



2008
ANNUAL REPORT

 **ASCIP**
Alliance of Schools
for Cooperative
Insurance Programs

Mission Statement

*To build a partnership of all educational agencies
to protect resources by providing quality risk
management products and services at superior value.*

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President's Message



Angela M. Jones
ASCIP PRESIDENT

It is a pleasure to provide this Annual Report to our members on behalf of the Executive Committee. ASCIP's Annual Report is an opportunity to highlight the accomplishments of the past year, and again in 2007 there are many reasons to be proud of our JPA. The Executive Committee, our supporting standing Committees, and the dedicated ASCIP staff have worked hard to continue the standard of excellence in coverage and services enjoyed by our members.

At the end of the 2007/08 program year, ASCIP was comprised of 151 member districts consisting of 119 property/liability members, 36 workers' compensation participants, and 32 districts participating in one or more of our health benefits programs; many of these districts participated in multiple programs. On July 1, we welcomed Hemet Unified School District, Saddleback Valley Unified School District, and Pasadena Rosebud Academy Charter School as new members, thus adding 57,123 students to our ADA and increasing the total ADA to 1,377,814. Our TIV also grew substantially, our total insured values for the 2007/08 program year exceeding \$20 billion. This year, we were recognized by *Business Insurance* magazine as the second largest risk pool in the country. Our steady membership growth is a testament to the value which our members place on the coverage and services designed by our governing committees.

From a financial perspective, total operating revenues during the 2007-08 year grew to \$169,046,612, an increase of almost 10%. This increase was largely due to general liability and property, dental programs and our captive insurance company's (CIPA's) contribution. During the same period, net assets grew by 31%, from \$64,866,225 to \$84,726,128. Significant increases were achieved in the workers' compensation and dental funds, along with CIPA which posted its first positive year-end balance. The growth and stability reflected in these programs will continue to insulate ASCIP and its members from major fluctuations which will occur as the insurance industry negotiates difficult markets.

Projected rate changes for workers' compensation, general liability and property lines also reflect the stability shown in ASCIP's financial data. For the upcoming program year, workers' compensation rates are slated to decline by 8%, the third straight year for a decrease. The equity in this line has increased to \$46,665,055 which will enable the Executive Committee to declare a rebate, an unusual and enviable financial position for a California workers' compensation program. General liability rates are targeted to increase by only 2.1%, the smallest increase in the past four years; and property rates will increase 4%, the first such increase in over five (5) years. Rate stability affords our members the ability to accurately budget line items and remove drastic fluctuations in their operating expenses.

Group health premium rates continue to increase for all plans based on medical inflation trends; however, the increases and rate volatility in ASCIP's programs have been significantly reduced compared to previous years. Looking forward to next year, ASCIP will be offering its long-awaited self-insured group health plan. This medical plan will be launched in partnership with the SISC JPA and will offer a self-insured Blue Cross/Blue shield option for our members. Staff continues to work with our Health Benefits Committee and consultants to create plan designs which make true cost containment possible; and our next assault on costs will be to introduce major proactive health interventions which will address the true drivers of health benefits cost inflation, the cost of claims.

ASCIP has continued to refine its risk management and loss control programs and to offer an extensive array of value-added services to our members as a part of our basic premium. Over the past year, internet based programs have increased with the addition of lead and asbestos management modules; and a special education e-training program is now in production. Onsite training programs have also increased, and additional programs will be offered in the future. Our popular "Rent-a-Risk Manager" program continues to grow—now having 10 full-time "RARMS," allowing members an affordable way to have additional loss control and risk management staff on site on a regular basis.

So, it has been another fine year, indeed, for ASCIP. On behalf of your Executive Committee, we pledge to continue to do our best to achieve ASCIP's goal of providing the highest quality of service and coverage for the protection of our members. We are proud to be a part of this dynamic organization of schools serving schools, and we are especially appreciative of our wonderful, supportive member schools and colleges.





The Alliance of Schools for Cooperative Insurance Programs' leadership is provided by its members. Goals set for the organization are a direct result of the needs and interests of the educational community that they serve. ASCIP enjoys widespread and diverse participation in its governance structure with over half of our member districts participating in one or more leadership roles on the following committees:

Executive Committee



ANGELA JONES
President



JOHN DIDION
Vice President



MICHAEL BISHOP
Treasurer

ASCIP's Executive Committee consists of thirteen members and twelve alternates who represent K-12, K8, Community College Districts, Charter Schools, and subsidiary JPAs. Committee members are elected by ADA category and serve staggered terms of three-years duration. The Executive Committee is responsible for providing overall leadership for ASCIP. It develops long-range goals and supporting policies to guide the direction of the organization and its staff. This Committee is also responsible for establishing and overseeing the activities of ASCIP's standing and *ad hoc* committees. These committees provide guidance for overall operations in the area of claims, risk management interventions, financial transactions and marketing/underwriting activities.

MEMBERS (TOP ROW): Michael Gregoryk, Pearl Iizuka, Arlene Ito (NOT PICTURED): Steve Cary and Ronald Murrey
(BOTTOM ROW): Kris Olafsson, Kim Stallings, Irene Sumida and John Vinke



ALTERNATES (NOT PICTURED): Nancy Anderson, Thomas Cox, David El Fattal, Michael Johnston, Steve Lewis, Vahe Markarian, Paul Muschetto, Colleen Patterson, Cheryl Plotkin, Andrea Reynolds, Leigh Shampain, and William Silvia



Claims/Coverage Committee



COMMITTEE CHAIRPERSON:
Arlene Ito

MEMBERS: *Nancy Anderson, Joanne Baldinelli, Michael Bishop, Gary Cardinale, Michael Clear, Michael Curran, John Didion, David El Fattal, Michael Johnston, Angela Jones, Kenneth Knott, William Loose, Rose Multari, Thuy Nguyen, Tami Oh, Kemba Olasbisi, Andrea Reynolds, Leigh Shampain, Kevin Smith and Fred Williams*

The Claims/Coverage Committee is comprised of members who establish and review the JPA's Property/Liability and Workers' Compensation claims operations. They evaluate coverage and examine the merit of individual claims as well as provide authority for the settlement of claims up to \$150,000. Claims exceeding this sum are forwarded to the Executive Committee with the Claims/Coverage Committee's recommendations for settlement.

Loss Control Committee



COMMITTEE CHAIRPERSON:
Anthony Nahale

MEMBERS: *Camille Boden, Cynthia DiPaola, Sue Churchill, Shawn Gatewood, Larry Lara, Steve Lewis, Kina Mattoon, Mary Ann McCabe, Rose Multari, Barbara Ott, Tim Palmer, Leslie Piazza, Karen Saldana, John Shook, and Andy Yasenovsky*

The Loss Control Committee is comprised of members who are responsible for the oversight of ASCIP's loss control programs and services which address a variety of risk exposures in the broad educational environment. This Committee makes recommendations regarding the nature and direction of loss control efforts, approves risk management programs and initiates loss control interventions intended to reduce losses, costs and impact on member educational agencies.

Committee members include individuals with diverse backgrounds, extensive school experience and an intense interest in safety and risk management. This Committee approves loss control program funding, the Loss Control Assistance Fund requests for member safety, security, environmental, property and risk reduction projects, then authorizes grant funding intended to improve the loss experience of ASCIP as a whole. The Committee also ensures that ASCIP's widely used assistance services are available on an equitable basis to all members.

Health Benefits Committee



COMMITTEE CHAIRPERSON:
Michael Bishop

MEMBERS: *Alex Acosta, Dave Banis, Steve Cary, Carrie Delgado, Rita Dixon, David El Fattal, Sal Gamino, Arlene Ito, Angela Jones, Steve Kanda, Pavel Matustik, Ronald Murrey, Paul Muschetto, Kris Olafsson, Colleen Patterson, Andrea Reynolds, and John Vinke*

The Health Benefits Committee is comprised of members who are responsible for the oversight of ASCIP's health benefits program and activities. The Committee develops policies, examines loss experience

and makes recommendations for health benefit programs designed to mitigate cost and promote healthy employees. Additionally, the Committee recommends reward programs and plans for the delivery of new programs and services.

Finance/Investment Committee



COMMITTEE CHAIRPERSON:
Kris Olafsson

MEMBERS: *John Didion, Angela Jones, Andrea Reynolds, Kim Stallings and John Vinke*

The Finance/Investment Committee consists of members who are responsible for analyzing and recommending policies and procedures related to ASCIP's financial and investment activities. The Committee provides oversight for the JPAs' financial operations related to governing the collection, investment, and management and disbursement of funds. Additionally, the Committee reviews ASCIP's accounting procedures and reporting documents ensuring that appropriate accounting controls are in place.

Community College Districts Committee



COMMITTEE CHAIRPERSON:
Fred Williams

MEMBERS: *Joanne Baldinelli, Susan Courtey, John Didion, Robert Eygenhuysen, Ed Godwin, Michael Gregoryk, Peter Hardash, Lawrence Lee, Steve Lewis, Tami Oh, Leslie Piazza, Karen Saldana, Lawrence Serot, and William Silvia*

The Community College Districts Committee consists of members who are responsible for reviewing claims trends, financial and bond information and developing policies and strategies to meet the expressed needs of the CCD membership.

Marketing/Underwriting Committee



COMMITTEE CHAIRPERSON:
Angela Jones

MEMBERS: *John Didion, Kim Stallings and John Vinke*

On an annual basis the Marketing/Underwriting Committee reviews the underwriting criteria that potential members must meet in order to become an ASCIP member. The Committee has the responsibility for reviewing membership applications and recommending new members to the Executive Committee. The information reviewed by the Committee includes loss history, financial strength, philosophy and employment practices. To maintain the same high quality and number of no-fee services offered to all ASCIP members, the Committee also reviews the size of the district and the location and condition of its sites.

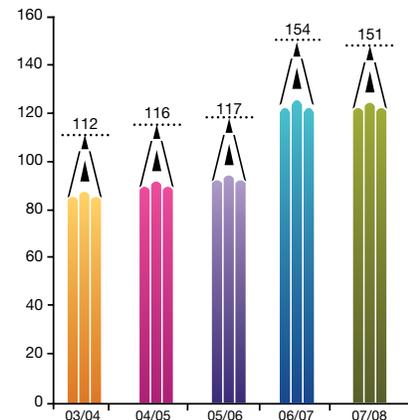


Growth Trends

Over the past five years, ASCIP's membership has increased by 35% from 112 members to 151 members. We have been able to achieve both growth and membership retention by maintaining a high level of services and offering fair and stable premiums in a dynamic marketplace. ASCIP's philosophy of providing the highest level of member service, broad coverage and a variety of auxiliary programs has led to strong membership loyalty. Our professional in-house risk management and loss control expertise, along with a myriad of ASCIP-approved independent consultants and our dedicated Rent-a-Risk Manager staff, allows us to offer services, either at no additional cost to our members or at a discount, in the areas of environmental compliance, health, safety, training and property conservation.

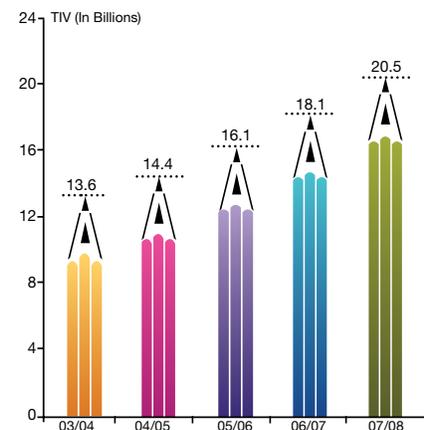
Membership Growth

Between 2003/2004 and 2007/2008 we significantly increased our membership base in Northern California and sustained moderate growth in Southern California. Our in-house staff, in conjunction with our Rent-A-Risk-Managers and independent consultants, have allowed us to provide a wide variety of risk management and loss control services in most cases, included as part of our basic premium. These services are included as a part of our basic premium and have, in turn, helped achieve good loss ratios for our members and consequently for our JPA as a whole.



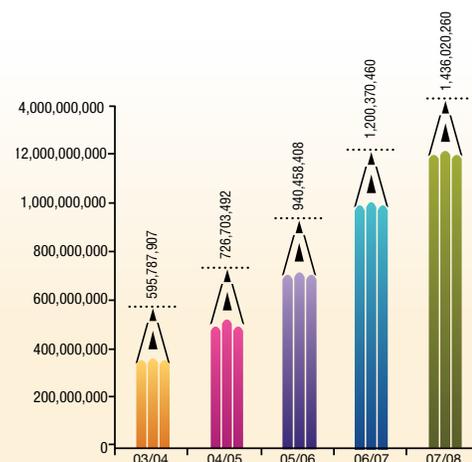
Property Value Growth (TIV)

ASCIP's property values have increased 51% in the past five years to a total of \$20.5 billion for the 2007/2008 program year. TIV growth has been commensurate with our membership growth throughout the State. The growth of TIV has provided us with the means to negotiate with carriers and reinsurers from a position of strength and enables us to retain enviable reinsurance rates for the benefit of our membership.



Workers' Compensation Payroll Growth

From the inception of the workers' compensation program, the volume of payroll has more than doubled to over \$1 billion while membership has increased from 13 to 34 members. The program's growth is due in part to its unique design and funding options. ASCIP strives to offer a quality workers' compensation program with excellent customer service and aggressive claims handling to meet the needs of our members.



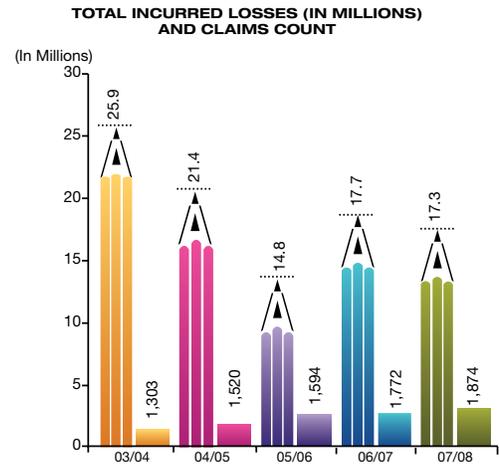


Core Program

Currently 119 districts participate in ASCIP's core program which is comprised of general and automobile liability, property, crime and automobile physical damage. Core program participants are eligible to participate in ASCIP's ancillary programs such as workers' compensation, health benefits, Auxiliary Support Clubs Insurance Program Boosters (ASCIP-B), Tenant User Liability Insurance Program (TULIP), Service Providers and Artisan Tradesman Activities (SPARTA), and the Owner Controlled Insurance Program (OCIP) for construction.

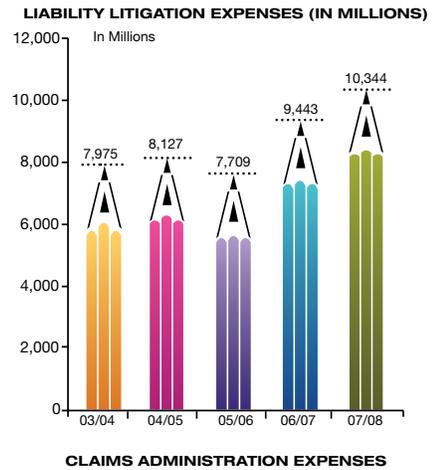
Incurring Losses

Commensurate with our continued measured growth in ADA and membership, we saw an increase in new claims incurred, but a flat overall total incurred losses.



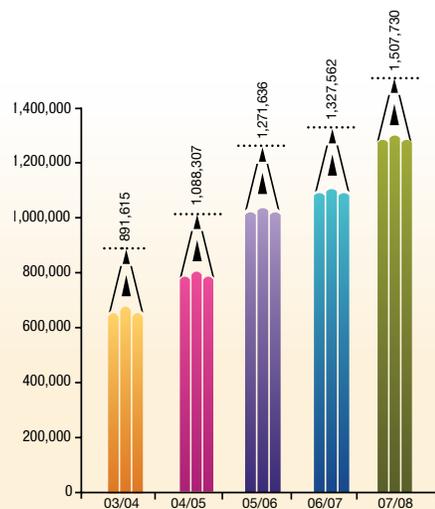
Litigation Expense

Litigation costs rose again as the troubled economy is now driving employment-related matters higher in both frequency and severity.



Claims Administration Expenses

The liability claims administration by CorVel continues to be a source of strength for ASCIP and its membership. Claims administration expenses increased in 2007/08 commensurate with core membership growth.



Claims and Litigation Management Highlights

- Received 1,874 property/liability claims for damages;
- Managed 390 claims in litigation;
- Negotiated at 115 voluntary and mandatory settlement conferences;
- Tried 9 cases and received 7 defense verdicts;
- Closed 2,223 property/liability claims.

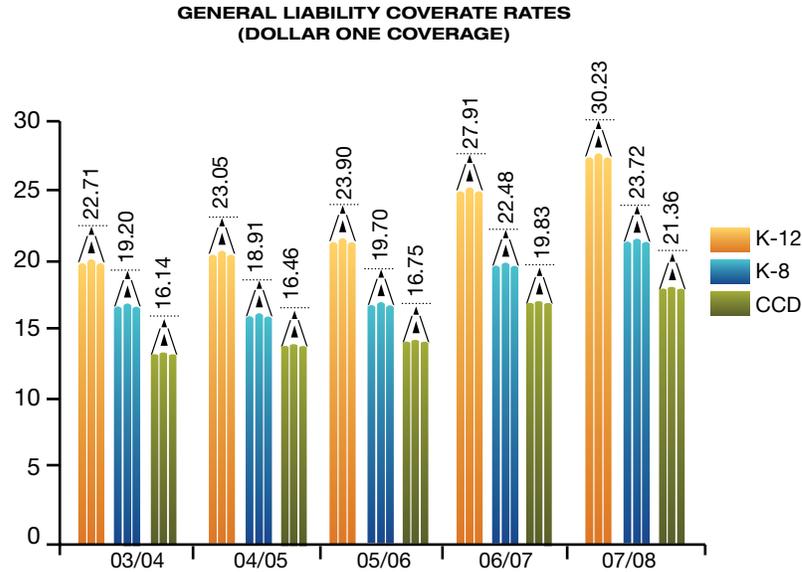


General / Auto Liability Program Rates



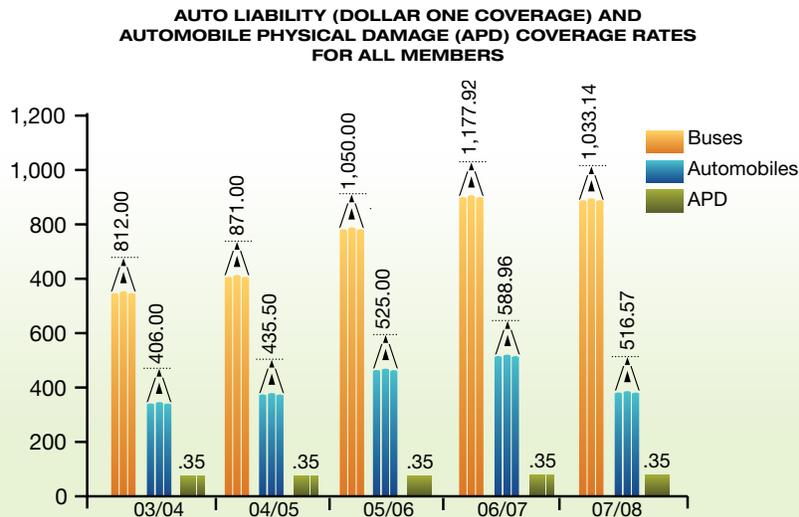
General Liability Program Rates

As compared to 2006/07, general liability rates for K-12, K-8 and CCD districts increased by 8.3%, 5.5%, and 7.7%, respectively. The increase in rates was attributable to the increase in retained losses in the general liability program structure including increasing ASCIP's self-insured retention from \$1 million to \$5 million and increasing ASCIP's corridor aggregate deductible from \$3.8 million to \$4 million in the \$1 million x of \$1 million layer of coverage.



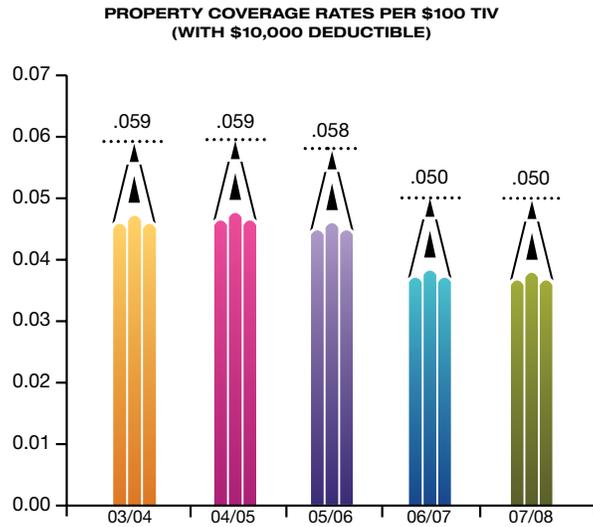
Auto Liability / Auto Physical Damage Rates

Over the last five years, auto liability rates for buses and other vehicles (non-bus) have increased on an average of 7% per year. Auto physical damage rates have remained flat.



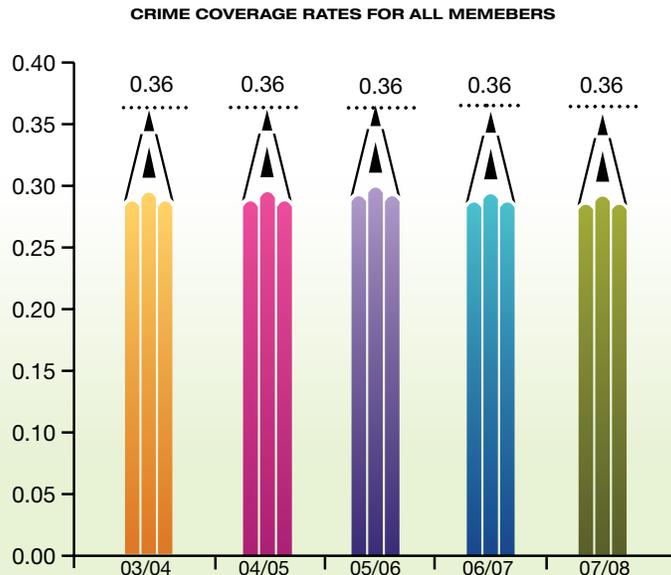
Property Program Rates

Again in 2007/08, as has been the case over the past decade, ASCIP's members have continued to experience a high degree of property rate stability along with a low property insurance premium as compared to other JPAs and commercial insurance programs nationally. While total insured values (TIV) increased from \$13.5 billion in 2003/04 to \$20.5 billion in 2007/08, on an average, our property rates have actually decreased during this same period. Our members paid a lower rate in 2007/08 (\$.050/\$100 of property value) as compared to \$.059/\$100 value in 2003/04.



Crime Program Rates

Crime rates have remained flat for the past five years at .36 per ADA. We have been successful in renegotiating multi-year agreements for this coverage.



Workers' Compensation Program



Our workers' compensation program (established in 1998) has now completed its sixth year in a self-funded plan with over \$46 million in fund equity. This year a new school district with payroll exceeding \$179 million joined the program. We restructured bill review and utilization review service fees resulting in significant cost savings to the program. In addition, we researched and studied cost containment programs for implementation in the upcoming program year. We continue to provide program summaries outlining claim trends and recommendations for training and safety awareness. Lastly, we enhanced our educational training sessions and the format of our file review meetings in order to provide additional support to our members.

Loss Expense

The expenditures of the workers' compensation program continue to develop as we add new members each year. This year the claims frequency decreased by 4% from the prior year, and 69% of the reported claims resulted in medical treatment only (no lost time). These numbers demonstrate that our members have increased their use of transitional or modified/alternative duty programs in an effort to get their employees back to work sooner. Conversely, the reserves are greater than usual due to the costs of medical treatment continuing to rise. The reserves on the older claim years maintain a steady rate of growth as the claims mature. In the upcoming program year, we will implement additional cost containment programs to help mitigate the increasing costs of medical treatment in the workers' compensation arena.

Workers' Compensation Claims Administration Expenses

One of the prominent features of the ASCIP Workers' Compensation program is the dedicated claims team available to our members. A distinctive feature of the claims team is their reduced caseloads of a maximum 130 files, which differentiates us from other pools. This allows our claims team ample time to provide value added customer service to our membership, the injured workers as well as the providers. This year, a new senior level examiner joined the claims team because of the addition of a large member to the program. Despite this addition to staff, we were able to negotiate a reduction of 4% on the claims administration expenses.

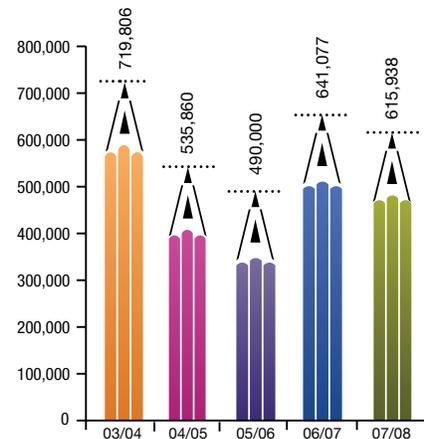
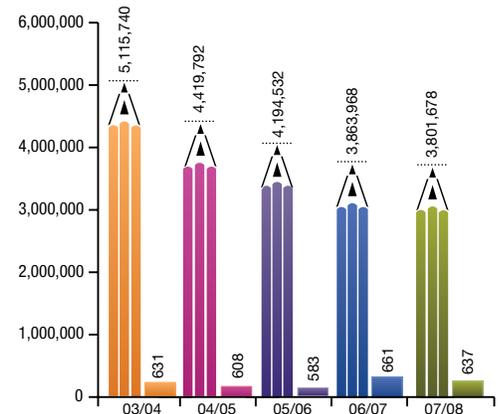
Workers' Compensation Program Rates

ASCIP continually strives to provide the highest level of service and the best rates. With coverage provided to 34 members and over 35,600 full and part time employees, our rates continue to be competitive. In the 2007/08 program year, our members received a 14% reduction in their program rates.

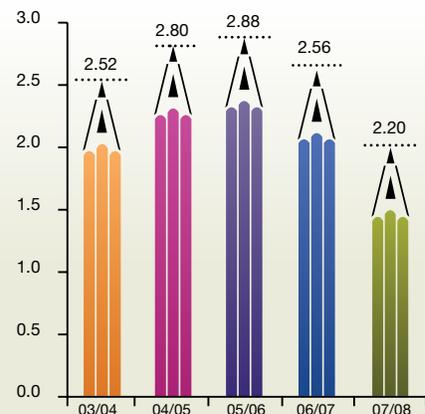
Workers' Compensation Claims and Litigation Management Highlights

- Received 637 workers' compensation claims in the 2007/08 primary coverage program year;
- Achieved 76 settlements via Stipulated Award, Compromise and Release or Findings and Award;
- Participated in 49 file reviews, meetings and trainings;
- Closed 677 workers' compensation claims for all claims years in the primary coverage program.

WORKERS' COMPENSATION TOTAL INCURRED LOSSES (IN MILLIONS) AND CLAIMS COUNT



WORKERS' COMPENSATION RATES

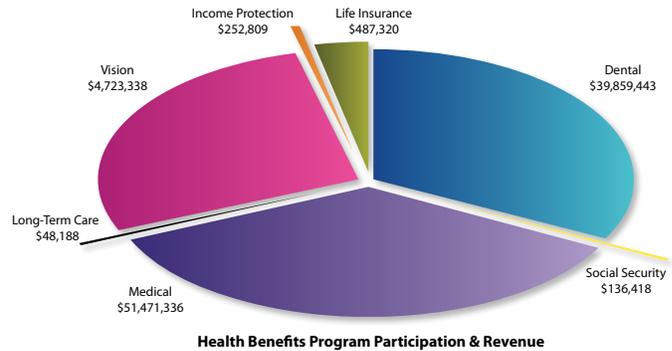




Health Benefits Program

Effective July 1, 2006, ASCIP launched a health benefits program for its members. In addition to medical, dental and vision benefits, ASCIP also offers several other ancillary benefits including life insurance, income protection plan, long-term care and social security alternative plan. ASCIP continually strives to bring the best benefit programs to our school districts, and members have access to the most popular fully-insured and self-funded programs. Through vendor arrangements, members are able to receive a wide range of activities, products and services that assist our membership in providing their employees a healthier, safer lifestyle.

During fiscal year 2007/08, there were 68 member districts participating in one or more of ASCIP's employee benefit programs. For the year, ASCIP collected approximate \$97 million in health benefits premiums. The following chart displays participation in ASCIP programs by member districts and premium revenues.



PacifiCare - A United Healthcare Company

ASCIP offers four plan options in the fully-insured Health Maintenance Organization (HMO) plan and three plan options in the fully-insured Preferred Provider Organization (PPO) through PacifiCare. The Health Maintenance Organization (HMO) program features a top-rated provider network. The PPO network provides members greater flexibility and choice of providers. Both programs are part of the ASCIP group purchase pool. As a result, ASCIP members have greater purchasing power and very competitive rates. Members have access to various on-line resources, including a health management program, provider locators and on-line enrollment tool.

Kaiser

ASCIP offers a fully-insured Health Maintenance Organization (HMO) plan through its partnership with Kaiser. Members must access services through the use of Kaiser facilities and providers. ASCIP's four standard plans within its group purchase pool provide members a highly recognized HMO at competitive rates. Members have access to on-line enrollment tools in addition to various wellness programs offered through its relationship with Kaiser.

Blue Cross

ASCIP has established a partnership with the Self-Insured Schools of California (SISC) to offer Blue Cross PPO plans on a self-insured basis. SISC has the largest Blue Cross school pool in California with over 138,000 members enrolled. In the upcoming year, ASCIP will launch a self-funded medical program through its partnership with SISC. Currently there are two PPO plan offerings available to our membership.

Delta Dental of California

ASCIP members have access to the largest dental network in the State. Delta Dental of California administers the ASCIP self-funded dental program. Delta Care USA is our other partner on the fully-insured program. ASCIP's self-funded program is a risk sharing pool. Our experience-rated formula enables our members to share the benefits of pooled claims experience while taking advantage of the member's own positive experience. In 2006, ASCIP designed three core plan designs and further enhanced its PPO dental program by adding dental implants and a third cleaning for pregnant women.

Vision Service Plan

This popular fee-for-service vision program covers members' annual exams, eyeglass, frames and/or contact lenses through a very competitive pricing structure. Members take advantage of negotiated low administrative fees and risk sharing partnerships. ASCIP vision program offers three PPO plans to member districts.

The Hartford Life Insurance Company

The ASCIP life insurance program offers basic life and supplemental life insurance to member districts. Each district and bargaining groups within determine the coverage amounts for basic life insurance.

UNUM - Long Term Care

ASCIP continues its long standing partnership with UNUM. The LTC program provides districts with a voluntary plan which covers nursing home and home health care. Participants qualify for benefits when they need assistance with two or more activities of daily living or have cognitive impairment. Benefits last between two to six years or a lifetime after a 60-90 day elimination period. The plan features a compound uncapped inflation protection feature.

UNUM - Income Protection

ASCIP income protection insurance program is a fully-insured program. The JPA offers two types of coverage through UNUM: short term disability insurance and long term disability insurance. Members may customize the type of disability coverage they choose to offer their employees. ASCIP negotiates competitive rates for the employer-paid insurance coverage through our long standing relationship with the carrier.

MetLife - Social Security Alternative Plan

The Defined Contribution Social Security Alternative Plan is designed to provide each participant with a separate account that grows over time through contributions and interest earnings. The benefits to both districts and employees include:

- Contributions are 7.5%, compared to 12.4% for Social Security
- Contributions may be split between the district and the employee
- Employee contributions are pre-tax, where contributions to Social Security are made after-tax
- Cash benefits may be available prior to retirement
- There is no IRS penalty for early withdrawal of funds after termination



Rate Components

ASCIP's premium rates are comprised of three contributing components: the cost of incurred losses, the cost of excess insurance or reinsurance; and the cost of indirect expenses consisting of personnel expense, contract services and loss control program and services. As would be expected, incurred losses have increased over the past decade as we have doubled our responsibility for claims and litigations expenses, growing from 67 districts in 1997/98 to 119 districts in 2007/08. Expertise, particularly in the difficult and expensive area of employment claims, has served to manage the cost of our claims.

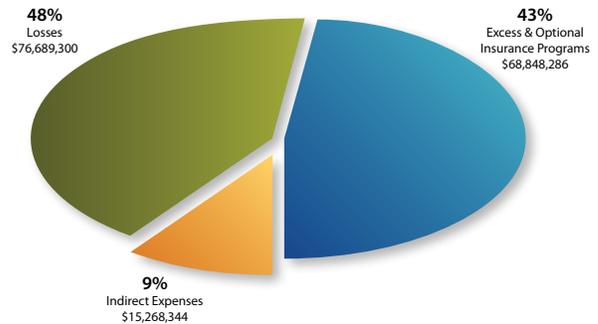
To contain costs in the second component of our rates, excess insurance and reinsurance, ASCIP continued to evaluate the advantages of risk transfer of certain layers of our risk to commercial programs. In 2007/08, we continued to risk transfer our property program by purchasing excess insurance. In our liability program, we increased our corridor aggregate deductible from \$3.8 million to \$4 million in the \$1 million x of \$1 million layer of coverage. In the worker's compensation program we purchase excess insurance after a \$1 million retention.

In the final component, our rates consist of indirect expenses such as general administration, personnel expenses, contract services and loss control. ASCIP has continued to hold costs to the 10-13% range, as compared to the average overhead for JPAs nationally of about 20% and indirect expenses for commercial insurance of approximately 30%. All of these factors have enabled ASCIP to provide exceptional programs and services at very competitive rates.

Relates

ASCIP is a non-profit JPA which refunds excess premiums to its members for use in their educational programs. Since 1989, ASCIP has returned nearly \$20 million in property/liability premiums to its members. In 2007/08, as a result of our success in managing the workers' compensation program, our Executive Committee again declared a rebate of \$1,270,477, resulting in the total rebate of \$2.3 million in the last two years.

Property/Liability		Workers' Compensation	
1989-2002	\$14,797,692	2006-2007	\$1,063,771
2003-2004	\$ 1,264,409	2007-2008	\$1,270,477
2004-2005	\$ 1,045,208	Total	\$2,334,248
2005-2006	\$ 1,060,639		
2006-2007	\$ 615,320		
2007-2008	\$ 1,063,946		
Total	\$19,847,214		





Commitment to Service

The ASCIP Executive Committee again demonstrated its commitment to being an organization of “Schools Serving Schools” by adopting a loss control budget for the 2007/08 fiscal year in excess of \$3.8 million. Services provided through the loss control program are highlighted below, and such services are an integral part of the basic service package all members receive without additional charge. The core of ASCIP’s non-profit philosophy is expressed in the Executive and Loss Control Committees’ resolve to return program savings to members for the purpose of reducing risks and the practice of sound risk management principles. The ASCIP staff, augmented by a panel of carefully selected and pre-screened professional service providers, offers a full range of risk management and loss control services annually.

Loss Control Services

- Tracked more than 650 changes in State and Federal education, safety, health, and environmental regulations;
- Fielded over 2,100 telephone inquiries. Provided consultations to resolve issues of concern and to initiate further actions necessary to bring about a satisfactory resolution;
- Provided 265 hazardous waste, toxic chemical, and/or environmental consultations or service responses;
- Assisted 58 members with regulatory compliance or mandated disclosure forms, reports, documents, or interactions involving local, State or Federal regulatory agencies;
- Provided over 4,251 California and out-of-state DMV driver’s record checks for member agency employees, volunteers, and temporary drivers operating motor vehicles on member agency business;
- Worked continuously with the WeTip crime prevention organization as program sponsor to increase the number of participating ASCIP member agencies, disseminated WeTip materials to their locations, and facilitated a variety of programs to bring forth confidential information regarding crimes against ASCIP member employees and pupils; monitored over 250 crimeline tips from ASCIP members which were reported directly to the WeTip national schools anonymous hotline;
- Developed and implemented WeTip’s Theft Reduction at Construction Sites (TRACS) program at all OCIP sites;
- Coordinated over 155 in-house and at-District loss control, safety, security, and environmental training opportunities presented by ASCIP staff and by selected consultants;
- Coordinated the traditional Loss Control and Safety Audit program to provide initial site safety inspections for all new ASCIP members and re-inspections of existing member locations on a three to four year revolving cycle;
- Coordinated playground safety inspections upon request through a panel of Certified Playground Safety Inspectors (CPSI) for those members lacking a certified inspector on staff;
- Provided 62 Loss Control Assistance Grants to 44 ASCIP member agencies totaling a record amount of \$500,243.43;
- ASCIP staff members or our various consultants visited 446 Member District sites during the 2007/08 coverage year to address issues of concern which have included:
 - Asbestos and/or Lead hazard intervention
 - Athletic field, gymnasium, and sports facilities safety
 - Playground safety and design issues
 - Campus security and CCTV camera system design and installation (popular)
 - Indoor air quality and mold issues (a leading concern)
 - Traffic control and associated risk factors
 - Ergonomic interventions and training
 - Regulatory compliance assistance
 - Investigation of property damage or loss events

LOSS CONTROL DISTRIBUTION*





WeTip Prevention Programs

Since 1995, ASCIP has been a major sponsor of the non-profit WeTip crime prevention organization which provides our members with a valuable deterrent against all types of criminal activity. ASCIP members are automatically enrolled to receive WeTip services and materials and to participate in all WeTip programs without cost or obligation. Crime tips from ASCIP members represent more than 19% of all the school crime tips received nationwide by WeTip each year.

The WeTip organization operates a 24 hour-7 day a week anonymous multi-lingual crime reporting telephone hotline and internet website. Both methods of crime reporting are completely anonymous, and, therefore the source of the crime tip cannot be traced. Since the contents of all crime tips are confidential and anonymous, only law enforcement and a designated individual at each ASCIP member district are provided with the actual crime tip information. A WeTip reward program is offered for information leading to the arrest and conviction of the individual who committed the crime which was reported to WeTip. ASCIP may fund higher award amounts should the circumstances be warranted.

This year, WeTip and ASCIP partnered to offer up to a \$15,000.00 reward for information leading to the arrest and conviction of individuals involved in copper wire thefts at school sites. Once again, the offer of this award proved WeTip's deterrence effect and resulted in significant reductions in copper wire thefts at member sites.

WeTip staff members provide on-site seminars at member locations to assist in the implementation of all WeTip programs and services. ASCIP funds and supplies a wide variety of WeTip stock posters and materials which help address specific member-related concerns. Additionally, the innovative ASCIP developed WeTell, DoTell and TRACS programs have their own unique posters and signage. WeTip can also create custom-designed posters that target specific acts of vandalism, arson, burglary and other crimes.

ASCIP works closely with WeTip staff to ensure that when each member reports a crime, a WeTip response follows and a program or solution is initiated.



VIPs - New Employee Training Program

ASCIP's online training program for new employees, Very Important Points for Very Important People (VIPs), is a 20 minute interactive training module designed to provide a basic orientation to employees of educational institutions. The program highlights seven important training areas with which all employees should be familiar before they start their job duties. These include mandatory child abuse reporting requirements, instructions for summoning emergency help and ways for employees to avoid liability-for themselves as well as for their districts. This training is provided at no cost to ASCIP members. Valuable incentives are available to those members who participate and include a free computer system or funds for training programs. In addition to the VIPs course, there are twenty-four other free courses covering a wide range of topics such as Defensive Driving, Lead and Asbestos Awareness, Sexual Harassment Training for Managers and Supervisors, Preventing Workplace Violence, Utility Cart Safety and many other topics.

ASCIP believes that this training, particularly when provided to mid-year hires, walk-on coaches and volunteers, who might otherwise receive no formal training whatsoever, may help to prevent accidents and harmful incidents, thus minimizing the severity and saving money for use in our districts' educational programs. Such training may also mitigate liability in the event of litigation.

Rent-a-Risk Manager Program

This popular and ever growing program provides onsite loss control and risk management service personnel to member districts on a weekly basis at a reasonable cost. In partnership with ASCIP's professional safety consultants, Poms & Associates, this program has contracts with 15 school districts and six (6) community college districts. All services and personnel provided are supervised and supported by ASCIP and Poms.

Over the past year, the number of RARM personnel has increased to ten, serving both Northern and California members. Our members use this program to augment their existing staff and resources therefore, the services provided varies according to the self-directed needs of the district. Services include; disaster preparedness training and development, safety inspections, Cal-OSHA compliance, contract review, grant writing, a wide variety of training programs, accident investigations, claim support and other duties as specific to a district's needs.

We expect this program to continue its growth since it provides an affordable alternative to our members experiencing service needs and budgetary restraints.



Owner-Controlled Construction Insurance Program (OCIP)

The Owner-Controlled Construction Program (OCIP) has continued to be a valuable resource to ASCIP member districts with new or on-going construction projects. Since its inception in 2000, the program has provided cost effective general liability, workers' compensation and builder's risk insurance for school district construction projects. The program is now recognized as the largest rolling scholastic OCIP in California and has insured over \$1.7 billion in hard construction costs.

In the past year, OCIP has insured a total of six new projects with construction values totaling \$107,500,000. The strategic partners have remain the same with Liberty Mutual providing the coverage, Arthur J. Gallagher serving as broker and providing safety and loss control services, and ASCIP's own Captive Insurance for Public Agencies (CIPA) providing the funding mechanism for the loss fund. These relationships have resulted in a sound program that allows member districts the opportunity to control costs, increase insurance limits and promote a safe environment for its contractors, students and campus facilities. When compared to an industry average of 65%, the most recent computed loss ratio of 9% for OCIP is a testament to the effectiveness of the program

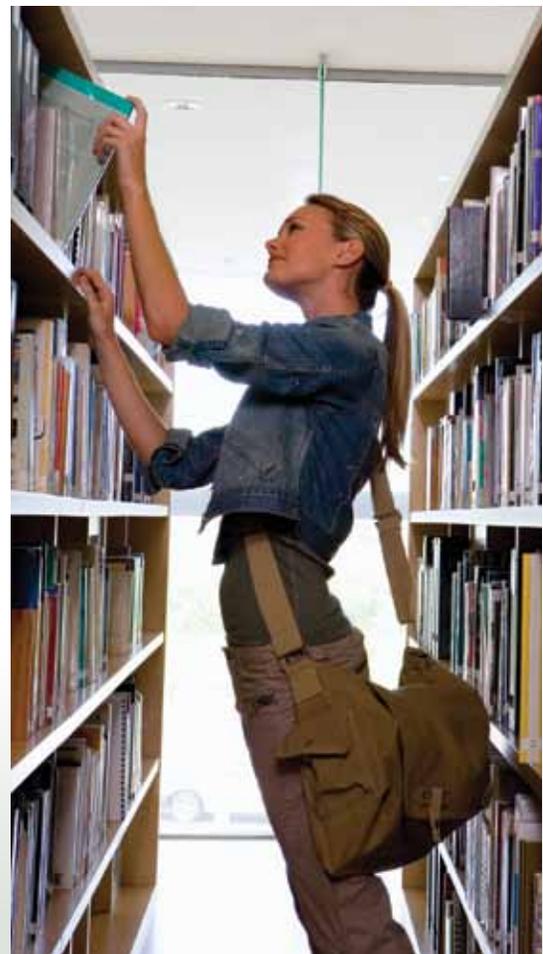
Of additional note is the fact that CIPA, after two years in existence, showed a positive year end with net assets of \$229,438. This performance exceeds the original projections that it would take CIPA three years to have positive earnings.

Risk Transfer and Analysis

- Reviewed over 450 contracts to establish insurance requirements and appropriate indemnification agreements for school projects and services;
- Customized over 80 facility-use agreements, student activities forms, and field trip waivers to transfer or mitigate districts' risk;
- Generated 1,516 additional insured and loss payee endorsement forms for activities or contract requirements;
- Assisted over 75% of our members with coverage inquiries regarding new school activities and exploration of alternative risk and coverage options;
- Provided risk analysis and mitigation services through attendance of subsidiary JPA meetings and the Rent-a-Risk Manager Program.

Specialty Insurance Procurement

- Processed 486 requests for the purchase of the Tenant User Liability Insurance Program (TULIP).
- Provided coverage through the ASCIP-B program for 1,136 booster and auxiliary clubs that support 86 member districts.
- Provided a group purchase policy to 12 members for Underground storage tank liability coverage.
- On behalf of the membership, researched specialty insurance markets for all perils coverage, earthquake, travel and transportation coverage, student accident, foundation and special use of facilities coverages.
- Continued the Service Providers and Artisan Tradesmen Activities (SPARTA) insurance program for contractors, service providers and consultants of ASCIP members.



2007/08 Program Year Highlights

Achievements & Milestones

- Cited by trade journal *Business Insurance* as the second largest risk pool in the country;
- Launched a self-funded medical program;
- Participated on the governing boards of national and state risk management professional organizations, AGRIP and CAJPA, and presented at these forums as well as PRIMA, CASBO, ACHRO, ACCA, and PRIMA,;
- Created two new special education e-training modules;

Training Highlights

- ASCIP trainers, staff and consultants were very busy this year. With the growth of our program and the expansion of our training program into Northern California we have significantly increased our training program.
- Topics covered over the last year included science safety, utility cart safety, pesticides handler, hazardous materials, First aid and CPR, as well as annual codes and regulations.
- Over 1,800 member district representatives attended Risk Management seminars.

- Over 4,500 member district representatives attended Safety and Environmental Compliance seminars.
- Conducted Several Light Search and Rescue Trainings.
- Conducted a variety of Emergency Preparedness seminars.
- Conducted Several Video Conferences:
Discipline of Students for Off Campus Conduct.
FEHA and its Interactive Process.
Emerging Issues in Special Education

Financial Highlights

- Total premiums for the entire JPA increased from \$156 million in 2006/07 to \$171 million in 2007/08 making ASCIP the 2nd largest JPA in the country.
- Authorized property/liability premium rebates of \$1,063,946 to member districts, resulting in premium refunds to members totaling \$19.8 million since the program's inception;
- Authorized worker's compensation premium rebates of \$1,270,477, resulting in the total rebate of \$2.3 million in the last two years;
- Retained a total equity of \$84.7 million.

Goals and Objectives for Fiscal Year 2008/09

General Operations

- Evaluate use of captive and assess feasibility of creation of GASB-45 funding mechanism.
- Assess effectiveness of information systems operations, including evaluation and determination of adequateness of staffing and creation of centralized integrated database accessible by all operating units.
- Analyze vendor performance and enhance panel, insuring service provider redundancy in key areas.
- Market and enroll members in self-funded medical program, and continue to streamline enrollment and coverage configurations in other health benefits lines of coverage.
- Complete publication of new marketing brochures and materials for all lines of coverage, implementing a common theme and branding throughout.
- Move to new headquarters.

Marketing

- Evaluate options for continuing to strengthen ASCIP's marketing and bargaining position by expanding our network of strategic alliances with other educational entities, JPAs and vendor community.
- Showcase ASCIP's programs and services at appropriate local, State and national forums.
- Continue expanding contacts and services with CCD community including providing assistance to the California Community College State Chancellor's office, particularly in the area of emergency preparedness.
- Leverage footholds in new areas which we serve in order to capitalize on marketing opportunities in several counties not currently served by ASCIP.



Fiscal Services

- Recruit one new staff member to support fiscal division and to ensure quality service is provided to member districts.
- Streamline billing and payment process for the benefits programs.
- Develop alternative database program to enhance financial reporting and maintenance.
- Visit districts to provide training and assist districts' staff on reconciliation of benefits premiums.
- Establish written payment policies and procedures for health benefits program.

Claims & Litigation Administration

- Conduct on-site audit of each law firm on the approved panel to ensure continued quality handling and cost control.
- Maintain cost containment programs of legal and claims administration expenses despite projected increase in membership, claims volume and complexity of litigation.
- Create a workers' compensation procedure manual for all members.
- Provide an end of the year overview for all members.
- Create legal protocols for the defense attorney panel.
- Work closely with workers' compensation claims team to improve efficiency.

Risk Management & Loss Control

- Continue to assess member needs and offer risk management and loss control seminars which meet the requests of our members, including expanding seminars to other regions in the State and enhancing webcasting capabilities.
- Complete special education e-training courses and further expand the e-training library.

- Enhance emphasis on security and disaster preparedness services to ASCIP members with a special focus on meeting the needs of our CCDs and partnering with the California Community College State Chancellor's Office.
- Explore feasibility of incentive reward programs for participants in our various programs including assessment of premium discounts for low-risk members.
- Explore advisability of applying an experience modification factor to property exposures.
- Place interactive risk management documents on-line.
- Secure MSDS software program with ancillary HazComm program to support MSDS software.
- Develop a comprehensive defensive driving program.
- Hire a full complement of staffing for the Risk Management and Health Benefits Divisions and complete training of new staff.
- Provide additional training seminars on workers' compensation related subjects.
- Provide a quarterly "Workers' Compensation Tips" newsletter.
- Add additional workers' compensation cost containment programs.

Special Programs

- Assess value-added incentive programs to attract new members in all programs with a special emphasis on community college districts' unique needs.
- Acquire software to assist health benefits members in the management of enrollment audits, retiree administration and COBRA automation.
- Evaluate competing programs to ensure that ASCIP's coverage is superior to other products available in the marketplace.
- Enhance keynote speaker program to provide increased visibility for ASCIP's special risk management programs such as We Tell and special risk training materials.
- Maintain a leadership position in the risk management, insurance and pooling communities to augment marketing efforts and enhance strategic alliance opportunities.





ASCIP has designed a financial accounting process in order to provide appropriate internal controls. These control mechanisms are implemented to provide reasonable assurance that assets are adequately safe-guarded from waste, fraud or inefficient use. The system generates financial records which facilitate the preparation of financial statements which conform to the dictates of generally accepted accounting principles. ASCIP is in compliance with all statutory provisions of California State Codes which regulate the financial affairs of local government agencies; and all mandated filings, as recognized by the California Association of Joint Power Authorities (CAJPA), are filed pursuant to governing statutes.

ASCIP's independent audit report has been prepared by Vavrinek, Trine, Day & Company, and their certification letter dated November 26, 2008, along with ASCIP's general purpose final statements, are reproduced below and on following pages of this report:



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Governing Board
Alliance of Schools for Cooperative Insurance Program (ASCIP)
Cerritos, California

We have audited the accompanying statement of net assets of the Alliance of Schools for Cooperative Insurance Program (ASCIP) (the Agency) as of and June 30, 2008, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

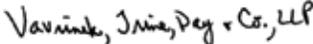
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the State Controller's Minimum Audit Requirements for California Special Districts, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Agency, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2008, on our consideration of the Agency'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis on pages 4 through 18 and is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency'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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Vavrinek, Trine, Day & Co., LLP
Rancho Cucamonga, California
November 26, 2008

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ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

(A Joint Powers Entity)

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2008

	Property/ Liability Fund	Workers' Compensation Fund	Medical Fund	Dental Fund	Vision Fund	Captive Insurance for Public Agencies	Total
ASSETS							
Cash and cash equivalents	\$ 19,031,765	\$ 35,415,988	\$ 2,738,201	\$ 13,420,585	\$ 1,201,746	\$ 7,065,297	\$ 78,873,582
Receivables	4,926,222	1,820,723	73,625	350,307	51,190	914,159	8,136,226
Internal balances	3,000,000	-	-	-	-	(3,000,000)	-
Investments maturing within one year, net of restricted assets	19,798,884	11,080,278	-	-	-	-	30,879,162
Restricted assets - investments	2,218,949	-	-	-	-	-	2,218,949
Prepaid expenses and deposits	185,937	-	-	-	-	699,554	885,491
Total Current Assets	49,161,757	48,316,989	2,811,826	13,770,892	1,252,936	5,679,010	120,993,410
Investments, net of amount maturing within one year	58,683,844	31,877,644	-	-	-	-	90,561,488
Capital assets	4,802,853	-	-	-	-	-	4,802,853
Less: Accumulated depreciation	645,194	-	-	-	-	-	645,194
Net capital assets	4,157,659	-	-	-	-	-	4,157,659
Total Non-Current Assets	62,841,503	31,877,644	-	-	-	-	94,719,147
Total Assets	112,003,260	80,194,633	2,811,826	13,770,892	1,252,936	5,679,010	215,712,557
LIABILITIES							
Accounts payable	5,242,059	1,578,467	84,954	620,376	423,803	533,245	8,482,904
Advance premium deposit	292,975	-	208,634	26,407	6,599	-	534,615
Deferred premium income	5,000	-	-	-	-	3,490,496	3,495,496
Current portion of unpaid claims	24,000,000	4,800,000	-	3,089,927	261,470	218,000	32,369,397
Unallocated claims adjustment expenses	2,300,000	1,106,392	-	207,025	30,069	90,411	3,733,897
Retrospective premium payable	1,063,946	1,270,477	-	-	-	-	2,334,423
Risk management deposit fund	13,999,221	7,446,409	-	1,038,256	-	-	22,483,886
SELF rate stabilization fund	249,980	-	-	-	-	-	249,980
Total Current Liabilities	47,153,181	16,201,745	293,588	4,981,991	721,941	4,332,152	73,684,598
Unpaid claims and claims adjustment expenses, net of current portion	38,856,578	17,327,833	-	-	-	1,117,420	57,301,831
Total Liabilities	86,009,759	33,529,578	293,588	4,981,991	721,941	5,449,572	130,986,429
NET ASSETS							
Net assets invested in capital assets	4,157,659	-	-	-	-	-	4,157,659
Net assets, restricted	2,218,949	-	-	-	-	-	2,218,949
Net assets, unrestricted	19,616,893	46,665,055	2,518,238	8,788,901	530,995	229,438	78,349,520
Total Net Assets	\$ 25,993,501	\$ 46,665,055	\$ 2,518,238	\$ 8,788,901	\$ 530,995	\$ 229,438	\$ 84,726,128

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS

(A Joint Powers Entity)

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	Property/ Liability Fund	Workers' Compensation Fund	Medical Fund	Dental Fund	Vision Fund	Captive Insurance for Public Agencies	Total
REVENUES							
Premium deposits from members	\$ 48,623,670	\$ 20,245,467	\$ 52,396,071	\$ 39,859,443	\$ 4,723,338	\$ 2,961,276	\$168,809,265
OCIP program/premium	797,732	-	-	-	-	-	797,732
Less: Retrospective premium deposit ratings adjustment	(1,063,946)	(1,270,477)	-	-	-	-	(2,334,423)
	48,357,456	18,974,990	52,396,071	39,859,443	4,723,338	2,961,276	167,272,574
Other income	850,029	135,521	47,003	665,922	75,563	-	1,774,038
Total Operating Revenues	49,207,485	19,110,511	52,443,074	40,525,365	4,798,901	2,961,276	169,046,612
EXPENSES							
Claims expense, net of reimbursements of \$2,925,740 property/liability	32,304,699	7,994,892	-	31,790,529	4,055,599	543,581	76,689,300
Excess insurance premium	12,382,562	1,478,344	-	-	-	1,007,769	14,868,675
Insurance premiums	-	-	51,591,636	2,347,887	40,088	-	53,979,611
Contract services							
Claims administration	1,523,213	776,012	-	2,121,391	466,854	34,000	4,921,470
Broker's fees	247,477	104,000	-	-	-	395,524	747,001
General counsel services	309,946	-	-	-	-	2,750	312,696
Captive management	-	-	-	-	-	49,738	49,738
Rating and actuarial services	201,320	29,310	-	-	-	10,500	241,130
Accounting and audit services	57,027	-	-	-	-	22,352	79,379
Investment advisory service	147,673	-	-	-	-	-	147,673
Salaries and benefits	1,129,053	436,464	463,861	327,979	111,771	-	2,469,128
Property appraisal	293,750	-	-	-	-	-	293,750
Other contract services	235,094	54,680	86,302	54,771	23,473	37,200	491,520
Loss control and risk management	2,834,201	520,693	-	-	-	-	3,354,894
Other operating expenses	(168,197)	399,274	365,805	258,463	86,107	14,701	956,153
Interest	642,808	263,946	15,003	43,465	475	45,000	1,010,697
Depreciation	193,115	-	-	-	-	-	193,115
Total Operating Expenses	52,333,741	12,057,615	52,522,607	36,944,485	4,784,367	2,163,115	160,805,930
Operating Income (Loss)	(3,126,256)	7,052,896	(79,533)	3,580,880	14,534	798,161	8,240,682
NON-OPERATING REVENUES (LOSS)							
Interest and dividend income	5,064,349	3,457,644	148,245	616,093	54,512	168,322	9,509,165
Net increase in fair value of investments	1,367,297	742,729	-	-	-	-	2,110,026
Total Non-Operating Income	6,431,646	4,200,373	148,245	616,093	54,512	168,322	11,619,191
INCREASE IN NET ASSETS	3,305,390	11,253,269	68,712	4,196,973	69,046	966,483	19,859,873
NET ASSETS (DEFICIT), BEGINNING OF YEAR	22,688,111	35,411,786	2,449,526	4,591,928	461,949	(737,045)	64,866,255
NET ASSETS (DEFICIT), END OF YEAR	\$ 25,993,501	\$ 46,665,055	\$ 2,518,238	\$ 8,788,901	\$ 530,995	\$ 229,438	\$ 84,726,128

ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS
(A Joint Powers Entity)

COMBINING STATEMENT OF CASH FLOWS

JUNE 30, 2008

	Property/ Liability Fund	Workers' Compensation Fund	Medical Fund	Dental Fund	Vision Fund	Captive Insurance for Public Agencies	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received for premium contributions and other income	\$ 47,870,705	\$ 24,805,773	\$ 52,442,711	\$ 40,313,123	\$ 4,761,396	\$ 6,343,479	\$ 176,537,187
Claims paid	(23,740,071)	(4,633,347)	-	(32,356,997)	(4,053,672)	(200,932)	(64,985,019)
Cash paid to employees	(720,470)	(315,927)	(332,399)	(237,741)	(82,773)	-	(1,689,310)
Cash paid for benefits, insurance and other expenses	(15,411,133)	(3,297,816)	(52,294,889)	(12,957,465)	(1,393,069)	(3,026,464)	(88,380,836)
Net Cash Provided (Used) by Operating Activities	7,999,031	16,558,683	(184,577)	(5,239,080)	(768,118)	3,116,083	21,482,022
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(645,624)	-	-	-	-	-	(645,624)
Net Cash Used by Capital and related financing activities	(645,624)	-	-	-	-	-	(645,624)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income received	5,064,349	3,457,644	148,245	616,093	54,512	168,322	9,509,165
Purchase of investments	(84,371,020)	(45,830,020)	-	-	-	-	(130,201,040)
Proceeds from sales and maturities of investments	80,400,638	43,674,421	-	-	-	-	124,075,059
Net Cash Provided (Used) by Investing Activities	1,093,967	1,302,045	148,245	616,093	54,512	168,322	3,383,184
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
	8,447,374	17,860,728	(36,332)	(4,622,987)	(713,606)	3,284,405	24,219,582
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR							
	10,584,391	17,555,260	2,774,533	18,043,572	1,915,352	3,780,892	54,654,000
CASH AND CASH EQUIVALENTS, END OF YEAR							
	\$ 19,031,765	\$ 35,415,988	\$ 2,738,201	\$ 13,420,585	\$ 1,201,746	\$ 7,065,297	78,873,582
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating income (loss)	\$ (3,126,256)	\$ 7,052,896	\$ (79,533)	\$ 3,580,880	\$ 14,534	\$ 798,161	\$ 8,240,682
Adjustments to reconcile operating income to net cash provided (used) by operating activities							
Depreciation expense	193,115	-	-	-	-	-	193,115
Loss on disposal of capital assets	2,582	-	-	-	-	-	2,582
(Increase) in accounts receivable	(1,267,260)	328,643	(363)	(212,242)	(37,505)	2,936,097	1,747,370
(Increase) Decrease in prepaids and deposits	(69,520)	-	-	-	-	(184,455)	(253,975)
Increase (Decrease) in accounts payable and other liabilities	1,225,972	448,979	(104,681)	(697,779)	62,251	(1,222,475)	(287,733)
Increase in deferred revenue	-	-	-	-	-	446,106	446,106
Increase in unpaid claims and adjustments	8,564,628	3,361,545	-	(566,468)	1,927	342,649	11,704,281
Increase in risk management deposit fund	2,475,770	5,366,620	-	-	-	-	7,842,390
Increase in funds held for districts	-	-	-	(7,343,471)	(809,325)	-	(8,152,796)
Net Cash Provided by Operating Activities	\$ 7,999,031	\$ 16,558,683	\$ (184,577)	\$ (5,239,080)	\$ (768,118)	\$ 3,116,083	\$ 21,482,022
NONCASH INVESTING ACTIVITIES							
Net increase in fair value of investments	\$ 1,367,297	\$ 742,729	\$ -	\$ -	\$ -	\$ -	\$ 2,110,026

K-12 & High School Districts

Alhambra USD △
 Alpine County Office of Education
 Alpine County USD
 Amador County Office of Education
 Amador County USD
 Berkeley USD
 Beverly Hills USD △
 Big Oak Flat-Groveland USD
 Bonita USD △
 Brea Olinda USD
 Bret Harte Union High SD
 Calaveras County Office of Education
 Calaveras USD
 Capistrano USD
 Center for Advanced Research & Technology (CART)
 Centinela Valley UHSD*
 Chaffey Joint UHSD
 Charter Oak USD
 Claremont USD △
 Clovis USD+
 Colton Joint USD
 Compton USD △

Covina-Valley USD*△
 Culver City USD △
 Discovery Charter Preparatory School*
 Downey USD+
 El Monte UHSD+
 El Segundo USD*
 Environmental Charter High School*△
 Fullerton Joint UHSD
 Gateway High School*
 Hemet Unified School District
 Huntington Beach UHSD+
 Inglewood USD
 La Canada USD △
 Laguna Beach USD
 La Puente Valley ROP*△
 Leadership High School*
 Long Beach USD
 Lynwood USD △
 Manhattan Beach USD*△
 Montebello USD △
 Moreno Valley USD
 Newport-Mesa USD
 Norwalk-La Mirada USD △

Orange County Dept. of Education
 Palos Verdes Peninsula USD* +△
 Paramount USD* +△
 Pasadena USD
 Placentia-Yorba Linda USD
 Pomona USD △
 Redondo Beach USD*
 Riverside USD*△
 Saddleback Valley USD*
 San Antonio ROP
 Santa Ana USD+
 Santa Monica-Malibu USD △
 Sonora UHSD
 South Pasadena USD*
 Southeast ROP △
 Southern California ROC*△
 Summerville UHSD
 Tuolumne County Sup. of Schools
 Tustin USD
 Upland USD*
 Vallejo City USD
 Walnut Valley USD
 Whittier UHSD

Community College Districts

Glendale CCD
 Grossmont-Cuyamaca CCD*
 Los Rios CCD
 Mt. San Antonio CCD

North Orange County CCD+
 Peralta CCD*
 Rancho Santiago CCD*
 Rio Hondo CCD+

Riverside CCD
 Santa Barbara CCD
 Sierra Joint CCD*

K-8 School Districts

Accelerated Charter School △
 Belleview SD
 Chinese Camp SD
 Columbia Union SD
 Constellation Community MS
 Curtis Creek Elementary SD
 El Monte City SD+△
 Fenton Avenue Charter School*△
 Fullerton SD
 Garfield Charter School
 Garvey SD △
 Hawthorne SD*△
 Hermosa Beach City SD* +△

Huntington Beach City SD
 Jamestown SD
 Lawndale SD*△
 Leadership Public Schools*
 Lennox SD*△
 Little Lake City SD △
 Lowell Joint SD △
 Mark Twain Union Elementary SD
 Montague Charter Academy*
 Mountain View SD △
 Newhall SD*
 Ocean View SD
 Pacoima Charter School*

Pasadena Rosebud Academy Charter
 Rosemead SD △
 San Jacinto Valley Academy*
 Santa Monica Blvd. Comm. Charter*
 Santiago Middle School*
 Sonora SD
 Soulsbyville SD
 Summerville Elementary SD
 Twain Harte-Long Barn Union SD
 Vallecito Union SD
 Vaughn Next Century Learning Ctr.*
 Watts Learning Center*
 Whittier City SD △
 Wiseburn SD

Associate Members

Anaheim UHSD+
 Antelope Valley Joint UHSD △
 Arcadia USD △
 Azusa USD △
 Baldwin Park USD △
 Bassett USD △
 Burbank USD △
 Castaic Union SD △
 Cerritos CCD △
 Chaffey CCD+
 Coachella Valley USD+

Compton CCD △
 CODESP △
 Cypress SD △
 Duarte USD △
 East San Gabriel ROP/TC △
 East Whittier City SD △
 El Rancho USD △
 Glendale USD △
 Glendora USD △
 Guidance Charter School △
 Las Virgenes USD △

Los Angeles County Office of Education △
 Los Nietos SD △
 Pupil Transportation Cooperative △
 Rowland USD △
 San Marino USD △
 Santa Clarita Valley School FSA △
 Schools Excess Liability Fund (SELF) △
 South Whittier SD
 Sulphur Springs Union SD △
 Tri-Cities ROP △
 West Covina USD △

* Workers' Compensation Members

+ OCIP Members

△ Health Benefits Members





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