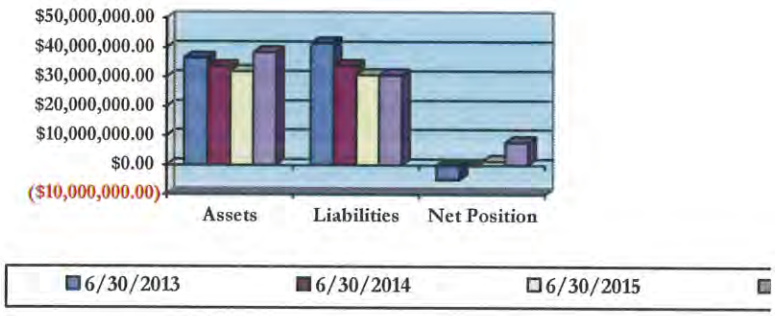


Net Position:

In 2015/2016, as of 06/30/2016, ACSIG's ending Net Position is $7.8 million. A change in net position of $6.5 million, from 07/01/2015 – 06/30/2016 is due to the following factors.

1) Increase in net assets from net operating income, greater than operating expenditures of $6.5 million
2) Increase in net assets from non operating investment income of $380 thousand, offset by an expense for the prior year cumulative effect of GASB Stmt #68 for $385 thousand.

Statement of Net Position year variances can be seen below.



Statements of Revenues, Expenses and Change in Net Position:

In 2015/2016, revenues exceeded expenses by $6.5 million, resulting in an increase to the net position, and elimination of the deficit. Details of these changes are shown below, in the Condensed Statements of Revenues, Expenses, and Changes in Net Position.

	Fiscal Year Ended		Increase/ (Decrease) 2014/2015		Fiscal Year Ended	Increase/ (Decrease) 2015/201	
	06/30/14	06/30/15	Variance	Percentage	06/30/16	Variance	Percentage
Operating Revenue:							
Member Contributions	$ 135,004,993	$ 136,200,959	$ 1,195,966	0.89 %	$ 151,865,101	$ 15,664,142	11.50 %
Other	--	--	--	--	5,798	5,798	--
Total Operating Revenue	135,004,993	136,200,959	1,195,966	0.89	151,870,899	15,669,940	11.51
Operating Expenses:							
Claims and Claims Adj Expense	110,879,049	113,161,917	2,282,868	2.06	122,619,880	9,457,963	8.36
Insurance Expense	17,928,123	20,185,197	2,257,074	12.59	20,932,781	747,584	3.70
Services and other operating	1,305,658	1,258,578	(47,080)	(3.61)	1,316,044	57,466	4.57
Salaries and benefits	329,290	333,061	3,771	1.15	521,616	188,555	56.61
Supplies	11,594	7,426	(4,168)	(35.95)	2,896	(4,530)	(61.00)
Depreciation	592	592	--	--	592	--	--
Total Operating Expenses	130,454,306	134,946,771	4,492,465	3.44	145,393,809	10,447,038	7.74
Net Operating Income/(loss)	4,550,687	1,254,188	(3,296,499)	(72.44)	6,477,090	5,222,902	416.44
Non Operating Income/(Expense)	256,449	195,714	(60,735)	(23.68)	380,236	184,522	94.28
Change in Net Position	4,807,136	1,449,902	(3,357,234)	(69.84)	6,857,326	5,407,424	372.95
Cumulative effect of GASB 68	--	--	--	--	(385,314)	(385,314)	--
Beginning Net Position	(4,999,806)	(192,670)	4,807,136	(96.15)	1,257,232	1,449,902	(752.53)
Ending Net Position	$ (192,670)	$ 1,257,232	$ 1,449,902	(752.53) %	$ 7,729,244	$ 6,857,326	514.78 %

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

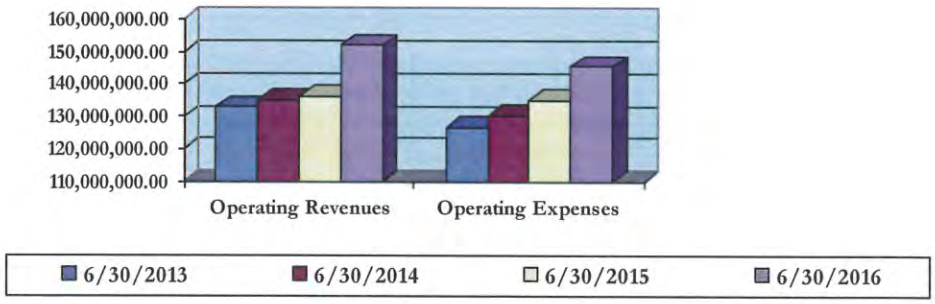
In 2015/2016, operating revenue increased by $15.7 million, or 11.51%.

In 2015/2016, operating expense increased by $10.4 million or 7.74%.

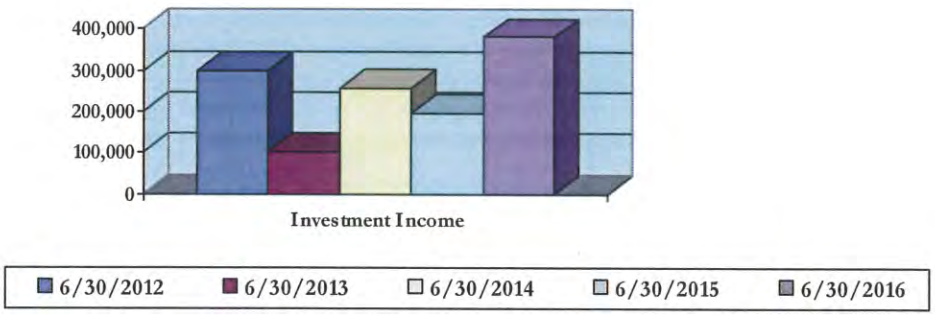
Operating revenue and expense increased primarily due to new membership in the Dental and Vision programs.

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

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, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	$ 14,330,091	$ 10,579,149
Investments, current	1,701,027	608,107
Accounts receivable	7,965,408	5,582,053
Total Current Assets	23,996,526	16,769,309
Noncurrent Assets		
Investments	14,370,020	15,133,468
Capital assets, net of depreciation	3,555	4,147
Total Noncurrent Assets	14,373,575	15,137,615
Total Assets	38,370,101	31,906,924
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension	44,203	-
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	5,414,640	2,721,576
Prefunding deposits	3,418,159	3,116,431
Current portion of unpaid claims and claim adjustment expenses	3,542,657	3,665,741
Total Current Liabilities	12,375,456	9,503,748
Noncurrent Liabilities		
Unpaid claims and claim adjustment expenses less current portion	17,720,610	21,145,944
Net pension liability	525,511	-
Total Liabilities	30,621,577	30,649,692
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension	63,483	-
NET POSITION		
Unrestricted	7,725,689	1,253,085
Net investment in capital assets	3,555	4,147
Total Net Position	7,729,244	1,257,232
Total Liabilities and Net Position	$ 38,414,304	$ 31,906,924

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, 2016 AND 2015

	2016	2015
OPERATING REVENUE		
Member contributions	$ 151,865,101	$ 136,200,959
Other income	5,798	-
Total Operating Revenues	151,870,899	136,200,959
OPERATING EXPENSES		
Claims and claims adjustment expense	122,619,880	113,161,917
Insurance expense	20,932,781	20,185,197
Services and other operating	1,316,044	1,258,578
Salaries and benefits	521,616	333,061
Supplies	2,896	7,426
Depreciation	592	592
Total Operating Expense	145,393,809	134,946,771
Net Operating Income/(Loss)	6,477,090	1,254,188
NON-OPERATING REVENUE:		
Investment income	380,236	195,714
CHANGE IN NET POSITION	6,857,326	1,449,902
Net Position - Beginning	1,257,232	(192,670)
Cumulative effect of GASB 68	(385,314)	-
Net Position - Beginning, as restated	871,918	-
Net Position - Ending	$ 7,729,244	$ 1,257,232

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash flows from operating activities		
Cash received from members and others	$ 149,789,272	$ 136,642,775
Cash payments for claims	(126,168,298)	(116,546,584)
Cash payments for insurance	(20,932,781)	(20,185,197)
Cash payments to suppliers for goods and services	1,374,124	(1,070,775)
Cash payments for employee salaries and benefits	(362,139)	(333,061)
Net cash provided by (used in) operating activities	3,700,178	(1,492,842)
Cash flows from investing activities		
Purchase of investments	(225,530)	(400,593)
Interest income received	276,294	281,027
Net cash provided by (used in) investing activities	50,764	(119,566)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	3,750,942	(1,612,408)
CASH AND CASH EQUIVALENTS		
Beginning of year	10,579,149	12,191,557
End of year	$ 14,330,091	$ 10,579,149
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating income (loss)	$ 6,477,090	$ 1,254,188
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	592	592
(Increase) decrease in:		
Accounts receivable	(2,383,355)	441,816
Deferred outflows	(44,203)	-
Increase (decrease) in:		
Accounts payable	2,693,064	195,229
Prefunding deposits	301,728	-
Unpaid claims and claim adjustment expenses	(3,548,418)	(3,384,667)
Deferred inflows	63,483	-
Net pension liability	140,197	-
Net cash provided by (used in) operating activities	$ 3,700,178	$ (1,492,842)

See accompanying notes to the financial statements.

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 districts. Participating members now include various school districts 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 Districts considers the Group to be a "Special District."

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.

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 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, 2016 and 2015 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.

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 district.

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.

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, 2014 (the beginning of the measurement period ended June 30, 2015).

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.

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, 2016 and 2015 are reported at fair value and consisted of the following:

	Fiscal Year Ended 2016	2015
Cash and cash equivalents		
Cash in bank	$ 2,458,736	$ 3,001,862
Cash in County Treasury	8,607,851	4,327,052
Local Agency Investment Fund	3,156,805	3,145,491
Money market accounts	106,699	104,744
Total cash and cash equivalents	$ 14,330,091	$ 10,579,149

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, 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. At June 30, 2015, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were $6,835,169 and $493,745, and the bank balances were $6,903,114 and $881,103, respectively, of which $1,465,337 was insured.

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, 2016, 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 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, 2016, 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.

NOTE 3 – INVESTMENTS

At June 30, 2016 and 2015, investments are reported at fair value and consisted of the following:

	2016	2015
Investments		
Corporate Bonds	$ 4,677,692	$ 4,539,974
Federal Agency Bonds and Notes	7,176,828	7,105,012
U.S. Treasury Notes	4,216,527	4,096,589
Total investments	$ 16,071,047	$ 15,741,575
Investments maturing within one year	1,701,027	608,107
Long-term investments	$ 14,370,020	$ 15,133,468

Maturities of investments held at June 30, 2016 consist of the following:

			Maturity	
	Rating	Fair Value	Less Than One Year	One Year through Five Years
Investment maturities:				
Corporate Bonds	A-	$ 4,677,692	$ 457,063	$ 4,220,629
Federal Agency Bonds and Notes:				
FHLMC	AA+	2,390,892	-	2,390,892
FNMA	AA+	4,785,936	-	4,785,936
U.S. Treasury Notes	TSY	4,216,527	1,243,964	2,972,563
		$ 16,071,047	$ 1,701,027	$ 14,370,020

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, 2016, 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, 2016, 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 25%

FHLMC 20%

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, 2016 were as follows:

	Fair Market Value of Investments		
	Quoted Prices Level 1	Uncategorized	Total
Investment in county treasury	$ -	$ 8,607,851	$ 8,607,851
Local Agency Investment Fund	-	3,156,805	3,156,805
Money Market	-	106,699	106,699
Corporate Bonds	4,677,692	-	4,677,692
Federal Bonds & Notes	7,176,828	-	7,176,828
U.S. Treasury Notes	4,216,527	-	4,216,527
Total fair market value of investments	$ 16,071,047	$ 11,871,355	$ 27,942,402

NOTE 4 – ACCOUNTS RECEIVABLE

The balance of $7,965,408 as of June 30, 2016 and $5,582,053 as of June 30, 2015 consisted of premiums due from members.

NOTE 5 – CAPITAL ASSETS

The following is a summary as of June 30, 2016 and 2015 of furniture and equipment, net of accumulated depreciation.

	Fiscal Year Ended 2016	2015
Capital Assets		
Furniture and equipment	$ 5,923	$ 5,923
Less accumulated depreciation	2,368	1,776
Total Capital Assets, net	$ 3,555	$ 4,147

Activity for furniture and equipment for the years ended June 30, 2016 and 2015 included the following:

Furniture and Equipment Activity	2016	2015
Furniture and equipment, net, beginning of year	$ 4,147	$ 5,331
Current year depreciation	592	592
Furniture and equipment, net, end of year	$ 3,555	$ 4,739

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, 2016 and 2015:

	2016	2015
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 24,811,685	$ 28,196,352
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	116,496,198	113,151,124
Change in provision for covered events of prior years	(1,232,035)	(205,896)
Total incurred claims and claim adjustment expenses	$ 115,264,163	$ 112,945,228
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	114,620,714	111,273,001
Claims and claim adjustment expenses attributable to covered events of prior years	4,191,867	5,056,894
Total payments:	118,812,581	116,329,895
Total unpaid claims and claim adjustment expenses, end of year	$ 21,263,267	$ 24,811,685

The components of the unpaid claims and claim adjustment expenses as of June 30, 2016 and 2015 were as follows:

	2016	2015
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	$ 8,097,538	$ 8,751,275
Claims incurred but not reported (IBNR)	11,594,910	14,500,591
Unallocated loss adjustment expenses (ULAE)	1,570,819	1,559,819
Total unpaid claims and claim adjustment expenses, end of year	$ 21,263,267	$ 24,811,685

The current and long-term portions were $3,542,657 and $17,720,610, respectively, as of June 30, 2016 and were $3,665,741 and $21,145,944, respectively, as of June 30, 2015. 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 $23,619,458 and $27,855,348 at June 30, 2016 and 2015, respectively.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM

California Public Employees' Retirement System (CalPERS)

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
For the year ended June 30, 2016, the Group's annual pension cost was $49,248 and the Group contributed $49,248. The required contribution was determined as part of the June 30, 2012 actuarial valuation.

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, 2016, the Group reported a liability of $525,511 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014, and rolling forward the total pension liability to June 30, 2015. 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.

For the year ended June 30, 2016, the Group recognized pension expense of $159,477. At June 30, 2016, 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	$ -	$ 17,128
Differences between expected and actual experience	3,611	-
Changes in assumptions	-	34,166
Changes in proportion and differences between Groupcontributions and proportionate share of contributions	-	12,189
Groupcontributions subsequent to the measurement date	40,592	-
	$ 44,203	$ 63,483

The $40,592 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, 2017. 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
2017	$ 1,204	$ 15,871
2018	1,204	15,871
2019	1,203	15,871
2020	-	15,870
	$ 3,611	$ 63,483

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, 2014, and rolling forward the total pension liability to June 30, 2015 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, 2014, valuation were based on the results of an actuarial experience study for the period from 1997 to 2007.

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.

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.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10*	Real Return Years 11+**
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 Fc	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
	100%		

Discount rate

The discount rate used to measure the total pension liability was 7.50 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 7.50 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 917,315	$ 525,511	$ 200,352

Pension plan fiduciary net position

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

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, 2016 and 2015 was $79,040 and $79,040 respectively. The future minimum rental commitments on the non-cancelable operating lease end in October 2019 as follows:

Year Ended June 30,	Minimum Rental Commitment
2017	$ 81,140
2018	83,240
2019	85,340
2020	28,680
Total	$ 278,400

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, 2015 (most recent information available) are as follows:

	NCRLF	PIPS
Total Assets	$ 66,435,645	$ 109,911,317
Total Liabilities	59,236,261	99,473,185
Total Net Position	$ 7,199,384	$ 10,438,132
Revenues	$ 47,112,458	$ 236,319,886
Expenses	(46,105,651)	(237,952,641)
Change in Net Position	$ 1,006,807	$ (1,632,755)

NOTE 10 – NET POSITION

Net Position is composed of the following elements as of June 30, 2016 and 2015:

	2016	2015
NET POSITION		
Unrestricted	$ 7,725,689	$ 1,253,085
Net investment in capital assets	3,555	4,147
Total Net Position	$ 7,729,244	$ 1,257,232

NOTE 11 – NEGATIVE NET POSITION

The Group did not adequately fund 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 that without additional funding there would not be a substantial reduction in the deficit, implemented, effective in the 2011/2012 fiscal year, a deficit recoupment plan, increasing the base rate by $0.35/per $100 of payroll.

NOTE 12 – 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, 2016 AND 2015

	2016	2015
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 22,868,518	$ 29,770,901
Incurred claims and claim adjustment expenses:		
Change in provision for covered events of prior years	(1,211,428)	(79,550)
Total incurred claims and claim adjustment expenses	(1,211,428)	(79,550)
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	2,316,835	3,447,448
Total payments:	2,316,835	3,447,448
Total unpaid claims and claim adjustment expenses, end of year	$ 19,340,255	$ 26,243,903
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	$ 8,098,115	$ 8,467,150
Claims incurred but not reported (IBNR)	9,722,140	12,892,368
Unallocated loss adjustment expenses (ULAE)	1,520,000	1,509,000
Total unpaid claims and claim adjustment expenses, end of year	$ 19,340,255	$ 22,868,518

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 92,167	$ 289,307
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	24,484	27,123
Change in provision for covered events of prior years	(20,607)	(126,346)
Total incurred claims and claim adjustment expenses	3,877	(99,223)
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	24,032	58,446
Total payments:	24,032	58,446
Total unpaid claims and claim adjustment expenses, end of year	$ 72,012	$ 131,638
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	$ (577)	$ 6,125
Claims incurred but not reported (IBNR)	21,770	35,223
Unallocated loss adjustment expenses (ULAE)	50,819	50,819
Total unpaid claims and claim adjustment expenses, end of year	$ 72,012	$ 92,167

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 142,000	$ 120,000
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	2,798,029	2,473,429
Total incurred claims and claim adjustment expenses	2,798,029	2,473,429
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	$ 2,656,029	$ 2,331,429
Claims and claim adjustment expenses attributable to covered events of prior years	142,000	120,000
Total payments:	2,798,029	2,451,429
Total unpaid claims and claim adjustment expenses, end of year	$ 142,000	$ 142,000
Unpaid claims and claim adjustment expenses, end of year		
Claims incurred but not reported (IBNR)	$ 142,000	$ 142,000
Total unpaid claims and claim adjustment expenses, end of year	$ 142,000	$ 142,000

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 1,709,000	$ 1,431,000
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	113,673,685	110,650,572
Total incurred claims and claim adjustment expenses	113,673,685	110,650,572
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	111,964,685	108,941,572
Claims and claim adjustment expenses attributable to covered events of prior years	1,709,000	1,431,000
Total payments:	113,673,685	110,372,572
Total unpaid claims and claim adjustment expenses, end of year	1,709,000	1,709,000
Unpaid claims and claim adjustment expenses, end of year		
Claims reserves	$ -	$ 278,000
Claims incurred but not reported (IBNR)	1,709,000	1,431,000
Total unpaid claims and claim adjustment expenses, end of year	$ 1,709,000	$ 1,709,000

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF THE GROUP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Group's proportion of the net pension liability	0.019%	0.019%
Group's proportionate share of the net pension liability	$ 525,511	$ 385,314
Group's covered-employee payroll	$ 210,454	$ 211,975
Group's proportionate share of the net pension liability as a percentage of its covered-employee payroll	249.7%	181.8%
Plan fiduciary net position as a percentage of the total pension liability.	76.9%	76.9%

See accompanying note to required supplementary information.

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

	June 30, 2016	June 30, 2015
Contractually required contribution	$ 46,857	$ 49,298
Contributions in relation to the contractually required contribution	(46,857)	(49,298)
Contribution deficiency (excess)	$ -	$ -
Group's covered-employee payroll	$ 210,454	$ 211,975
Contributions as a percentage of covered-employee payroll	22.26%	23.26%

See accompanying note to required supplementary information.

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-employee payroll, the Group's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee 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-employee 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-employee payroll.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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, 2016 AND 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 Required contribution and investment revenue											
Earned	$ 4,031,000	$ 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
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)	(18,321,853)
Net earned	$ 4,031,000	$ 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	$ 6,432,720
2 Unallocated expenses	$ 982,000	$ 1,154,000	$ 786,000	$ 3,120,092	$ 1,052,191	$ 170,715	$ 319,437	$ 488,659	$ 453,830	$ 427,285	$ 540,614
3 Estimated losses and exenses, end of fiscal year:											
Incurred	$ 1,943,000	$ 3,498,000	$ 6,117,000	$ 8,012,622	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceded	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -
Net incurred	$ 1,943,000	$ 3,498,000	$ 6,117,000	$ 8,012,622	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4 Net paid (cumulative) as of:											
End of fiscal year	$ 958,000	$ 1,193,000	$ 1,473,000	$ 2,015,223	$ -	$ -	$ -	$ -	$ -	$ -	$ -
One year later	$ 2,378,000	$ 2,998,000	$ 4,228,134	$ 4,135,775	$ -	$ -	$ -	$ -	$ -	$ -	
Two years later	$ 3,447,000	$ 4,538,126	$ 5,634,001	$ 5,638,846	$ -	$ -	$ -	$ -	$ -		
Three years later	$ 4,320,685	$ 5,627,580	$ 6,605,109	$ 6,715,196	$ -	$ -	$ -	$ -			
Four years later	$ 4,906,486	$ 6,431,869	$ 6,992,411	$ 7,600,911	$ -	$ -	$ -				
Five years later	$ 5,817,563	$ 6,836,694	$ 7,454,482	$ 7,880,731	$ -	$ -					
Six years later	$ 6,208,667	$ 7,302,122	$ 7,819,727	$ 9,049,172	$ -						
Seven years later	$ 6,590,230	$ 7,522,166	$ 8,843,385	$ 9,049,172							
Eight years later	$ 7,101,798	$ 8,850,630	$ 8,843,385								
Nine years later	$ 9,417,691	$ 8,850,630									
Ten years later	$ 9,417,691										
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	$ 1,943,000	$ 3,498,000	$ 6,117,000	$ 8,012,622	$ -	$ -	$ -	$ -	$ -	$ -	$ -
One year later	$ 3,727,000	$ 6,867,000	$ 10,474,925	$ 10,768,305	$ -	$ -	$ -	$ -	$ -	$ -	
Two years later	$ 6,673,000	$ 9,209,624	$ 11,525,318	$ 10,770,204	$ -	$ -	$ -	$ -	$ -		
Three years later	$ 8,380,255	$ 9,705,395	$ 10,929,748	$ 11,378,258	$ -	$ -	$ -	$ -			
Four years later	$ 8,159,431	$ 9,956,828	$ 10,833,352	$ 10,501,500	$ -	$ -	$ -				
Five years later	$ 9,276,212	$ 10,061,847	$ 10,141,142	$ 10,585,137	$ -	$ -					
Six years later	$ 9,113,232	$ 9,522,890	$ 10,362,281	$ 10,469,961	$ -						
Seven years later	$ 8,435,497	$ 9,772,238	$ 9,859,233	$ 10,101,017							
Eight years later	$ 10,203,448	$ 9,539,023	$ 9,639,692								
Nine years later	$ 10,347,509	$ 9,216,061									
Ten years later	$ 10,366,713										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ 8,423,713	$ 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, 2016 AND 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 Required contribution and investment revenue											
Earned	$ 604,000	$ 414,000	$ 390,000	$ 544,363	$ 552,093	$ 559,195	$ 630,698	$ 675,900	$ 744,613	$ 935,595	$ 1,130,013
Ceded	-	-	(7,000)	(541,854)	(559,419)	(545,530)	(560,273)	(611,537)	(663,484)	(831,111)	(1,032,437)
Net earned	$ 604,000	$ 414,000	$ 383,000	$ 2,509	$ (7,326)	$ 13,665	$ 70,425	$ 64,363	$ 81,129	$ 104,484	$ 97,576
2 Unallocated expenses	$ 44,000	$ 13,000	$ 4,000	$ 18,183	$ 32,828	$ 8,069	$ 9,016	$ 21,810	$ 453,830	$ 20,129	$ 40,075
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
Ceded	-	-	-	-	-	-	-	-	-	-	-
Net incurred	$ -	$ 22,000	$ 147,000	$ 307,207	$ 54,796	$ 82,548	$ 75,212	$ 108,036	$ 110,941	$ 32,843	$ 25,000
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	$ 16,000	$ 17,000	$ 273,370	$ 111,503	$ 42,740	$ 20,496	$ 16,543	$ 89,764	$ 20,000	$ 6,771	
Two years later	$ 34,000	$ 80,674	$ 83,044	$ 131,676	$ 28,438	$ 33,140	$ 76,543	$ 113,117	$ 20,000		
Three years later	$ 34,000	$ 65,794	$ 83,044	$ 107,846	$ 48,738	$ 33,141	$ 96,543	$ 125,045			
Four years later	$ 34,000	$ 65,794	$ 60,441	$ 117,507	$ 48,738	$ 33,141					
Five years later	$ 34,000	$ 47,530	$ 60,441	$ 117,507	$ 48,738	$ 33,141					
Six years later	$ 34,000	$ 47,530	$ 60,411	$ 117,507	$ 48,738						
Seven years later	$ 34,000	$ 47,530	$ 60,411	$ 117,507							
Eight years later	$ 34,000	$ 47,530	$ 60,411								
Nine years later	$ 34,000	$ 47,530									
Ten years later	$ 34,000										
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
One year later	$ 21,000	$ 60,000	$ 401,609	$ 121,183	$ 79,867	$ 78,773	$ 112,560	$ 148,539	$ 20,863	$ 7,843	
Two years later	$ 39,000	$ 81,110	$ 83,044	$ 144,849	$ 62,351	$ 60,496	$ 100,792	$ 126,562	$ 20,863		
Three years later	$ 34,000	$ 65,794	$ 83,044	$ 117,275	$ 48,738	$ 37,639	$ 96,543	$ 126,562			
Four years later	$ 34,000	$ 65,794	$ 60,441	$ 117,507	$ 49,777	$ 33,141	$ 96,543				
Five years later	$ 34,000	$ 47,530	$ 60,441	$ 117,507	$ 48,738	$ 33,141					
Six years later	$ 34,000	$ 47,530	$ 60,441	$ 117,507	$ 48,738						
Seven years later	$ 34,000	$ 47,530	$ 60,441	$ 117,507							
Eight years later	$ 34,000	$ 47,530	$ 60,441								
Nine years later	$ 34,000	$ 47,530									
Ten years later	$ 34,000										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ 34,000	$ 25,530	$ (86,559)	$ (189,700)	$ (6,058)	$ (49,407)	$ 21,331	$ 25,562	$ (91,037)	$ (25,000)	$ (25,000)

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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
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
2 Unallocated expenses	$ -	$ -	$ -	$ -	$ 14,493	$ 96,930	$ 140,236	$ 153,671	$ -	$ -	$ 45,919
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
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
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
One year later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,634,127	$ 1,704,628	$ 2,067,215	$ 2,173,883	
Two years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,634,127	$ 1,704,628	$ 2,067,215		
Three years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,634,127	$ 1,704,628			
Four years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,634,127				
Five years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209					
Six years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642						
Seven years later	$ -	$ -	$ -	$ 1,357,704							
Eight years later	$ -	$ -	$ -								
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
One year later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342	$ 2,238,178	$ 2,473,429	
Two years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342	$ 2,238,178		
Three years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342			
Four years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127				
Five years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209					
Six years later	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642						
Seven years later	$ -	$ -	$ -	$ 1,357,704							
Eight years later	$ -	$ -	$ -								
Nine years later	$ -	$ -									
Ten years later	$ -										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,248,723

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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
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
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
3 Estimated losses and exenses, 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
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
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
One year later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 105,924,157	$ 101,578,890	$ 103,154,414	$ 104,863,414	
Two years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 105,924,157	$ 101,578,890	$ 103,154,414		
Three years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 105,924,157	$ 101,578,890			
Four years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 105,924,157				
Five years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825					
Six years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349						
Seven years later	$ -	$ -	$ -	$ 104,364,662							
Eight years later	$ -	$ -	$ -								
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
One year later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ 108,570,853	$ 108,725,325	$ 110,650,572	
Two years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ 108,570,853	$ 108,725,325		
Three years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ 108,570,853			
Four years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157				
Five years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825					
Six years later	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349						
Seven years later	$ -	$ -	$ -	$ 104,364,662							
Eight years later	$ -	$ -	$ -								
Nine years later	$ -	$ -									
Ten years later	$ -										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 120,334,972

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS OF NET POSITION
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	(5,331)	(985,994)	192,613	2,101,550	6,422,851	7,725,689
Net Investment in Capital Assets	3,555	-	-	-	-	3,555
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 STATEMENTS OF NET POSITION, continued
JUNE 30, 2016

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2015 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 289,482	$ 5,329,735	$ 1,135,222	$ 1,228,583	$ 2,596,127	$ 10,579,149
Investments, Current	-	608,107	-	-	-	608,107
Accounts Receivable	-	98,001	5,145	41,467	5,437,440	5,582,053
Interfund Receivable/(Payable)	(277,498)	(895,283)	(854,442)	154,235	1,872,988	-
Total Current Assets	11,984	5,140,560	285,925	1,424,285	9,906,555	16,769,309
Noncurrent Assets						
Investments	-	11,383,173	-	1,056,421	2,693,874	15,133,468
Capital Assets, Net of Depreciation	4,147	-	-	-	-	4,147
Total Assets	$ 16,131	$ 16,523,733	$ 285,925	$ 2,480,706	$ 12,600,429	$ 31,906,924
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	$ 17,315	$ 2,815	$ 290	$ 213,567	$ 2,487,589	$ 2,721,576
Prefunding Deposits	-	-	-	30,842	3,085,589	3,116,431
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	1,792,000	22,741	142,000	1,709,000	3,665,741
Total Current Liabilities	17,315	1,794,815	23,031	386,409	7,282,178	9,503,748
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	19,567,518	18,607	-	-	19,586,125
Unallocated Loss Adjustment Expense (ULAE)	-	1,509,000	50,819	-	-	1,559,819
Total Noncurrent Liabilities	-	21,076,518	69,426	-	-	21,145,944
Total Liabilities	17,315	22,871,333	92,457	386,409	7,282,178	30,649,692
NET POSITION						
Unrestricted	(4,739)	(6,347,600)	193,468	2,094,297	5,318,251	1,253,677
Net Investment in Capital Assets	3,555	-	-	-	-	3,555
Total Net Position	(1,184)	(6,347,600)	193,468	2,094,297	5,318,251	1,257,232
Total Liabilities and Net Position	$ 16,131	$ 16,523,733	$ 285,925	$ 2,480,706	$ 12,600,429	$ 31,906,924

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
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

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS 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	2015 Total
OPERATING REVENUE						
Member contributions	$ -	$ 20,019,868	$ 933,900	$ 2,760,330	$ 112,486,861	$ 136,200,959
Total Operating Revenues	-	20,019,868	933,900	2,760,330	112,486,861	136,200,959
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	(68,315)	(46,450)	2,451,429	110,825,253	113,161,917
Insurance premiums	-	19,354,086	831,111	-	-	20,185,197
Services and other operating expenses	-	416,050	(32,645)	22,000	853,173	1,258,578
Salaries and benefits	-	-	-	-	333,061	333,061
Supplies	-	-	-	-	7,426	7,426
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	19,701,821	752,016	2,473,429	112,018,913	134,946,771
Net Operating Income/(Loss)	(592)	318,047	181,884	286,901	467,948	1,254,188
NON-OPERATING REVENUE:						
Investment income	-	264,635	1,697	21,597	69,465	357,394
Interfund transfer	-	2,450,000	50,000	-	-	2,500,000
Total Non-Operating Revenues	-	2,714,635	51,697	21,597	69,465	2,857,394
NON-OPERATING EXPENSE:						
Investment expense	-	-	-	7,338	154,342	161,680
Interfund transfer	-	-	-	-	2,500,000	2,500,000
Total Non-Operating Expense	-	-	-	7,338	2,654,342	2,661,680
CHANGE IN NET POSITION	(592)	3,032,682	233,581	301,160	(2,116,929)	1,449,902
Beginning Net Position	(592)	(9,380,282)	(40,113)	1,793,137	7,435,180	(192,670)
Ending Net Position	$ (1,184)	$ (6,347,600)	$ 193,468	$ 2,094,297	$ 5,318,251	$ 1,257,232

OTHER INDEPENDENT AUDITORS' REPORTS

christy white associates
A PROFESSIONAL ACCOUNTANCY CORPORATION

Christy White, CPA
Michael Ash, CPA
Heather Rubio

SAN DIEGO
LOS ANGELES
SAN FRANCISCO/BAY AREA

Corporate Office:
348 Olive Street
San Diego, CA 92103

toll-free: 877.220.7229
tel: 619.270.8222
fax: 619.260.9085
www.christywhite.com

Licensed by the California State Board of Accountancy

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alameda County Schools Insurance Group, as of and for the years ended June 30, 2016 and 2015, 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 19, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alameda County Schools Insurance Group's financial statements are free 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.

Christy White Associates

San Diego, California
October 19, 2016

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: Strategic Planning Summary

On Friday, October 28, 2016 the Executive Committee met for its 2016-2017 strategic planning session. A summary will be presented by the Executive Director.



Strategic Planning Retreat

Friday, October 28, 2016
9:00-2:30PM

Minutes

The meeting was called to order at 9:23 am by Board President, Candi Clark. The following participants were in attendance:

Candi Clark
Raul Parungao
Allan Garde
Annette Heldman
Akur Varadajan

The items for discussion were:

JPA Brand

JPA Value
- Member Buy-in
- Member Participation
- Education of Board
- Member Outreach
  - Best practices Rewards

Procedure/Policy Development
- Contract Review
- Facility Use Handbook
- Capital Target
- Equity Policy

Trend Analysis & Program Development
- Need Joint Effort with Board Member Support
- Need Traction

Centralized Services/Service Expansion

Succession Plan/Board Transition

Kimberly reviewed the outline with the group. She indicated that her goal for the day was to develop strategies to engage Board members for enhanced participation, attendance and ultimately maximum use of resources to reduce injuries and ensure a healthy, safe work environment for all.

The Committee discussed some of the challenges facing our members and the lack of resources in all agencies. Felt resources provided by ACSIG were outstanding but connecting those resources to members was lacking. The following suggestions/strategies were suggested for the upcoming year:

- Celebrate our accomplishments – Host a holiday reception to celebrate the elimination of the deficit and use as opportunity to socialize with all Board members. Invite partners. December 16, 2016 at Strizzi's in Fremont from 4:30 – 6:30.

- Create a 1-page synopsis describing ACSIG
  From that, develop "elevator speech"

- Create a list-serve linking all ACSIG Board members. This will help build the relationship between Board members and between ACSIG and Board.

- Create an illustration/example to show Board how they could save money by reducing their ex-mod by improving their claims experience. For example, if you reduced your ex-mod by X%, you could save $. Use Fremont as an example for job shadowing/return to work. Use Albany as an example for better hiring practices.
  - "Look how you can save money"

- Begin a new level of training program. Target the training to Director level management (food service, MOT, fiscal services, special ed, etc.). This will help them learn more about the operations within their agency and introduce them to ACSIG and the world of risk management. Suggested topics:
  - How to review contracts for proper indemnification language to protect your District
  - How/Why to start a safety committee
  - Risk Management 101
  - Ed Code/Leaves

Try to schedule every 2-3 months and hold off-site. Committee felt participants will better engage when they are away from their work environment. Contact local businesses to partner (google, safeway, oracle, etc.)

- Begin an individual mentoring program. Executive Committee members reach out to a Board member and encourage their participation. Offer help and guidance.

BREAK

The Committee then reviewed trend data for ACSIG as a whole for the past 5-years. They asked if this data could be compiled for each individual District. That would help them in their District. Kimberly indicated that she would try to bring that data to each member at the November 9th Board meeting.

When looking at top job classifications in terms of severity of injuries, the JPA data showed the following:

1. Custodial	$9,703,365	573 injuries
2. Teachers	$6,725,264	737 injuries
3. ParaEducators	$3,594,747	506 injuries
4. Maintenance	$3,559,321	183 injuries
5. Food Service	$3,436,268	264 injuries

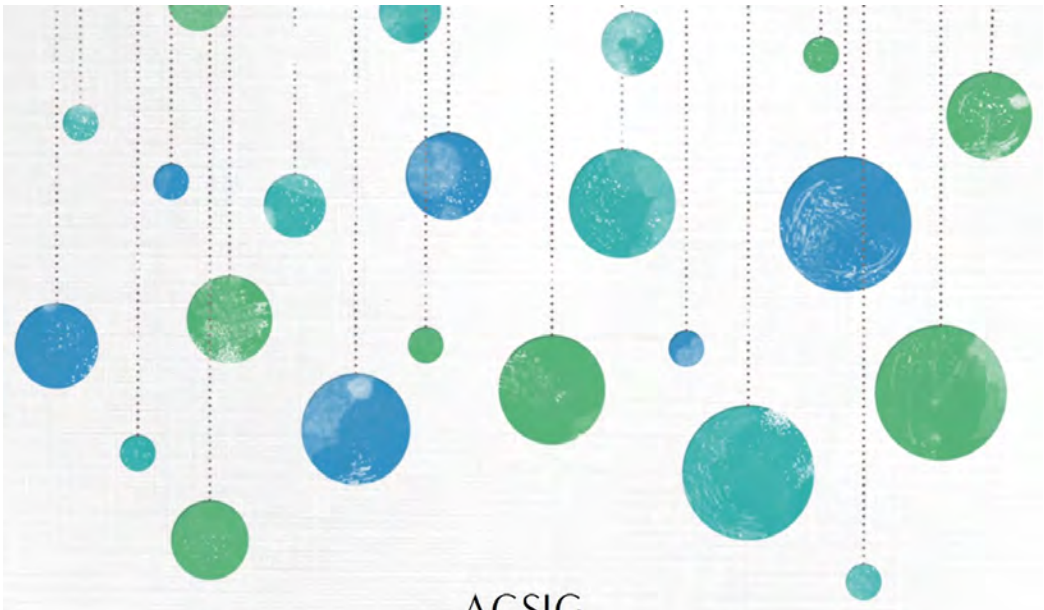
The Committee then discussed the meaning behind these numbers. Kimberly asked each member to consider the number of employees in each job category within their District. The number of teaching staff far exceeds any other job classification yet they are not the highest severity. Additionally, consider that these are all injuries that resulted in a claim. They do not include those first aid items or those items for which no treatment was sought. The reason this is alarming is because a great many incidents are happening within the ParaEducator and Food Service staffs that never result in a claim. Examples of this are bites, kicks, scratches, etc. Kimberly cautioned the Committee that these numbers may increase because some of the ParaEducators who are with high risk students on a year to year basis may eventually file cumulative trauma claims as their bodies react to the multitude of "small" injuries.

Kimberly also indicated that she has worked with Keenan to create a 2-hour training focused specifically on those injuries resulting from students with

behavioral problems. The training is conducted in conjunction with the District Special Education department. The Keenan staff will talk about ways to keep the employee safe and the creation of a safe environment. The District staff will help employees understand how to respond physically should a child need hands-on attention. To date, very few Districts have responded to our offer of training. Some delay is caused by the Special Ed departments not knowing who ACSIG or Keenan is. Another reason is that the ParaEducators are many times only on site, working when students are at school. Because they are hourly employees, there isn't a lot of opportunity for professional development. ACSIG will reimburse each member for the 2 hours of staff time so that all can be trained.

Because this is such a rising issue for ACSIG members, Board members are being asked to help make the connection with their individual Special Ed Directors. It was also suggested that ACSIG find out when each District is developing their calendar. There may be professional development days already built into the calendar. Kimberly is going to send out a list of available trainings to CBO/HR/Ed Services of each member.

Finally, the Committee discussed succession planning. While no one announced their retirement, we were all cognizant of the fact that Boards suffer attrition and how important it is to have a knowledgable Board. The Committee felt that through many of the initiatives already discussed, Board members could be developed and relationships built.



ACSIG
welcomes you to join us for a

Dinner Celebration

You are invited to join us as we celebrate
the elimination of the
Workers' Compensation Program deficit

So lets ring in the holiday season with
one fabulous, festive affair!

FRIDAY | DECEMBER 16 | 5:30 – 7:30 PM
Cocktails & Appetizers | Dinner

PF Changs

43316 Christy St
Fremont, CA 94538

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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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2016/2017 First Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2016/2017. First Quarter financial statements for review. These financial statements reflect the 2015/2016 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 Board.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF SEPTEMBER 30, 2016 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 3, 2016
For the Full Board Meeting of November 9, 2016

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 09/30/2016

	Audited As of 06/30/2016	Activity 07/01/2016 - 09/30/2016	As of 09/30/2016
Assets:			
Current Assets			
Workers Compensation	$ 8,758,964	3,653,182	$ 12,412,147
Dental	3,019,012	(91,089)	2,927,923
Vision	1,175,897	(125,892)	1,050,005
Property and Liability	1,206,795	(895,357)	311,438
Operations	169,423	(26,090)	143,333
Cash and Cash Equivalents	$ 14,330,091	2,514,754	$ 16,844,846
Investments Morgan Stanley - current	1,701,027	(490,904)	1,210,123
Accounts Receivable	7,965,408	16,975	7,982,383
Prepaid Expense	- -	(980,390)	(980,390)
Interfund Receivable/(payable) (1)	- -	- -	- -
Subtotal Current Assets	23,996,526	1,060,435	25,056,961
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,370,020	569,383	14,939,403
Capital - Equipment, net of depreciation	3,555	- -	3,555
	14,373,575	569,383	14,942,958
Total Assets	**$ 38,370,101**	**$ 1,629,818**	**$ 39,999,919**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	44,203	- -	44,203
Liabilities:			
Current Liabilities			
Accounts Payable	$ 5,414,640	$ (587,573)	$ 4,827,067
Prefunding deposits (2)	3,418,159	252,000	3,670,159
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	3,542,657	11,885	3,554,542
Subtotal Current Liabilities	12,375,456	(323,688)	12,051,768
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,149,791	(352,085)	15,797,706
Unallocated Loss Adjustment Expense (ULAE)	1,570,819	- -	1,570,819
Subtotal Noncurrent Claim Liabilities	17,720,610	(352,085)	17,368,525
Net Pension Liability (NPL)	525,511	- -	525,511
Total Liabilities	$ 30,621,577	$ (675,773)	$ 29,945,804
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	63,483	- -	63,483
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,725,689	2,305,591	10,031,280
Designated - Capital Assets	3,555	- -	3,555
Total Net Position	$ 7,729,244	$ 2,305,591	$ 10,034,835
Total Liabilities and Ending Net Position	**$ 38,414,304**	**$ 1,629,818**	**$ 40,044,122**

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 Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	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 Revenue:							
Premiums Paid by Members	$ 41,134,805	$ --	$ (1,762,685)	$ 39,372,120	$ 147,408,159	$ (108,036,039)	26.71 %
Other Income	8,642	(8,642)	--	--	--	--	--
Total Operating Revenue	41,143,447	(8,642)	(1,762,685)	39,372,120	147,408,159	(108,036,039)	26.71
Operating Expenditures:							
Classified Salaries	27,170	32,678	(185)	59,663	236,778	(177,115)	25.20
Statutory Benefits	6,112	13,339	(4,948)	14,504	55,498	(40,994)	26.13
Health & Welfare	2,696	1,797	--	4,493	39,000	(34,507)	11.52
Employer Tax Expense	--	863	--	863	3,411	(2,548)	25.31
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	1,164	--	(108)	1,056	5,250	(4,194)	20.11
Supplies Office	245	--	--	245	5,250	(5,005)	4.67
Supplies - Other	336	--	(107)	229	5,250	(5,021)	4.36
Eligibility Processing	55,614	--	--	55,614	252,000	(196,386)	22.07
Brokerage Fees-Dental-ACSIG	61,832	--	--	61,832	276,000	(214,168)	22.40
Brokerage Fees-Dental-MD	60,077	--	--	60,077	300,000	(239,923)	20.03
Travel and Conferences	3,005	1,104	(430)	3,679	21,000	(17,321)	17.52
Mileage	1,497	--	--	1,497	8,925	(7,428)	16.77
Dues & Memberships	--	--	--	--	1,575	(1,575)	--
Postage & Meter	5,314	--	--	5,314	3,400	1,914	156.29
Insurance Expense-PIPS&NCR	6,003,481	--	(850,000)	5,153,481	23,989,931	(18,836,450)	21.48
Insurance Expense-PIPS Adj	--	--	--	--	1,500,000	(1,500,000)	--
Utility - Operating-Rent	20,010	(12,345)	--	7,665	35,420	(27,755)	21.64
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	--	--	--	--	8,426	(8,426)	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	--	--	--	14,175	(14,175)	--
Other Services/Operating Expense	(34)	--	--	(34)	5,250	(5,284)	(0.65)
Capital Equipment/Depreciation	--	--	--	--	2,550	(2,550)	--
Repairs & Maintenance	--	--	--	--	4,800	(4,800)	--
Legal	--	--	--	--	2,550	(2,550)	--
Accounting Services	2,450	1,050	--	3,500	15,750	(12,250)	22.22
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	104	26	--	130	1,575	(1,445)	8.25
Copier & Scanner	2,290	20	(1,455)	854	15,000	(14,146)	5.70
Claims Administration Services	85,227	--	(227)	85,000	190,000	(105,000)	44.74
Self-Insurance Fee	--	--	--	--	245,000	(245,000)	--
Claims Paid-WC	146,618	--	31,937	178,555	3,000,000	(2,821,445)	5.95
Claims Paid-PL	1,103	--	--	1,103	80,000	(78,897)	1.38
Physical Abilities Testing	2,205	--	(1,225)	980	22,445	(21,465)	4.37
Training	(154)	--	--	(154)	5,000	(5,154)	(3.08)
First-Aid Program	4,578	--	(553)	4,025	10,000	(5,975)	40.25
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	6,066	--	--	6,066	15,000	(8,934)	--
Cobra Premiums	44,674	--	--	44,674	250,000	(205,326)	17.87
Dental Insurance Premiums	31,199,957	--	(362,585)	30,837,372	113,877,908	(83,040,536)	27.08
Vision Insurance Premiums	1,032,233	--	(215,749)	816,484	2,758,000	(1,941,516)	29.60
Claim Development Expense	--	--	(340,200)	(340,200)	(2,430,000)	2,089,800	14.00
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	38,775,870	38,532	(1,745,836)	37,068,567	144,867,892	(107,799,325)	25.59 %
Net Increase/(Decrease) from Operations	2,367,577	(47,174)	(16,849)	2,303,553	2,540,267	(236,714)	%
Non Operating Income/(Expense)							
Interest Income	98,470	(4)	(18,793)	79,673	218,250	(138,577)	36.51
Net Increase/(Decrease) in Fair Value	(91,616)	--	--	(91,616)	--	(91,616)	--
Realized Gain/(Loss) on Investments	13,981	--	--	13,981	--	13,981	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	204,821	--	(204,821)	--	--	--	--
Total Non Operating Income/(Expense)	225,656	(4)	(223,614)	2,038	218,250	(216,212)	0.93 %
Ending Cash	$ 32,994,371	(47,178)					
Net Increase/(Decrease) in Net Position		$ (47,178)	$ (240,463)	2,305,591	$ 2,758,517	$ (452,926)	%
Unaudited - Ending Net Position, as of 09/30/2016				**$ 10,034,835**	**$ 10,487,761**	**$ (452,926)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2016 and 09/30/2016

	Audited As of 06/30/2016	Activity 07/01/2016 - 09/30/2016	As of 09/30/2016
Assets:			
Current Assets			
Funds with County - WC - #44906	$ 4,265,592	3,797,587	$ 8,063,179
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,411	28	17,439
Union Bank Claims - #0129	564,239	274,080	838,319
Union Bank Claims Trust Account - #0600	648,218	(349,926)	298,292
Local Agency Investment Funds (L.A.I.F.)	3,156,805	4,294	3,161,099
Money Market - Morgan Stanley	106,699	(72,881)	33,819
Cash and Cash Equivalents	$ 8,758,964	3,653,182	$ 12,412,147
Investments Morgan Stanley - current	1,701,027	(490,904)	1,210,123
Accounts Receivable	240,872	(44,102)	196,770
Prepaid Expense	--	(1,830,390)	(1,830,390)
Interfund Receivable/(payable)	(997,048)	75,740	(921,308)
Subtotal Current Assets	9,703,815	1,363,526	11,067,341
Noncurrent Assets			
Investments Morgan Stanley	8,815,661	567,460	9,383,121
Capital - Equipment, net of depreciation	--	--	--
	8,815,661	567,460	9,383,121
Total Assets	**$ 18,519,476**	**$ 1,930,986**	**$ 20,450,462**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	13,261	--	13,261
Liabilities:			
Current Liabilities			
Accounts Payable	$ 1,778	$ (1,778)	$ --
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,680,000	--	1,680,000
Subtotal Current Liabilities	1,681,778	(1,778)	1,680,000
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,140,255	(340,200)	15,800,055
Unallocated Loss Adjustment Expense (ULAE)	1,520,000	--	1,520,000
Subtotal Noncurrent Claim Liabilities	17,660,255	(340,200)	17,320,055
Net Pension Liability (NPL)	157,653	--	157,653
Total Liabilities	$ 19,499,686	$ (341,978)	$ 19,157,708
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	19,045	--	19,045
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(985,994)	2,272,964	1,286,970
Designated - Capital Assets	--	--	--
Total Net Position	$ (985,994)	$ 2,272,964	$ 1,286,970
Total Liabilities and Ending Net Position	**$ 18,532,737**	**$ 1,930,986**	**$ 20,463,723**

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
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	$ 8,896,457	$ --	$ (1,830,390)	$ 7,066,067	$ 28,264,268	$ (21,198,201)	25.00 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	8,896,457	--	(1,830,390)	7,066,067	28,264,268	(21,198,201)	25.00
Operating Expenditures:	--						
Classified Salaries	--	15,409	--	15,409	59,432	(44,023)	25.93
Statutory Benefits	--	4,487	--	4,487	13,930	(9,443)	32.21
Health & Welfare	--	1,348	--	1,348	7,800	(6,452)	17.28
Employer Tax Expense	--	219	--	219	856	(637)	25.64
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	158	--	158	750	(592)	21.07
Supplies Office	--	37	--	37	750	(713)	4.93
Supplies - Other	--	34	--	34	750	(716)	4.53
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	552	--	552	3,000	(2,448)	18.40
Mileage	--	225	--	225	1,275	(1,050)	17.61
Dues & Memberships	--	--	--	--	225	(225)	--
Postage & Meter	--	89	--	89	100	(11)	89.00
Insurance Expense-PIPS	4,845,611	--	--	4,845,611	22,758,486	(17,912,875)	21.29
PIPS Contribution Adjustment	--	--	--	--	1,500,000	(1,500,000)	--
Utility - Operating-Rent	--	1,150	--	1,150	5,060	(3,910)	22.73
Advertising	--	--	--	--	300	(300)	--
Contract Services - Actuarial	--	--	--	--	8,426	(8,426)	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	--	--	--	2,025	(2,025)	--
Other Services/Operating Expenses	--	(5)	--	(5)	750	(755)	(0.67)
Capital Equipment/Depreciation	--	--	--	--	750	(750)	--
Repairs & Maintenance	--	--	--	--	300	(300)	--
Legal	--	--	--	--	750	(750)	--
Accounting Services	--	525	--	525	2,250	(1,725)	23.33
County Courier	--	--	--	--	525	(525)	--
Shredding	--	19	--	19	675	(656)	2.81
Copier & Scanner	--	14	--	14	250	(236)	5.60
Claims Administration Services	85,000	--	--	85,000	170,000	(85,000)	50.00
Self-Insurance Fee	--	--	--	--	245,000	(245,000)	--
Claims Paid-WC	146,618	--	31,937	178,555	3,000,000	(2,821,445)	5.95
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	2,205	--	(1,225)	980	10,000	(9,020)	9.80
Training	(154)	--	--	(154)	5,000	(5,154)	(3.08)
First-Aid Program	4,578	--	(553)	4,025	10,000	(5,975)	40.25
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	(798)	--	--	(798)	--	(798)	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	(340,200)	(340,200)	(2,400,000)	2,059,800	14.18
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	5,083,060	24,262	(310,041)	4,797,281	25,429,415	(20,632,134)	18.87 %
Net Increase/(Decrease) from Operations	3,813,397	(24,262)	(1,520,349)	2,268,786	2,834,853	(566,067)	80.03 %
Non Operating Income/(Expense)							
Interest Income	67,324	--	(12,165)	55,159	150,000	(94,841)	36.77
Net Increase/(Decrease) in Fair Value	(60,162)	--	--	(60,162)	--	(60,162)	--
Realized Gain/(Loss) on Investments	9,181	--	--	9,181	--	9,181	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer, Other Income	(100,002)	--	100,002	--	--	--	--
Total Non Operating Income/(Expense)	(83,659)	$ --	$ 87,837	4,178	150,000	(145,822)	2.79 %
Ending Cash	$ 23,005,391						
Net Increase/(Decrease) in Net Position				2,272,964	2,984,853	(711,889)	
Unaudited - Ending Net Position, as of 09/30/2016				**$ 1,286,970**	**$ 1,998,859**	**$ (711,889)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2016 and 09/30/2016

	Audited As of 06/30/2016	Activity 07/01/2016 - 09/30/2016	As of 09/30/2016
Assets:			
Current Assets			
Cash with County ACSIG #44901	$ 212,879	701,103	$ 913,982
Union Bank - Eligibility #9938	2,706,607	(848,729)	1,857,878
Union Bank - Expense #2064	564	63,510	64,074
Union Bank - Cobra Trust #0273	98,962	(6,973)	91,989
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	$ 3,019,012	(91,089)	$ 2,927,923
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,584,385	(5,339)	7,579,046
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	1,780,181	(6,006)	1,774,175
Subtotal Current Assets	12,383,578	(102,434)	12,281,144
Noncurrent Assets			
Investments - Morgan Stanley	4,475,843	1,549	4,477,392
Capital - Equipment, net of depreciation	--	--	--
	4,475,843	1,549	4,477,392
Total Assets	**$ 16,859,421**	**$ (100,885)**	**$ 16,758,536**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	22,102	--	22,102
Liabilities:			
Current Liabilities			
Accounts Payable	$ 5,117,585	$ (362,585)	$ 4,755,000
Prefunding deposits	3,337,589	252,000	3,589,589
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,709,000	--	1,709,000
Subtotal Current Liabilities	10,164,174	(110,585)	10,053,589
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	262,756	--	262,756
Total Liabilities	$ 10,426,930	$ (110,585)	$ 10,316,345
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	31,742	--	31,742
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	6,422,851	9,700	6,432,551
Designated - Capital Assets	--	--	--
Total Net Position	$ 6,422,851	$ 9,700	$ 6,432,551
Total Liabilities and Ending Net Position	**$ 16,881,523**	**$ (100,885)**	**$ 16,780,638**

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
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	$ 31,141,190	$ --	$ (0)	$ 31,141,190	$ 115,000,000	$ (83,858,810)	27.08 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	31,141,190	--	(0)	31,141,190	115,000,000	(83,858,810)	27.08
Operating Expenditures:							
Classified Salaries	--	33,341	--	33,341	135,791	(102,450)	24.55
Statutory Benefits	--	7,015	--	7,015	31,828	(24,813)	22.04
Health & Welfare	--	2,246	--	2,246	25,350	(23,104)	8.86
Employer Tax Expense	--	488	--	488	1,956	(1,468)	24.97
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	739	--	739	3,750	(3,011)	19.71
Supplies Office	--	171	--	171	3,750	(3,579)	4.56
Supplies - Other	--	160	--	160	3,750	(3,590)	4.27
Eligibility Processing	55,614	--	--	55,614	252,000	(196,386)	22.07
Brokerage Fees-Dental-ACSIG	61,832	--	--	61,832	276,000	(214,168)	22.40
Brokerage Fees-Dental-MD	60,077	--	--	60,077	300,000	(239,923)	20.03
Travel and Conferences	--	2,575	--	2,575	15,000	(12,425)	17.17
Mileage	--	1,048	--	1,048	6,375	(5,327)	16.44
Dues & Memberships	--	--	--	--	1,125	(1,125)	--
Postage & Meter	--	5,048	--	5,048	3,150	1,898	160.26
Insurance Expense	--	--	--	--	--	--	--
					--	--	--
Net, Operating-Rent	--	5,366	--	5,366	25,300	(19,935)	21.21
Advertising	--	--	--	--	1,500	(1,500)	--
Contract Services - Actuarial	--	--	--	--	--	--	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contracted Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	--	--	--	10,125	(10,125)	--
Other Services/Operating Expenses	--	(24)	--	(24)	3,750	(3,774)	(0.63)
Capital Equipment/Depreciation	--	--	--	--	1,500	(1,500)	--
Repairs & Maintenance	--	--	--	--	3,750	(3,750)	--
Legal	--	--	--	--	1,500	(1,500)	--
Accounting Services	--	2,450	--	2,450	11,250	(8,800)	21.78
County Courier	--	--	--	--	2,625	(2,625)	--
Shredding	--	91	--	91	750	(659)	12.10
Copier & Scanner	--	811	--	811	14,250	(13,439)	5.69
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	6,864	--	--	6,864	15,000	(8,136)	45.76
Cobra Premiums	44,674	--	--	44,674	250,000	(205,326)	17.87
Dental Insurance Premiums	31,199,957	--	(362,585)	30,837,372	113,877,908	(83,040,536)	27.08
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	31,429,018	61,526	(362,585)	31,127,959	115,289,033	(84,161,074)	27.00 %
Net Increase/(Decrease) from Operations	(287,828)	(61,526)	362,585	13,231	(289,033)	302,264	(4.58) %
Non Operating Income/(Expense)							
Interest Income	23,287	--	(5,339)	17,948	50,000	(32,052)	35.90
Net Increase/(Decrease) in Fair Value	(25,347)	--	--	(25,347)	--	(25,347)	--
Realized Gain/(Loss) on Investments	3,868	--	--	3,868	--	3,868	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
I Transfer, YE Close, Rebate	196,480	--	(196,480)	--	--	--	
Total Non Operating Income/(Expense)	198,288	$ --	$ (201,819)	(3,531)	50,000	(53,531)	(7.06) %
Ending Cash	$ 7,405,315						
Net Increase/(Decrease) in Net Position				9,700	(239,033)	248,733	%
Unaudited - Ending Net Position, as of 09/30/2016				**$ 6,432,551**	**$ 6,183,818**	**$ 248,733**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2016 and 09/30/2016

	Audited As of 06/30/2016	Activity 07/01/2016 - 09/30/2016	As of 09/30/2016
Assets:			
Current Assets			
Cash with County #44902	$ 1,175,897	(125,892)	$ 1,050,005
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	1,175,897	(125,892)	1,050,005
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	140,151	(136,279)	3,872
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	252,984	48,846	301,830
Subtotal Current Assets	1,569,032	(213,325)	1,355,707
Noncurrent Assets			
Investments - Morgan Stanley	1,078,516	374	1,078,890
Capital - Equipment, net of depreciation	--	--	--
	1,078,516	374	1,078,890
Total Assets	**$ 2,647,548**	**$ (212,951)**	**$ 2,434,597**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	4,420	--	4,420
Liabilities:			
Current Liabilities			
Accounts Payable	$ 268,949	$ (215,749)	$ 53,200
Prefunding deposits	80,570	--	80,570
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	142,000	--	142,000
Subtotal Current Liabilities	491,519	(215,749)	275,770
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	52,551	--	52,551
Total Liabilities	$ 544,070	$ (215,749)	$ 328,321
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	6,348	--	6,348
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,101,550	2,798	2,104,348
Designated - Capital Assets	--	--	--
Total Net Position	$ 2,101,550	$ 2,798	$ 2,104,348
Total Liabilities and Ending Net Position	**$ 2,651,968**	**$ (212,951)**	**$ 2,439,017**

Alameda County Schools Insurance Group (ACSIG)
Vision
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
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	$ 963,880	$ --	$ (134,990)	$ 828,890	$ 2,800,000	$ (1,971,110)	29.60 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	963,880	--	(134,990)	828,890	2,800,000	(1,971,110)	29.60
Operating Expenditures:							
Classified Salaries	--	6,414	--	6,414	23,678	(17,264)	27.09
Statutory Benefits	--	1,517	--	1,517	5,550	(4,033)	27.33
Health & Welfare	--	449	--	449	3,900	(3,451)	11.52
Employer Tax Expense	--	92	--	92	341	(249)	26.88
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	106	--	106	500	(394)	21.20
Supplies Office	--	24	--	24	500	(476)	4.80
Supplies - Other	--	23	--	23	500	(477)	4.60
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	368	--	368	2,000	(1,632)	18.40
Mileage	--	150	--	150	850	(700)	17.61
Dues & Memberships	--	--	--	--	150	(150)	--
Postage & Meter	--	142	--	142	150	(8)	94.67
Insurance Expense	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
Utility - Operating-Rent	--	766	--	766	3,373	(2,607)	22.71
Advertising	--	--	--	--	200	(200)	--
Contract Services - Actuarial	--	--	--	--	--	--	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--	--
Audit Fees	--	--	--	--	1,350	(1,350)	--
Other Services/Operating Expenses	--	(3)	--	(3)	500	(503)	(0.60)
Capital Equipment/Depreciation	--	--	--	--	200	(200)	--
Repairs & Maintenance	--	--	--	--	500	(500)	--
Legal	--	--	--	--	200	(200)	--
Accounting Services	--	350	--	350	1,500	(1,150)	23.33
County Courier	--	--	--	--	350	(350)	--
Shredding	13	--	--	13	100	(87)	13.00
Copier & Scanner	23	--	--	23	400	(377)	5.75
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	--	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	1,032,233	--	(215,749)	816,484	2,758,000	(1,941,516)	29.60
Claim Development Expense	--	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	1,032,269	10,398	(215,749)	826,918	2,804,792	(1,977,874)	29.48 %
Net Increase/(Decrease) from Operations	(68,390)	(10,398)	80,760	1,972	(4,792)	6,764	%
Non Operating Income/(Expense)							
Interest Income	7,290	--	(1,289)	6,001	17,500	(11,499)	34.29
Net Increase/(Decrease) in Fair Value	(6,107)	--	--	(6,107)	--	(6,107)	--
Realized Gain/(Loss) on Investments	932	--	--	932	--	932	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer	(59,244)	--	59,244	--	--	--	
Total Non Operating Income/(Expense)	(57,129)	$ --	$ 57,955	826	17,500	(16,674)	4.72 %
Ending Cash	$ 2,128,895						
Net Increase/(Decrease) in Net Position				2,798	$ 12,708	$ (9,910)	%
Unaudited - Ending Net Position, as of 09/30/2016				**$ 2,104,348**	**$ 2,114,258**	**$ (9,910)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2016 and 09/30/2016

	Audited As of 06/30/2016	Activity 07/01/2016 - 09/30/2016	As of 09/30/2016
Assets:			
Current Assets			
Cash with County - #44903	$ 342,818	(148,171)	$ 194,647
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	850,669	(766,649)	84,020
Union Bank - Claims Trust #1186	13,308	19,463	32,771
Cash and Cash Equivalents	$ 1,206,795	(895,357)	$ 311,438
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	202,695	202,695
Prepaid Expense	--	850,000	850,000
Interfund Receivable/(payable)	(887,464)	(137,436)	(1,024,900)
Subtotal Current Assets	319,331	19,902	339,233
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	--	--	--
	--	--	--
Total Assets	**$ 319,331**	**$ 19,902**	**$ 339,233**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	4,420	--	4,420
Liabilities:			
Current Liabilities			
Accounts Payable	$ 227	$ (227)	$ --
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	11,657	11,885	23,542
Subtotal Current Liabilities	11,884	11,658	23,542
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	9,536	(11,885)	(2,349)
Unallocated Loss Adjustment Expense (ULAE)	50,819	--	50,819
Subtotal Noncurrent Claim Liabilities	60,355	(11,885)	48,470
Net Pension Liability (NPL)	52,551	--	52,551
Total Liabilities	$ 124,790	$ (227)	$ 124,563
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	6,348	--	6,348
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	192,613	20,129	212,742
Designated - Capital Assets	--	--	--
Total Net Position	$ 192,613	$ 20,129	$ 212,742
Total Liabilities and Ending Net Position	**$ 323,751**	**$ 19,902**	**$ 343,653**

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
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	$ 133,278	$ --	$ 202,695	$ 335,973	$ 1,343,891	$ (1,007,918)	25.00 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	133,278	--	202,695	335,973	1,343,891	(1,007,918)	25.00
Operating Expenditures:							
Classified Salaries	--	4,497	--	4,497	17,877	(13,380)	25.16
Statutory Benefits	--	1,485	--	1,485	4,190	(2,705)	35.45
Health & Welfare	--	449	--	449	1,950	(1,501)	23.04
Employer Tax Expense	--	64	--	64	258	(194)	24.76
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	52	--	52	250	(198)	20.99
Supplies Office	--	13	--	13	250	(237)	5.18
Supplies - Other	--	12	--	12	250	(238)	4.75
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	184	--	184	1,000	(816)	18.43
Mileage	--	75	--	75	425	(350)	17.61
Dues & Memberships	--	--	--	--	75	(75)	--
Postage & Meter	--	35	--	35	--	35	--
Insurance Expense-NCR	1,157,870	--	(850,000)	307,870	1,231,445	(923,575)	25.00
					--		--
Utility - Operating-Rent	--	384	--	384	1,687	(1,304)	22.73
Advertising	--	--	--	--	100	(100)	--
Contract Services - Actuarial	--	--	--	--	--	--	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--	--
Audit Fees	--	--	--	--	675	(675)	--
Other Services/Operating Expense	--	(2)	--	(2)	250	(252)	(0.86)
Capital Equipment/Depreciation	--	--	--	--	100	(100)	--
Repairs & Maintenance	--	--	--	--	250	(250)	--
Legal	--	--	--	--	100	(100)	--
Accounting Services	--	175	--	175	750	(575)	23.33
County Courier	--	--	--	--	175	(175)	--
Shredding	--	7	--	7	50	(43)	13.80
Copier & Scanner	--	6	--	6	100	(94)	5.71
Claims Administration Services	227	--	(227)	--	20,000	(20,000)	--
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	1,103	--	--	1,103	80,000	(78,897)	1.38
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	--	--	--	--	(30,000)	30,000	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	1,159,200	7,436	(850,227)	316,409	1,344,652	(1,028,243)	23.53 %
Net Increase/(Decrease) from Operations	(1,025,922)	(7,436)	1,052,922	19,564	(761)	20,325	-- %
Non Operating Income/(Expense)							
Interest Income	565	--	--	565	750	(185)	75.33
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer, Other Income	130,000	--	(130,000)	--	--	--	--
Total Non Operating Income/(Expense)	130,565	$ --	$ (130,000)	565	750	(185)	75.33 %
Ending Cash	$ 311,438						
Net Increase/(Decrease) in Net Position				20,129	(11)	20,140	-- %
Unaudited - Ending Net Position, as of 09/30/2016				**$ 212,742**	**$ 192,602**	**$ 20,140**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2016 and 09/30/2016

	Audited As of 06/30/2016	Activity 07/01/2016 - 09/30/2016	Unaudited As of 09/30/2016
Assets:			
Current Assets			
Union Bank - Payroll #0176	$ 34,482	30,145	$ 64,627
Union Bank Checking Account #1521	134,941	(56,235)	78,706
Cash and Cash Equivalents	$ 169,423	(26,090)	$ 143,333
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	--	--
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	(148,653)	18,856	(129,797)
Subtotal Current Assets	20,770	(7,234)	13,536
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	3,555	--	3,555
	3,555	--	3,555
Total Assets	**$ 24,325**	**$ (7,234)**	**$ 17,091**
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	--	--	--
Liabilities:			
Current Liabilities			
Accounts Payable	$ 26,101	$ (7,234)	$ 18,867
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	26,101	(7,234)	18,867
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	$ 26,101	$ (7,234)	$ 18,867
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	--	--	--
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	--	(5,331)
Designated - Capital Assets	3,555	--	3,555
Total Net Position	$ (1,776)	$ --	$ (1,776)
Total Liabilities and Ending Net Position	**$ 24,325**	**$ (7,234)**	**$ 17,091**

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
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	8,642	(8,642)	--	--	--	--	
Total Operating Revenue	8,642	(8,642)	--	--	--	--	--
Operating Expenditures:							
Classified Salaries	27,170	(26,985)	(185)	--	--	--	
Statutory Benefits	6,112	(1,165)	(4,948)	--	--	--	
Health & Welfare	2,696	(2,696)	--	--	--	--	
Employer Tax Expense	--	--	--	--	--	--	
Net Pension Expense	--	--	--	--	--	--	
Telephone & Internet	1,164	(1,055)	(108)	--	--	--	--
Supplies Office	245	(245)	--	--	--	--	
Supplies - Other	336	(229)	(107)	--	--	--	
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	3,005	(2,575)	(430)	--	--	--	
Mileage	1,497	(1,497)	--	--	--	--	
Dues & Memberships	--	--	--	--	--	--	
Postage & Meter	5,314	(5,314)	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
	--	--	--	--	--	--	
Utility - Operating-Rent	20,010	(20,010)	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	--	--	
Contract Services -Claim Audit	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	--	--	--	--	--	--	
Other Services/Operating Expense	(34)	34	--	--	--	--	
Capital Equipment/Depreciation	--	--	--	--	--	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	2,450	(2,450)	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	91	(91)	--	--	--	--	
Copier & Scanner	2,267	(811)	(1,455)	--	--	--	
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	72,323	(65,089)	(7,234)	--	--	--	-- %
Net Increase/(Decrease) from Operations	(63,681)	56,447	7,234	--	--	--	-- %
Non Operating Income/(Expense)							
Interest Income	4	(4)	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer & YE Close	37,587	--	(37,587)	--	--	--	--
Total Non Operating Income/(Expense)	37,591	$ (4)	$ (37,587)	--	--	--	-- %
Ending Cash	$ 143,333						
Net Increase/(Decrease) in Net Position				$ --	$ --	$ --	-- %
Unaudited - Ending Net Position, as of 09/30/2016				**$ (1,776)**	**$ (1,776)**	**$ --**	

1) Percentage Variance calculated using cash activity, prior to allocation.

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2016

	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	$ 914,370	$ 1,828,378	$ 2,852,327	$ 2,777,857	$ 2,868,695	$ 4,014,250	$ 2,922,031	$ 5,540,087	$ 5,164,274	$ 4,053,923	$ 3,706,858	$ 4,754,003	$ 41,397,053
Reserves	34,572	- -	74,960	66,808	16,525	34,380	31,497	97,136	77,504	222,785	40,464	237,253	933,884
Incurred Claims	948,942	1,828,378	2,927,287	2,844,665	2,885,220	4,048,630	2,953,528	5,637,223	5,241,778	4,276,708	3,747,322	4,991,256	42,330,937
Incurred But Not Reported (IBNR)	(29,050)	- -	12,713	125,335	24,780	21,370	16,472	132,777	88,222	23,292	122,678	158,744	697,333
Non- Discounted Estimated Ultimate Incurred (1)	919,892	1,828,378	2,940,000	2,970,000	2,910,000	4,070,000	2,970,000	5,770,000	5,330,000	4,300,000	3,870,000	5,150,000	43,028,270
Anticipated Investment Income (Discount) (2)	(265)	- -	(4,208)	(10,952)	(2,767)	(4,125)	(3,790)	(19,083)	(13,921)	(21,409)	(14,520)	(35,640)	(130,680)
Discounted Estimated Ultimate (1-2)	919,627	1,828,378	2,935,792	2,959,048	2,907,233	4,065,875	2,966,210	5,750,917	5,316,079	4,278,591	3,855,480	5,114,360	42,897,590
Paid Claims	(914,370)	(1,828,378)	(2,852,327)	(2,777,857)	(2,868,695)	(4,014,250)	(2,922,031)	(5,540,087)	(5,164,274)	(4,053,923)	(3,706,858)	(4,754,003)	(41,397,053)
Remaining Estimated Unpaid Claim Liabilities	$ 5,257	$ - -	$ 83,465	$ 181,191	$ 38,538	$ 51,625	$ 44,179	$ 210,830	$ 151,805	$ 224,668	$ 148,622	$ 360,357	$ 1,500,537

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

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 09/30/2016	919,627	1,828,378	2,935,792	2,959,048	2,907,233	4,065,875	2,966,210	5,750,917	5,316,079	4,278,591	3,855,480	5,114,360	42,897,590
Increase/Decrease	42	- -	- -	137	13	6	- -	111	443	242	294	333	1,621

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2016

	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	$ 41,397,053	$ 5,298,869	$ 7,055,070	$ 6,740,873	$ 8,978,716	$ 7,267,136	$ 10,629,483	$ 11,735,816	$ 99,103,016
Reserves	933,884	164,783	419,958	647,414	1,257,501	1,091,021	764,743	806,053	6,085,357
Incurred Claims	42,330,937	5,463,652	7,475,028	7,388,287	10,236,217	8,358,157	11,394,226	12,541,869	105,188,373
Incurred But Not Reported (IBNR)	697,333	176,348	144,972	381,713	1,023,783	451,843	495,774	588,131	3,959,897
Non- Discounted Estimated Ultimate Incurred (1)	43,028,270	5,640,000	7,620,000	7,770,000	11,260,000	8,810,000	11,890,000	13,130,000	109,148,270
Anticipated Investment Income (Discount) (2)	(130,680)	(32,407)	(57,058)	(109,087)	(248,660)	(166,629)	(136,136)	(154,754)	(1,035,411)
Discounted Estimated Ultimate (1-2)	42,897,590	5,607,593	7,562,942	7,660,913	11,011,340	8,643,371	11,753,864	12,975,246	108,112,859
Paid Claims	(41,397,053)	(5,298,869)	(7,055,070)	(6,740,873)	(8,978,716)	(7,267,136)	(10,629,483)	(11,735,816)	(99,103,016)
Remaining Estimated Unpaid Claim Liabilities	$ 1,500,537	$ 308,724	$ 507,872	$ 920,040	$ 2,032,624	$ 1,376,235	$ 1,124,381	$ 1,239,430	$ 9,009,843

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

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 09/30/2016	42,897,590	5,607,593	7,562,942	7,660,913	11,011,340	8,643,371	11,753,864	12,975,246	108,112,859
Increase/Decrease	(80,573)	287	584	320	(301)	834	736	15,385	(62,728)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2016

	Totals From Page 7A	Self-Insured Program Years 2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 09/30/2016 Totals	Activity: As of 06/30/2016 Totals	Activity: 07/01/2016 - 09/30/2016
Paid Claims	$ 99,103,016	$ 9,824,895	$ 5,820,540	$ 5,399,811	$ 8,527,643	$ 8,053,465	$ 8,336,313	$ 8,533,733	$ 153,599,416	$ 153,212,401	$ 387,015
Reserves	6,085,357	293,937	568,298	241,148	890,048	799,454	703,016	539,012	10,120,270	10,453,729	(333,459)
Incurred Claims	105,188,373	10,118,832	6,388,838	5,640,959	9,417,691	8,852,919	9,039,329	9,072,745	163,719,686	163,666,130	53,556
Incurred But Not Reported (IBNR)	3,959,897	511,168	621,162	709,041	1,232,309	567,081	800,671	1,267,255	9,668,584	9,722,140	(53,556)
Non- Discounted Estimated Ultimate Incurred (1)	109,148,270	10,630,000	7,010,000	6,350,000	10,650,000	9,420,000	9,840,000	10,340,000	173,388,270	173,388,270	--
Anticipated Investment Income (Discount) (2)	(1,035,411)	(97,418)	(148,682)	(125,425)	(282,273)	(184,482)	(198,487)	(236,621)	(2,308,799)	(2,355,614)	46,815
Discounted Estimated Ultimate (1-2)	108,112,859	10,532,582	6,861,318	6,224,575	10,367,727	9,235,518	9,641,513	10,103,379	171,079,471	171,032,656	46,815
Paid Claims	(99,103,016)	(9,824,895)	(5,820,540)	(5,399,811)	(8,527,643)	(8,053,465)	(8,336,313)	(8,533,733)	(153,599,416)	(153,212,401)	(387,015)
Remaining Estimated Unpaid Claim Liabilities	$ 9,009,843	$ 707,687	$ 1,040,778	$ 824,764	$ 1,840,084	$ 1,182,053	$ 1,305,200	$ 1,569,646	$ 17,480,055	$ 17,820,255	$ (340,200)
								Estimated Current Portion /Short-Term Liability (1)	(1,680,000)		
								Estimated Non-Current portion of Claim Liabilities	$ 15,800,055		

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

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
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A
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
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 09/30/2016	108,112,859	10,532,582	6,861,318	6,224,575	10,367,727	9,235,518	9,641,513	10,103,379	171,079,471
Increase/Decrease	(62,728)	705	982	1,008	1,014	19,457	1,821	2,362	(35,379)

Claim Development Expense	
Claim Liabilities and ULAE Decrease	$ (340,200)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 09/30/2016

	Self-Insured Program Years									As of 09/30/2016	Activity: As of 06/30/2016	Activity: 07/01/2016 - 09/30/2016
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017			
Paid Claims	$ 117,507	$ 48,738	$ 33,141	$ 96,543	$ 125,045	$ 20,000	$ 20,000	$ 6,681	$ --	$ 467,655	$ 454,426	$ 13,229
Reserves	--	--	--	--	--	--	--	13,319	--	13,319	--	13,319
Incurred Claims	117,507	48,738	33,141	96,543	125,045	20,000	20,000	20,000	--	480,974	454,426	26,548
Incurred But Not Reported (IBNR)	--	0	--	(0)	(0)	--	--	5,000	25,000	30,000	21,770	8,230
Non- Discounted Estimated Ultimate Incurred (1)	117,507 (4)	48,738 (4)	33,141 (4	96,543 (4)	125,045 (3)	20,000	20,000	25,000	25,000	510,974	476,197	34,777
Anticipated Investment Income (Discount) (2)	--	--	--	--	0	--	--	(516)	--	(516)	(577)	61
Discounted Estimated Ultimate (1-2)	117,507	48,738	33,141	96,543	125,045	20,000	20,000	24,484	25,000	510,458	475,620	34,838
Paid Claims	(117,507)	(48,738)	(33,141)	(96,543)	(125,045)	(20,000)	(20,000)	(6,681)	--	(467,655)	(454,426)	(13,229)
Remaining Estimated Unpaid Claim Liabilities	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ 17,803	$ 25,000	$ 42,803	$ 21,194	$ 21,609
										Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65		(23,542)
										Estimated Non-Current portion of Claim Liabilities		$ 19,261

(1) Per Bay Actuarial Consultants actuarial study dated May 2015. Adjusted for negative IBNR & closed years, new year 2016/2017 estimated based upon 2015/2016.
(2) Discounted at .5%.
(3) Adjusted for negative IBNR **(4) Ultimate adjusted for deductible, not shown on the Actuarial Report.**

Claim Development Expense	
Claim Liabilities and ULAE	$ 21,609
Increase	$ 21,609

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	117,507	48,738	33,141	96,543	126,562	20,863	7,843	25,000	--	476,197
As of 09/30/2016	117,507	48,738	33,141	96,543	125,045	20,000	20,000	25,000	25,000	510,974
Increase/Decrease	--	--	--	--	(1,517)	(863)	12,157	--	25,000	34,777

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2016/2017 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 was in attendance at the November 3, 2016 Executive Committee meeting and addressed this item and outlinee the current investment strategy.

Wealth Management
1478 Stone Point Dr Suite 500
Roseville, CA 95661

tel 916 797 7742 or 888 335 6370
fax 916 797 7750

Morgan Stanley

October 7, 2016

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

Dear Board:

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

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	09/30/16
Inception date	07/12/10
Beginning Total Value	$9,999,850.00
Net Contributions/Withdrawals	$5,033,025.75
Investment Earnings	$1,207,554.99
Total Ending Value	$16,240,430.74
Current Quarter	-0.09%
Year to Date	1.97%
Since Inception (annualized % per year)	1.35%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	1.30%
Last 5 Years (annualized % per year)	1.32%
Since Inception (annualized % per year)	1.36%
Year 2016 (YTD)	1.97%
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	28.89%

More details on the portfolio summary are attached. Please contact me with any questions.

Sincerely,

Cary M. Allison, CIMA®
Senior Institutional Consultant
www.morganstanley.com
cary.allison@morganstanley.com

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Morgan Stanley

Fixed Income Report

Prepared on October 07, 2016

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

Please review the disclosures and definitions throughout this Document.

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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 Sec... **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, 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.
All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

Morgan Stanley

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

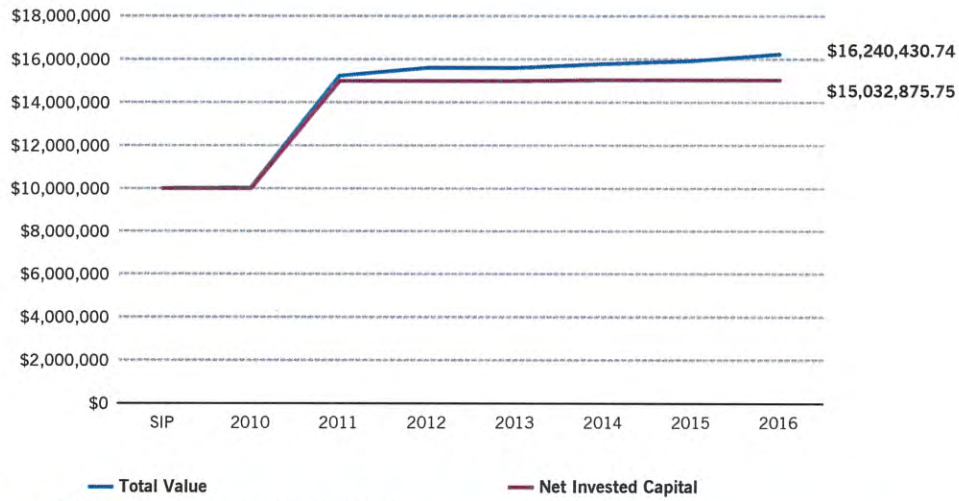
As of September 30, 2016 | Reporting Currency: USD

CHANGE IN VALUE AND RETURN % (NET OF FEES)

	Quarter to Date 06/30/16-09/30/16	Year to Date 12/31/15-09/30/16	Performance Inception 07/12/10-09/30/16
Beginning Total Value	**$16,255,106.57**	**$15,926,083.41**	**$9,999,850.00**
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	-14,675.83	314,347.34	1,207,554.99
Ending Total Value	**$16,240,430.74**	**$16,240,430.74**	**$16,240,430.74**
DOLLAR WEIGHTED RATE OF RETURN			
Return % (Net of Fees)	-0.09%	1.97%	1.35%

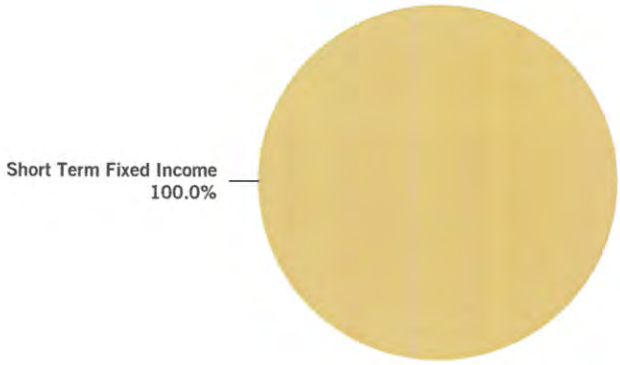
Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

ASSET ALLOCATION



INCOME SUMMARY

	Year To Date 01/01/16-10/06/16	Projected Remaining Year (Until 12/31) 10/07/16-12/31/16	Projected Next 12 Months 11/01/16-10/31/17
INCOME BY ASSET CLASS			
Cash	$21.57	$0.00	-
Fixed Income & Preferreds	222,100.37	46,106.00	294,917.00
Total Income	**$222,121.94**	**$46,106.00**	**$294,917.00**
INCOME BY TAX CATEGORY			
Taxable	222,121.94	46,106.00	294,917.00
Non Taxable	-	-	-
Tax Deferred	-	-	-
Total Income	**$222,121.94**	**$46,106.00**	**$294,917.00**

Income Summary does not include income from external assets.

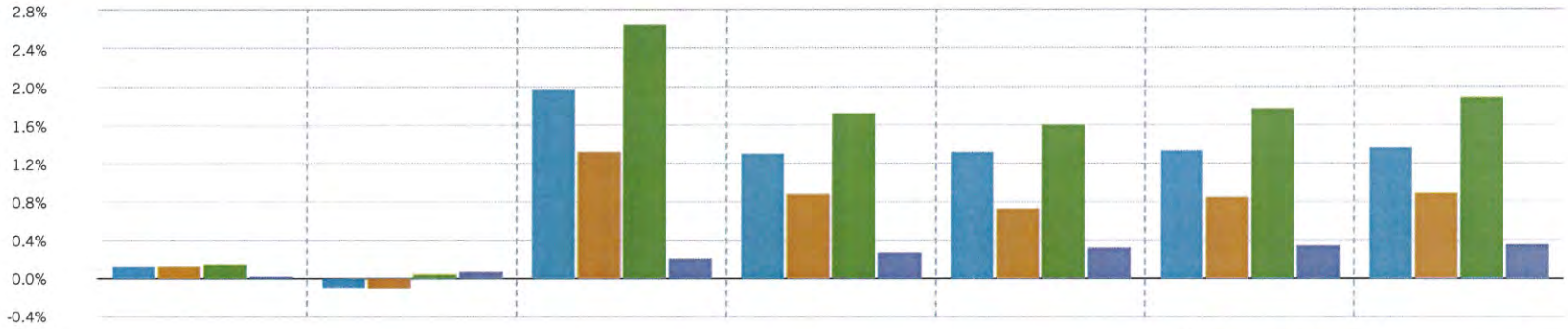
Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

Morgan Stanley

Alameda County Schools Ins Group 171-041349-Western Asset - Gov Sec... | As of September 30, 2016 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Month to Date 08/31/16 - 09/30/16	Quarter to Date 06/30/16 - 09/30/16	Year to Date 12/31/15 - 09/30/16	Last 3 Years 09/30/13 - 09/30/16	Last 5 Years 09/30/11 - 09/30/16	Performance Inception Month End 07/31/10 - 09/30/16	Performance Inception 07/12/10 - 09/30/16
Beginning Total Value	**$16,221,608.77**	**$16,255,106.57**	**$15,926,083.41**	**$15,588,728.38**	**$10,184,368.27**	**$10,025,516.38**	**$9,999,850.00**
Net Contributions/Withdrawals	0.00	0.00	0.00	32,875.75	5,032,875.75	5,032,875.75	5,033,025.75
Investment Earnings	18,821.97	-14,675.83	314,347.34	618,826.61	1,023,186.72	1,182,038.61	1,207,554.99
Ending Total Value	**$16,240,430.74**	**$16,240,430.74**	**$16,240,430.74**	**$16,240,430.74**	**$16,240,430.74**	**$16,240,430.74**	**$16,240,430.74**
Return % (Net of Fees)	**0.12**	**-0.09**	**1.97**	**1.30**	**1.32**	**1.33**	**1.36**
BC Gov 1-3 Yr	*0.12*	*-0.10*	*1.32*	*0.87*	*0.72*	*0.84*	*0.88*
BC Gov/Cr 1-5 yr	*0.15*	*0.04*	*2.64*	*1.72*	*1.60*	*1.77*	*1.88*
Citi CD 6 Month	*0.02*	*0.07*	*0.21*	*0.27*	*0.32*	*0.34*	*0.35*

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 Sec...

As of September 30, 2016 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 09/30/16

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
2016 (YTD)	**$15,926,083.41**	**$0.00**	**$314,347.34**	**$16,240,430.74**	**1.97%**	**1.32%**	**2.64%**	**0.21%**
3QTR	*16,255,106.57*	*0.00*	*-14,675.83*	*16,240,430.74*	*-0.09*	*-0.10*	*0.04*	*0.07*
September	16,221,608.77	0.00	18,821.97	16,240,430.74	0.12	0.12	0.15	0.02
August	16,251,286.98	0.00	-29,678.22	16,221,608.77	-0.18	-0.16	-0.20	0.02
July	16,255,106.57	0.00	-3,819.59	16,251,286.98	-0.02	-0.06	0.09	0.02
2QTR	*16,150,162.43*	*0.00*	*104,944.15*	*16,255,106.57*	*0.65*	*0.52*	*0.98*	*0.07*
June	16,129,757.45	0.00	125,349.13	16,255,106.57	0.78	0.59	0.94	0.02
May	16,149,697.71	0.00	-19,940.27	16,129,757.45	-0.12	-0.10	-0.12	0.02
April	16,150,162.43	0.00	-464.71	16,149,697.71	0.00	0.04	0.15	0.02
1QTR	*15,926,083.41*	*0.00*	*224,079.02*	*16,150,162.43*	*1.41*	*0.89*	*1.61*	*0.07*
March	16,085,409.16	0.00	64,753.26	16,150,162.43	0.40	0.17	0.52	0.02
February	16,063,789.98	0.00	21,619.18	16,085,409.16	0.13	0.11	0.19	0.02
January	15,926,083.41	0.00	137,706.57	16,063,789.98	0.86	0.61	0.89	0.02
2015	**$15,789,357.87**	**$0.00**	**$136,725.54**	**$15,926,083.41**	**0.87%**	**0.57%**	**0.97%**	**0.27%**
2014	**$15,597,806.94**	**$32,875.75**	**$158,675.18**	**$15,789,357.87**	**1.01%**	**0.64%**	**1.42%**	**0.27%**
2013	**$15,600,964.10**	**$0.00**	**-$3,157.16**	**$15,597,806.94**	**-0.03%**	**0.37%**	**0.28%**	**0.27%**
2012	**$15,229,289.11**	**$0.00**	**$371,674.99**	**$15,600,964.10**	**2.44%**	**0.51%**	**2.24%**	**0.49%**
2011	**$10,028,996.97**	**$5,000,000.00**	**$200,292.14**	**$15,229,289.11**	**1.91%**	**1.56%**	**3.14%**	**0.39%**
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%**

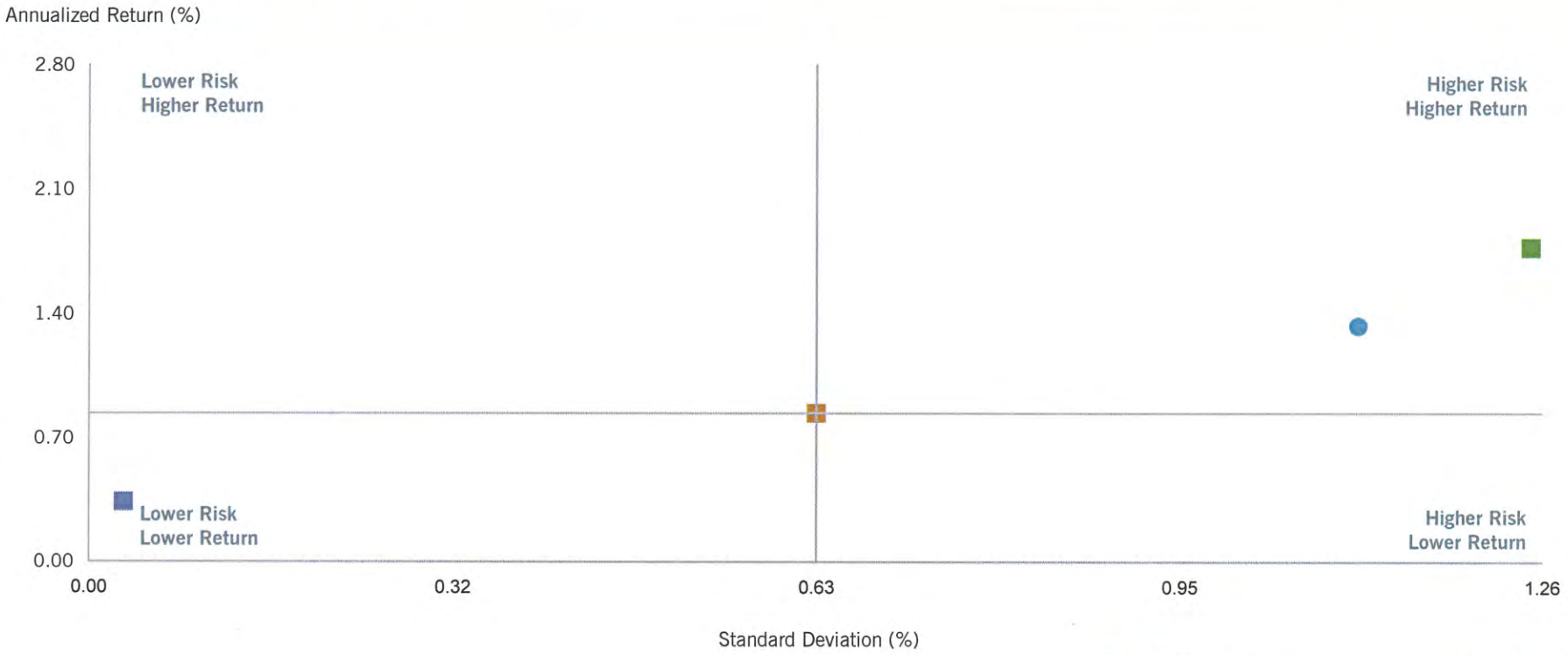
Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

RISK VS. RETURN - ADVISORY ASSETS ONLY

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

As of September 30, 2016 | Reporting Currency: USD

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



	Return % (Net of Fees) 07/31/10-09/30/16	Standard Deviation 07/31/10-09/30/16 (%)
Portfolio	1.33 %	1.10 %
BC Gov 1-3 Yr	*0.84*	*0.63*
BC Gov/Cr 1-5 yr	*1.77*	*1.25*
Citi CD 6 Month	*0.34*	*0.03*

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.

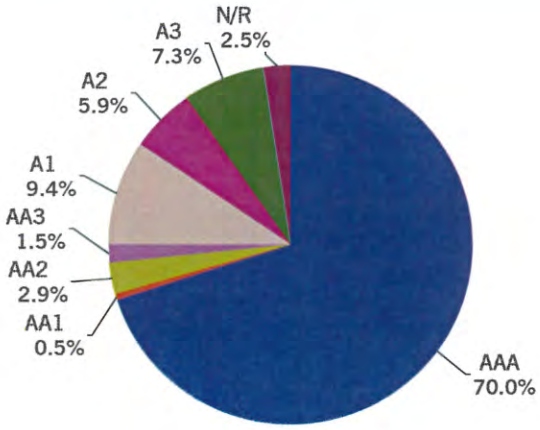
FIXED INCOME & PREFERREDS QUALITY, MATURITY AND ASSET ALLOCATION

Morgan Stanley

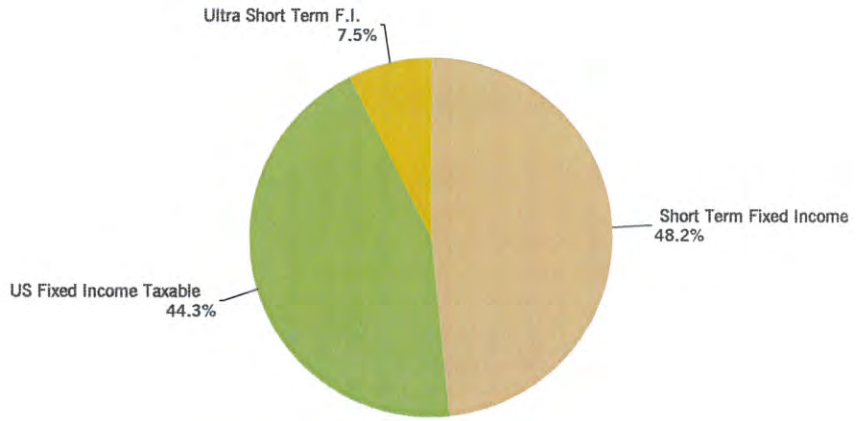
Alameda County Schools Ins Group 171-041349-Western Asset - Gov Sec...

As of September 30, 2016 | Reporting Currency: USD

FIXED INCOME AND PREFERREDS QUALITY ANALYSIS



FIXED INCOME AND PREFERREDS ASSET ALLOCATION



MATURITY SCHEDULE



	Number of Issues	Total Value 09/30/16	% of Fixed Income & Preferreds
Less than 1 yr	4	$1,218,689.35	7.5%
1-5 yrs	54	14,987,922.87	92.5
6-10 yrs	0	0.00	0.0
11-15 yrs	0	0.00	0.0
16-20 yrs	0	0.00	0.0
More than 20 yrs	0	0.00	0.0
Others	0	0.00	0.0
Total Fixed Income & Preferreds	**58**	**$16,206,612.22**	**100.0%**

Others includes securities without maturities, such as mutual funds. These securities are not included on the chart.

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	$81,099.04 $81,099.04	$81,000.00	$100.25	$81,204.12 $81,244.34	$105.08	1.62% 1.62%	0.50%
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							
ACE INA HOLDINGS INC	80,451.27 80,451.27	79,000.00	102.60	81,054.00 81,795.94	602.73	2.24 2.25	0.51
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: $741.941							
AMERICAN EXPRESS CREDIT	161,577.18 161,577.18	162,000.00	100.51	162,818.10 163,191.83	1,240.92	1.35 1.36	1.01
Cusip: 0258M0DW6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 7/31/2018, Coupon: 1.362, Call Date: 6/30/2018, Call Price: 100.000, Accrued Interest: $373.731							
APPLE INC	80,961.12 80,961.12	81,000.00	100.23	81,189.54 81,318.96	228.42	1.00 1.00	0.50
Cusip: 037833AG5, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/3/2018, Coupon: 1.009, Accrued Interest: $129.417							
BANK OF NEW YORK MELLON	158,406.88 158,406.88	158,000.00	101.67	160,641.76 161,333.01	2,234.88	2.06 2.09	1.00
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							
BB&T CORPORATION	151,249.28 151,249.28	151,000.00	100.39	151,582.86 151,655.00	333.58	2.14 2.11	0.94
Cusip: 05531FAK9, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/22/2017, Coupon: 2.150, Call Date: 2/22/2017, Call Price: 100.000, Accrued Interest: $72.143							
BERKSHIRE HATHAWAY INC	158,289.19 158,289.19	157,000.00	102.24	160,512.09 160,933.37	2,222.90	2.05 2.07	0.99
Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: $421.283							
BOEING CAPITAL CORPORATION	78,312.95 78,312.95	76,000.00	103.11	78,361.32 78,636.82	48.37	2.81 2.77	0.49
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							
BURLINGTON NORTH SANTA FE	79,026.26 79,026.26	74,000.00	106.57	78,862.54 79,039.83	-163.72	5.39 5.34	0.49
Cusip: 12189TBA1, Moody's Rating: A3, S & P Rating: A, Maturity Date: 3/15/2018, Coupon: 5.750, Accrued Interest: $177.291							
CATERPILLAR FINANCIAL SE	78,879.87 78,879.87	77,000.00	101.75	78,347.50 78,846.07	-532.37	2.06 2.04	0.49
Cusip: 14912L6B2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: $498.574							
CHEVRON CORP	72,770.25 72,770.25	71,000.00	102.82	73,002.91 73,637.43	232.66	2.35 2.35	0.45
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							

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

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	159,134.20	159,000.00	103.54	164,633.37	5,499.17	2.36	1.02
	159,134.20			165,769.56		2.44	
Cusip: 17275RAX0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 6/15/2020, Coupon: 2.450, Accrued Interest: $1136.187							
COCA-COLA CO/THE	81,004.03	80,000.00	101.68	81,344.00	339.97	1.84	0.51
	81,004.03			81,981.50		1.85	
Cusip: 191216BT6, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: $637.500							
COMCAST CORP	151,798.44	139,000.00	112.13	155,855.14	4,056.70	4.59	0.97
	151,798.44			156,431.80		4.58	
Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: $576.657							
COSTCO WHOLESALE CORP	81,502.50	80,000.00	101.22	80,972.80	-529.70	1.67	0.50
	81,502.50			81,369.47		1.66	
Cusip: 22160KAF2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: $396.666							
DUKE ENERGY CAROLINAS	152,274.92	152,000.00	100.15	152,234.08	-40.84	1.74	0.94
	152,274.92			153,009.91		1.70	
Cusip: 26442CAL8, Moody's Rating: AA2, S & P Rating: A, Maturity Date: 12/15/2016, Coupon: 1.750, Accrued Interest: $775.832							
EXXON MOBIL CORPORATION	162,530.06	159,000.00	102.18	162,470.97	-59.09	2.17	1.00
	162,530.06			162,755.57		2.17	
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							
GENERAL ELEC CAP CORP	157,811.17	141,000.00	112.56	158,709.60	898.43	4.10	0.99
	157,811.17			160,213.11		4.08	
Cusip: 36962G4Y7, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: $1503.510							
GILEAD SCIENCES INC	79,527.66	79,000.00	101.03	79,816.07	288.41	1.83	0.49
	79,527.66			79,921.62		1.83	
Cusip: 375558BE2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/4/2018, Coupon: 1.850, Accrued Interest: $105.553							
HOME DEPOT INC	80,039.73	79,000.00	102.27	80,793.30	753.57	1.95	0.50
	80,039.73			81,254.13		1.96	
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							
INTEL CORP	79,742.08	79,000.00	103.47	81,743.67	2,001.59	2.36	0.51
	79,742.08			82,071.63		2.41	
Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: $327.959							
JOHN DEERE CAPITAL CORP	80,085.53	79,000.00	102.30	80,820.16	734.63	2.19	0.50
	80,085.53			81,624.97		2.20	
Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: $804.812							

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

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	155,573.77 155,573.77	155,000.00	100.50	155,770.35 156,229.14	196.58	1.60 1.59	0.96
Cusip: 46625HJF8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 1/25/2018, Coupon: 1.614, Accrued Interest: $458.786							
MERCK & CO INC	79,012.00 79,012.00	80,000.00	100.38	80,304.00 80,685.33	1,292.00	1.29 1.31	0.50
Cusip: 58933YAG0, Moody's Rating: A1, S & P Rating: AA, Maturity Date: 5/18/2018, Coupon: 1.300, Accrued Interest: $381.333							
METLIFE INC	148,468.28 148,468.28	135,000.00	109.82	148,254.30 149,404.67	-213.98	6.20 6.10	0.92
Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: $1150.369							
MICROSOFT CORP	80,459.53 80,459.53	80,000.00	100.49	80,390.40 80,815.07	-69.13	1.29 1.29	0.50
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	79,956.95 79,956.95	74,000.00	108.69	80,431.34 80,928.58	474.39	3.77 3.77	0.50
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	155,416.98 155,416.98	154,000.00	102.53	157,902.36 158,664.34	2,485.38	2.31 2.33	0.98
Cusip: 68389XAQ8, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/15/2019, Coupon: 2.375, Accrued Interest: $761.978							
PEPSICO INC	160,136.82 160,136.82	160,000.00	100.25	160,395.20 160,743.96	258.38	1.01 1.01	0.99
Cusip: 713448DA3, Moody's Rating: A1, S & P Rating: A, Maturity Date: 10/13/2017, Coupon: 1.019, Accrued Interest: $348.758							
PFIZER INC	73,308.64 73,308.64	73,000.00	100.59	73,432.89 73,776.90	124.25	1.44 1.44	0.46
Cusip: 717081DU4, Moody's Rating: A1, S & P Rating: AA, Maturity Date: 6/3/2019, Coupon: 1.450, Accrued Interest: $344.012							
PNC FUNDING CORP	154,835.86 154,835.86	142,000.00	111.09	157,749.22 158,800.41	2,913.36	4.61 4.58	0.98
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	150,424.29 150,424.29	149,000.00	102.03	152,027.68 153,199.40	1,603.39	1.86 1.87	0.95
Cusip: 742718EG0, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: $1171.718							
STATE STREET CORP STT	72,275.27 72,275.27	70,000.00	103.71	72,597.70 72,805.95	322.43	2.45 2.46	0.45
Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: $208.250							

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

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
TARGET CORP	79,116.49 79,116.49	73,000.00	109.42	79,878.06 80,467.38	761.57	3.54 3.55	0.50
Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: $589.322							
THE WALT DISNEY COMPANY	78,462.50 78,462.50	78,000.00	103.04	80,368.86 80,429.42	1,906.36	2.08 2.13	0.50
Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: $60.558							
UNITED TECHNOLOGIES CORP	151,732.68 151,732.68	151,000.00	100.48	151,726.31 152,624.76	-6.37	1.79 1.75	0.94
Cusip: 913017BU2, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 6/1/2017, Coupon: 1.800, Accrued Interest: $898.450							
UNITEDHEALTH GROUP INC	78,309.79 78,309.79	77,000.00	103.90	80,006.08 80,439.20	1,696.29	2.59 2.64	0.50
Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: $433.124							
US BANCORP	80,739.76 80,739.76	79,000.00	102.05	80,621.08 81,369.39	-118.68	2.15 2.14	0.50
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							
VISA INC	160,716.44 160,716.44	160,000.00	100.24	160,385.60 160,950.93	-330.84	1.19 1.19	0.99
Cusip: 92826CAA0, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2017, Coupon: 1.200, Accrued Interest: $565.333							
WAL-MART STORES INC	80,387.92 80,387.92	74,000.00	108.28	80,130.16 80,741.17	-257.76	3.34 3.32	0.50
Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: $611.014							
WELLS FARGO & COMPANY	160,295.03 160,295.03	158,000.00	101.46	160,303.64 160,588.92	8.61	2.46 2.46	0.99
Cusip: 949746RS2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 3/4/2021, Coupon: 2.500, Accrued Interest: $285.277							
Corporate Fixed Income Total	$4,626,102.61 $4,626,102.61	$4,515,000.00		$4,659,645.13 $4,681,700.79	$33,542.52		28.89%

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 $650,447.75	$655,000.00	$99.27	$650,185.75 $651,741.37	-$262.00	1.13% 1.13%	4.02%
Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: $1555.618							

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

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 MTG CORP	485,109.20	481,000.00	100.71	484,395.86	-713.34	1.24	3.01
	485,109.20			487,368.71		1.24	
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	505,720.48	500,000.00	101.09	505,425.00	-295.48	1.36	3.14
	505,720.48			508,270.49		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	954,605.53	950,000.00	100.73	956,897.00	2,291.47	1.24	5.92
	954,605.53			958,843.18		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 MED TERM NOTE	398,340.00	400,000.00	99.91	399,640.00	1,300.00	0.75	2.48
	398,340.00			401,081.66		0.75	
Cusip: 3137EAEA3, S & P Rating: AA+, Maturity Date: 4/9/2018, Coupon: 0.750, Accrued Interest: $1441.664							
FED NATL MTG ASSN	705,319.66	699,000.00	102.04	713,259.60	7,939.94	1.83	4.40
	705,319.66			713,696.47		1.83	
Cusip: 3135G0YM9, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/18/2018, Coupon: 1.875, Accrued Interest: $436.868							
FED NATL MTG ASSN	894,918.10	890,000.00	102.23	909,882.60	14,964.50	1.83	5.63
	894,918.10			911,783.12		1.85	
Cusip: 3135G0ZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: $1900.515							
FED NATL MTG ASSN	353,214.12	354,000.00	101.62	359,717.10	6,502.98	1.59	2.23
	353,214.12			361,682.54		1.62	
Cusip: 3135G0YT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: $1965.436							
FED NATL MTG ASSN	1,034,248.90	1,041,000.00	101.53	1,056,927.30	22,678.40	1.47	6.55
	1,034,248.90			1,061,178.05		1.50	
Cusip: 3135G0D75, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 6/22/2020, Coupon: 1.500, Accrued Interest: $4250.747							
FED NATL MTG ASSN	363,225.35	355,000.00	102.81	364,968.40	1,743.05	1.82	2.26
	363,225.35			366,669.44		1.83	
Cusip: 3135G0H55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: $1701.039							
FED NATL MTG ASSN	320,059.47	321,000.00	100.50	322,608.21	2,548.74	1.11	2.00
	320,059.47			323,310.39		1.12	
Cusip: 3135G0E33, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/20/2018, Coupon: 1.125, Accrued Interest: $702.184							
FED NATL MTG ASSN	726,844.06	730,000.00	100.13	730,978.20	4,134.14	0.87	4.52
	726,844.06			731,900.83		0.88	
Cusip: 3135G0TG8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/8/2018, Coupon: 0.875, Accrued Interest: $922.632							

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

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
UNITED STATES TREASURY NOTE	393,843.60 393,843.60	400,000.00	100.92	403,688.00 404,516.80	9,844.40	1.23 1.26	2.50
Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: $828.804							
UNITED STATES TREASURY NOTE	961,526.99 961,526.99	961,000.00	101.09	971,513.34 973,703.66	9,986.35	1.36 1.37	6.01
Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: $2190.321							
UNITED STATES TREASURY NOTE	752,872.50 752,872.50	744,000.00	101.42	754,579.68 761,399.68	1,707.18	2.71 2.61	4.70
Cusip: 912828NG1, Moody's Rating: AAA, Maturity Date: 5/31/2017, Coupon: 2.750, Accrued Interest: $6819.995							
UNITED STATES TREASURY NOTE	1,251,123.74 1,251,123.74	1,221,000.00	102.81	1,255,346.73 1,258,129.39	4,222.99	2.67 2.54	7.76
Cusip: 912828PY0, Moody's Rating: AAA, Maturity Date: 2/28/2018, Coupon: 2.750, Accrued Interest: $2782.659							
UNITED STATES TREASURY NOTE	640,785.86 640,785.86	641,000.00	101.23	648,865.07 649,635.67	8,079.21	1.35 1.37	4.01
Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: $770.597							
Government Securities Total	$11,392,205.31 $11,392,205.31	$11,343,000.00		$11,488,877.84 $11,524,911.43	$96,672.53		71.11%

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. Furthermore, the information included in this document may not include all asset classes/securities held by you at the firm. 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 unaffiliated 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 "-".

Morgan Stanley Wealth Management: Morgan Stanley Wealth Management (custodian type "Morgan Stanley Wealth Management") refers to Morgan Stanley Smith Barney LLC.

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.

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, and 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, some annuities and assets held externally. 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).
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 Form ADV Part 2 or applicable disclosure brochure and any applicable account statement for more information on transaction costs, 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.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

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.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures

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 transaction data for these assets are not processed or maintained by us. Common examples of these include life insurance, some annuities and some assets held externally.

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/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.

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.

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

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 10 member agencies. Michael Clark will be presenting some cumulative information on the program as a whole with the Board to evaluate the impact of the program within ACSIG.

COMPANY NURSE®
Injury Hotline

Alameda County Schools Insurance Group
Key Results

Key Indicator	7/1/2011 - 6/30/2016
Total Injuries Reported	2369
Total Treated	1382
Self-Care	496
Incident Only	491
Average Reporting Lag Days	16.3
Total Treated	1382
Triaged to Treatment	988
Treated without Triage	394
Total ER Visits	110
Treated in ER without Triage	66
Triaged:	1484
ER	44
Non-ER	944
Self Care	496

TRIAGED: EMPLOYEE REPORTED THE INJURY AND SPOKE TO A NURSE ABOUT THEIR INJURY
TREATED W/O TRIAGE: EMPLOYEE SOUGHT TREATMENT ON THEIR OWN AND LATER REPORTED TO CN.
SELF-CARE: COMPANY NURSE CONSULTED SELF TREATMENT WITHOUT A MEDICAL REFERRAL
INCIDENT ONLY: COMPANY NURSE WAS CALLED, DID NOT SPEAK TO A NURSE, REPORT ONLY

Alameda County Schools Insurance Group
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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: 2016/2017 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 2016/2017 fiscal year, the Service Team developed a Service Plan to better document responsibilities and timelines.

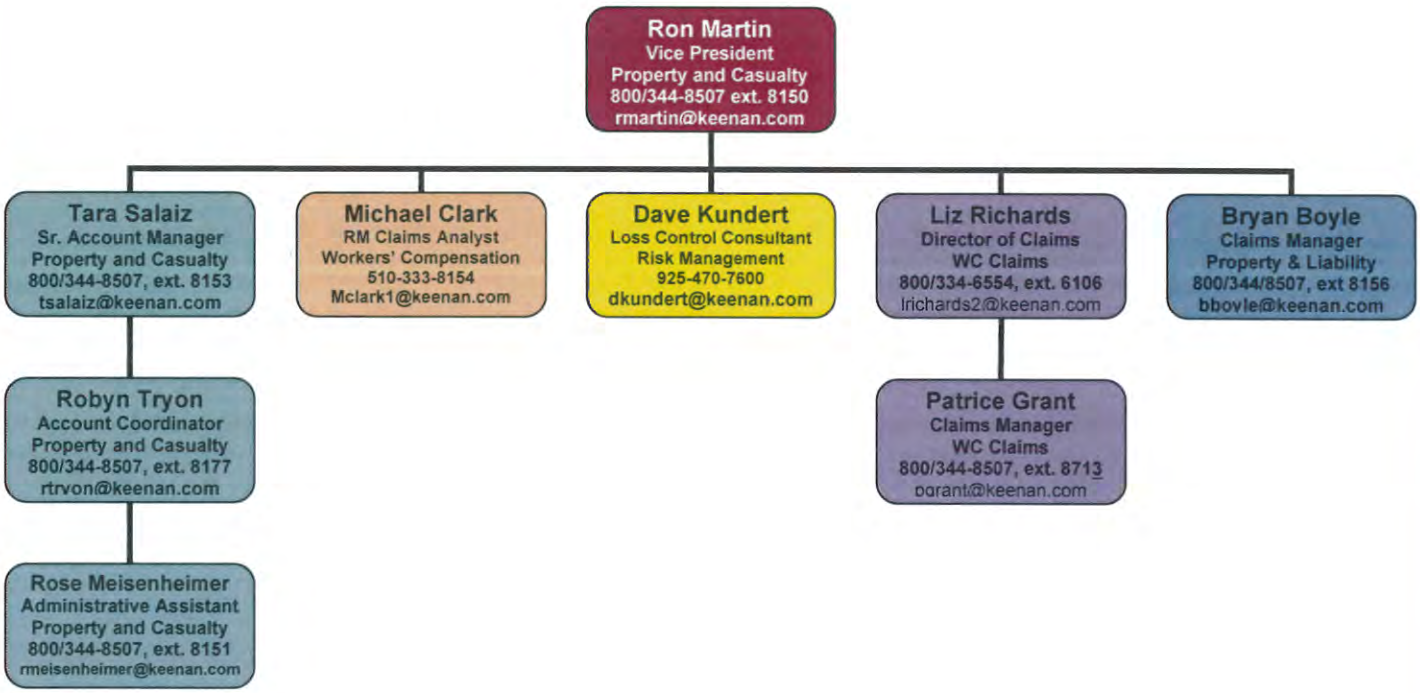
A representative from Keenan & Associates will review the Service Plan with the Board for their information.

2016/2017
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, Liz Richards Director of Claims, 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: Cal-OSHA – 10/18/16
  - Second Quarter Topic: How to read your collective bargaining agreements – Date TBD
  - 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
    - Fremont Unified School District
    - Newark Unified School District
    - Pleasanton 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.

- **Return to Work**
  Keenan Contact: Michael Clark
  - Focus districts: Alameda 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.

- **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 – Dave Kundert
  - 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
    - 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:
    - Dublin USD – Effective 2/15/16
  - 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

- **100% Closing Ratio:**
  Keenan Contact: Patrice Grant

- **Reduction of Tail Claims:**
  Keenan Contact: Patrice Grant
  - 10% reduction in tail claims
  - 160 open claims by June 30, 2016

- **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 – Inspection
    - Albany – Inspection
    - Castro Valley – Inspection
    - Dublin – Inspection
    - Eden Area ROP – Inspection
    - Emery – Inspection
    - Fremont - TBD
    - Livermore – Inspection
    - Mission Valley ROP – Inspection
    - Mountain House – Inspection
    - New Haven – Audit
    - Newark – Inspection
    - Piedmont – Inspection
    - Pleasanton – Inspection
    - San Leandro – Inspection
    - San Lorenzo – Inspection
    - Sunol Glen – Inspection
    - Tri-Valley ROP – Inspection

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 Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

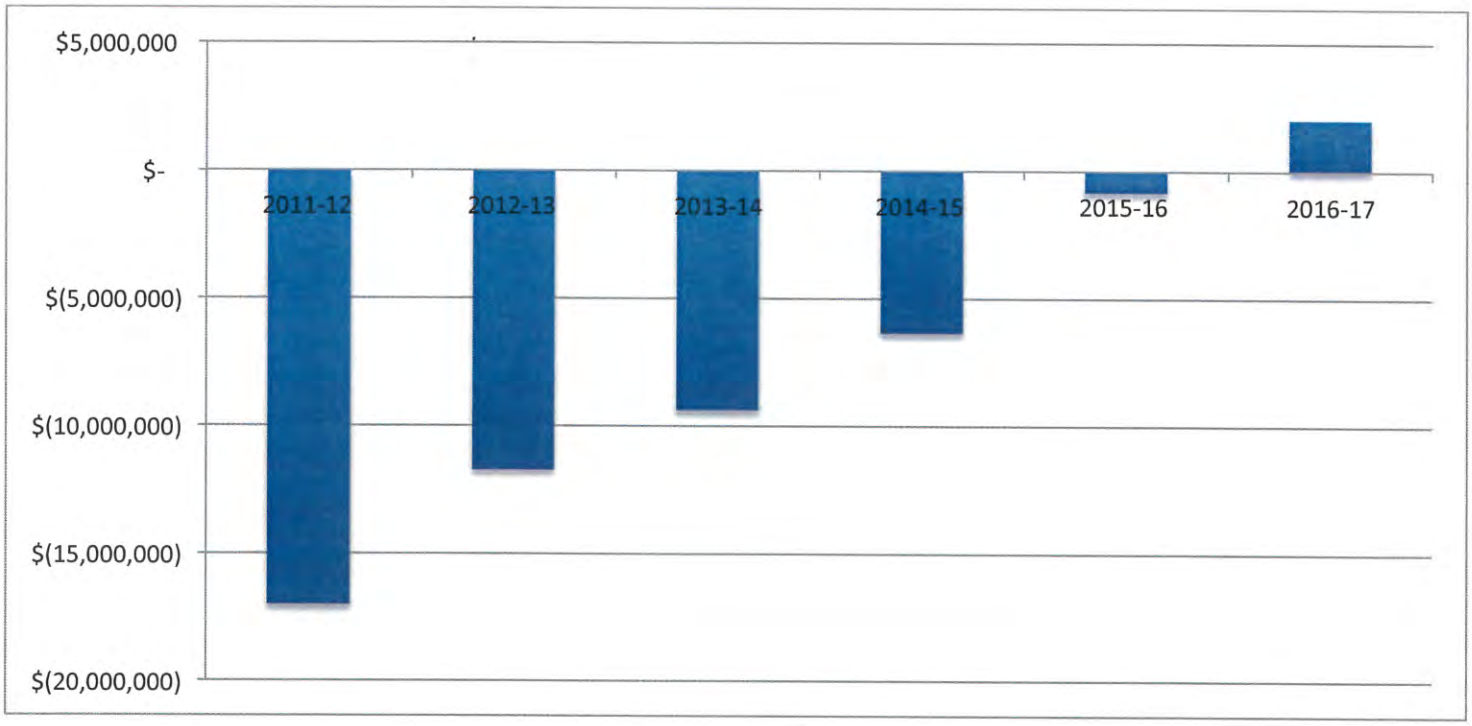
SUBJECT: Workers' Compensation Program Deficit

Based upon the 2011 audit report, the Workers' Compensation program had an operating deficit of $19.6 million. 2011-2012 was the first year of several in which $0.35/$100 of payroll was designated to address the deficit.

ACSIG has reached the end of this milestone period. With the 2016-2017 first quarter financial report, ACSIG is now projected to end the fiscal year with a surplus in the Workers' Compensation fund.

This information will be reviewed by the Executive Director at the meeting.

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 budget	$(822,557)	$28,264,268		$25,429,415	$2,834,853

	Ending Deficit	Tail Claims	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	$2,012,296	160	

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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 9, 2016

SUBJECT: Post Offer/Pre-Placement Program

In 2011-12, ACSIG began researching a way to help members screen potential employees and improve their ability to select healthy, work ready employees. ACSIG partnered with AbilityUSA and began a pilot program within Albany Unified and Piedmont Unified where potential employees were administered a test that was specific to the essential functions of the job for which they were applying. Throughout the past 3 years, these pilot districts have seen improvement.

AbilityUSA has partnered with a facility in Hayward who can administer the exams. This broadens the reach of the program and enables more ACSIG members to have access to this program.

This programn will be reviewed by the Executive Director at the meeting.