



**President**  
Mr. Roger Carroll  
Town of Loomis

**Vice President**  
Mr. Steve Baker  
City of Yreka

**Secretary**  
Ms. Pamela Russell  
City of Etna

**Treasurer**  
Ms. Linda Romaine  
Town of Fort Jones

**SMALL CITIES ORGANIZED RISK EFFORT  
BOARD OF DIRECTORS  
MEETING**

**Date:** Friday, March 27, 2015  
**Time:** 10:00 AM

**Location:** Gaia Hotel & Spa  
4125 Riverside Place  
Anderson, CA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously Mailed**

*PAGE* **A. CALL TO ORDER**

**B. ROLL CALL**

**C. APPROVAL OF AGENDA AS POSTED**

A 1

**D. PUBLIC COMMENTS**

*This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.*

*Pg.6* **E. CONSENT CALENDAR**

A 1

*All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request an item to be considered separately. If not, the Board will take action to accept and file the items below.*

*Pg.7* **1. Board of Directors Meeting Draft Minutes – January 23, 2015**

*Pg.16* **2. US Bank Custodial Account Statement – January – February 2015**

*Pg.33* **3. SCORE Checking Account Transaction List – January – February 2015**

*Pg.35* **4. Investment Statements from Chandler Asset Management – January – February 2015**

**a. Portfolio Summaries**

**b. Compliance Report**

*Pg.93* **5. Target Solutions Annual Utilization Report – January – February 2015**

*Pg.95* **6. Gilbert & Associates Service Agreement Amendment FY 2013-2015**

**F. ADMINISTRATIVE REPORTS**

**1. Alliant Update**

I 4

*Alliant will update the Board on matters pertinent to SCORE*

**2. President’s Report**

I 4

*Roger Carroll will address the Board on items pertaining to SCORE.*

*The Small Cities Organized Risk Effort or SCORE, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.*

- 3. **CJPRMA Update** I 4  
*Roger Carroll will provide the Board with an update on CJPRMA matters of relevance to SCORE. Minutes of the last meeting can be found at <http://www.cjprma.org/>*
- 4. **ERMA Update** I 4  
*John Duckett will update the Board on ERMA matters pertinent to SCORE. Minutes of the last meeting can be found at [www.ermajpa.org/](http://www.ermajpa.org/)*
- 5. **LAWCX Update** I 4  
*Ron Stock will update the Board on LAWCX matters pertinent to SCORE. Minutes of the last meeting can be found at <http://lawcx.org/>*

**G. FINANCIAL**

- Pg.96 1. **Investment Manager’s Report** A 1  
*The Board of Directors will receive and may accept and file a presentation from Chandler Asset management of SCORE’s investment portfolio as well as an overview of the current investment climate.*
- Pg.123 2. **Investment Policy Review and Approval** A 1  
*The Board will review and affirm or may approve recommended amendments to the SCORE Investment Policy*
- 3. **Banking Layer Balances and Adjustments**
- Pg.132 a. **Banking Layer Balances** A 1  
*Gilbert Associates will present the member Banking Layer balances for review and acceptance as a starting point for the Dividend and Assessment Analysis.*
- Pg.149 b. **Dividend & Assessment Analysis** A 1  
*Gilbert Associates will provide an updated analysis of the pool’s financial position as respects any dividends or assessments the Board may declared, per SCORE’s Dividend and Assessment Plan (DAP).*
- Pg.153 4. **Gilbert & Associates Service Agreement Amendment FY 2015/16** A 1  
*The Board will review and may approve a contract amendment for accounting services for FY 2015/16.*
- Lunchtime presentation--DKF Solutions Risk Management Progress Update** I 4  
*The Board of Directors will receive a progress update on ongoing services being provided by David Patzer and DKF Solutions.*

**H. JPA BUSINESS**

**1. Risk Control Issues**

Pg.155            **a. Suggested Risk Management Services for FY 2015/16**            A 1  
*DKF Solutions will present suggested risk management services for FY 2015/16 for the Board of Directors to review and consider.*

Pg.157            **b. Loss Control Grant Fund Program**            A 1  
*The Board of Directors will consider a budget for extension of the grant program for FY 2015/16.*

**2. Actuarial Studies**

Pg.163            **a. Actuarial Review of the Self-Insured Liability Program**            A 1  
*Mike Harrington from Bickmore will present the Liability actuarial study to the Board for review and acceptance*

Pg.187            **b. Actuarial Review of the Self-Insured Workers' Compensation Program**            A 1  
*Mike Harrington from Bickmore will present the Workers' Compensation actuarial study to the Board for review and acceptance.*

**3. FY 2015/16 Funding Rates**            A 1  
*The Board will use the information provided by the Program Administrators and Actuary to establish the funding rates used in the FY 2015/16 Budget deposit calculations.*

Pg.211            **a. Liability Program Funding Rates**

Pg.212            **b. Workers' Compensation Program Funding Rates**

Pg.213            **4. FY 2015/16 SCORE Preliminary Budget**            A 1  
*Members will be asked to review the Preliminary Budget and provide staff with direction as necessary.*

Pg.224            **5. SCORE Training Day/BOD Venue Options**            A 4  
*The Board of Directors will receive information about venues for the October 29-30 training meeting and will also discuss training topics to consider*

**6. Claims Issues**

Pg.225            **a. LAWCX Workers' Compensation Audit**            A 1  
*The Board will be presented the results of the recent audit, with response from York Risk Services.*

Pg.238            **b. York Claims Trending Report**            I 4  
*The Board of Directors will receive a report analyzing claim trends over the*

*last five years.*

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**c. York Services Agreements**

A 1

*The Board is asked to review and accept or revise extension of the current services agreements for two years with no fee increase.*

**I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

**\*REQUESTING AUTHORITY**

**1. Liability**

A 4

- a. Schwartz v. Susanville
- b. Larsen v. Isleton
- c. Abaco v. Town of Loomis
- d. Fabbrini v. Dunsmuir\*
- e. Corona v. Susanville
- f. Chase v. Loomis\*
- g. Reyna v. Colfax
- h. Clements v. Weed\*

**2. Workers' Compensation**

- a. Eric Capon v. Crescent City
- b. Michael Lester v. City of Yreka

**J. REPORT FROM CLOSED SESSION**

**K. INFORMATION ITEMS**

**1. 2015 Resource Contact Guide**

I 1

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*The Board of Directors is provided a copy of the updated Resource Contact Guide for easy reference in accessing member services and resources.*

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**2. Glossary of Terms**

I 1

**L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES**

I 4

**M. CLOSING COMMENTS**

**ADJOURNMENT**

**UPCOMING MEETING**

*Board of Directors Meeting – June 26, 2015, Anderson, CA*

**IMPORTANT NOTICES AND DISCLAIMERS:**

*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715.*



*The Agenda packet will be posted on the SCORE website at [www.scorejpa.org](http://www.scorejpa.org). Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.*

*Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.*

## CONSENT CALENDAR

### ACTION ITEM

**ISSUE:** Items on the Consent Calendar should be reviewed by the Board and, if there is any item requiring clarification or amendment, such item should be pulled from the agenda for separate discussion. The Board should adopt the Consent Calendar excluding those items removed.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Consent Calendar after review by the Board of Directors. *Items requested to be removed for Consent will be placed back on the agenda in an order determined by the President.*

**FISCAL IMPACT:** None

**BACKGROUND:** Items of importance, that may not require discussion, are included on the Consent Calendar for adoption.

#### ATTACHMENT:

1. Board of Directors Meeting *Draft* Minutes – January 23, 2015
2. US Bank Custodial Account Statement – January – February 2015
3. SCORE Checking Account Transaction List – January – February 2015
4. Investment Statements from Chandler Asset Management – January – February 2015
  - a. Portfolio Summaries
  - b. Compliance Report
5. Target Solutions Annual Utilization Report – January – February 2015
6. Gilbert & Associates Service Agreement Amendment FY 2013-2015



**Small Cities Organized Risk Effort (SCORE)  
Board of Directors Meeting Minutes  
January 23, 2015**

**Member Cities Present:**

John Busch, City of Biggs  
Laurie Van Groningen, City of Colfax  
Dick Kelby, City of Dunsmuir  
Pamela Russell, City of Etna  
Linda Romaine, Town of Fort Jones  
Jim Goodwin, City of Live Oak  
Roger Carroll, Town of Loomis  
Crickett Strock, Town of Loomis  
Ernie Teague, City of Loyalton  
Janie Sprague, City of Montague

Don Kincade, City of Montague  
Muriel Howarth Terrell, City of Mt. Shasta  
Robert Meacher, City of Portola  
Brooke Woodcox, City of Rio Dell  
John Duckett, City of Shasta Lake  
Gwenna MacDonald, City of Susanville  
Jenny Coelho, City of Tulelake  
Ron Stock, City of Weed  
Steve Baker, City of Yreka

**Member Cities Absent:**

Robert Jankovitz, City of Isleton

**Consultants & Guests**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services  
Dorienne Zumwalt, York Risk Services  
Cameron Dewey, York Risk Services

Kevin Wong, Gilbert Associates, Inc.  
Tracey Smith-Reed, Gilbert Associates, Inc.  
Peter Cheney, Norm Peterson & Associates  
Kathryn Mullis, ACI  
John Schack, ACI

**A. CALL TO ORDER**

Mr. Roger Carroll called the meeting to order at 10:00 a.m.

**B. ROLL CALL**

The above mentioned members were present constituting a quorum. The only member absent was the City of Isleton.



**C. APPROVAL OF AGENDA AS POSTED**

A motion was made to approve the Agenda as posted.

**MOTION:** Ron Stock

**SECOND:** John Duckett

**MOTION CARRIED  
UNANIMOUSLY**

**D. PUBLIC COMMENT**

There were no public comments.

**E. CONSENT CALENDAR**

1. Board of Directors Meeting *Draft* Minutes – October 16-17, 2014
2. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments –December 31, 2014
  - a. Treasurer’s Report
3. US Bank Custodial Account Statement – July – December 2014
4. SCORE Checking Account Transaction List – October – December 2014
5. Investment Statements from Chandler Asset Management – October – December 2014
  - a. Account 590
    - i. Portfolio Summaries
    - ii. Compliance Report
    - iii. List of Investments as of December 31, 2014
6. ACI Specialty Quarterly Utilization Report – October – December 2014
7. Target Solutions Annual Utilization Report – January – December 2014

**A motion was made to approve the Consent Calendar as presented.**

**MOTION:** Ron Stock

**SECOND:** Steve Baker

**MOTION CARRIED  
UNANIMOUSLY**

**F. COMMITTEE REPORTS**

- F1.** ERMA Board of Directors Meeting Minutes – November 17, 2014
- F2.** LAWCX Board of Directors Meeting Minutes – November 4, 2014
- F3.** CJPRMA Board of Directors Meeting Minutes – October 23, 2014
- F4.** Discussion of Future Excess Reports

The Board of Directors was given the opportunity to discuss the inclusion or exclusion of excess coverage provider meeting minutes in each agenda packet due to the volume and size. It was suggested that the excess minutes not be placed into the agenda packet but instead be placed onto the SCORE website and the members would be notified when they are posted.





## **G. ADMINISTRATIVE REPORTS**

### **G1. Alliant Update**

Marcus Beverly provided an introduction of Michelle Minnick who replaced Laurence Voiculescu as the new Alliant SCORE Contact person. Michelle Minnick then provided the Board of Directors with an update about the new changes to the SCORE website which has been updated.

### **G2. President's Report**

Mr. Roger Carroll had no issues to report for SCORE.

### **G3. CJPRMA Update**

Mr. Roger Carroll noted that CJPRMA has declared the expected dividend and it was asked if SCORE would like to receive a check for the expected dividend or reduce our annual premium for the next year. Marcus Beverly noted the expected dividend this year is \$27,439.00. The dividend will be requested in the form of a check and the premium will be paid separately.

Mr. Roger Carroll also offered information about the Special Event coverage offered by Gales Creek. Mr. Roger Carroll noted that if someone wants to rent one of your properties for an event you simply direct them to the website and request that they come back with an insurance policy. After they have completed this task they will have a certificate of insurance to bring back to you.

### **G4. CJPRMA Overview**

David Clovis, CJPRMA General Manager, provided the Board with a brief history of CJPRMA and also noted significant claims from the recent past to highlight the potential exposure cities have to high-dollar value claims. He also noted CJPRMA provides value-added services available to SCORE members, including claims audits, training, phone consulting, and site inspections.

### **G5. CAJPA Accreditation 2014 - 2017**

David Clovis, Vice President of CAJPA, presented Roger Carroll from the Board of Directors with CAJPA Accreditation with Excellence for the period 2014-2017.

### **G6. ERMA Update**

John Duckett provided the Board of Directors on ERMA matters pertinent to SCORE. John Duckett noted that ERMA will be marketing their services to cites that do not currently belong to their membership and so members should be expecting communication about joining.

John Duckett also noted that ERMA does regional training which fills up quickly



It was also noted that ERMA has a Grant fund proposal which includes \$2000/agency for examination of a city's personnel policies

## **G7. LAWCX Update**

Ron Stock provided the Board of Directors with an update of LAWCX matters pertinent to SCORE. Ron Stock noted that the November meeting covered funding rates, confidence levels and adopting of the budget for next year- he also noted there has been an increase in rates by about 8.5% from last year.

## **H. FINANCIAL**

### **H1a. Quarterly Financials for Period Ending September 30, 2014**

Board Members were provided a copy of the September 30, 2014 Quarterly financials and Statement of Net Assets presented by Gilbert Associates, Inc.

### **H1b. Period Ending December 31, 2014**

Ms. Tracey Smith-Reed and Kevin Wong from Gilbert Associates presented the Quarterly Financials as of December 31, 2014. Total claims expenses since July 1 are \$1,644,101.37, with Net Operating Revenue of negative \$687,425.07, mainly due to an increase of \$602,914.02 in claim reserves.

**A motion was made to accept and file the Quarterly Financials for Period Ending September 30, 2014 and Period Ending December 31, 2014 as presented.**

**MOTION:** Linda Romaine

**SECOND:** Don Kincade

**MOTION CARRIED  
UNANIMOUSLY**

## **H2. Banking Layer Balances and Adjustments**

### **H2a. Banking Layer Balances**

Gilbert Associates presented the member Banking Layer balances for review and as a starting point for the Dividend and Assessment Analysis. At this time no changes were recommended.

### **H2b. Dividend & Assessment Analysis**

Gilbert Associates provided a draft updated analysis of the pool's financial position as respects any dividends or assessments that may be declared, per SCORE's Dividend and Assessment Plan (DAP).

Kevin Wong explained this was an information only item to illustrate the formula approved last year. The analysis is based on the 6/30/2014 audited financial statements, with outstanding liabilities at the 70% confidence level. The illustration is of a \$250,000 distribution (in the green section) from shared into banking



Distributions of the shared layer flow into banking layer (yellow section) allocated on a per member basis and any funds distributed from the banking layer are subject to Board approval and minimum balance requirements (\$12,500/per member or member average of claims whichever is higher).

Michael Simmons noted that we will review and evaluate thresh holds and will come back with a recommendation regarding dividends or assessments for next meeting

## **H2c. City of Crescent City & City of Williams Dividend Release Request**

The Board of Directors was provided the opportunity to review and discuss the request for a dividend release made by the City of Crescent City and City of Williams. Half of the dividends declared since they left SCORE are now eligible for release. Marcus Beverly noted that dividends held for the City of Williams total \$215,48, with \$107,742 eligible for release. Dividends held for Crescent City were \$380,010, but with prior payments of \$178,120 the amount eligible for release is \$11,885.

**A motion was made to release half of the funds available to the City of Crescent City and City of Williams per the SCORE policy.**

**MOTION:** Pam Russell

**SECOND:** Ron Stock

**MOTION CARRIED  
UNANIMOUSLY**

## **JPA BUSINESS**

### **II. Risk Control Issues**

#### **IIa. Target Solutions Renewal Agreement & On-Line Platform Overview**

The Board of Directors received an update regarding ongoing services being provided by Target Solutions. At the last board meeting Marcus Beverly was given authority to negotiate with Target Solutions and after researching other vendors it was noted that Target Solutions was the most cost effective vendor for online training resources as they have agreed to extend the same rate due to our long standing relationship with them. Marcus Beverly also noted that SCORE members have access to all the material that is offered by Target Solutions, unlike accessing through CSAC-EIA, and it also provides the ability to assign training, track individuals and ensure compliance with OSHA and internal requirements.

Michelle Minnick also provided information regarding Target Solutions and noted that Jennifer Jones has offered her assistance to all members' cities that may be in need of help setting up their member websites and she can also provide valuable advice regarding the creation of training assignments for your cities and towns. Members were encouraged to reach out to her by March 15, 2015 with any questions about Target Solutions and the services they offer. Jennifer Jones also provided the names of the Administrators for each member city website and Michelle Minnick will be reaching out to the member cities to check if the administrator assigned is still an active employee and also to ensure they are aware of their responsibilities to assign out the training.

Roger Carroll mentioned that using Target Solutions training is easy to use and setting up a deadline to complete the training once assigned is a great tool so that the person assigning the training doesn't



have to remember- the program will continue to remind the person assigned that there is a deadline to complete the training.

### **I1b. SCORE Fire Fighter Physical Fitness Policy- Ad Hoc Committee**

The Board of Directors received an update and recommendations from the Ad Hoc Committee to approve suggested changes to the SCORE Fire Fighter Physical Fitness Policy. The language has been softened to recommend versus require compliance with all but the DMV and OSHA requirements. I was noted the cost of exams has been an issue and that the age threshold for requiring annual physicals was raised from 35 to 40.

Don Kincade noted that there is a grant through Siskiyou county which provides the required physicals for \$125, and information about grants available to all members was included in the agenda material.

**A motion was made to approve the policy language as presented.**

**MOTION:** Don Kincade

**SECOND:** Muriel Howarth Terrell

**MOTION CARRIED  
UNANIMOUSLY**

### **I1c. Risk Management Best Practices and Scorecard**

Marcus Beverly presented the Board of Directors with a framework for Risk Management best practices and a scorecard for tracking member exposures and status of compliance with the best practices. Marcus Beverly also provided a sample scorecard and noted it will be revised as new information is received. The scorecard will also act as a snapshot of each city which will help identify the exposures of each member city so we can take action to prevent claims. The scorecard will also add credibility and accountability to all member cities to maintain certain standards. It was noted that as DKF Solutions completes their site inspections they will be incorporating the scorecard items into their reports.

### **ACI Employee Assistance Orientation & Wellness LUNCH Presentation**

Kathryn Mullis and John Schack from ACI provided the Board of Directors with an Orientation Presentation which included information regarding the Wellness Program as well as the EAP.

### **I1d. DKF Solutions Training Services Timeline Update**

The Board of Directors received a progress update about ongoing services being provided by David Patzer and DKF Solutions. They will be visiting every SCORE city over the next 2 months to review the results of the risk control survey, provide biomechanics and ergonomic training, and develop a work plan to enact over the next year.

Last December they conducted a workshop in Redding on state mandated sewer management plans. They are scheduling Sewer Maintenance Workshops in May. Now every Sanitary Sewer Overflow (SSO) has to be reported, including how much spilled and how much recovered, and training



includes estimating those numbers. Members that have sanitary sewer must be registered with the State- fines for not doing so.

Cal OSHA has proposed hiring approximately 130 employees with the intent of conducting 1,400 work site inspections over the next 2 years. Confined Space is one target of the inspection program, including rescue plans. In the event of emergency you must have a plan to get someone out of a confined space and it can't be just calling 911. Member on-site reviews will include discussion of this topic and assistance as needed.

### **I1e. 2015 Resource Contact Guide**

The Board of Directors was provided a copy of the updated Resource Contact Guide for easy reference in accessing member services and resources. Michelle Minnick also noted that there have been changes to the Resource Contact Guide which now includes all the services available to member cities through their SCORE membership. A brief description of the vendor services has also been included as well as contact information in the event members have a question and need to contact a vendor directly. The goal of the Resource Contact Guide is to keep members informed about all the services they can access and to ensure the members are taking advantage of the vast amount of resources available to them. This will also be posted to the website and can be accessed electronically.

### **I1f. Loss Control Grant Fund Program**

The Board of Directors will review the current status of the Loss Control Grant Program and was asked to make a recommendation regarding its future. Marcus Beverly noted the grant program was started about a year ago with the intent to provide members with funds to be used for loss control services, training and other risk control needs as well as to provide funding for items or services that will offer a long term benefit to each Member. It was also noted that there are members who have requested more loss control grant funds than are allotted to them and currently we are waiting for the Board of Directors to determine if SCORE will continue the Loss Control Grant program for the next year. If the program is continued for the next year those members who exceeded the loss control grant funds allotted will have funds deducted from the next fiscal year's allotment.

There was unanimous approval to continue the program through the next year. Marcus Beverly noted this will be included in the next year's budget calculations.

### **I2. Confirmation of Meeting Locations (and Dates)**

The Board of Directors was asked to confirm the location for the two remaining 2014/15 meetings and discuss dates and locations for the 2015/16 meetings. Originally the 1/23/2015 meeting and the next two meetings were set to take place in Shasta Lake. However, it was decided to host this meeting at the Gaia Hotel which has good acoustics, plenty of room and is centrally located for all members. After discussion it was decided the next two meetings will be held at the Gaia Hotel in Anderson, CA.



It was also noted that a location and date need to be set for the October Training Day. After a discussion it was decided the date of the October Training day meeting will be October 29-30, 2015. The Board of Directors noted their preference of locations for the October Training day meeting to be Mt. Shasta Resort (first choice) and South Lake Tahoe (second choice). Michelle Minnick will research the costs associated with hosting the training day at both locations to determine what location would be more cost effective.

### **I3. Discussion of 2014/15 Long Range Planning Results**

Marcus Beverly provided a review of feedback from the 2014/15 Long Range Planning Session and recommendations for future activities. Members discussed and provide feedback on the topics.

Many of the recommendations have been implemented, most notably increasing risk control services and training resources. In person training was requested, including scheduling an Ethics & Sexual Harassment in person training, and inviting non-SCORE members as space permits. This could assist in recommendation to grow membership, and members were asked to help to identify potential candidates.

### **I4. 2015 Service Calendar**

Ms. Michelle Minnick presented the 2015 Service Calendar to the Board of Directors and noted that the calendar will now include deadlines for submission of items that will be requested throughout the year.

**A motion was made to accept the 2015 Service Calendar.**

**MOTION:** Steve Baker

**SECOND:** Don Kincade

**MOTION CARRIED  
UNANIMOUSLY**

### **I5. 2015 State of the Insurance Market Presentation**

Mr. Michael Simmons provided an overview of the current the state of the insurance market

**This was an information item.**

### **J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95**

At 1:57 P.M, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

#### **1. Liability**

- a. Cardoza v City of Mt. Shasta\*

**MOTION: Pamela Russell SECOND: Linda Romaine**  
*Motion Carried Unanimously*

- b. Larsen v City of Isleton
- c. Abaco v Town of Loomis



- d. Sierra County v City of Loyalton
- e. Eriksen v City of Mt. Shasta
- f. Fabbrini v City of Dunsmuir
- g. Arth v Dunsmuir
- h. Mears et al v Town of Loomis\*

**MOTION: Steve Baker SECOND: Linda Romaine**  
***Motion Carried Unanimously***

- i. Reyna v City of Colfax

## **K. REPORT FROM CLOSED SESSION**

The Board returned from closed session at 2:23 PM. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

## **L. INFORMATION ITEMS**

**L1. 2014 PARMA Conference – February 8 – 11, 2015 in Anaheim, CA.**

**L2. Glossary of Terms**

This was provided as an information item only.

## **M. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES**

**There were no discussion items.**

## **CLOSING COMMENTS**

There were no closing comments.

## **AJOURNMENT**

The meeting was adjourned at 2:31 PM

**NEXT MEETING DATE: March 27, 2015 in Anderson, CA**

Respectfully Submitted,

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Pamela Russell, Secretary

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Date



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
January 1, 2015 to January 31, 2015

**SALE/MATURITY SUMMARY**

Trade Date	Asset	Description	Cost Basis	Proceeds	Estimated Gain/Loss
01/13/15	U S Treasury Nt 0.375% 1/31/16	Sold 75,000	- 75,050.06	75,125.73	75.67
01/15/15	John Deere Owner 0.530% 7/15/16	Paid Down 7,491.25	- 7,483.06	7,491.25	8.19
01/15/15	Toyota Auto Rec 0.29133% 7/15/16	Paid Down 5,748.81	- 5,748.26	5,748.81	0.55
01/18/15	Honda Auto Receivabl 0.520% 8/18/16	Paid Down 6,513.01	- 6,512.38	6,513.01	0.63
01/27/15	F F C B Deb 0.500% 5/01/15	Sold 150,000	- 149,853.00	150,127.50	274.50
<b>Total Assets Disposed</b>			<b>- \$244,646.76</b>	<b>\$245,006.30</b>	<b>\$359.54</b>
			- Cost Basis		
			- Proceeds		
			- Estimated Gain/Loss		

For information only. Not intended for tax purposes.

**World Class Service Delivered by World Class Professionals-Guaranteed!**





ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
January 1, 2015 to January 31, 2015

**TRANSACTION DETAIL (continued)**

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
01/16/15	Purchased 125,000 Par Value Of John Deere M T N 1.350% 1/16/18 Trade Date 1/13/15 Purchased Through Barclays Capital Inc. Fixed In 125,000 Par Value At 99.95 %		- 124,937.50	- 33,807.91
01/20/15	Interest Earned On Honda Auto Receivabl 0.520% 8/18/16 \$.000043/Pv On 54,152.01 Pv Due 1/18/15	23.47		- 33,784.44
01/20/15	Paid Down 6,513.01 Par Value Of Honda Auto Receivabl 0.520% 8/18/16 Trade Date 1/18/15		6,513.01	- 27,271.43
01/20/15	Interest Earned On Honda Auto 0.693% 3/19/18 0.000642 USD/\$1 Pv On 90,000 Par Value Due 1/18/15	57.75		- 27,213.68
01/27/15	Trust Fees Collected Charged For Period 12/01/2014 Thru 12/31/2014		- 104.17	- 27,317.85
01/28/15	Interest Earned On F N M A M T N 2.375% 7/28/15 0.011875 USD/\$1 Pv On 100,000 Par Value Due 1/28/15	1,187.50		- 26,130.35
01/28/15	Purchased 175,000 Par Value Of U S Treasury Nt 1.500% 11/30/19 Trade Date 1/27/15 Purchased Through Barclays Capital Inc. Fixed In 175,000 Par Value At 100.871429 %		- 176,525.00	- 202,655.35
01/28/15	Paid Accrued Interest On Purchase Of U S Treasury Nt 1.500% 11/30/19 Income Debit 425.48- USD	- 425.48		- 203,080.83
01/28/15	Sold 150,000 Par Value Of F F C B Deb 0.500% 5/01/15 Trade Date 1/27/15 Sold Through Morgan Stanley & CO., Incorpor 150,000 Par Value At 100.085 %		150,127.50	- 52,953.33
01/28/15	Received Accrued Interest On Sale Of F F C B Deb 0.500% 5/01/15 Income Credit 181.25 USD	181.25		- 52,772.08
01/30/15	Interest Earned On F N M A M T N 1.250% 1/30/17 0.00625 USD/\$1 Pv On 175,000 Par Value Due 1/30/15	1,093.75		- 51,678.33
	Combined Purchases For The Period 1/ 1/15 - 1/31/15 Of First Amer Govt Oblig Fund Cl Y		- 101,087.07	- 152,765.40
	Combined Sales For The Period 1/ 1/15 - 1/31/15 Of First Amer Govt Oblig Fund Cl Y		152,765.40	0.00
01/31/15	Ending Cash Balance	\$236,735.29	- \$236,735.29	\$0.00



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
January 1, 2015 to January 31, 2015

**TRANSACTION DETAIL**

Date Posted	Description	Income Cash	Principal Cash	Balance
01/01/15	Beginning Cash Balance	\$230,771.25	- \$230,771.25	\$0.00
01/02/15	Interest Earned On First Amer Govt Oblig Fund CI Y Interest From 12/1/14 To 12/31/14	0.58		0.58
01/05/15	Interest Earned On Jpmorgan Chase 3.150% 7/05/16 0.01575 USD/\$1 Pv On 125,000 Par Value Due 1/5/15	1,968.75		1,969.33
01/06/15	Cash Disbursement Paid To Chandler Asset Management, Inc. Investment Counsel Fee Mgmt Fees For Period Ending 12/31/14, Inv: 16403		- 1,082.00	887.33
01/14/15	Sold 75,000 Par Value Of U S Treasury Nt 0.375% 1/31/16 Trade Date 1/13/15 Sold Through Deutsche Bank Securities, Inc. 75,000 Par Value At 100.167634 %		75,125.73	76,013.06
01/14/15	Received Accrued Interest On Sale Of U S Treasury Nt 0.375% 1/31/16 Income Credit 127.63 USD	127.63		76,140.69
01/15/15	Interest Earned On Toyota Auto 0.670% 12/15/17 0.000558 USD/\$1 Pv On 90,000 Par Value Due 1/15/15	50.25		76,190.94
01/15/15	Interest Earned On Chase Iss Trust 0.590% 8/15/17 \$0.00049/Pv On 160,000.00 Pv Due 1/15/15	78.67		76,269.61
01/15/15	Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 45,000.00 Pv Due 1/15/15	32.63		76,302.24
01/15/15	Interest Earned On John Deere Owner 0.530% 7/15/16 \$0.00044/Pv On 52,921.23 Pv Due 1/15/15	23.37		76,325.61
01/15/15	Paid Down 7,491.25 Par Value Of John Deere Owner 0.530% 7/15/16 Trade Date 1/15/15		7,491.25	83,816.86
01/15/15	Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 125,000.00 Pv Due 1/15/15	95.83		83,912.69
01/15/15	Interest Earned On Toyota Auto Rec 0.29133% 7/15/16 \$0.00038/Pv On 43,930.21 Pv Due 1/15/15	16.84		83,929.53
01/15/15	Paid Down 5,748.81 Par Value Of Toyota Auto Rec 0.29133% 7/15/16 Trade Date 1/15/15		5,748.81	89,678.34
01/15/15	Interest Earned On Wells Fargo CO 2.150% 1/15/19 0.01075 USD/\$1 Pv On 135,000 Par Value Due 1/15/15	1,451.25		91,129.59

**CASH SUMMARY**

	Income Cash	Principal Cash	Total
<b>Beginning Cash Balance</b>	\$230,771.25	- \$230,771.25	\$0.00
<b>Receipts</b>			
Interest	5,964.04	0.00	5,964.04
Sales/Maturities	0.00	245,006.30	245,006.30
Cash Equivalent Sales	0.00	152,765.40	152,765.40
<b>Total Cash Receipts</b>	<b>\$5,964.04</b>	<b>\$397,771.70</b>	<b>\$403,735.74</b>
<b>Disbursements</b>			
Trust & Investment Fees	0.00	- 1,186.17	- 1,186.17
Purchases	0.00	- 301,462.50	- 301,462.50
Cash Equivalent Purchases	0.00	- 101,087.07	- 101,087.07
<b>Total Cash Disbursements</b>	<b>\$0.00</b>	<b>- \$403,735.74</b>	<b>- \$403,735.74</b>
<b>Ending Cash Balance</b>	<b>\$236,735.29</b>	<b>- \$236,735.29</b>	<b>\$0.00</b>



**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
<b>Taxable Bonds</b>						
150,000.000	Eli Lilly CO 1.950 03/15/2019	532457BF4	153,520.50 102.347	149,341.50	1.90	2,925.00
150,000.000	F H L M C M T N 1.750 05/30/2019	3137EADG1	154,119.00 102.746	150,455.70	1.70	2,625.00
175,000.000	U S Treasury Note 1.500 05/31/2019	912828WL0	177,926.00 101.672	172,977.15	1.47	2,625.00
200,000.000	U S Treasury Note 1.625 07/31/2019	912828WW6	204,344.00 102.172	199,586.61	1.59	3,250.00
135,000.000	Bank Of NY Mellon Medium Term Note 2.300 09/11/2019	06406HCW7	138,264.30 102.418	135,334.80	2.25	3,105.00
250,000.000	F N M A 1.750 09/12/2019	3135G0ZG1	255,045.00 102.018	249,452.50	1.71	4,375.00
135,000.000	Hsbc Usa Inc 2.375 11/13/2019	40428HPN6	137,748.60 102.036	135,329.40	2.33	3,206.25
175,000.000	U S Treasury Note 1.500 11/30/2019	912828G61	177,639.00 101.508	176,525.00	1.48	2,625.00
	<b>Total Taxable Bonds</b>		<b>\$10,424,893.23</b>	<b>\$9,709,566.95</b>		<b>\$154,323.29</b>
<b>Cash &amp; Equivalents</b>						
215,000.000	Bank Tokyo Mitsubishi C P 02/20/2015	06538CPL9	214,982.80 99.992	214,846.99	0.21	457.78
25,392.300	First American Government Obligation Fund CI Y	31846V203	25,392.30 1.000	25,392.30	0.01	1.55
200,000.000	Pnc Bank Na C P 09/02/2015	69349KW22	199,528.00 99.764	199,440.56	0.39	770.55
	Income Cash		\$236,735.29	\$236,735.29		\$0.00
	Principal Cash		- \$236,735.29	- \$236,735.29		\$0.00
	<b>Total Cash &amp; Equivalents</b>		<b>\$439,903.10</b>	<b>\$439,679.85</b>		<b>\$1,229.88</b>
	<b>Total Investments</b>		<b>\$10,864,796.33</b>	<b>\$10,149,246.80</b>		<b>\$155,553.17</b>

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.



**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
<b>Taxable Bonds</b>						
160,000.000	Federal Farm Credit Bks 0.830 09/21/2017	3133EAY28	161,928.00 101.205	160,000.00	0.82	1,328.00
105,000.000	F N M A 1.000 09/27/2017	3135G0ZL0	105,547.05 100.521	104,625.15	0.99	1,050.00
300,000.000	U S Treasury Note 0.625 11/30/2017	912828UA6	299,064.00 99.688	298,864.29	0.63	1,875.00
140,000.000	Chevron Corp 1.104 12/05/2017	166764AA8	139,976.20 99.983	40,000.00	1.10	1,545.60
120,000.000	General Electric CO 5.250 12/06/2017	369604BC6	133,879.20 111.566	136,032.00	4.71	6,300.00
135,000.000	Intel Corp 1.350 12/15/2017	458140AL4	136,024.65 100.759	134,711.10	1.34	1,822.50
90,000.000	Toyota Auto Reveivables Owner Trust A B S Ser 2014 A CI A3 0.670 12/15/2017	89231MAC9	89,864.10 99.849	89,983.37	0.67	603.00
150,000.000	F N M A Deb 0.875 12/20/2017	3135G0RT2	150,067.50 100.045	149,523.00	0.88	1,312.50
125,000.000	John Deere Capital Corp Medium Term Note 1.350 01/16/2018	24422EST7	125,803.75 100.643	124,937.50	1.34	1,687.50
300,000.000	F H L M C Deb 0.875 03/07/2018	3137EADP1	299,679.00 99.893	225,281.25	0.88	2,625.00
215,000.000	Federal Home Loan Bks 1.375 03/09/2018	313378A43	217,769.20 101.288	213,970.15	1.36	2,956.25
90,000.000	Honda Auto Receivables Owner Trust A B S Ser 2014 2 CI A3 0.770 03/19/2018	43814GAC4	89,971.20 99.968	89,989.18	0.69	623.70
125,000.000	John Deere Owner Trust C M O Ser 2014 A CI A3 0.920 04/16/2018	47787VAC5	125,227.50 100.182	124,979.98	0.92	1,150.00
135,000.000	Apple Inc 1.000 05/03/2018	037833AJ9	134,451.90 99.594	109,594.10	1.00	1,350.00
250,000.000	F N M A Deb 0.875 05/21/2018	3135G0WJ8	249,105.00 99.642	245,652.50	0.88	2,187.50
50,000.000	U S Treasury Note 1.375 07/31/2018	912828VQ0	50,773.50 101.547	50,021.65	1.35	687.50
250,000.000	U S Treasury Note 1.500 08/31/2018	912828RE2	254,882.50 101.953	247,725.45	1.47	3,750.00
200,000.000	Federal Home Loan Bks 2.000 09/14/2018	313375K48	206,564.00 103.282	204,446.00	1.94	4,000.00
400,000.000	F N M A Deb 1.625 11/27/2018	3135G0YT4	407,932.00 101.983	400,556.00	1.59	6,500.00
135,000.000	Wells Fargo Company 2.150 01/15/2019	94974BFQ8	137,069.55 101.533	135,160.65	2.12	2,902.50
350,000.000	U S Treasury Note 1.500 01/31/2019	912828B33	356,289.50 101.797	350,803.91	1.47	5,250.00
225,000.000	U S Treasury Note 1.500 02/28/2019	912828C24	229,095.00 101.820	224,490.99	1.47	3,375.00
135,000.000	Cisco Systems Inc 2.125 03/01/2019	17275RAR3	138,531.60 102.616	135,315.90	2.07	2,868.75

ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORTThis statement is for the period from  
January 1, 2015 to January 31, 2015**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
<b>Taxable Bonds</b>						
310,000.000	F H L M C M T N 2.500 05/27/2016	3137EACT4	318,804.00 102.840	268,105.76	2.43	7,750.00
200,000.000	Federal Home Loan Bks 2.125 06/10/2016	313373SZ6	204,488.00 102.244	209,390.00	2.08	4,250.00
125,000.000	Jpmorgan Chase CO 3.150 07/05/2016	46625HJA9	128,760.00 103.008	130,781.25	3.06	3,937.50
45,429.980	John Deere Owner Trust A B S Ser 2012 B CI A3 0.530 07/15/2016	47787RAC4	45,440.88 100.024	45,380.29	0.53	240.78
38,181.400	Toyota Auto Receivables Owner Tr A B S Ser 2012 B CI A3 0.540 07/15/2016	89231NAC7	38,192.47 100.029	38,177.76	0.29	111.24
47,639.000	Honda Auto Receivables Owner Trust A B S Ser 2012 4 CI A3 0.520 08/18/2016	43813CAC4	47,640.43 100.003	47,634.38	0.52	247.72
300,000.000	F H L M C M T N 2.000 08/25/2016	3137EACW7	307,644.00 102.548	312,151.20	1.95	6,000.00
50,000.000	U S Treasury Note 1.000 08/31/2016	912828RF9	50,500.00 101.000	50,338.06	0.99	500.00
150,000.000	U S Treasury Note 1.000 09/30/2016	912828RJ1	151,546.50 101.031	149,619.64	0.99	1,500.00
65,000.000	F N M A Deb 1.375 11/15/2016	3135G0ES8	66,018.55 101.567	65,514.15	1.35	893.75
275,000.000	U S Treasury Note 0.875 11/30/2016	912828RU6	277,213.75 100.805	275,602.49	0.87	2,406.25
250,000.000	Federal Home Loan Bks 1.625 12/09/2016	313371PV2	254,905.00 101.962	256,575.00	1.59	4,062.50
175,000.000	F N M A M T N 1.250 01/30/2017	3135G0GY3	177,362.50 101.350	174,983.73	1.23	2,187.50
200,000.000	F N M A M T N 1.000 02/27/2017	3135G0UY7	200,072.00 100.036	201,900.00	1.00	2,000.00
200,000.000	F H L M C M T N 1.000 03/08/2017	3137EADC0	201,636.00 100.818	196,430.40	0.99	2,000.00
150,000.000	Exxon Mobil Corporation 0.921 03/15/2017	30231GAA0	150,883.50 100.589	150,000.00	0.92	1,381.50
150,000.000	US Bancorp Medium Term Note 1.650 05/15/2017	91159HHD5	152,064.00 101.376	152,167.50	1.63	2,475.00
105,000.000	Berkshire Hathaway Fin 1.600 05/15/2017	084664BS9	106,666.35 101.587	29,976.90	1.57	1,680.00
200,000.000	Federal Home Loan Bks 1.000 06/09/2017	313379FW4	201,542.00 100.771	199,758.00	0.99	2,000.00
160,000.000	Chase Issuance Trust A B S Ser 2012 A5 CI A5 0.590 08/15/2017	161571FL3	160,084.80 100.053	160,231.25	0.59	944.00
45,000.000	John Deere Owner Trust A B S Ser 2013 B CI A3 0.870 08/15/2017	477879AC4	45,108.00 100.240	44,993.87	0.87	391.50
400,000.000	U S Treasury Note 0.625 08/31/2017	912828TM2	399,564.00 99.891	249,160.99	0.63	2,500.00



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
January 1, 2015 to January 31, 2015

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SMALL CITIES ORGANIZED RISK EFFORT  
1792 TRIBUTE RD, SUITE 450  
SACRAMENTO, CA 95815-4320

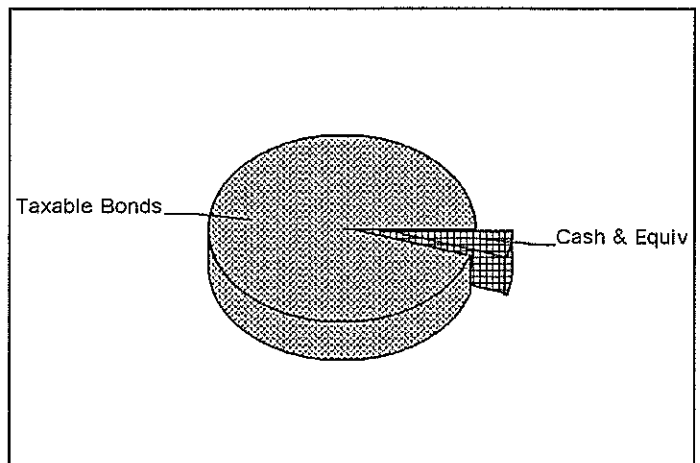
**QUESTIONS?**

If you have any questions regarding  
your account or this statement, please  
call your Relationship Manager:

**Christopher Stewart**  
CN-OH-W5IT  
6225 Lusk Boulevard  
San Diego, CA  
92121  
Phone 513-632-4194  
E-mail christopher.stewart3@usbank.com

**ASSET SUMMARY AS OF 01/31/15**

	<u>Market Value</u>	<u>% of Total</u>	<u>Est Annual Income</u>
Taxable Bonds	\$10,424,893.23	96.0	\$154,323.29
Cash & Equivalents	\$439,903.10	4.0	\$1,229.88
<b>Total Market Value</b>	<b>\$10,864,796.33</b>	<b>100.0</b>	<b>\$155,553.17</b>



**ASSET DETAIL**

<u>Shares/ Par</u>	<u>Security Description</u>	<u>CUSIP</u>	<u>Market Value/ Price</u>	<u>Cost Basis</u>	<u>Yield At Market</u>	<u>Est Annual Inc</u>
<b>Taxable Bonds</b>						
100,000.000	Berkshire Hathaway Inc 3.200 02/11/2015	084670AV0	\$100,056.00 100.056	\$29,975.10	3.20	\$3,200.00
100,000.000	F N M A M T N 2.375 07/28/2015	31398AU34	101,086.00 101.086	103,014.00	2.35	2,375.00
265,000.000	Procter Gamble CO The 1.800 11/15/2015	742718DS5	267,981.25 101.125	171,770.72	1.78	4,770.00
120,000.000	F N M A Deb 0.375 12/21/2015	3135G0SB0	120,120.00 100.100	119,720.40	0.38	450.00
120,000.000	Federal Farm Credit Bks 2.350 12/22/2015	31331J6C2	122,197.20 101.831	120,434.40	2.31	2,820.00
275,000.000	F N M A M T N 2.375 04/11/2016	3135G0BA0	281,814.50 102.478	282,544.63	2.32	6,531.25
105,000.000	Google Inc 2.125 05/19/2016	38259PAC6	107,399.25 102.285	107,568.30	2.08	2,231.25



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
February 1, 2015 to February 28, 2015

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SMALL CITIES ORGANIZED RISK EFFORT  
1792 TRIBUTE RD, SUITE 450  
SACRAMENTO, CA 95815-4320

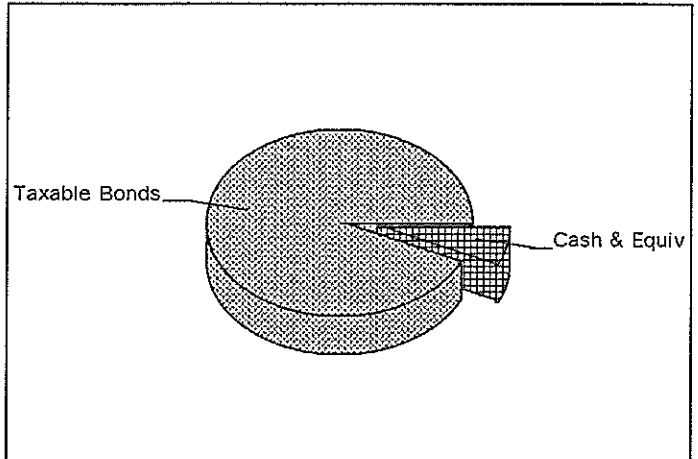
**QUESTIONS?**

If you have any questions regarding  
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**Christopher Stewart**  
CN-OH-W5IT  
6225 Lusk Boulevard  
San Diego, CA  
92121  
Phone 513-632-4194  
E-mail christopher.stewart3@usbank.com

**ASSET SUMMARY AS OF 02/28/15**

	<u>Market Value</u>	<u>% of Total</u>	<u>Est Annual Income</u>
Taxable Bonds	\$10,079,673.00	93.1	\$148,712.82
Cash & Equivalents	\$742,120.32	6.9	\$1,414.80
<b>Total Market Value</b>	<b>\$10,821,793.32</b>	<b>100.0</b>	<b>\$150,127.62</b>



**ASSET DETAIL**

<u>Shares/ Par</u>	<u>Security Description</u>	<u>CUSIP</u>	<u>Market Value/ Price</u>	<u>Cost Basis</u>	<u>Yield At Market</u>	<u>Est Annual Inc</u>
<b>Taxable Bonds</b>						
100,000.000	F N M A M T N 2.375 07/28/2015	31398AU34	\$100,896.00 100.896	\$103,014.00	2.35	\$2,375.00
265,000.000	Procter Gamble CO The 1.800 11/15/2015	742718DS5	267,453.90 100.926	171,770.72	1.78	4,770.00
120,000.000	F N M A Deb 0.375 12/21/2015	3135G0SB0	120,126.00 100.105	119,720.40	0.38	450.00
120,000.000	Federal Farm Credit Bks 2.350 12/22/2015	31331J6C2	122,008.80 101.674	120,434.40	2.31	2,820.00
275,000.000	F N M A M T N 2.375 04/11/2016	3135G0BA0	281,099.50 102.218	282,544.63	2.32	6,531.25
105,000.000	Google Inc 2.125 05/19/2016	38259PAC6	107,131.50 102.030	107,568.30	2.08	2,231.25
310,000.000	F H L M C M T N 2.500 05/27/2016	3137EACT4	317,923.60 102.556	268,105.76	2.44	7,750.00



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORTThis statement is for the period from  
February 1, 2015 to February 28, 2015**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
<b>Taxable Bonds</b>						
200,000.000	Federal Home Loan Bks 2.125 06/10/2016	313373SZ6	204,356.00 102.178	209,390.00	2.08	4,250.00
36,103.690	John Deere Owner Trust A B S Ser 2012 B CI A3 0.530 07/15/2016	47787RAC4	36,109.47 100.016	36,064.20	0.53	191.35
32,883.660	Toyota Auto Receivables Owner Tr A B S Ser 2012 B CI A3 0.540 07/15/2016	89231NAC7	32,891.22 100.023	32,880.53	0.29	95.80
41,483.370	Honda Auto Receivables Owner Trust A B S Ser 2012 4 CI A3 0.520 08/18/2016	43813CAC4	41,482.13 99.997	41,479.35	0.52	215.71
300,000.000	F H L M C M T N 2.000 08/25/2016	3137EACW7	306,669.00 102.223	312,151.20	1.96	6,000.00
50,000.000	U S Treasury Note 1.000 08/31/2016	912828RF9	50,398.50 100.797	50,338.06	0.99	500.00
150,000.000	U S Treasury Note 1.000 09/30/2016	912828RJ1	151,230.00 100.820	149,619.64	0.99	1,500.00
65,000.000	F N M A Deb 1.375 11/15/2016	3135G0ES8	65,818.35 101.259	65,514.15	1.36	893.75
200,000.000	U S Treasury Note 0.875 11/30/2016	912828RU6	201,140.00 100.570	200,438.17	0.87	1,750.00
250,000.000	Federal Home Loan Bks 1.625 12/09/2016	313371PV2	254,520.00 101.808	256,575.00	1.60	4,062.50
175,000.000	F N M A M T N 1.250 01/30/2017	3135G0GY3	176,926.75 101.101	174,983.73	1.24	2,187.50
200,000.000	F H L M C M T N 1.000 03/08/2017	3137EADC0	201,352.00 100.676	196,430.40	0.99	2,000.00
150,000.000	Exxon Mobil Corporation 0.921 03/15/2017	30231GAA0	150,625.50 100.417	150,000.00	0.92	1,381.50
150,000.000	US Bancorp Medium Term Note 1.650 05/15/2017	91159HHD5	152,101.50 101.401	152,167.50	1.63	2,475.00
105,000.000	Berkshire Hathaway Fin 1.600 05/15/2017	084664BS9	106,667.40 101.588	29,976.90	1.57	1,680.00
200,000.000	Federal Home Loan Bks 1.000 06/09/2017	313379FW4	201,038.00 100.519	199,758.00	0.99	2,000.00
160,000.000	Chase Issuance Trust A B S Ser 2012 A5 CI A5 0.590 08/15/2017	161571FL3	160,073.60 100.046	160,231.25	0.59	944.00
44,155.810	John Deere Owner Trust A B S Ser 2013 B CI A3 0.870 08/15/2017	477879AC4	44,241.03 100.193	44,149.79	0.87	384.16
400,000.000	U S Treasury Note 0.625 08/31/2017	912828TM2	397,752.00 99.438	249,160.99	0.63	2,500.00
160,000.000	Federal Farm Credit Bks 0.830 09/21/2017	3133EAY28	161,283.20 100.802	160,000.00	0.82	1,328.00
105,000.000	F N M A 1.000 09/27/2017	3135G0ZL0	105,168.00 100.160	104,625.15	1.00	1,050.00
300,000.000	U S Treasury Note 0.625 11/30/2017	912828UA6	297,468.00 99.156	298,864.29	0.63	1,875.00

This statement is for the period from  
February 1, 2015 to February 28, 2015**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
<b>Taxable Bonds</b>						
140,000.000	Chevron Corp 1.104 12/05/2017	166764AA8	139,963.60 99.974	40,000.00	1.10	1,545.60
120,000.000	General Electric CO 5.250 12/06/2017	369604BC6	133,154.40 110.962	136,032.00	4.73	6,300.00
135,000.000	Intel Corp 1.350 12/15/2017	458140AL4	135,778.95 100.577	134,711.10	1.34	1,822.50
90,000.000	Toyota Auto Reveivables Owner Trust A B S Ser 2014 A CI A3 0.670 12/15/2017	89231MAC9	89,891.10 99.879	89,983.37	0.67	603.00
150,000.000	F N M A Deb 0.875 12/20/2017	3135G0RT2	149,317.50 99.545	149,523.00	0.88	1,312.50
125,000.000	John Deere Capital Corp Medium Term Note 1.350 01/16/2018	24422EST7	125,130.00 100.104	124,937.50	1.35	1,687.50
300,000.000	F H L M C Deb 0.875 03/07/2018	3137EADP1	298,278.00 99.426	225,281.25	0.88	2,625.00
215,000.000	Federal Home Loan Bks 1.375 03/09/2018	313378A43	217,201.60 101.024	213,970.15	1.36	2,956.25
90,000.000	Honda Auto Receivables Owner Trust A B S Ser 2014 2 CI A3 0.770 03/19/2018	43814GAC4	89,848.80 99.832	89,989.18	0.69	623.70
125,000.000	John Deere Owner Trust C M O Ser 2014 A CI A3 0.920 04/16/2018	47787VAC5	125,062.50 100.050	124,979.98	0.92	1,150.00
135,000.000	Apple Inc 1.000 05/03/2018	037833AJ9	133,924.05 99.203	109,594.10	1.01	1,350.00
250,000.000	F N M A Deb 0.875 05/21/2018	3135G0WJ8	247,445.00 98.978	245,652.50	0.88	2,187.50
50,000.000	U S Treasury Note 1.375 07/31/2018	912828VQ0	50,344.00 100.688	50,021.65	1.37	687.50
250,000.000	U S Treasury Note 1.500 08/31/2018	912828RE2	252,577.50 101.031	247,725.45	1.48	3,750.00
200,000.000	Federal Home Loan Bks 2.000 09/14/2018	313375K48	204,746.00 102.373	204,446.00	1.95	4,000.00
400,000.000	F N M A Deb 1.625 11/27/2018	3135G0YT4	404,340.00 101.085	400,556.00	1.61	6,500.00
135,000.000	Wells Fargo Company 2.150 01/15/2019	94974BFQ8	136,251.45 100.927	135,160.65	2.13	2,902.50
350,000.000	U S Treasury Note 1.500 01/31/2019	912828B33	352,460.50 100.703	350,803.91	1.49	5,250.00
225,000.000	U S Treasury Note 1.500 02/28/2019	912828C24	226,494.00 100.664	224,490.99	1.49	3,375.00
135,000.000	Cisco Systems Inc 2.125 03/01/2019	17275RAR3	137,521.80 101.868	135,315.90	2.09	2,868.75
150,000.000	Eli Lilly CO 1.950 03/15/2019	532457BF4	151,632.00 101.088	149,341.50	1.93	2,925.00
150,000.000	F H L M C M T N 1.750 05/30/2019	3137EADG1	151,497.00 100.998	150,455.70	1.73	2,625.00
175,000.000	U S Treasury Note 1.500 05/31/2019	912828WL0	175,806.75 100.461	172,977.15	1.49	2,625.00

This statement is for the period from  
February 1, 2015 to February 28, 2015**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
<b>Taxable Bonds</b>						
200,000.000	U S Treasury Note 1.625 07/31/2019	912828WW6	201,672.00 100.836	199,586.61	1.61	3,250.00
135,000.000	Bank Of NY Mellon Medium Term Note 2.300 09/11/2019	06406HCW7	137,087.10 101.546	135,334.80	2.26	3,105.00
250,000.000	F N M A 1.750 09/12/2019	3135G0ZG1	252,155.00 100.862	249,452.50	1.73	4,375.00
135,000.000	Hsbc Usa Inc 2.375 11/13/2019	40428HPN6	135,927.45 100.687	135,329.40	2.36	3,206.25
175,000.000	U S Treasury Note 1.500 11/30/2019	912828G61	175,136.50 100.078	176,525.00	1.50	2,625.00
135,000.000	Jpmorgan Chase CO 2.250 01/23/2020	46625HKA7	134,257.50 99.450	134,410.05	2.26	3,037.50
100,000.000	U S Treasury Note 1.250 01/31/2020	912828H52	98,820.00 98.820	98,750.34	1.26	1,250.00
	<b>Total Taxable Bonds</b>		<b>\$10,079,673.00</b>	<b>\$9,483,294.24</b>		<b>\$148,712.82</b>
<b>Cash &amp; Equivalents</b>						
220,000.000	Bank Of Tokyo Mitsubis C P 06/29/2015	06538CTV3	219,795.40 99.907	219,784.40	0.28	624.56
322,722.920	First American Government Obligation Fund Cl Y	31846V203	322,722.92 1.000	322,722.92	0.01	19.69
200,000.000	Pnc Bank Na C P 09/02/2015	69349KW22	199,602.00 99.801	199,440.56	0.39	770.55
	Income Cash		\$247,818.60	\$247,818.60		\$0.00
	Principal Cash		- \$247,818.60	- \$247,818.60		\$0.00
	<b>Total Cash &amp; Equivalents</b>		<b>\$742,120.32</b>	<b>\$741,947.88</b>		<b>\$1,414.80</b>
	<b>Total Investments</b>		<b>\$10,821,793.32</b>	<b>\$10,225,242.12</b>		<b>\$150,127.62</b>

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
February 1, 2015 to February 28, 2015

### CASH SUMMARY

	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Total</u>
<b>Beginning Cash Balance</b>	\$236,735.29	- \$236,735.29	\$0.00
<b>Receipts</b>			
Interest	11,083.31	0.00	11,083.31
Sales/Maturities	0.00	740,382.27	740,382.27
Cash Equivalent Sales	0.00	325,486.06	325,486.06
<b>Total Cash Receipts</b>	<u>\$11,083.31</u>	<u>\$1,065,868.33</u>	<u>\$1,076,951.64</u>
<b>Disbursements</b>			
Trust & Investment Fees	0.00	- 104.17	- 104.17
Miscellaneous Disbursements	0.00	- 1,086.00	- 1,086.00
Purchases	0.00	- 452,944.79	- 452,944.79
Cash Equivalent Purchases	0.00	- 622,816.68	- 622,816.68
<b>Total Cash Disbursements</b>	<u>\$0.00</u>	<u>- \$1,076,951.64</u>	<u>- \$1,076,951.64</u>
<b>Ending Cash Balance</b>	<u>\$247,818.60</u>	<u>- \$247,818.60</u>	<u>\$0.00</u>



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
February 1, 2015 to February 28, 2015

**TRANSACTION DETAIL**

Date Posted	Description	Income Cash	Principal Cash	Balance
02/01/15	Beginning Cash Balance	\$236,735.29	- \$236,735.29	\$0.00
02/02/15	Interest Earned On U S Treasury Nt 1.375% 7/31/18 0.006875 USD/\$1 Pv On 50,000 Par Value Due 1/31/15	343.75		343.75
02/02/15	Interest Earned On U S Treasury Nt 1.500% 1/31/19 0.0075 USD/\$1 Pv On 350,000 Par Value Due 1/31/15	2,625.00		2,968.75
02/02/15	Interest Earned On U S Treasury Nt 1.625% 7/31/19 0.008125 USD/\$1 Pv On 200,000 Par Value Due 1/31/15	1,625.00		4,593.75
02/02/15	Interest Earned On First Amer Govt Oblig Fund Cl Y Interest From 1/1/15 To 1/31/15	0.33		4,594.08
02/04/15	Cash Disbursement Paid To Chandler Asset Management Inc Investment Counsel Fee Mgmt Fee For Pe January 31, 2015		- 1,086.00	3,508.08
02/11/15	Matured 100,000 Par Value Of Berkshire Hathwy 3.200% 2/11/15 Trade Date 2/11/15 100,000 Par Value At 100 %		100,000.00	103,508.08
02/11/15	Interest Earned On Berkshire Hathwy 3.200% 2/11/15 0.016 USD/\$1 Pv On 100,000 Par Value Due 2/11/15	1,600.00		105,108.08
02/11/15	Purchased 100,000 Par Value Of U S Treasury Nt 1.250% 1/31/20 Trade Date 2/10/15 Purchased Through Barclays Capital Inc. Fixed In 100,000 Par Value At 98.75034 %		- 98,750.34	6,357.74
02/11/15	Paid Accrued Interest On Purchase Of U S Treasury Nt 1.250% 1/31/20 Income Debit 37.98- USD	- 37.98		6,319.76
02/13/15	Purchased 135,000 Par Value Of Jpmorgan Chase CO 2.250% 1/23/20 Trade Date 2/10/15 Purchased Through J.P. Morgan Securities LLC Purchased On The OTC Bulletin Board 135,000 Par Value At 99.563 %		- 134,410.05	- 128,090.29
02/13/15	Paid Accrued Interest On Purchase Of Jpmorgan Chase CO 2.250% 1/23/20 Income Debit 168.75- USD	- 168.75		- 128,259.04
02/13/15	Sold 125,000 Par Value Of Jpmorgan Chase 3.150% 7/05/16 Trade Date 2/10/15 Sold Through J.P. Morgan Securities LLC Sold On The OTC Bulletin Board 125,000 Par Value At 102.752 %		128,440.00	180.96



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
February 1, 2015 to February 28, 2015

**TRANSACTION DETAIL (continued)**

Date Posted	Description	Income Cash	Principal Cash	Balance
02/13/15	Received Accrued Interest On Sale Of Jpmorgan Chase 3.150% 7/05/16 Income Credit 415.63 USD	415.63		596.59
02/17/15	Interest Earned On Chase Iss Trust 0.590% 8/15/17 0.000492 USD/\$1 Pv On 160,000 Par Value Due 2/15/15 02/15/2015 Interest Payment	78.67		675.26
02/17/15	Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 45,000.00 Pv Due 2/15/15	32.63		707.89
02/17/15	Paid Down 844.19 Par Value Of John Deere Owner 0.870% 8/15/17 Trade Date 2/15/15		844.19	1,552.08
02/17/15	Interest Earned On John Deere Owner 0.530% 7/15/16 \$0.00044/Pv On 45,429.98 Pv Due 2/15/15	20.06		1,572.14
02/17/15	Paid Down 9,326.29 Par Value Of John Deere Owner 0.530% 7/15/16 Trade Date 2/15/15		9,326.29	10,898.43
02/17/15	Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 125,000.00 Pv Due 2/15/15	95.83		10,994.26
02/17/15	Interest Earned On Toyota Auto 0.670% 12/15/17 \$0.00056/Pv On 90,000.00 Pv Due 2/15/15	50.25		11,044.51
02/17/15	Interest Earned On Toyota Auto Rec 0.29133% 7/15/16 \$0.00038/Pv On 38,181.40 Pv Due 2/15/15	14.64		11,059.15
02/17/15	Paid Down 5,297.74 Par Value Of Toyota Auto Rec 0.29133% 7/15/16 Trade Date 2/15/15		5,297.74	16,356.89
02/18/15	Interest Earned On Honda Auto 0.693% 3/19/18 0.000642 USD/\$1 Pv On 90,000 Par Value Due 2/18/15	57.75		16,414.64
02/18/15	Interest Earned On Honda Auto Receivabl 0.520% 8/18/16 \$0.00043/Pv On 47,639.00 Pv Due 2/18/15	20.64		16,435.28
02/18/15	Paid Down 6,155.63 Par Value Of Honda Auto Receivabl 0.520% 8/18/16 Trade Date 2/18/15		6,155.63	22,590.91
02/20/15	Matured 215,000 Par Value Of Bank Tokyo Mitsubishi C P 2/20/15 Trade Date 2/20/15 215,000 Par Value At 100 %		214,846.99	237,437.90
02/20/15	Interest Earned On Bank Tokyo Mitsubishi C P 2/20/15 215,000 Par Value At 100 %	153.01		237,590.91



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
February 1, 2015 to February 28, 2015

**TRANSACTION DETAIL (continued)**

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
02/23/15	Purchased 220,000 Par Value Of Bank Of Tokyo Mitsubis C P 6/29/15 Trade Date 2/20/15 Purchased Through Bank Of New York (The)/Ipa 220,000 Par Value At 99.902 %		- 219,784.40	17,806.51
02/24/15	Trust Fees Collected Charged For Period 01/01/2015 Thru 01/31/2015		- 104.17	17,702.34
02/25/15	Interest Earned On F H L M C M T N 2.000% 8/25/16 0.01 USD/\$1 Pv On 300,000 Par Value Due 2/25/15	3,000.00		20,702.34
02/25/15	Sold 75,000 Par Value Of U S Treasury Nt 0.875% 11/30/16 Trade Date 2/24/15 Sold Through Barclays Capital Inc. Fixed In 75,000 Par Value At 100.628573 %		75,471.43	96,173.77
02/25/15	Received Accrued Interest On Sale Of U S Treasury Nt 0.875% 11/30/16 Income Credit 156.85 USD	156.85		96,330.62
02/27/15	Full Call 200,000 \$1 Pv F N M A M T N 1.000% 2/27/17 On 02/27/15 At 1.00 USD Lt Capital Loss Of 1,900.00- USD On Federal Cost Federal Tax Cost 201,900.00 USD Corporate Action ID: 384518		200,000.00	296,330.62
02/27/15	Interest Earned On F N M A M T N 1.000% 2/27/17 0.005 USD/\$1 Pv On 200,000 Par Value Due 2/27/15	1,000.00		297,330.62
	Combined Purchases For The Period 2/ 1/15 - 2/28/15 Of First Amer Govt Oblig Fund CI Y		- 622,816.68	- 325,486.06
	Combined Sales For The Period 2/ 1/15 - 2/28/15 Of First Amer Govt Oblig Fund CI Y		325,486.06	0.00
02/28/15	Ending Cash Balance	\$247,818.60	- \$247,818.60	\$0.00



ACCOUNT NUMBER: 001050986308  
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from  
February 1, 2015 to February 28, 2015

**SALE/MATURITY SUMMARY**

Trade Date	Asset	Description	Cost Basis	Proceeds	Estimated Gain/Loss
02/10/15	Jpmorgan Chase 3.150% 7/05/16	Sold 125,000	- 130,781.25	128,440.00	- 2,341.25
02/11/15	Berkshire Hathwy 3.200% 2/11/15	Matured 100,000	- 29,975.10	100,000.00	70,024.90
02/15/15	John Deere Owner 0.870% 8/15/17	Paid Down 844.19	- 844.08	844.19	0.11
02/15/15	John Deere Owner 0.530% 7/15/16	Paid Down 9,326.29	- 9,316.09	9,326.29	10.20
02/15/15	Toyota Auto Rec 0.29133% 7/15/16	Paid Down 5,297.74	- 5,297.23	5,297.74	0.51
02/18/15	Honda Auto Receivabl 0.520% 8/18/16	Paid Down 6,155.63	- 6,155.03	6,155.63	0.60
02/20/15	Bank Tokyo Mitsubishi C P 2/20/15	Matured 215,000	- 214,846.99	214,846.99	0.00
02/24/15	U S Treasury Nt 0.875% 11/30/16	Sold 75,000	- 75,164.32	75,471.43	307.11
02/27/15	F N M A M T N 1.000% 2/27/17	Full Call 200,000	- 201,900.00	200,000.00	- 1,900.00
<b>Total Assets Disposed</b>			<b>- \$674,280.09</b>	<b>\$740,382.27</b>	<b>\$66,102.18</b>
- Cost Basis					
- Proceeds					
- Estimated Gain/Loss					

For information only. Not intended for tax purposes.

**World Class Service Delivered by World Class Professionals-Guaranteed!**



# Small Cities Organized Risk Effort General Checking Account Register

January 1, 2015 - March 18, 2015

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
<b>0100-010 Scott Valley Bank</b>								<b>397,534.94</b>
Transfer	01/02/2015			Funds Transfer	0106-010 Trust - Liab _SVB		19,500.39	378,034.55
Transfer	01/02/2015			Funds Transfer	0106-020 Trust - WC - SVB		47,248.59	330,785.96
Deposit	01/02/2015			Deposit	12000 · Undeposited Funds	2,090.90		332,876.86
Deposit	01/02/2015			Deposit	-SPLIT-	7,866.30		340,743.16
Check	01/15/2015	2561	Crowe Horwath LLP	Inv # 745-1922008	0506 - Audit		20,300.00	320,443.16
Check	01/15/2015	2562	Etna	Grant Funds	Grant Fund Program		2,120.07	318,323.09
Check	01/15/2015	2563	Fort Jones	Grant Funds	Grant Fund Program		2,000.00	316,323.09
Check	01/15/2015	2564	Susanville	Grant Funds	Grant Fund Program		14,500.00	301,823.09
Check	01/15/2015	2565	Montague	Grant Funds	Grant Fund Program		2,129.00	299,694.09
Check	01/15/2015	2566	Department of Industrial Relations	Inv # OSIP 60705	0699 - User Funding Assessment		31,813.15	267,880.94
Check	01/15/2015	2567	Gibbons & Conley	Inv # 14-OCT2858	0509 - Legal		830.25	267,050.69
Check	01/15/2015	2568	TargetSolutions.Com, Inc.	Inv # 7170	0676 - Safety Training		24,947.00	242,103.69
Transfer	01/20/2015			Funds Transfer	0106-010 Trust - Liab _SVB		16,752.70	225,350.99
Transfer	01/20/2015			Funds Transfer	0106-020 Trust - WC - SVB		42,393.81	182,957.18
Check	01/22/2015	2569	Town of Loomis	CAJPA & PARMA for Crickett Strock	0610 - Conference		1,000.00	181,957.18
Check	01/22/2015	2570	Yreka	Inv # 0028255 Lexipol Reimbursement -	0676 - Safety Training		2,000.00	179,957.18
Check	01/22/2015	2571	DKF Soutlions Group, LLC		0675 - Safety Service		17,350.00	162,607.18
Check	01/22/2015	2572	Gilbert Associates, Inc.	December 2014	0505 - Accounting		4,250.00	158,357.18
Check	01/22/2015	2573	Gaia Hotel	Board Meeting 1/23/15	0605 - B of D Activities		1,529.28	156,827.90
Check	01/22/2015	2574	Rio Dell	Lexipol Reimbursement	0676 - Safety Training		1,950.00	154,877.90
Check	01/22/2015	2575	Bickmore Risk Services	Inv # BRS-0011445	0675 - Safety Service		13,806.34	141,071.56
Transfer	01/22/2015			Funds Transfer	0106-020 Trust - WC - SVB		41,835.00	99,236.56
Transfer	01/22/2015			Funds Transfer	0106-020 Trust - WC - SVB		61,329.75	37,906.81
Deposit	01/22/2015			Deposit	12000 · Undeposited Funds	6,624.00		44,530.81
Deposit	01/30/2015			Deposit	-SPLIT-	49,764.59		94,295.40
Deposit	01/30/2015			Deposit	-SPLIT-	4,387.70		98,683.10
Deposit	01/31/2015			Interest	SVB	16.72		98,699.82
Deposit	02/03/2015			Deposit	-SPLIT-	5,201.50		103,901.32
Transfer	02/04/2015			Funds Transfer	0106-020 Trust - WC - SVB		26,922.93	76,978.39
Transfer	02/04/2015			Funds Transfer	0106-010 Trust - Liab _SVB		62,394.39	14,584.00
Deposit	02/06/2015			Deposit	-SPLIT-	59,945.00		74,529.00
Deposit	02/06/2015			Deposit	12000 · Undeposited Funds	47,011.00		121,540.00
Transfer	02/13/2015			Funds Transfer	0106-020 Trust - WC - SVB		38,656.99	82,883.01
Deposit	02/13/2015			Deposit	-SPLIT-	206,218.00		289,101.01
Deposit	02/23/2015			Deposit	-SPLIT-	13,517.37		302,618.38
Deposit	02/28/2015			Interest	SVB	11.87		302,630.25
Check	03/02/2015	2576	DKF Soutlions Group, LLC	Inv # 11938	0675 - Safety Service		18,720.00	283,910.25
Check	03/02/2015	2577	Bickmore Risk Services	Inv # BRS-0011640 City of Colfax Ethics Training	0675 - Safety Service		1,800.00	282,110.25
Check	03/02/2015	2578	York Insurance Services Group	Liability Jan& Feb 2015 Inv # 500011828 & 500011915	Claims Management		16,250.00	265,860.25
Check	03/02/2015	2579	York Insurance Services Group	W/C Claims Mgmt Fee - Jan & Feb 2015 Inv # 500011914 &	Claims Management		16,751.60	249,108.65
Check	03/02/2015	2580	DKF Soutlions Group, LLC	Inv # 11914 February 2015	0675 - Safety Service		1,350.00	247,758.65
Check	03/02/2015	2581	Tulelake	Reimbursement for travel to board meeting	0605 - B of D Activities		178.25	247,580.40
Check	03/02/2015	2582	Biggs	Loss Control Grant Fund	Grant Fund Program		2,395.00	245,185.40
Check	03/02/2015	2583	Crescent City	Dividend	Dividends Payable		11,885.00	233,300.40
Check	03/02/2015	2584	Williams	Dividend	Dividends Payable		107,742.00	125,558.40

## Small Cities Organized Risk Effort General Checking Account Register

January 1, 2015 - March 18, 2015

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Check	03/02/2015	2585	Loyalton	Loss Control Grant Funds	Grant Fund Program		2,000.00	123,558.40
Check	03/02/2015	2586	Isleton	Loss Control Grant Funds	Grant Fund Program		1,144.81	122,413.59
Check	03/02/2015	2587	Gilbert Associates, Inc.	29330 ENG -January 2015	0505 - Accounting		4,250.00	118,163.59
Deposit	03/02/2015			Deposit	-SPLIT-	94,270.24		212,433.83
Transfer	03/04/2015			Funds Transfer	0106-020 Trust - WC - SVB		24,749.22	187,684.61
Transfer	03/04/2015			Funds Transfer	0106-010 Trust - Liab _SVB		16,621.45	171,063.16
Check	03/05/2015	2588	Gilbert Associates, Inc.	29330 ENG - February 2015	0505 - Accounting		4,250.00	166,813.16
Total 0100-010 Scott Valley Bank						<u>3,055,315.50</u>	<u>3,108,241.91</u>	<u>166,813.16</u>
Total 0100 - CASH IN BANK						<u>3,055,315.50</u>	<u>3,108,241.91</u>	<u>166,813.16</u>
<b>TOTAL</b>						<u><b>3,055,315.50</b></u>	<u><b>3,108,241.91</b></u>	<u><b>166,813.16</b></u>

# Monthly Account Statement

## Small Cities Organized Risk Effort

January 1, 2015 through January 31, 2015

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

### Custodian

US Bank  
Linda Brimm  
+(314)-418-3441

***Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.***



PORTFOLIO CHARACTERISTICS

Average Duration	2.43
Average Coupon	1.45 %
Average Purchase YTM	1.28 %
Average Market YTM	0.80 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.64 yrs
Average Life	2.50 yrs

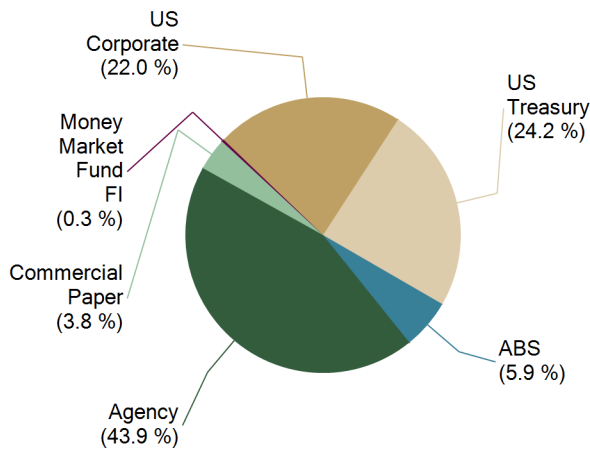
ACCOUNT SUMMARY

	Beg. Values as of 12/31/14	End Values as of 1/31/15
<b>Market Value</b>	10,774,355	10,869,160
<b>Accrued Interest</b>	33,577	35,853
<b>Total Market Value</b>	<b>10,807,932</b>	<b>10,905,012</b>
<b>Income Earned</b>	11,381	11,382
<b>Cont/WD</b>		-1,186
<b>Par</b>	10,718,074	10,726,236
<b>Book Value</b>	10,745,256	10,753,393
<b>Cost Value</b>	10,778,354	10,788,085

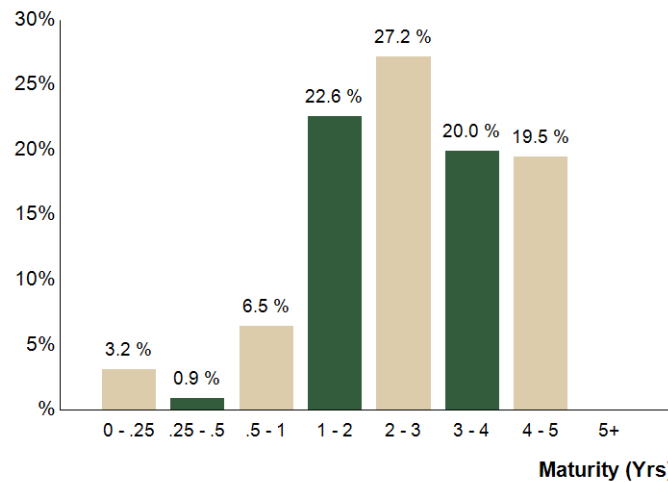
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.2 %
Federal National Mortgage Assoc	19.5 %
Federal Home Loan Mortgage Corp	11.8 %
Federal Home Loan Bank	10.0 %
Federal Farm Credit Bank	2.6 %
Procter & Gamble Company	2.5 %
John Deere ABS	2.0 %
Bank of Tokyo-Mit UFJ	2.0 %
	<b>74.4 %</b>

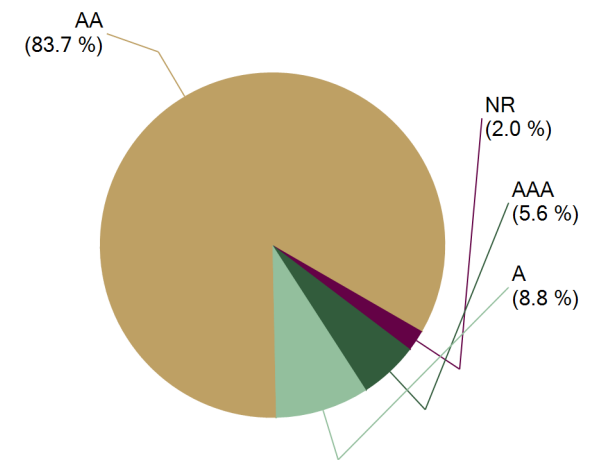
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2015	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.91 %	1.02 %	0.91 %	1.80 %	1.09 %	1.91 %	N/A	3.69 %	37.77 %
1-5 yr Govt	0.99 %	0.98 %	0.99 %	1.81 %	0.91 %	1.74 %	N/A	3.44 %	34.83 %
BAML 1-5 Year AAA-A (US Only Issuers)	1.00 %	1.01 %	1.00 %	1.90 %	1.13 %	1.94 %	N/A	3.49 %	35.43 %



**Small Cities Organized Risk Effort  
Joint Powers Authority  
January 31, 2015**

**COMPLIANCE WITH INVESTMENT POLICY**

*Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.*

<b>Category</b>	<b>Standard</b>	<b>Comment</b>
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" or better rated; 20% maximum; 5% per issuer;	Complies
Negotiable CDs	A-1, P-1 or F-1, or AA rated; 30% max.; 5 years maximum maturity; 5% per issuer	Complies
Banker's Acceptances	A1, P1 or F-1 rated; 30% maximum; 5% per issuer; <180 days	Complies
Commercial Paper	A-1, P1 or F-1 rated; 25% maximum; 5% per issuer; <270 days	Complies
Medium Term Notes	"A-" or better rated; 30% maximum; 5% per issuer;	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA/Aaa rated; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated; 20% maximum; 10% per issuer	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies



### Reconciliation Summary

As of 1/31/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$10,745,256.07</b>
<b>Acquisition</b>	
+ Security Purchases	\$301,462.50
+ Money Market Fund Purchases	\$105,680.82
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$407,143.32</b>
<b>Dispositions</b>	
- Security Sales	\$225,253.23
- Money Market Fund Sales	\$151,579.23
- MMF Withdrawals	\$1,186.17
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$19,753.07
<b>Total Dispositions</b>	<b>\$397,771.70</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$1,451.84)
	(\$1,451.84)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$217.46
	\$217.46
<b>Ending Book Value</b>	<b>\$10,753,393.31</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$77,070.63</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$225,253.23
Accrued Interest Received	\$308.88
Interest Received	\$10,673.81
Dividend Received	\$0.58
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$19,753.07
<b>Total Acquisitions</b>	<b>\$255,989.57</b>
<b>Disposition</b>	
Withdrawals	\$1,186.17
Security Purchase	\$301,462.50
Accrued Interest Paid	\$425.48
<b>Total Dispositions</b>	<b>\$303,074.15</b>
<b>Ending Book Value</b>	<b>\$29,986.05</b>



### Holdings Report

As of 1/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	38,181.40	09/18/2012 0.46 %	38,177.76 38,180.64	100.03 0.37 %	38,192.47 7.81	0.35 % 11.83	Aaa / AAA NR	1.45 0.31
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	45,429.98	09/27/2013 0.61 %	45,380.29 45,404.08	100.02 0.43 %	45,440.70 10.70	0.42 % 36.62	Aaa / NR AAA	1.45 0.24
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	47,639.00	10/11/2012 0.52 %	47,634.38 47,637.90	100.00 0.51 %	47,640.19 8.95	0.44 % 2.29	Aaa / AAA NR	1.55 0.35
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	160,000.00	03/05/2013 0.55 %	160,231.25 160,132.10	100.05 0.49 %	160,084.96 41.96	1.47 % (47.14)	NR / AAA AAA	2.54 0.53
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	45,000.00	08/27/2013 0.88 %	44,993.87 44,996.06	100.24 0.61 %	45,108.00 17.40	0.41 % 111.94	Aaa / NR AAA	2.54 0.72
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	90,000.00	03/11/2014 0.69 %	89,983.37 89,988.50	99.85 0.79 %	89,864.28 26.80	0.82 % (124.22)	Aaa / AAA NR	2.87 1.28
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	90,000.00	05/13/2014 0.78 %	89,989.18 89,991.71	99.97 0.79 %	89,971.56 25.03	0.83 % (20.15)	Aaa / AAA NR	3.13 1.57
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	125,000.00	04/02/2014 0.93 %	124,979.98 124,985.39	100.18 0.79 %	125,227.75 51.11	1.15 % 242.36	Aaa / NR AAA	3.21 1.42
<b>Total ABS</b>		<b>641,250.38</b>	<b>0.69 %</b>	<b>641,370.08</b> <b>641,316.38</b>	<b>0.63 %</b>	<b>641,529.91</b> <b>189.76</b>	<b>5.88 %</b> <b>213.53</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.58</b> <b>0.92</b>
<b>AGENCY</b>									
31398AU34	FNMA Note 2.375% Due 7/28/2015	100,000.00	08/27/2010 1.73 %	103,014.00 100,297.53	101.09 0.16 %	101,085.80 19.79	0.93 % 788.27	Aaa / AA+ AAA	0.49 0.49
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	120,000.00	11/26/2012 0.45 %	119,720.40 119,919.15	100.10 0.26 %	120,119.88 50.00	1.10 % 200.73	Aaa / AA+ AAA	0.89 0.89
31331J6C2	FFCB Note 2.35% Due 12/22/2015	120,000.00	03/28/2011 2.27 %	120,434.40 120,081.40	101.83 0.29 %	122,197.44 305.50	1.12 % 2,116.04	Aaa / AA+ AAA	0.89 0.88
3135G0BA0	FNMA Note 2.375% Due 4/11/2016	275,000.00	06/07/2011 1.78 %	282,544.63 276,855.24	102.48 0.30 %	281,814.23 1,995.66	2.60 % 4,958.99	Aaa / AA+ AAA	1.19 1.18
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	310,000.00	Various 1.73 %	321,083.36 312,987.76	102.84 0.35 %	318,804.00 1,377.78	2.94 % 5,816.24	Aaa / AA+ AAA	1.32 1.30
313373SZ6	FHLB Note 2.125% Due 6/10/2016	200,000.00	09/14/2011 1.10 %	209,390.00 202,686.73	102.24 0.47 %	204,487.60 602.08	1.88 % 1,800.87	Aaa / AA+ AAA	1.36 1.34
3137EACW7	FHLMC Note 2% Due 8/25/2016	300,000.00	01/19/2012 1.09 %	312,151.20 304,132.42	102.55 0.37 %	307,643.40 2,600.00	2.84 % 3,510.98	Aaa / AA+ AAA	1.57 1.53
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	65,000.00	12/21/2011 1.21 %	65,514.15 65,187.56	101.57 0.49 %	66,018.62 188.68	0.61 % 831.06	Aaa / AA+ AAA	1.79 1.76
313371PV2	FHLB Note 1.625% Due 12/9/2016	250,000.00	10/17/2013 0.78 %	256,575.00 253,877.42	101.96 0.56 %	254,904.75 586.81	2.34 % 1,027.33	Aaa / AA+ AAA	1.86 1.83
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	175,000.00	03/26/2012 1.25 %	174,983.73 174,993.30	101.35 0.57 %	177,362.68 6.08	1.63 % 2,369.38	Aaa / AA+ AAA	2.00 1.98



Holdings Report

As of 1/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0UY7	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	200,000.00	04/23/2013 0.48 %	201,900.00 200,073.29	100.04 0.50 %	200,071.80 855.56	1.84 % (1.49)	Aaa / AA+ AAA	2.08 0.07
3137EADC0	FHLMC Note 1% Due 3/8/2017	200,000.00	03/19/2012 1.37 %	196,430.40 198,492.66	100.82 0.61 %	201,636.60 794.44	1.86 % 3,143.94	Aaa / AA+ AAA	2.10 2.07
313379FW4	FHLB Note 1% Due 6/9/2017	200,000.00	06/20/2012 1.02 %	199,758.00 199,885.40	100.77 0.67 %	201,541.80 288.89	1.85 % 1,656.40	Aaa / AA+ AAA	2.36 2.32
3133EAY28	FFCB Note 0.83% Due 9/21/2017	160,000.00	09/18/2012 0.83 %	160,000.00 160,000.00	101.21 0.37 %	161,928.32 479.56	1.49 % 1,928.32	Aaa / AA+ AAA	2.64 2.60
3135G0ZL0	FNMA Note 1% Due 9/27/2017	105,000.00	08/21/2014 1.12 %	104,625.15 104,678.27	100.52 0.80 %	105,547.58 361.67	0.97 % 869.31	Aaa / AA+ AAA	2.66 2.61
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	150,000.00	02/11/2013 0.94 %	149,523.00 149,716.55	100.04 0.86 %	150,067.35 149.48	1.38 % 350.80	Aaa / AA+ AAA	2.89 2.84
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	300,000.00	Various 1.03 %	297,930.75 298,630.64	99.89 0.91 %	299,678.40 1,050.00	2.76 % 1,047.76	Aaa / AA+ AAA	3.10 3.04
313378A43	FHLB Note 1.375% Due 3/9/2018	215,000.00	08/06/2013 1.48 %	213,970.15 214,304.01	101.29 0.95 %	217,768.56 1,166.08	2.01 % 3,464.55	Aaa / AA+ AAA	3.10 3.02
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	250,000.00	06/17/2013 1.24 %	245,652.50 247,086.35	99.64 0.99 %	249,106.25 425.35	2.29 % 2,019.90	Aaa / AA+ AAA	3.30 3.24
313375K48	FHLB Note 2% Due 9/14/2018	200,000.00	02/07/2014 1.50 %	204,446.00 203,502.19	103.28 1.07 %	206,563.20 1,522.22	1.91 % 3,061.01	Aaa / AA+ AAA	3.62 3.47
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	400,000.00	Various 1.60 %	400,556.00 400,424.32	101.98 1.09 %	407,931.20 1,155.56	3.75 % 7,506.88	Aaa / AA+ AAA	3.82 3.69
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	150,000.00	11/19/2014 1.68 %	150,455.70 150,435.56	102.75 1.10 %	154,119.30 444.79	1.42 % 3,683.74	Aaa / AA+ AAA	4.33 4.16
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	250,000.00	Various 1.80 %	249,452.50 249,498.17	102.02 1.30 %	255,045.76 1,689.24	2.35 % 5,547.59	Aaa / AA+ AAA	4.62 4.40
<b>Total Agency</b>		<b>4,695,000.00</b>	<b>1.30 %</b>	<b>4,740,111.02</b> <b>4,707,745.92</b>	<b>0.69 %</b>	<b>4,765,444.52</b> <b>18,115.22</b>	<b>43.87 %</b> <b>57,698.60</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.47</b> <b>2.32</b>
<b>COMMERCIAL PAPER</b>									
06538CPL9	Bank of Tokyo Mitsubishi NY Discount CP 0.21% Due 2/20/2015	215,000.00	10/20/2014 0.21 %	214,846.99 214,846.99	99.93 0.21 %	214,846.99 129.18	1.97 % 0.00	P-1 / A-1 F-1	0.05 0.05
69349KW22	PNC Bank Discount CP 0.38% Due 9/2/2015	200,000.00	12/10/2014 0.39 %	199,440.56 199,440.56	99.72 0.39 %	199,440.56 109.78	1.83 % 0.00	P-1 / A-1 F-1	0.59 0.59
<b>Total Commercial Paper</b>		<b>415,000.00</b>	<b>0.30 %</b>	<b>414,287.55</b> <b>414,287.55</b>	<b>0.30 %</b>	<b>414,287.55</b> <b>238.96</b>	<b>3.80 %</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1</b>	<b>0.31</b> <b>0.31</b>
<b>MONEY MARKET FUND FI</b>									
31846V203	First American Govt Obligation Fund	29,986.05	Various 0.01 %	29,986.05 29,986.05	1.00 0.01 %	29,986.05 0.00	0.27 % 0.00	Aaa / AAA NR	0.00 0.00





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Total Money Market Fund FI</b>		<b>29,986.05</b>	<b>0.01 %</b>	<b>29,986.05</b> <b>29,986.05</b>	<b>0.01 %</b>	<b>29,986.05</b> <b>0.00</b>	<b>0.27 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	100,000.00	Various 2.77 %	101,780.12 100,011.13	100.06 1.16 %	100,056.30 1,511.11	0.93 % 45.17	Aa2 / AA A+	0.03 0.03
742718DS5	Procter & Gamble Co Note 1.8% Due 11/15/2015	265,000.00	04/13/2011 2.36 %	258,615.14 263,904.03	101.12 0.37 %	267,980.72 1,007.00	2.47 % 4,076.69	Aa3 / AA- NR	0.79 0.78
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	105,000.00	10/13/2011 1.57 %	107,568.30 105,725.26	102.29 0.36 %	107,399.46 446.25	0.99 % 1,674.20	Aa2 / AA NR	1.30 1.28
46625HJA9	JP Morgan Chase Note 3.15% Due 7/5/2016	125,000.00	04/29/2014 0.99 %	130,781.25 128,781.45	103.01 1.02 %	128,759.63 284.38	1.18 % (21.82)	A3 / A A+	1.43 1.40
30231GAA0	Exxon Mobil Corp Note 0.921% Due 3/15/2017	150,000.00	03/17/2014 0.92 %	150,000.00 150,000.00	100.59 0.64 %	150,883.20 521.90	1.39 % 883.20	Aaa / AAA NR	2.12 2.09
084664BS9	Berkshire Hathaway Note 1.6% Due 5/15/2017	105,000.00	Various 1.57 %	105,141.90 105,064.81	101.59 0.90 %	106,666.67 354.66	0.98 % 1,601.86	Aa2 / AA A+	2.29 2.24
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	150,000.00	08/18/2014 1.10 %	152,167.50 151,800.28	101.38 1.02 %	152,063.85 522.50	1.40 % 263.57	A1 / A+ AA-	2.29 2.16
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	140,000.00	Various 1.05 %	140,346.00 140,201.20	99.98 1.11 %	139,975.78 240.42	1.29 % (225.42)	Aa1 / AA NR	2.85 2.71
369604BC6	General Electric Co Note 5.25% Due 12/6/2017	120,000.00	05/15/2014 1.37 %	136,032.00 132,852.81	111.57 1.11 %	133,879.44 962.50	1.24 % 1,026.63	Aa3 / AA+ NR	2.85 2.66
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	135,000.00	06/16/2014 1.41 %	134,711.10 134,762.54	100.76 1.08 %	136,024.38 232.88	1.25 % 1,261.84	A1 / A+ A+	2.87 2.81
24422EST7	John Deere Capital Corp Note 1.35% Due 1/16/2018	125,000.00	01/13/2015 1.37 %	124,937.50 124,938.41	100.64 1.13 %	125,804.00 70.31	1.15 % 865.59	A2 / A NR	2.96 2.89
037833AJ9	Apple Inc Note 1% Due 5/3/2018	135,000.00	Various 1.09 %	134,384.60 134,598.06	99.59 1.13 %	134,451.63 330.00	1.24 % (146.43)	Aa1 / AA+ NR	3.25 3.19
94974BFQ8	Wells Fargo Corp Note 2.15% Due 1/15/2019	135,000.00	04/29/2014 2.12 %	135,160.65 135,134.95	101.53 1.75 %	137,069.15 129.00	1.26 % 1,934.20	A2 / A+ AA-	3.96 3.78
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	135,000.00	11/19/2014 2.07 %	135,315.90 135,301.91	102.62 1.46 %	138,531.06 1,195.31	1.28 % 3,229.15	A1 / AA- NR	4.08 3.87
532457BF4	Eli Lilly & Co Note 1.95% Due 3/15/2019	150,000.00	06/10/2014 2.05 %	149,341.50 149,429.88	102.35 1.36 %	153,520.05 1,105.00	1.42 % 4,090.17	A2 / AA- A	4.12 3.93
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	135,000.00	11/19/2014 2.24 %	135,334.80 135,321.38	102.42 1.74 %	138,263.76 1,207.50	1.28 % 2,942.38	A1 / A+ AA-	4.61 4.26



### Holdings Report

As of 1/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
40428HPN6	HSBC USA Inc Note 2.375% Due 11/13/2019	135,000.00	11/10/2014 2.32 %	135,329.40 135,315.14	102.04 1.93 %	137,748.47 694.69	1.27 % 2,433.33	A2 / A+ AA-	4.79 4.49
<b>Total US Corporate</b>		<b>2,345,000.00</b>	<b>1.69 %</b>	<b>2,366,947.66</b> <b>2,363,143.24</b>	<b>1.10 %</b>	<b>2,389,077.55</b> <b>10,815.41</b>	<b>22.01 %</b> <b>25,934.31</b>	<b>A1 / AA-</b> <b>A+</b>	<b>2.71</b> <b>2.59</b>
<b>US TREASURY</b>									
912828RF9	US Treasury Note 1% Due 8/31/2016	50,000.00	09/14/2011 0.86 %	50,338.06 50,107.65	101.00 0.36 %	50,500.00 212.71	0.47 % 392.35	Aaa / AA+ AAA	1.58 1.56
912828RJ1	US Treasury Note 1% Due 9/30/2016	150,000.00	10/13/2011 1.05 %	149,619.64 149,872.65	101.03 0.38 %	151,546.80 510.99	1.39 % 1,674.15	Aaa / AA+ AAA	1.67 1.64
912828RU6	US Treasury Note 0.875% Due 11/30/2016	275,000.00	01/19/2012 0.83 %	275,602.49 275,226.61	100.80 0.43 %	277,212.93 416.47	2.55 % 1,986.32	Aaa / AA+ AAA	1.83 1.81
912828TM2	US Treasury Note 0.625% Due 8/31/2017	400,000.00	Various 0.69 %	398,827.51 399,364.64	99.89 0.67 %	399,562.40 1,063.54	3.67 % 197.76	Aaa / AA+ AAA	2.58 2.55
912828UA6	US Treasury Note 0.625% Due 11/30/2017	300,000.00	12/27/2012 0.70 %	298,864.29 299,347.50	99.69 0.74 %	299,062.50 324.52	2.75 % (285.00)	Aaa / AA+ AAA	2.83 2.80
912828VQ0	US Treasury Note 1.375% Due 7/31/2018	50,000.00	07/30/2013 1.37 %	50,021.65 50,015.13	101.55 0.92 %	50,773.45 1.90	0.47 % 758.32	Aaa / AA+ AAA	3.50 3.41
912828RE2	US Treasury Note 1.5% Due 8/31/2018	250,000.00	09/13/2013 1.69 %	247,725.45 248,357.55	101.95 0.94 %	254,882.75 1,595.30	2.35 % 6,525.20	Aaa / AA+ AAA	3.58 3.46
912828B33	US Treasury Note 1.5% Due 1/31/2019	350,000.00	Various 1.45 %	350,803.91 350,671.07	101.80 1.04 %	356,289.15 14.50	3.27 % 5,618.08	Aaa / AA+ AAA	4.00 3.88
912828C24	US Treasury Note 1.5% Due 2/28/2019	225,000.00	03/18/2014 1.55 %	224,490.99 224,580.85	101.82 1.04 %	229,095.68 1,435.77	2.11 % 4,514.83	Aaa / AA+ AAA	4.08 3.93
912828WLO	US Treasury Note 1.5% Due 5/31/2019	175,000.00	06/17/2014 1.74 %	172,977.15 173,232.24	101.67 1.10 %	177,925.83 454.33	1.64 % 4,693.59	Aaa / AA+ AAA	4.33 4.18
912828WW6	US Treasury Note 1.625% Due 7/31/2019	200,000.00	Various 1.67 %	199,586.61 199,616.73	102.17 1.13 %	204,343.80 8.98	1.87 % 4,727.07	Aaa / AA+ AAA	4.50 4.33
912828G61	US Treasury Note 1.5% Due 11/30/2019	175,000.00	01/27/2015 1.31 %	176,525.00 176,521.55	101.51 1.18 %	177,638.65 454.33	1.63 % 1,117.10	Aaa / AA+ AAA	4.83 4.64
<b>Total US Treasury</b>		<b>2,600,000.00</b>	<b>1.20 %</b>	<b>2,595,382.75</b> <b>2,596,914.17</b>	<b>0.84 %</b>	<b>2,628,833.94</b> <b>6,493.34</b>	<b>24.17 %</b> <b>31,919.77</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.32</b> <b>3.22</b>
<b>TOTAL PORTFOLIO</b>		<b>10,726,236.43</b>	<b>1.28 %</b>	<b>10,788,085.11</b> <b>10,753,393.31</b>	<b>0.80 %</b>	<b>10,869,159.52</b> <b>35,852.69</b>	<b>100.00 %</b> <b>115,766.21</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>2.64</b> <b>2.43</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>10,905,012.21</b>			



Transaction Ledger

12/31/14 Thru 1/31/15

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	01/02/2015	31846V203	0.58	First American Govt Obligation Fund	1.000	0.01 %	0.58	0.00	0.58	0.00
Purchase	01/05/2015	31846V203	1,968.75	First American Govt Obligation Fund	1.000	0.01 %	1,968.75	0.00	1,968.75	0.00
Purchase	01/14/2015	31846V203	75,253.36	First American Govt Obligation Fund	1.000	0.01 %	75,253.36	0.00	75,253.36	0.00
Purchase	01/15/2015	31846V203	1,451.25	First American Govt Obligation Fund	1.000	0.01 %	1,451.25	0.00	1,451.25	0.00
Purchase	01/15/2015	31846V203	78.67	First American Govt Obligation Fund	1.000	0.01 %	78.67	0.00	78.67	0.00
Purchase	01/15/2015	31846V203	32.63	First American Govt Obligation Fund	1.000	0.01 %	32.63	0.00	32.63	0.00
Purchase	01/15/2015	31846V203	7,514.62	First American Govt Obligation Fund	1.000	0.01 %	7,514.62	0.00	7,514.62	0.00
Purchase	01/15/2015	31846V203	95.83	First American Govt Obligation Fund	1.000	0.01 %	95.83	0.00	95.83	0.00
Purchase	01/15/2015	31846V203	50.25	First American Govt Obligation Fund	1.000	0.01 %	50.25	0.00	50.25	0.00
Purchase	01/15/2015	31846V203	5,765.65	First American Govt Obligation Fund	1.000	0.01 %	5,765.65	0.00	5,765.65	0.00
Purchase	01/16/2015	24422EST7	125,000.00	John Deere Capital Corp Note 1.35% Due 1/16/2018	99.950	1.37 %	124,937.50	0.00	124,937.50	0.00
Purchase	01/20/2015	31846V203	6,536.48	First American Govt Obligation Fund	1.000	0.01 %	6,536.48	0.00	6,536.48	0.00
Purchase	01/20/2015	31846V203	57.75	First American Govt Obligation Fund	1.000	0.01 %	57.75	0.00	57.75	0.00
Purchase	01/28/2015	31846V203	1,187.50	First American Govt Obligation Fund	1.000	0.01 %	1,187.50	0.00	1,187.50	0.00
Purchase	01/28/2015	912828G61	175,000.00	US Treasury Note 1.5% Due 11/30/2019	100.871	1.31 %	176,525.00	425.48	176,950.48	0.00
Purchase	01/30/2015	31846V203	1,093.75	First American Govt Obligation Fund	1.000	0.01 %	1,093.75	0.00	1,093.75	0.00
Purchase	01/31/2015	31846V203	4,593.75	First American Govt Obligation Fund	1.000	0.01 %	4,593.75	0.00	4,593.75	0.00
<b>Subtotal</b>			<b>405,680.82</b>				<b>407,143.32</b>	<b>425.48</b>	<b>407,568.80</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>405,680.82</b>				<b>407,143.32</b>	<b>425.48</b>	<b>407,568.80</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	01/14/2015	912828B41	75,000.00	US Treasury Note 0.375% Due 1/31/2016	100.168	0.21 %	75,125.73	127.63	75,253.36	77.44
Sale	01/16/2015	31846V203	124,937.50	First American Govt Obligation Fund	1.000	0.01 %	124,937.50	0.00	124,937.50	0.00
Sale	01/28/2015	3133EANJ3	150,000.00	FFCB Note 0.5% Due 5/1/2015	100.085	0.17 %	150,127.50	181.25	150,308.75	140.02
Sale	01/28/2015	31846V203	26,641.73	First American Govt Obligation Fund	1.000	0.01 %	26,641.73	0.00	26,641.73	0.00
<b>Subtotal</b>			<b>376,579.23</b>				<b>376,832.46</b>	<b>308.88</b>	<b>377,141.34</b>	<b>217.46</b>
Paydown	01/15/2015	161571FL3	0.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	100.000		0.00	78.67	78.67	0.00



Transaction Ledger

12/31/14 Thru 1/31/15

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Paydown	01/15/2015	477879AC4	0.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		0.00	32.63	32.63	0.00
Paydown	01/15/2015	47787RAC4	7,491.25	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	100.000		7,491.25	23.37	7,514.62	0.00
Paydown	01/15/2015	47787VAC5	0.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		0.00	95.83	95.83	0.00
Paydown	01/15/2015	89231MAC9	0.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		0.00	50.25	50.25	0.00
Paydown	01/15/2015	89231NAC7	5,748.81	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	100.000		5,748.81	16.84	5,765.65	0.00
Paydown	01/18/2015	43813CAC4	6,513.01	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	100.000		6,513.01	23.47	6,536.48	0.00
Paydown	01/18/2015	43814GAC4	0.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		0.00	57.75	57.75	0.00
		<b>Subtotal</b>	<b>19,753.07</b>				<b>19,753.07</b>	<b>378.81</b>	<b>20,131.88</b>	<b>0.00</b>
Security Withdrawal	01/06/2015	31846V203	1,082.00	First American Govt Obligation Fund	1.000		1,082.00	0.00	1,082.00	0.00
Security Withdrawal	01/27/2015	31846V203	104.17	First American Govt Obligation Fund	1.000		104.17	0.00	104.17	0.00
		<b>Subtotal</b>	<b>1,186.17</b>				<b>1,186.17</b>	<b>0.00</b>	<b>1,186.17</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>397,518.47</b>				<b>397,771.70</b>	<b>687.69</b>	<b>398,459.39</b>	<b>217.46</b>
<b>OTHER TRANSACTIONS</b>										
Interest	01/05/2015	46625HJA9	125,000.00	JP Morgan Chase Note 3.15% Due 7/5/2016	0.000		1,968.75	0.00	1,968.75	0.00
Interest	01/15/2015	94974BFQ8	135,000.00	Wells Fargo Corp Note 2.15% Due 1/15/2019	0.000		1,451.25	0.00	1,451.25	0.00
Interest	01/28/2015	31398AU34	100,000.00	FNMA Note 2.375% Due 7/28/2015	0.000		1,187.50	0.00	1,187.50	0.00
Interest	01/30/2015	3135G0GY3	175,000.00	FNMA Note 1.25% Due 1/30/2017	0.000		1,093.75	0.00	1,093.75	0.00
Interest	01/31/2015	912828B33	350,000.00	US Treasury Note 1.5% Due 1/31/2019	0.000		2,625.00	0.00	2,625.00	0.00
Interest	01/31/2015	912828VQ0	50,000.00	US Treasury Note 1.375% Due 7/31/2018	0.000		343.75	0.00	343.75	0.00



Transaction Ledger

12/31/14 Thru 1/31/15

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	01/31/2015	912828WW6	200,000.00	US Treasury Note 1.625% Due 7/31/2019	0.000		1,625.00	0.00	1,625.00	0.00
		<b>Subtotal</b>	<b>1,135,000.00</b>				<b>10,295.00</b>	<b>0.00</b>	<b>10,295.00</b>	<b>0.00</b>
Dividend	01/02/2015	31846V203	77,070.63	First American Govt Obligation Fund	0.000		0.58	0.00	0.58	0.00
		<b>Subtotal</b>	<b>77,070.63</b>				<b>0.58</b>	<b>0.00</b>	<b>0.58</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>1,212,070.63</b>				<b>10,295.58</b>	<b>0.00</b>	<b>10,295.58</b>	<b>0.00</b>



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
<b>Fixed Income</b>						
037833AJ9	Apple Inc Note 1% Due 05/03/2018	Various Various 135,000.00	134,587.57 0.00 0.00 134,598.06	217.50 0.00 330.00 112.50	10.49 0.00 10.49 122.99	0.00 122.99
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 09/11/2019	11/19/2014 11/24/2014 135,000.00	135,327.41 0.00 0.00 135,321.38	948.75 0.00 1,207.50 258.75	0.00 6.03 (6.03) 252.72	0.00 252.72
084664BS9	Berkshire Hathaway Note 1.6% Due 05/15/2017	Various 05/15/2012 105,000.00	105,067.22 0.00 0.00 105,064.81	214.66 0.00 354.66 140.00	0.39 2.80 (2.41) 137.59	0.00 137.59
084670AV0	Berkshire Hathaway Note 3.2% Due 02/11/2015	Various Various 100,000.00	100,045.63 0.00 0.00 100,011.13	1,244.45 0.00 1,511.11 266.66	0.90 35.40 (34.50) 232.16	0.00 232.16
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 08/15/2017	03/05/2013 03/08/2013 160,000.00	160,136.52 0.00 0.00 160,132.10	41.96 78.67 41.96 78.67	0.00 4.42 (4.42) 74.25	0.00 74.25
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/05/2017	Various Various 140,000.00	140,207.21 0.00 0.00 140,201.20	111.62 0.00 240.42 128.80	0.00 6.01 (6.01) 122.79	0.00 122.79
17275RAR3	Cisco Systems Note 2.125% Due 03/01/2019	11/19/2014 11/24/2014 135,000.00	135,308.20 0.00 0.00 135,301.91	956.25 0.00 1,195.31 239.06	0.00 6.29 (6.29) 232.77	0.00 232.77
24422EST7	John Deere Capital Corp Note 1.35% Due 01/16/2018	01/13/2015 01/16/2015 125,000.00	0.00 124,937.50 0.00 124,938.41	0.00 0.00 70.31 70.31	0.91 0.00 0.91 71.22	0.00 71.22
30231GAA0	Exxon Mobil Corp Note 0.921% Due 03/15/2017	03/17/2014 03/20/2014 150,000.00	150,000.00 0.00 0.00 150,000.00	406.78 0.00 521.90 115.12	0.00 0.00 0.00 115.12	0.00 115.12
31331J6C2	FFCB Note 2.35% Due 12/22/2015	03/28/2011 03/29/2011 120,000.00	120,089.19 0.00 0.00 120,081.40	70.50 0.00 305.50 235.00	0.00 7.79 (7.79) 227.21	0.00 227.21



**Income Earned**

12/31/14 Thru 1/31/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
313371PV2	FHLB Note 1.625% Due 12/09/2016	10/17/2013 10/18/2013 250,000.00	254,054.97 0.00 0.00 253,877.42	248.26 0.00 586.81 338.55	0.00 177.55 (177.55) 161.00	0.00 161.00
313373SZ6	FHLB Note 2.125% Due 06/10/2016	09/14/2011 09/15/2011 200,000.00	202,854.99 0.00 0.00 202,686.73	247.92 0.00 602.08 354.16	0.00 168.26 (168.26) 185.90	0.00 185.90
313375K48	FHLB Note 2% Due 09/14/2018	02/07/2014 02/10/2014 200,000.00	203,584.37 0.00 0.00 203,502.19	1,188.89 0.00 1,522.22 333.33	0.00 82.18 (82.18) 251.15	0.00 251.15
313378A43	FHLB Note 1.375% Due 03/09/2018	08/06/2013 08/07/2013 215,000.00	214,284.95 0.00 0.00 214,304.01	919.72 0.00 1,166.08 246.36	19.06 0.00 19.06 265.42	0.00 265.42
313379FW4	FHLB Note 1% Due 06/09/2017	06/20/2012 06/21/2012 200,000.00	199,881.27 0.00 0.00 199,885.40	122.22 0.00 288.89 166.67	4.13 0.00 4.13 170.80	0.00 170.80
3133EANJ3	FFCB Note Due 05/01/2015	05/03/2012 05/04/2012 0.00	149,983.85 0.00 149,987.48 0.00	125.00 181.25 0.00 56.25	3.63 0.00 3.63 59.88	0.00 59.88
3133EAY28	FFCB Note 0.83% Due 09/21/2017	09/18/2012 09/21/2012 160,000.00	160,000.00 0.00 0.00 160,000.00	368.89 0.00 479.56 110.67	0.00 0.00 0.00 110.67	0.00 110.67
3135G0BA0	FNMA Note 2.375% Due 04/11/2016	06/07/2011 06/08/2011 275,000.00	276,987.45 0.00 0.00 276,855.24	1,451.39 0.00 1,995.66 544.27	0.00 132.21 (132.21) 412.06	0.00 412.06
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	12/21/2011 12/22/2011 65,000.00	65,196.47 0.00 0.00 65,187.56	114.20 0.00 188.68 74.48	0.00 8.91 (8.91) 65.57	0.00 65.57
3135G0GY3	FNMA Note 1.25% Due 01/30/2017	03/26/2012 03/27/2012 175,000.00	174,993.01 0.00 0.00 174,993.30	917.53 1,093.75 6.08 182.30	0.29 0.00 0.29 182.59	0.00 182.59
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	02/11/2013 02/12/2013 150,000.00	149,708.20 0.00 0.00 149,716.55	40.10 0.00 149.48 109.38	8.35 0.00 8.35 117.73	0.00 117.73



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	11/26/2012 11/29/2012 120,000.00	119,911.39 0.00 0.00 119,919.15	12.50 0.00 50.00 37.50	7.76 0.00 7.76 45.26	0.00 45.26
3135G0UY7	FNMA Callable Note 1X 2/27/15 1% Due 02/27/2017	04/23/2013 04/24/2013 200,000.00	200,160.68 0.00 0.00 200,073.29	688.89 0.00 855.56 166.67	0.00 87.39 (87.39) 79.28	0.00 79.28
3135G0WJ8	FNMA Note 0.875% Due 05/21/2018	06/17/2013 06/18/2013 250,000.00	247,011.40 0.00 0.00 247,086.35	243.06 0.00 425.35 182.29	74.95 0.00 74.95 257.24	0.00 257.24
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	Various Various 400,000.00	400,433.75 0.00 0.00 400,424.32	613.88 0.00 1,155.56 541.68	1.20 10.63 (9.43) 532.25	0.00 532.25
3135G0ZG1	FNMA Note 1.75% Due 09/12/2019	Various Various 250,000.00	249,488.94 0.00 0.00 249,498.17	1,324.66 0.00 1,689.24 364.58	15.64 6.41 9.23 373.81	0.00 373.81
3135G0ZL0	FNMA Note 1% Due 09/27/2017	08/21/2014 08/25/2014 105,000.00	104,667.98 0.00 0.00 104,678.27	274.17 0.00 361.67 87.50	10.29 0.00 10.29 97.79	0.00 97.79
3137EACT4	FHLMC Note 2.5% Due 05/27/2016	Various Various 310,000.00	313,180.33 0.00 0.00 312,987.76	731.95 0.00 1,377.78 645.83	0.00 192.57 (192.57) 453.26	0.00 453.26
3137EACW7	FHLMC Note 2% Due 08/25/2016	01/19/2012 01/20/2012 300,000.00	304,356.77 0.00 0.00 304,132.42	2,100.00 0.00 2,600.00 500.00	0.00 224.35 (224.35) 275.65	0.00 275.65
3137EADC0	FHLMC Note 1% Due 03/08/2017	03/19/2012 03/20/2012 200,000.00	198,431.66 0.00 0.00 198,492.66	627.78 0.00 794.44 166.66	61.00 0.00 61.00 227.66	0.00 227.66
3137EADG1	FHLMC Note 1.75% Due 05/30/2019	11/19/2014 11/20/2014 150,000.00	150,444.11 0.00 0.00 150,435.56	226.04 0.00 444.79 218.75	0.00 8.55 (8.55) 210.20	0.00 210.20
3137EADP1	FHLMC Note 0.875% Due 03/07/2018	Various Various 300,000.00	298,593.07 0.00 0.00 298,630.64	831.25 0.00 1,050.00 218.75	42.51 4.94 37.57 256.32	0.00 256.32





CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
31398AU34	FNMA Note 2.375% Due 07/28/2015	08/27/2010 08/30/2010 100,000.00	100,349.64 0.00 0.00 100,297.53	1,009.38 1,187.50 19.79 197.91	0.00 52.11 (52.11) 145.80	0.00 145.80
369604BC6	General Electric Co Note 5.25% Due 12/06/2017	05/15/2014 05/20/2014 120,000.00	133,236.30 0.00 0.00 132,852.81	437.50 0.00 962.50 525.00	0.00 383.49 (383.49) 141.51	0.00 141.51
38259PAC6	Google Inc Note 2.125% Due 05/19/2016	10/13/2011 10/18/2011 105,000.00	105,772.79 0.00 0.00 105,725.26	260.31 0.00 446.25 185.94	0.00 47.53 (47.53) 138.41	0.00 138.41
40428HPN6	HSBC USA Inc Note 2.375% Due 11/13/2019	11/10/2014 11/14/2014 135,000.00	135,320.74 0.00 0.00 135,315.14	427.50 0.00 694.69 267.19	0.00 5.60 (5.60) 261.59	0.00 261.59
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 08/18/2016	10/11/2012 10/18/2012 47,639.00	54,150.61 0.00 6,513.01 47,637.90	10.17 23.47 8.95 22.25	0.30 0.00 0.30 22.55	0.00 22.55
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 03/19/2018	05/13/2014 05/21/2014 90,000.00	89,991.41 0.00 0.00 89,991.71	25.03 57.75 25.03 57.75	0.30 0.00 0.30 58.05	0.00 58.05
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	06/16/2014 06/19/2014 135,000.00	134,755.51 0.00 0.00 134,762.54	81.00 0.00 232.88 151.88	7.03 0.00 7.03 158.91	0.00 158.91
46625HJA9	JP Morgan Chase Note 3.15% Due 07/05/2016	04/29/2014 05/02/2014 125,000.00	129,006.88 0.00 0.00 128,781.45	1,925.00 1,968.75 284.38 328.13	0.00 225.43 (225.43) 102.70	0.00 102.70
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 08/15/2017	08/27/2013 09/04/2013 45,000.00	44,995.93 0.00 0.00 44,996.06	17.40 32.63 17.40 32.63	0.13 0.00 0.13 32.76	0.00 32.76
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 07/15/2016	09/27/2013 10/02/2013 45,429.98	52,889.30 0.00 7,491.25 45,404.08	12.47 23.37 10.70 21.60	6.03 0.00 6.03 27.63	0.00 27.63
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 04/16/2018	04/02/2014 04/09/2014 125,000.00	124,984.83 0.00 0.00 124,985.39	51.11 95.83 51.11 95.83	0.56 0.00 0.56 96.39	0.00 96.39



**Income Earned**

12/31/14 Thru 1/31/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
532457BF4	Eli Lilly & Co Note 1.95% Due 03/15/2019	06/10/2014 06/13/2014 150,000.00	149,418.12 0.00 0.00 149,429.88	861.25 0.00 1,105.00 243.75	11.76 0.00 11.76 255.51	0.00 255.51
742718DS5	Procter & Gamble Co Note 1.8% Due 11/15/2015	04/13/2011 04/18/2011 265,000.00	263,785.66 0.00 0.00 263,904.03	609.50 0.00 1,007.00 397.50	118.37 0.00 118.37 515.87	0.00 515.87
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	03/11/2014 03/19/2014 90,000.00	89,988.00 0.00 0.00 89,988.50	26.80 50.25 26.80 50.25	0.50 0.00 0.50 50.75	0.00 50.75
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 07/15/2016	09/18/2012 09/26/2012 38,181.40	43,929.22 0.00 5,748.81 38,180.64	8.98 16.84 7.81 15.67	0.23 0.00 0.23 15.90	0.00 15.90
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 05/15/2017	08/18/2014 08/21/2014 150,000.00	151,869.69 0.00 0.00 151,800.28	316.25 0.00 522.50 206.25	0.00 69.41 (69.41) 136.84	0.00 136.84
912828B33	US Treasury Note 1.5% Due 01/31/2019	Various Various 350,000.00	350,685.31 0.00 0.00 350,671.07	2,197.01 2,625.00 14.50 442.49	0.00 14.24 (14.24) 428.25	0.00 428.25
912828B41	US Treasury Note Due 01/31/2016	12/30/2014 12/31/2014 0.00	75,049.93 0.00 75,048.29 0.00	117.70 127.63 0.00 9.93	0.00 1.64 (1.64) 8.29	0.00 8.29
912828C24	US Treasury Note 1.5% Due 02/28/2019	03/18/2014 03/19/2014 225,000.00	224,572.12 0.00 0.00 224,580.85	1,146.75 0.00 1,435.77 289.02	8.73 0.00 8.73 297.75	0.00 297.75
912828G61	US Treasury Note 1.5% Due 11/30/2019	01/27/2015 01/28/2015 175,000.00	0.00 176,525.00 0.00 176,521.55	0.00 (425.48) 454.33 28.85	0.00 3.45 (3.45) 25.40	0.00 25.40
912828RE2	US Treasury Note 1.5% Due 08/31/2018	09/13/2013 09/16/2013 250,000.00	248,318.59 0.00 0.00 248,357.55	1,274.17 0.00 1,595.30 321.13	38.96 0.00 38.96 360.09	0.00 360.09
912828RF9	US Treasury Note 1% Due 08/31/2016	09/14/2011 09/15/2011 50,000.00	50,113.43 0.00 0.00 50,107.65	169.89 0.00 212.71 42.82	0.00 5.78 (5.78) 37.04	0.00 37.04



**Income Earned**

12/31/14 Thru 1/31/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
912828RJ1	US Treasury Note 1% Due 09/30/2016	10/13/2011 10/14/2011 150,000.00	149,866.15 0.00 0.00 149,872.65	383.24 0.00 510.99 127.75	6.50 0.00 6.50 134.25	0.00 134.25
912828RU6	US Treasury Note 0.875% Due 11/30/2016	01/19/2012 01/20/2012 275,000.00	275,237.13 0.00 0.00 275,226.61	211.54 0.00 416.47 204.93	0.00 10.52 (10.52) 194.41	0.00 194.41
912828TM2	US Treasury Note 0.625% Due 08/31/2017	Various Various 400,000.00	399,343.73 0.00 0.00 399,364.64	849.44 0.00 1,063.54 214.10	20.91 0.00 20.91 235.01	0.00 235.01
912828UA6	US Treasury Note 0.625% Due 11/30/2017	12/27/2012 12/28/2012 300,000.00	299,327.92 0.00 0.00 299,347.50	164.84 0.00 324.52 159.68	19.58 0.00 19.58 179.26	0.00 179.26
912828VQ0	US Treasury Note 1.375% Due 07/31/2018	07/30/2013 07/31/2013 50,000.00	50,015.50 0.00 0.00 50,015.13	287.70 343.75 1.90 57.95	0.00 0.37 (0.37) 57.58	0.00 57.58
912828WLO	US Treasury Note 1.5% Due 05/31/2019	06/17/2014 06/18/2014 175,000.00	173,197.56 0.00 0.00 173,232.24	230.77 0.00 454.33 223.56	34.68 0.00 34.68 258.24	0.00 258.24
912828WW6	US Treasury Note 1.625% Due 07/31/2019	Various Various 200,000.00	199,609.48 0.00 0.00 199,616.73	1,360.06 1,625.00 8.98 273.92	11.67 4.42 7.25 281.17	0.00 281.17
94974BFQ8	Wells Fargo Corp Note 2.15% Due 01/15/2019	04/29/2014 05/02/2014 135,000.00	135,137.85 0.00 0.00 135,134.95	1,338.38 1,451.25 129.00 241.87	0.00 2.90 (2.90) 238.97	0.00 238.97
			<b>10,253,897.89</b>	<b>33,441.91</b>	<b>547.74</b>	
			<b>301,462.50</b>	<b>10,557.21</b>	<b>1,999.58</b>	
			<b>244,788.84</b>	<b>35,613.73</b>	<b>(1,451.84)</b>	<b>0.00</b>
<b>TOTAL Fixed Income</b>		<b>10,281,250.38</b>	<b>10,309,119.71</b>	<b>12,729.03</b>	<b>11,277.19</b>	<b>11,277.19</b>

**Cash & Equivalent**

06538CPL9	Bank of Tokyo Mitsubishi NY Discount CP 0.21% Due 02/20/2015	10/20/2014 10/21/2014 215,000.00	214,846.99 0.00 0.00 214,846.99	90.30 0.00 129.18 38.88	0.00 0.00 0.00 38.88	0.00 38.88
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CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
31846V203	First American Govt Obligation Fund		77,070.63	0.00	0.00	
		Various	105,680.82	0.58	0.00	
		Various	152,765.40	0.00	0.00	0.00
		29,986.05	29,986.05	0.58	0.58	0.58
69349KW22	PNC Bank Discount CP 0.38% Due 09/02/2015		199,440.56	44.33	0.00	
		12/10/2014	0.00	0.00	0.00	
		12/11/2014	0.00	109.78	0.00	0.00
		200,000.00	199,440.56	65.45	65.45	65.45
			<b>491,358.18</b>	<b>134.63</b>	<b>0.00</b>	
			<b>105,680.82</b>	<b>0.58</b>	<b>0.00</b>	
			<b>152,765.40</b>	<b>238.96</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL Cash &amp; Equivalent</b>		<b>444,986.05</b>	<b>444,273.60</b>	<b>104.91</b>	<b>104.91</b>	<b>104.91</b>
			<b>10,745,256.07</b>	<b>33,576.54</b>	<b>547.74</b>	
			<b>407,143.32</b>	<b>10,557.79</b>	<b>1,999.58</b>	
			<b>397,554.24</b>	<b>35,852.69</b>	<b>(1,451.84)</b>	<b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>10,726,236.43</b>	<b>10,753,393.31</b>	<b>12,833.94</b>	<b>11,382.10</b>	<b>11,382.10</b>



Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/11/2015	Maturity	084670AV0	100,000.00	Berkshire Hathaway Note 3.2% Due 2/11/2015	100,000.00	1,600.00	101,600.00
02/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
02/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	5,449.22	14.64	5,463.86
02/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
02/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,878.11	50.25	4,928.36
02/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	0.00	32.63	32.63
02/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	3,392.77	20.06	3,412.83
02/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	5,613.63	20.64	5,634.27
02/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
02/20/2015	Maturity	06538CPL9	215,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.21% Due 2/20/2015	214,846.99	153.01	215,000.00
02/25/2015	Interest	3137EACW7	300,000.00	FHLMC Note 2% Due 8/25/2016	0.00	3,000.00	3,000.00
02/27/2015	Interest	3135G0UY7	200,000.00	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	0.00	1,000.00	1,000.00
02/28/2015	Interest	912828RE2	250,000.00	US Treasury Note 1.5% Due 8/31/2018	0.00	1,875.00	1,875.00
02/28/2015	Interest	912828RF9	50,000.00	US Treasury Note 1% Due 8/31/2016	0.00	250.00	250.00
02/28/2015	Interest	912828C24	225,000.00	US Treasury Note 1.5% Due 2/28/2019	0.00	1,687.50	1,687.50
02/28/2015	Interest	912828TM2	400,000.00	US Treasury Note 0.625% Due 8/31/2017	0.00	1,250.00	1,250.00
<b>Feb 2015</b>					<b>334,180.72</b>	<b>11,185.98</b>	<b>345,366.70</b>
03/01/2015	Interest	17275RAR3	135,000.00	Cisco Systems Note 2.125% Due 3/1/2019	0.00	1,434.38	1,434.38
03/07/2015	Interest	3137EADP1	300,000.00	FHLMC Note 0.875% Due 3/7/2018	0.00	1,312.51	1,312.51
03/08/2015	Interest	3137EADC0	200,000.00	FHLMC Note 1% Due 3/8/2017	0.00	1,000.00	1,000.00
<b>Mar 2015</b>					<b>20,220.88</b>	<b>15,419.01</b>	<b>35,639.89</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/09/2015	Interest	313378A43	215,000.00	FHLB Note 1.375% Due 3/9/2018	0.00	1,478.13	1,478.13
03/11/2015	Interest	06406HCW7	135,000.00	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	0.00	1,552.50	1,552.50
03/12/2015	Interest	3135G0ZG1	250,000.00	FNMA Note 1.75% Due 9/12/2019	0.00	2,187.50	2,187.50
03/14/2015	Interest	313375K48	200,000.00	FHLB Note 2% Due 9/14/2018	0.00	2,000.00	2,000.00
03/15/2015	Interest	30231GAA0	150,000.00	Exxon Mobil Corp Note 0.921% Due 3/15/2017	0.00	690.75	690.75
03/15/2015	Interest	532457BF4	150,000.00	Eli Lilly & Co Note 1.95% Due 3/15/2019	0.00	1,462.50	1,462.50
03/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	3,290.86	18.57	3,309.43
03/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
03/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,772.54	47.53	4,820.07
03/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
03/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,476.21	32.63	1,508.84
03/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	5,256.14	12.55	5,268.69
03/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	5,425.13	18.21	5,443.34
03/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
03/21/2015	Interest	3133EAY28	160,000.00	FFCB Note 0.83% Due 9/21/2017	0.00	664.00	664.00
03/27/2015	Interest	3135G0ZL0	105,000.00	FNMA Note 1% Due 9/27/2017	0.00	525.00	525.00
03/31/2015	Interest	912828RJ1	150,000.00	US Treasury Note 1% Due 9/30/2016	0.00	750.00	750.00
<b>Mar 2015</b>					<b>20,220.88</b>	<b>15,419.01</b>	<b>35,639.89</b>
04/11/2015	Interest	3135G0BA0	275,000.00	FNMA Note 2.375% Due 4/11/2016	0.00	3,265.63	3,265.63
04/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
<b>Apr 2015</b>					<b>19,633.06</b>	<b>3,617.79</b>	<b>23,250.85</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
04/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,666.86	44.86	4,711.72
04/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	5,062.96	10.53	5,073.49
04/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
04/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	3,188.90	17.11	3,206.01
04/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,477.84	31.55	1,509.39
04/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	5,236.50	15.86	5,252.36
04/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
<b>Apr 2015</b>					<b>19,633.06</b>	<b>3,617.79</b>	<b>23,250.85</b>
05/03/2015	Interest	037833AJ9	135,000.00	Apple Inc Note 1% Due 5/3/2018	0.00	675.00	675.00
05/13/2015	Interest	40428HPN6	135,000.00	HSBC USA Inc Note 2.375% Due 11/13/2019	0.00	1,603.13	1,603.13
05/15/2015	Interest	3135G0ES8	65,000.00	FNMA Note 1.375% Due 11/15/2016	0.00	446.88	446.88
05/15/2015	Interest	084664BS9	105,000.00	Berkshire Hathaway Note 1.6% Due 5/15/2017	0.00	840.00	840.00
05/15/2015	Interest	742718DS5	265,000.00	Procter & Gamble Co Note 1.8% Due 11/15/2015	0.00	2,385.00	2,385.00
05/15/2015	Interest	91159HHD5	150,000.00	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	0.00	1,237.50	1,237.50
05/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,479.46	30.48	1,509.94
05/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,869.66	8.59	4,878.25
05/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	3,086.88	15.70	3,102.58
05/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
05/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
05/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,561.04	42.26	4,603.30
<b>May 2015</b>					<b>19,044.80</b>	<b>22,942.89</b>	<b>41,987.69</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
05/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	5,047.76	13.59	5,061.35
05/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
05/19/2015	Interest	38259PAC6	105,000.00	Google Inc Note 2.125% Due 5/19/2016	0.00	1,115.63	1,115.63
05/21/2015	Interest	3135G0WJ8	250,000.00	FNMA Note 0.875% Due 5/21/2018	0.00	1,093.75	1,093.75
05/27/2015	Interest	3135G0YT4	400,000.00	FNMA Note 1.625% Due 11/27/2018	0.00	3,250.00	3,250.00
05/27/2015	Interest	3137EACT4	310,000.00	FHLMC Note 2.5% Due 5/27/2016	0.00	3,875.00	3,875.00
05/30/2015	Interest	3137EADG1	150,000.00	FHLMC Note 1.75% Due 5/30/2019	0.00	1,312.50	1,312.50
05/31/2015	Interest	912828RU6	275,000.00	US Treasury Note 0.875% Due 11/30/2016	0.00	1,203.13	1,203.13
05/31/2015	Interest	912828WL0	175,000.00	US Treasury Note 1.5% Due 5/31/2019	0.00	1,312.50	1,312.50
05/31/2015	Interest	912828G61	175,000.00	US Treasury Note 1.5% Due 11/30/2019	0.00	1,312.50	1,312.50
05/31/2015	Interest	912828UA6	300,000.00	US Treasury Note 0.625% Due 11/30/2017	0.00	937.50	937.50
<b>May 2015</b>					<b>19,044.80</b>	<b>22,942.89</b>	<b>41,987.69</b>
06/05/2015	Interest	166764AA8	140,000.00	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	0.00	772.80	772.80
06/06/2015	Interest	369604BC6	120,000.00	General Electric Co Note 5.25% Due 12/6/2017	0.00	3,150.00	3,150.00
06/09/2015	Interest	313371PV2	250,000.00	FHLB Note 1.625% Due 12/9/2016	0.00	2,031.25	2,031.25
06/09/2015	Interest	313379FW4	200,000.00	FHLB Note 1% Due 6/9/2017	0.00	1,000.00	1,000.00
06/10/2015	Interest	313373SZ6	200,000.00	FHLB Note 2.125% Due 6/10/2016	0.00	2,125.00	2,125.00
06/15/2015	Interest	458140AL4	135,000.00	Intel Corp Note 1.35% Due 12/15/2017	0.00	911.25	911.25
06/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,481.09	29.41	1,510.50
06/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,984.80	14.34	2,999.14
<b>Jun 2015</b>					<b>18,456.15</b>	<b>12,615.38</b>	<b>31,071.53</b>





### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
06/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
06/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,676.26	6.72	4,682.98
06/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
06/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,455.11	39.71	4,494.82
06/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,858.89	11.40	4,870.29
06/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
06/20/2015	Interest	3135G0RT2	150,000.00	FNMA Note 0.875% Due 12/20/2017	0.00	656.25	656.25
06/21/2015	Interest	3135G0SB0	120,000.00	FNMA Note 0.375% Due 12/21/2015	0.00	225.00	225.00
06/22/2015	Interest	31331J6C2	120,000.00	FFCB Note 2.35% Due 12/22/2015	0.00	1,410.00	1,410.00
<b>Jun 2015</b>					<b>18,456.15</b>	<b>12,615.38</b>	<b>31,071.53</b>
07/05/2015	Interest	46625HJA9	125,000.00	JP Morgan Chase Note 3.15% Due 7/5/2016	0.00	1,968.75	1,968.75
07/15/2015	Interest	94974BFQ8	135,000.00	Wells Fargo Corp Note 2.15% Due 1/15/2019	0.00	1,451.25	1,451.25
07/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
07/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,482.73	4.93	4,487.66
07/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,882.66	13.02	2,895.68
07/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
07/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,349.06	37.22	4,386.28
07/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,482.71	28.34	1,511.05
07/16/2015	Interest	24422EST7	125,000.00	John Deere Capital Corp Note 1.35% Due 1/16/2018	0.00	843.75	843.75
07/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,669.89	9.30	4,679.19
<b>Jul 2015</b>					<b>117,867.05</b>	<b>11,463.81</b>	<b>129,330.86</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
07/28/2015	Maturity	31398AU34	100,000.00	FNMA Note 2.375% Due 7/28/2015	100,000.00	1,187.50	101,187.50
07/30/2015	Interest	3135G0GY3	175,000.00	FNMA Note 1.25% Due 1/30/2017	0.00	1,093.75	1,093.75
07/31/2015	Interest	912828B33	350,000.00	US Treasury Note 1.5% Due 1/31/2019	0.00	2,625.00	2,625.00
07/31/2015	Interest	912828WW6	200,000.00	US Treasury Note 1.625% Due 7/31/2019	0.00	1,625.00	1,625.00
07/31/2015	Interest	912828VQ0	50,000.00	US Treasury Note 1.375% Due 7/31/2018	0.00	343.75	343.75
<b>Jul 2015</b>					<b>117,867.05</b>	<b>11,463.81</b>	<b>129,330.86</b>
08/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,362.32	78.67	6,440.99
08/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,242.88	34.79	4,277.67
08/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,289.09	3.21	4,292.30
08/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
08/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,780.45	11.75	2,792.20
08/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,484.35	27.26	1,511.61
08/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,480.79	7.27	4,488.06
08/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
08/25/2015	Interest	3137EACW7	300,000.00	FHLMC Note 2% Due 8/25/2016	0.00	3,000.00	3,000.00
08/27/2015	Interest	3135G0UY7	200,000.00	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	0.00	1,000.00	1,000.00
08/31/2015	Interest	912828RE2	250,000.00	US Treasury Note 1.5% Due 8/31/2018	0.00	1,875.00	1,875.00
08/31/2015	Interest	912828TM2	400,000.00	US Treasury Note 0.625% Due 8/31/2017	0.00	1,250.00	1,250.00
08/31/2015	Interest	912828RF9	50,000.00	US Treasury Note 1% Due 8/31/2016	0.00	250.00	250.00
<b>Aug 2015</b>					<b>23,639.88</b>	<b>9,379.03</b>	<b>33,018.91</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/31/2015	Interest	912828C24	225,000.00	US Treasury Note 1.5% Due 2/28/2019	0.00	1,687.50	1,687.50
<b>Aug 2015</b>					<b>23,639.88</b>	<b>9,379.03</b>	<b>33,018.91</b>
09/01/2015	Interest	17275RAR3	135,000.00	Cisco Systems Note 2.125% Due 3/1/2019	0.00	1,434.38	1,434.38
09/02/2015	Maturity	69349KW22	200,000.00	PNC Bank Discount CP 0.38% Due 9/2/2015	199,440.56	559.44	200,000.00
09/07/2015	Interest	3137EADP1	300,000.00	FHLMC Note 0.875% Due 3/7/2018	0.00	1,312.51	1,312.51
09/08/2015	Interest	3137EADC0	200,000.00	FHLMC Note 1% Due 3/8/2017	0.00	1,000.00	1,000.00
09/09/2015	Interest	313378A43	215,000.00	FHLB Note 1.375% Due 3/9/2018	0.00	1,478.13	1,478.13
09/11/2015	Interest	06406HCW7	135,000.00	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	0.00	1,552.50	1,552.50
09/12/2015	Interest	3135G0ZG1	250,000.00	FNMA Note 1.75% Due 9/12/2019	0.00	2,187.50	2,187.50
09/14/2015	Interest	313375K48	200,000.00	FHLB Note 2% Due 9/14/2018	0.00	2,000.00	2,000.00
09/15/2015	Interest	30231GAA0	150,000.00	Exxon Mobil Corp Note 0.921% Due 3/15/2017	0.00	690.75	690.75
09/15/2015	Interest	532457BF4	150,000.00	Eli Lilly & Co Note 1.95% Due 3/15/2019	0.00	1,462.50	1,462.50
09/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,678.19	10.52	2,688.71
09/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
09/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,136.58	32.42	4,169.00
09/15/2015	Paydown	89231NAC7	38,181.40	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,095.34	1.57	4,096.91
09/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,365.45	75.54	6,440.99
09/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,485.98	26.19	1,512.17
09/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,291.55	5.33	4,296.88
09/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
<b>Sep 2015</b>					<b>222,493.65</b>	<b>15,921.86</b>	<b>238,415.51</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
09/21/2015	Interest	3133EAY28	160,000.00	FFCB Note 0.83% Due 9/21/2017	0.00	664.00	664.00
09/27/2015	Interest	3135G0ZL0	105,000.00	FNMA Note 1% Due 9/27/2017	0.00	525.00	525.00
09/30/2015	Interest	912828RJ1	150,000.00	US Treasury Note 1% Due 9/30/2016	0.00	750.00	750.00
<b>Sep 2015</b>					<b>222,493.65</b>	<b>15,921.86</b>	<b>238,415.51</b>
10/11/2015	Interest	3135G0BA0	275,000.00	FNMA Note 2.375% Due 4/11/2016	0.00	3,265.63	3,265.63
10/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,368.58	72.41	6,440.99
10/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
10/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,030.15	30.12	4,060.27
10/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,487.61	25.11	1,512.72
10/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,575.87	9.34	2,585.21
10/18/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,102.18	3.47	4,105.65
10/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
10/20/2015	Paydown	43813CAC4	47,639.00	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	3,912.70	0.11	3,912.81
<b>Oct 2015</b>					<b>22,477.09</b>	<b>3,559.77</b>	<b>26,036.86</b>
11/03/2015	Interest	037833AJ9	135,000.00	Apple Inc Note 1% Due 5/3/2018	0.00	675.00	675.00
11/13/2015	Interest	40428HPN6	135,000.00	HSBC USA Inc Note 2.375% Due 11/13/2019	0.00	1,603.13	1,603.13
11/15/2015	Interest	3135G0ES8	65,000.00	FNMA Note 1.375% Due 11/15/2016	0.00	446.88	446.88
11/15/2015	Interest	084664BS9	105,000.00	Berkshire Hathaway Note 1.6% Due 5/15/2017	0.00	840.00	840.00
11/15/2015	Interest	91159HHD5	150,000.00	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	0.00	1,237.50	1,237.50
11/15/2015	Maturity	742718DS5	265,000.00	Procter & Gamble Co Note 1.8% Due 11/15/2015	265,000.00	2,385.00	267,385.00
<b>Nov 2015</b>					<b>288,095.87</b>	<b>22,882.98</b>	<b>310,978.85</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,371.71	69.28	6,440.99
11/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,473.49	8.20	2,481.69
11/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,837.82	95.83	8,933.65
11/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	3,923.60	27.87	3,951.47
11/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,489.25	24.03	1,513.28
11/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
11/19/2015	Interest	38259PAC6	105,000.00	Google Inc Note 2.125% Due 5/19/2016	0.00	1,115.63	1,115.63
11/21/2015	Interest	3135G0WJ8	250,000.00	FNMA Note 0.875% Due 5/21/2018	0.00	1,093.75	1,093.75
11/27/2015	Interest	3137EACT4	310,000.00	FHLMC Note 2.5% Due 5/27/2016	0.00	3,875.00	3,875.00
11/27/2015	Interest	3135G0YT4	400,000.00	FNMA Note 1.625% Due 11/27/2018	0.00	3,250.00	3,250.00
11/30/2015	Interest	912828RU6	275,000.00	US Treasury Note 0.875% Due 11/30/2016	0.00	1,203.13	1,203.13
11/30/2015	Interest	912828WL0	175,000.00	US Treasury Note 1.5% Due 5/31/2019	0.00	1,312.50	1,312.50
11/30/2015	Interest	3137EADG1	150,000.00	FHLMC Note 1.75% Due 5/30/2019	0.00	1,312.50	1,312.50
11/30/2015	Interest	912828G61	175,000.00	US Treasury Note 1.5% Due 11/30/2019	0.00	1,312.50	1,312.50
11/30/2015	Interest	912828UA6	300,000.00	US Treasury Note 0.625% Due 11/30/2017	0.00	937.50	937.50
<b>Nov 2015</b>					<b>288,095.87</b>	<b>22,882.98</b>	<b>310,978.85</b>
12/05/2015	Interest	166764AA8	140,000.00	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	0.00	772.80	772.80
12/06/2015	Interest	369604BC6	120,000.00	General Electric Co Note 5.25% Due 12/6/2017	0.00	3,150.00	3,150.00
12/09/2015	Interest	313371PV2	250,000.00	FHLB Note 1.625% Due 12/9/2016	0.00	2,031.25	2,031.25
12/09/2015	Interest	313379FW4	200,000.00	FHLB Note 1% Due 6/9/2017	0.00	1,000.00	1,000.00
<b>Dec 2015</b>					<b>269,085.73</b>	<b>12,550.23</b>	<b>281,635.96</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/10/2015	Interest	313373SZ6	200,000.00	FHLB Note 2.125% Due 6/10/2016	0.00	2,125.00	2,125.00
12/15/2015	Interest	458140AL4	135,000.00	Intel Corp Note 1.35% Due 12/15/2017	0.00	911.25	911.25
12/15/2015	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,371.05	7.11	2,378.16
12/15/2015	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,490.89	22.95	1,513.84
12/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,616.44	89.06	8,705.50
12/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,374.85	66.14	6,440.99
12/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	3,816.94	25.67	3,842.61
12/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	6,415.56	57.75	6,473.31
12/20/2015	Interest	3135G0RT2	150,000.00	FNMA Note 0.875% Due 12/20/2017	0.00	656.25	656.25
12/21/2015	Maturity	3135G0SB0	120,000.00	FNMA Note 0.375% Due 12/21/2015	120,000.00	225.00	120,225.00
12/22/2015	Maturity	31331J6C2	120,000.00	FFCB Note 2.35% Due 12/22/2015	120,000.00	1,410.00	121,410.00
<b>Dec 2015</b>					<b>269,085.73</b>	<b>12,550.23</b>	<b>281,635.96</b>
01/05/2016	Interest	46625HJA9	125,000.00	JP Morgan Chase Note 3.15% Due 7/5/2016	0.00	1,968.75	1,968.75
01/15/2016	Interest	94974BFQ8	135,000.00	Wells Fargo Corp Note 2.15% Due 1/15/2019	0.00	1,451.25	1,451.25
01/15/2016	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,377.98	63.01	6,440.99
01/15/2016	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	3,710.14	23.54	3,733.68
01/15/2016	Paydown	477879AC4	45,000.00	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,492.53	21.87	1,514.40
01/15/2016	Paydown	47787RAC4	45,429.98	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,268.56	6.06	2,274.62
01/15/2016	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,394.81	82.45	8,477.26
01/16/2016	Interest	24422EST7	125,000.00	John Deere Capital Corp Note 1.35% Due 1/16/2018	0.00	843.75	843.75
<b>Jan 2016</b>					<b>28,493.92</b>	<b>10,201.81</b>	<b>38,695.73</b>



### Cash Flow Report

From 01/31/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
01/18/2016	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	6,249.90	53.63	6,303.53
01/30/2016	Interest	3135G0GY3	175,000.00	FNMA Note 1.25% Due 1/30/2017	0.00	1,093.75	1,093.75
01/31/2016	Interest	912828B33	350,000.00	US Treasury Note 1.5% Due 1/31/2019	0.00	2,625.00	2,625.00
01/31/2016	Interest	912828WW6	200,000.00	US Treasury Note 1.625% Due 7/31/2019	0.00	1,625.00	1,625.00
01/31/2016	Interest	912828VQ0	50,000.00	US Treasury Note 1.375% Due 7/31/2018	0.00	343.75	343.75
<b>Jan 2016</b>					<b>28,493.92</b>	<b>10,201.81</b>	<b>38,695.73</b>
<b>Total</b>					<b>1,383,688.80</b>	<b>151,740.54</b>	<b>1,535,429.34</b>

# Monthly Account Statement

## Small Cities Organized Risk Effort

February 1, 2015 through February 28, 2015

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

### Custodian

US Bank  
Linda Brimm  
+(314)-418-3441

***Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.***





PORTFOLIO CHARACTERISTICS

Average Duration	2.43
Average Coupon	1.40 %
Average Purchase YTM	1.27 %
Average Market YTM	0.94 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.61 yrs
Average Life	2.49 yrs

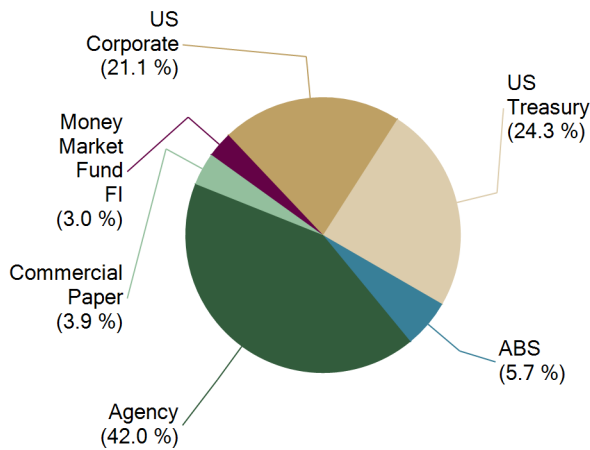
ACCOUNT SUMMARY

	Beg. Values as of 1/31/15	End Values as of 2/28/15
<b>Market Value</b>	10,869,160	10,826,692
<b>Accrued Interest</b>	35,853	36,884
<b>Total Market Value</b>	<b>10,905,012</b>	<b>10,863,576</b>
<b>Income Earned</b>	11,382	11,411
<b>Cont/WD</b>		-1,190
<b>Par</b>	10,726,236	10,742,412
<b>Book Value</b>	10,753,393	10,762,741
<b>Cost Value</b>	10,788,085	10,792,744

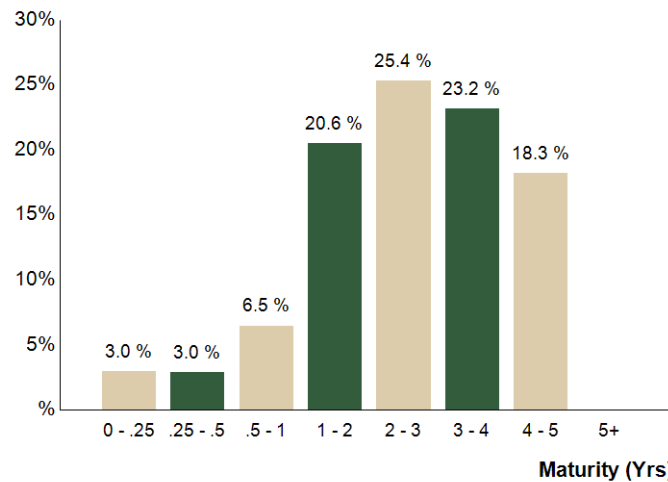
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.3 %
Federal National Mortgage Assoc	17.6 %
Federal Home Loan Mortgage Corp	11.8 %
Federal Home Loan Bank	10.0 %
First American Govt Oblig Fund	3.0 %
Federal Farm Credit Bank	2.6 %
Procter & Gamble Company	2.5 %
Bank of Tokyo-Mit UFJ	2.0 %
<b>Total</b>	<b>73.8 %</b>

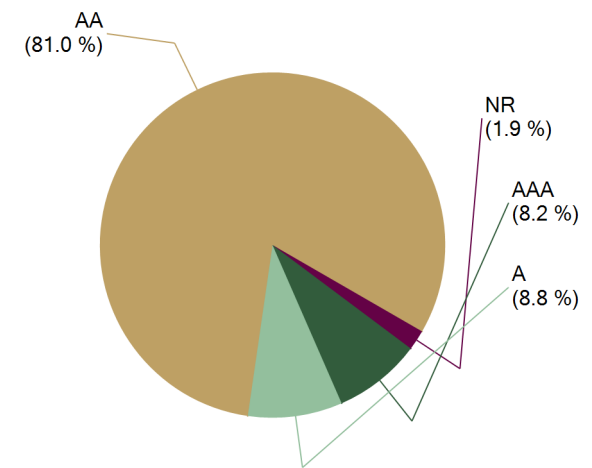
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2015	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	-0.37 %	0.33 %	0.54 %	1.27 %	0.99 %	1.76 %	N/A	3.62 %	37.27 %
1-5 yr Govt	-0.49 %	0.17 %	0.49 %	1.17 %	0.83 %	1.57 %	N/A	3.35 %	34.17 %
BAML 1-5 Year AAA-A (US Only Issuers)	-0.46 %	0.22 %	0.54 %	1.27 %	1.03 %	1.78 %	N/A	3.41 %	34.81 %



**Small Cities Organized Risk Effort  
Joint Powers Authority  
February 28, 2015**

**COMPLIANCE WITH INVESTMENT POLICY**

*Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.*

<b>Category</b>	<b>Standard</b>	<b>Comment</b>
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" or better rated; 20% maximum; 5% per issuer;	Complies
Negotiable CDs	A-1, P-1 or F-1, or AA rated; 30% max.; 5 years maximum maturity; 5% per issuer	Complies
Banker's Acceptances	A1, P1 or F-1 rated; 30% maximum; 5% per issuer; <180 days	Complies
Commercial Paper	A-1, P1 or F-1 rated; 25% maximum; 5% per issuer; <270 days	Complies
Medium Term Notes	"A-" or better rated; 30% maximum; 5% per issuer;	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA/Aaa rated; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated; 20% maximum; 10% per issuer	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies



## Reconciliation Summary

As of 2/28/2015

BOOK VALUE RECONCILIATION		
<b>Beginning Book Value</b>		<b>\$10,753,393.31</b>
<b>Acquisition</b>		
+ Security Purchases	\$452,944.79	
+ Money Market Fund Purchases	\$623,285.43	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$1,076,230.22</b>
<b>Dispositions</b>		
- Security Sales	\$203,911.43	
- Money Market Fund Sales	\$324,295.89	
- MMF Withdrawals	\$1,190.17	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$314,846.99	
- Calls	\$200,000.00	
- Principal Paydowns	\$21,623.85	
<b>Total Dispositions</b>		<b>\$1,065,868.33</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$1,172.34)	
		(\$1,172.34)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$157.67	
		\$157.67
<b>Ending Book Value</b>		<b>\$10,762,740.53</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$29,986.05</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$203,911.43	
Accrued Interest Received	\$572.48	
Interest Received	\$11,032.97	
Dividend Received	\$0.33	
Principal on Maturities	\$314,846.99	
Interest on Maturities	\$153.01	
Calls/Redemption (Principal)	\$200,000.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$21,623.85	
<b>Total Acquisitions</b>	<b>\$752,141.06</b>	
<b>Disposition</b>		
Withdrawals	\$1,190.17	
Security Purchase	\$452,944.79	
Accrued Interest Paid	\$206.73	
<b>Total Dispositions</b>	<b>\$454,341.69</b>	
<b>Ending Book Value</b>		<b>\$327,785.42</b>



### Holdings Report

As of 2/28/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	32,883.66	09/18/2012 0.46 %	32,880.53 32,883.09	100.02 0.37 %	32,891.12 6.72	0.30 % 8.03	Aaa / AAA NR	1.38 0.25
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	36,103.69	09/27/2013 0.61 %	36,064.20 36,084.20	100.02 0.46 %	36,109.47 8.50	0.33 % 25.27	Aaa / NR AAA	1.38 0.21
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	41,483.37	10/11/2012 0.52 %	41,479.35 41,482.52	100.00 0.53 %	41,481.92 7.79	0.38 % (0.60)	Aaa / AAA NR	1.47 0.30
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	160,000.00	03/05/2013 0.55 %	160,231.25 160,128.11	100.05 0.49 %	160,074.24 41.96	1.47 % (53.87)	NR / AAA AAA	2.46 0.44
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	44,155.81	08/27/2013 0.88 %	44,149.79 44,152.06	100.19 0.58 %	44,241.16 17.07	0.41 % 89.10	Aaa / NR AAA	2.46 0.66
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	90,000.00	03/11/2014 0.69 %	89,983.37 89,988.95	99.88 0.77 %	89,891.28 26.80	0.83 % (97.67)	Aaa / AAA NR	2.80 1.20
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	90,000.00	05/13/2014 0.78 %	89,989.18 89,991.99	99.83 0.89 %	89,848.80 25.03	0.83 % (143.19)	Aaa / AAA NR	3.05 1.44
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	125,000.00	04/02/2014 0.93 %	124,979.98 124,985.90	100.05 0.89 %	125,063.00 51.11	1.15 % 77.10	Aaa / NR AAA	3.13 1.35
<b>Total ABS</b>		<b>619,626.53</b>	<b>0.70 %</b>	<b>619,757.65</b> <b>619,696.82</b>	<b>0.67 %</b>	<b>619,600.99</b> <b>184.98</b>	<b>5.71 %</b> <b>(95.83)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.55</b> <b>0.86</b>
<b>AGENCY</b>									
31398AU34	FNMA Note 2.375% Due 7/28/2015	100,000.00	08/27/2010 1.73 %	103,014.00 100,250.47	100.90 0.22 %	100,895.70 217.71	0.93 % 645.23	Aaa / AA+ AAA	0.41 0.42
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	120,000.00	11/26/2012 0.45 %	119,720.40 119,926.16	100.11 0.25 %	120,126.00 87.50	1.11 % 199.84	Aaa / AA+ AAA	0.81 0.81
31331J6C2	FFCB Note 2.35% Due 12/22/2015	120,000.00	03/28/2011 2.27 %	120,434.40 120,074.37	101.67 0.30 %	122,008.92 540.50	1.13 % 1,934.55	Aaa / AA+ AAA	0.81 0.81
3135G0BA0	FNMA Note 2.375% Due 4/11/2016	275,000.00	06/07/2011 1.78 %	282,544.63 276,735.82	102.22 0.39 %	281,099.50 2,539.93	2.61 % 4,363.68	Aaa / AA+ AAA	1.12 1.10
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	310,000.00	Various 1.73 %	321,083.36 312,813.84	102.56 0.44 %	317,923.60 2,023.61	2.95 % 5,109.76	Aaa / AA+ AAA	1.24 1.23
313373SZ6	FHLB Note 2.125% Due 6/10/2016	200,000.00	09/14/2011 1.10 %	209,390.00 202,534.76	102.18 0.42 %	204,356.20 956.25	1.89 % 1,821.44	Aaa / AA+ AAA	1.28 1.27
3137EACW7	FHLMC Note 2% Due 8/25/2016	300,000.00	01/19/2012 1.09 %	312,151.20 303,929.78	102.22 0.50 %	306,669.60 100.00	2.82 % 2,739.82	Aaa / AA+ AAA	1.49 1.47
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	65,000.00	12/21/2011 1.21 %	65,514.15 65,179.52	101.26 0.64 %	65,818.22 263.16	0.61 % 638.70	Aaa / AA+ AAA	1.72 1.69
313371PV2	FHLB Note 1.625% Due 12/9/2016	250,000.00	10/17/2013 0.78 %	256,575.00 253,717.05	101.81 0.60 %	254,521.25 925.35	2.35 % 804.20	Aaa / AA+ AAA	1.78 1.75
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	175,000.00	03/26/2012 1.25 %	174,983.73 174,993.56	101.10 0.67 %	176,926.23 188.37	1.63 % 1,932.67	Aaa / AA+ AAA	1.92 1.90



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3137EADC0	FHLMC Note 1% Due 3/8/2017	200,000.00	03/19/2012 1.37 %	196,430.40 198,547.76	100.68 0.66 %	201,352.80 961.11	1.86 % 2,805.04	Aaa / AA+ AAA	2.02 2.00
313379FW4	FHLB Note 1% Due 6/9/2017	200,000.00	06/20/2012 1.02 %	199,758.00 199,889.14	100.52 0.77 %	201,037.60 455.56	1.85 % 1,148.46	Aaa / AA+ AAA	2.28 2.25
3133EAY28	FFCB Note 0.83% Due 9/21/2017	160,000.00	09/18/2012 0.83 %	160,000.00 160,000.00	100.80 0.51 %	161,283.20 590.22	1.49 % 1,283.20	Aaa / AA+ AAA	2.56 2.53
3135G0ZL0	FNMA Note 1% Due 9/27/2017	105,000.00	08/21/2014 1.12 %	104,625.15 104,687.57	100.16 0.94 %	105,168.11 449.17	0.97 % 480.54	Aaa / AA+ AAA	2.58 2.53
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	150,000.00	02/11/2013 0.94 %	149,523.00 149,724.08	99.55 1.04 %	149,318.10 258.85	1.38 % (405.98)	Aaa / AA+ AAA	2.81 2.76
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	300,000.00	Various 1.03 %	297,930.75 298,664.57	99.43 1.07 %	298,278.91 1,268.75	2.76 % (385.66)	Aaa / AA+ AAA	3.02 2.96
313378A43	FHLB Note 1.375% Due 3/9/2018	215,000.00	08/06/2013 1.48 %	213,970.15 214,321.22	101.02 1.03 %	217,202.03 1,412.43	2.01 % 2,880.81	Aaa / AA+ AAA	3.03 2.94
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	250,000.00	06/17/2013 1.24 %	245,652.50 247,154.06	98.98 1.20 %	247,444.50 607.64	2.28 % 290.44	Aaa / AA+ AAA	3.23 3.17
313375K48	FHLB Note 2% Due 9/14/2018	200,000.00	02/07/2014 1.50 %	204,446.00 203,427.95	102.37 1.31 %	204,746.00 1,855.56	1.90 % 1,318.05	Aaa / AA+ AAA	3.55 3.39
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	400,000.00	Various 1.60 %	400,556.00 400,415.80	101.09 1.33 %	404,342.00 1,697.22	3.74 % 3,926.20	Aaa / AA+ AAA	3.75 3.61
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	150,000.00	11/19/2014 1.68 %	150,455.70 150,427.84	101.00 1.51 %	151,497.45 663.54	1.40 % 1,069.61	Aaa / AA+ AAA	4.25 4.07
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	250,000.00	Various 1.80 %	249,452.50 249,506.52	100.86 1.55 %	252,154.76 2,053.82	2.34 % 2,648.24	Aaa / AA+ AAA	4.54 4.32
<b>Total Agency</b>		<b>4,495,000.00</b>	<b>1.34 %</b>	<b>4,538,211.02</b> <b>4,506,921.84</b>	<b>0.83 %</b>	<b>4,544,170.68</b> <b>20,116.25</b>	<b>42.01 %</b> <b>37,248.84</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.41</b> <b>2.34</b>
<b>COMMERCIAL PAPER</b>									
06538CTV3	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 6/29/2015	220,000.00	02/20/2015 0.28 %	219,784.40 219,784.40	99.90 0.28 %	219,784.40 10.27	2.02 % 0.00	P-1 / A-1 F-1	0.33 0.33
69349KW22	PNC Bank Discount CP 0.38% Due 9/2/2015	200,000.00	12/10/2014 0.39 %	199,440.56 199,440.56	99.72 0.39 %	199,440.56 168.89	1.84 % 0.00	P-1 / A-1 F-1	0.51 0.51
<b>Total Commercial Paper</b>		<b>420,000.00</b>	<b>0.33 %</b>	<b>419,224.96</b> <b>419,224.96</b>	<b>0.33 %</b>	<b>419,224.96</b> <b>179.16</b>	<b>3.86 %</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1</b>	<b>0.42</b> <b>0.42</b>
<b>MONEY MARKET FUND FI</b>									
31846V203	First American Govt Obligation Fund	327,785.42	Various 0.00 %	327,785.42 327,785.42	1.00 0.00 %	327,785.42 0.00	3.02 % 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>327,785.42</b>	<b>N/A</b>	<b>327,785.42</b> <b>327,785.42</b>	<b>0.00 %</b>	<b>327,785.42</b> <b>0.00</b>	<b>3.02 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
742718DS5	Procter & Gamble Co Note 1.8% Due 11/15/2015	265,000.00	04/13/2011 2.36 %	258,615.14 264,010.96	100.93 0.50 %	267,454.17 1,404.50	2.47 % 3,443.21	Aa3 / AA- NR	0.71 0.71
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	105,000.00	10/13/2011 1.57 %	107,568.30 105,682.32	102.03 0.46 %	107,131.50 632.19	0.99 % 1,449.18	Aa2 / AA NR	1.22 1.21
30231GAA0	Exxon Mobil Corp Note 0.921% Due 3/15/2017	150,000.00	03/17/2014 0.92 %	150,000.00 150,000.00	100.42 0.72 %	150,626.25 637.03	1.39 % 626.25	Aaa / AAA NR	2.04 2.02
084664BS9	Berkshire Hathaway Note 1.6% Due 5/15/2017	105,000.00	Various 1.57 %	105,141.90 105,062.63	101.59 0.87 %	106,667.61 494.66	0.99 % 1,604.98	Aa2 / AA A+	2.21 2.17
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	150,000.00	08/18/2014 1.10 %	152,167.50 151,737.58	101.40 0.99 %	152,101.95 728.75	1.41 % 364.37	A1 / A+ AA-	2.21 2.08
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	140,000.00	Various 1.05 %	140,346.00 140,195.78	99.97 1.12 %	139,963.60 369.22	1.29 % (232.18)	Aa1 / AA NR	2.77 2.63
369604BC6	General Electric Co Note 5.25% Due 12/6/2017	120,000.00	05/15/2014 1.37 %	136,032.00 132,506.44	110.96 1.22 %	133,154.52 1,487.50	1.24 % 648.08	Aa3 / AA+ NR	2.77 2.58
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	135,000.00	06/16/2014 1.41 %	134,711.10 134,768.88	100.58 1.14 %	135,778.68 384.75	1.25 % 1,009.80	A1 / A+ A+	2.80 2.73
24422EST7	John Deere Capital Corp Note 1.35% Due 1/16/2018	125,000.00	01/13/2015 1.37 %	124,937.50 124,940.01	100.10 1.31 %	125,130.38 210.94	1.15 % 190.37	A2 / A NR	2.88 2.82
037833AJ9	Apple Inc Note 1% Due 5/3/2018	135,000.00	Various 1.09 %	134,384.60 134,607.55	99.20 1.26 %	133,923.92 442.50	1.24 % (683.63)	Aa1 / AA+ NR	3.18 3.11
94974BFQ8	Wells Fargo Corp Note 2.15% Due 1/15/2019	135,000.00	04/29/2014 2.12 %	135,160.65 135,132.33	100.93 1.90 %	136,251.72 370.88	1.26 % 1,119.39	A2 / A+ AA-	3.88 3.70
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	135,000.00	11/19/2014 2.07 %	135,315.90 135,296.23	101.87 1.64 %	137,521.40 1,434.38	1.28 % 2,225.17	A1 / AA- NR	4.01 3.79
532457BF4	Eli Lilly & Co Note 1.95% Due 3/15/2019	150,000.00	06/10/2014 2.05 %	149,341.50 149,440.50	101.09 1.67 %	151,632.00 1,348.75	1.41 % 2,191.50	A2 / AA- A	4.04 3.85
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	135,000.00	11/19/2014 2.24 %	135,334.80 135,315.93	101.55 1.94 %	137,087.51 1,466.25	1.28 % 1,771.58	A1 / A+ AA-	4.54 4.17
40428HPN6	HSBC USA Inc Note 2.375% Due 11/13/2019	135,000.00	11/10/2014 2.32 %	135,329.40 135,310.09	100.69 2.22 %	135,927.18 961.88	1.26 % 617.09	A2 / A AA-	4.71 4.40
46625HKA7	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020	135,000.00	02/10/2015 2.34 %	134,410.05 134,415.28	99.45 2.37 %	134,256.96 320.63	1.24 % (158.32)	A3 / A A+	4.90 4.60
<b>Total US Corporate</b>		<b>2,255,000.00</b>	<b>1.72 %</b>	<b>2,268,796.34</b> <b>2,268,422.51</b>	<b>1.30 %</b>	<b>2,284,609.35</b> <b>12,694.81</b>	<b>21.15 %</b> <b>16,186.84</b>	<b>A1 / AA-</b> <b>A+</b>	<b>2.95</b> <b>2.81</b>



Holdings Report

As of 2/28/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828RF9	US Treasury Note 1% Due 8/31/2016	50,000.00	09/14/2011 0.86 %	50,338.06 50,102.43	100.80 0.47 %	50,398.45 1.36	0.46 % 296.02	Aaa / AA+ AAA	1.51 1.49
912828RJ1	US Treasury Note 1% Due 9/30/2016	150,000.00	10/13/2011 1.05 %	149,619.64 149,878.53	100.82 0.48 %	151,230.45 626.37	1.40 % 1,351.92	Aaa / AA+ AAA	1.59 1.57
912828RU6	US Treasury Note 0.875% Due 11/30/2016	200,000.00	01/19/2012 0.83 %	200,438.17 200,157.90	100.57 0.55 %	201,140.60 437.50	1.86 % 982.70	Aaa / AA+ AAA	1.76 1.73
912828TM2	US Treasury Note 0.625% Due 8/31/2017	400,000.00	Various 0.69 %	398,827.51 399,383.52	99.44 0.85 %	397,750.00 6.80	3.66 % (1,633.52)	Aaa / AA+ AAA	2.51 2.47
912828UA6	US Treasury Note 0.625% Due 11/30/2017	300,000.00	12/27/2012 0.70 %	298,864.29 299,365.19	99.16 0.94 %	297,468.60 468.75	2.74 % (1,896.59)	Aaa / AA+ AAA	2.76 2.72
912828VQ0	US Treasury Note 1.375% Due 7/31/2018	50,000.00	07/30/2013 1.37 %	50,021.65 50,014.80	100.69 1.17 %	50,343.75 55.08	0.46 % 328.95	Aaa / AA+ AAA	3.42 3.33
912828RE2	US Treasury Note 1.5% Due 8/31/2018	250,000.00	09/13/2013 1.69 %	247,725.45 248,392.74	101.03 1.20 %	252,578.00 10.19	2.33 % 4,185.26	Aaa / AA+ AAA	3.51 3.40
912828B33	US Treasury Note 1.5% Due 1/31/2019	350,000.00	Various 1.45 %	350,803.91 350,658.19	100.70 1.32 %	352,460.85 420.58	3.25 % 1,802.66	Aaa / AA+ AAA	3.93 3.80
912828C24	US Treasury Note 1.5% Due 2/28/2019	225,000.00	03/18/2014 1.55 %	224,490.99 224,588.74	100.66 1.33 %	226,494.23 9.17	2.08 % 1,905.49	Aaa / AA+ AAA	4.00 3.87
912828WL0	US Treasury Note 1.5% Due 5/31/2019	175,000.00	06/17/2014 1.74 %	172,977.15 173,263.57	100.46 1.39 %	175,806.58 656.25	1.62 % 2,543.01	Aaa / AA+ AAA	4.25 4.09
912828WW6	US Treasury Note 1.625% Due 7/31/2019	200,000.00	Various 1.67 %	199,586.61 199,623.26	100.84 1.43 %	201,671.80 260.36	1.86 % 2,048.54	Aaa / AA+ AAA	4.42 4.25
912828G61	US Treasury Note 1.5% Due 11/30/2019	175,000.00	01/27/2015 1.31 %	176,525.00 176,497.38	100.08 1.48 %	175,136.68 656.25	1.62 % (1,360.70)	Aaa / AA+ AAA	4.76 4.55
912828H52	US Treasury Note 1.25% Due 1/31/2020	100,000.00	02/10/2015 1.51 %	98,750.34 98,762.73	98.82 1.50 %	98,820.30 100.14	0.91 % 57.57	Aaa / AA+ AAA	4.93 4.75
<b>Total US Treasury</b>		<b>2,625,000.00</b>	<b>1.23 %</b>	<b>2,618,968.77</b> <b>2,620,688.98</b>	<b>1.10 %</b>	<b>2,631,300.29</b> <b>3,708.80</b>	<b>24.26 %</b> <b>10,611.31</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.34</b> <b>3.24</b>
<b>TOTAL PORTFOLIO</b>		<b>10,742,411.95</b>	<b>1.27 %</b>	<b>10,792,744.16</b> <b>10,762,740.53</b>	<b>0.94 %</b>	<b>10,826,691.69</b> <b>36,884.00</b>	<b>100.00 %</b> <b>63,951.16</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>2.61</b> <b>2.43</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>10,863,575.69</b>			



Transaction Ledger

1/31/15 Thru 2/28/15

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	02/02/2015	31846V203	0.33	First American Govt Obligation Fund	1.000	0.01 %	0.33	0.00	0.33	0.00
Purchase	02/11/2015	31846V203	1,600.00	First American Govt Obligation Fund	1.000	0.01 %	1,600.00	0.00	1,600.00	0.00
Purchase	02/11/2015	31846V203	100,000.00	First American Govt Obligation Fund	1.000	0.01 %	100,000.00	0.00	100,000.00	0.00
Purchase	02/11/2015	912828H52	100,000.00	US Treasury Note 1.25% Due 1/31/2020	98.750	1.51 %	98,750.34	37.98	98,788.32	0.00
Purchase	02/13/2015	46625HKA7	135,000.00	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020	99.563	2.34 %	134,410.05	168.75	134,578.80	0.00
Purchase	02/18/2015	31846V203	78.67	First American Govt Obligation Fund	1.000	0.01 %	78.67	0.00	78.67	0.00
Purchase	02/18/2015	31846V203	876.82	First American Govt Obligation Fund	1.000	0.01 %	876.82	0.00	876.82	0.00
Purchase	02/18/2015	31846V203	9,346.35	First American Govt Obligation Fund	1.000	0.01 %	9,346.35	0.00	9,346.35	0.00
Purchase	02/18/2015	31846V203	95.83	First American Govt Obligation Fund	1.000	0.01 %	95.83	0.00	95.83	0.00
Purchase	02/18/2015	31846V203	50.25	First American Govt Obligation Fund	1.000	0.01 %	50.25	0.00	50.25	0.00
Purchase	02/18/2015	31846V203	5,312.38	First American Govt Obligation Fund	1.000	0.01 %	5,312.38	0.00	5,312.38	0.00
Purchase	02/18/2015	31846V203	6,176.27	First American Govt Obligation Fund	1.000	0.01 %	6,176.27	0.00	6,176.27	0.00
Purchase	02/18/2015	31846V203	57.75	First American Govt Obligation Fund	1.000	0.01 %	57.75	0.00	57.75	0.00
Purchase	02/20/2015	31846V203	215,000.00	First American Govt Obligation Fund	1.000	0.01 %	215,000.00	0.00	215,000.00	0.00
Purchase	02/23/2015	06538CTV3	220,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 6/29/2015	99.902	0.28 %	219,784.40	0.00	219,784.40	0.00
Purchase	02/25/2015	31846V203	75,628.28	First American Govt Obligation Fund	1.000	0.01 %	75,628.28	0.00	75,628.28	0.00
Purchase	02/25/2015	31846V203	3,000.00	First American Govt Obligation Fund	1.000	0.01 %	3,000.00	0.00	3,000.00	0.00
Purchase	02/27/2015	31846V203	1,000.00	First American Govt Obligation Fund	1.000	0.01 %	1,000.00	0.00	1,000.00	0.00
Purchase	02/27/2015	31846V203	200,000.00	First American Govt Obligation Fund	1.000	0.01 %	200,000.00	0.00	200,000.00	0.00
Purchase	02/28/2015	31846V203	5,062.50	First American Govt Obligation Fund	1.000		5,062.50	0.00	5,062.50	0.00
	<b>Subtotal</b>		<b>1,078,285.43</b>				<b>1,076,230.22</b>	<b>206.73</b>	<b>1,076,436.95</b>	<b>0.00</b>
Short Sale	02/11/2015	31846V203	-98,788.32	First American Govt Obligation Fund	1.000		-98,788.32	0.00	-98,788.32	0.00
	<b>Subtotal</b>		<b>-98,788.32</b>				<b>-98,788.32</b>	<b>0.00</b>	<b>-98,788.32</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>979,497.11</b>				<b>977,441.90</b>	<b>206.73</b>	<b>977,648.63</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Closing Purchase	02/11/2015	31846V203	-98,788.32	First American Govt Obligation Fund	1.000		-98,788.32	0.00	-98,788.32	0.00





Transaction Ledger

1/31/15 Thru 2/28/15

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
			<b>Subtotal</b>				<b>-98,788.32</b>	<b>0.00</b>	<b>-98,788.32</b>	<b>0.00</b>
Sale	02/11/2015	31846V203	98,788.32	First American Govt Obligation Fund	1.000	0.01 %	98,788.32	0.00	98,788.32	0.00
Sale	02/13/2015	31846V203	5,723.17	First American Govt Obligation Fund	1.000	0.01 %	5,723.17	0.00	5,723.17	0.00
Sale	02/13/2015	46625HJA9	125,000.00	JP Morgan Chase Note 3.15% Due 7/5/2016	102.752	1.15 %	128,440.00	415.63	128,855.63	-254.18
Sale	02/23/2015	31846V203	219,784.40	First American Govt Obligation Fund	1.000	0.01 %	219,784.40	0.00	219,784.40	0.00
Sale	02/25/2015	912828RU6	75,000.00	US Treasury Note 0.875% Due 11/30/2016	100.629	0.52 %	75,471.43	156.85	75,628.28	411.85
			<b>Subtotal</b>				<b>528,207.32</b>	<b>572.48</b>	<b>528,779.80</b>	<b>157.67</b>
Call	02/27/2015	3135G0UY7	200,000.00	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	100.000	1.00 %	200,000.00	0.00	200,000.00	0.00
			<b>Subtotal</b>				<b>200,000.00</b>	<b>0.00</b>	<b>200,000.00</b>	<b>0.00</b>
Paydown	02/01/2015	161571FL3	0.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	100.000		0.00	78.67	78.67	0.00
Paydown	02/01/2015	477879AC4	844.19	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		844.19	32.63	876.82	0.00
Paydown	02/01/2015	47787RAC4	9,326.29	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	100.000		9,326.29	20.06	9,346.35	0.00
Paydown	02/01/2015	47787VAC5	0.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		0.00	95.83	95.83	0.00
Paydown	02/01/2015	89231MAC9	0.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		0.00	50.25	50.25	0.00
Paydown	02/01/2015	89231NAC7	5,297.74	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	100.000		5,297.74	14.64	5,312.38	0.00
Paydown	02/18/2015	43813CAC4	6,155.63	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	100.000		6,155.63	20.64	6,176.27	0.00
Paydown	02/18/2015	43814GAC4	0.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		0.00	57.75	57.75	0.00
			<b>Subtotal</b>				<b>21,623.85</b>	<b>370.47</b>	<b>21,994.32</b>	<b>0.00</b>
Maturity	02/11/2015	084670AV0	100,000.00	Berkshire Hathaway Note 3.2% Due 2/11/2015	100.000		100,000.00	0.00	100,000.00	0.00



Transaction Ledger

1/31/15 Thru 2/28/15

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Maturity	02/20/2015	06538CPL9	215,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.21% Due 2/20/2015	99.929		214,846.99	153.01	215,000.00	0.00
	<b>Subtotal</b>		<b>315,000.00</b>				<b>314,846.99</b>	<b>153.01</b>	<b>315,000.00</b>	<b>0.00</b>
Security Withdrawal	02/04/2015	31846V203	1,086.00	First American Govt Obligation Fund	1.000		1,086.00	0.00	1,086.00	0.00
Security Withdrawal	02/24/2015	31846V203	104.17	First American Govt Obligation Fund	1.000		104.17	0.00	104.17	0.00
	<b>Subtotal</b>		<b>1,190.17</b>				<b>1,190.17</b>	<b>0.00</b>	<b>1,190.17</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>963,321.59</b>				<b>967,080.01</b>	<b>1,095.96</b>	<b>968,175.97</b>	<b>157.67</b>
<b>OTHER TRANSACTIONS</b>										
Interest	02/11/2015	084670AV0	100,000.00	Berkshire Hathaway Note 3.2% Due 2/11/2015	0.000		1,600.00	0.00	1,600.00	0.00
Interest	02/25/2015	3137EACW7	300,000.00	FHLMC Note 2% Due 8/25/2016	0.000		3,000.00	0.00	3,000.00	0.00
Interest	02/27/2015	3135G0UY7	200,000.00	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	0.000		1,000.00	0.00	1,000.00	0.00
Interest	02/28/2015	912828C24	225,000.00	US Treasury Note 1.5% Due 2/28/2019	0.000		1,687.50	0.00	1,687.50	0.00
Interest	02/28/2015	912828RE2	250,000.00	US Treasury Note 1.5% Due 8/31/2018	0.000		1,875.00	0.00	1,875.00	0.00
Interest	02/28/2015	912828RF9	50,000.00	US Treasury Note 1% Due 8/31/2016	0.000		250.00	0.00	250.00	0.00
Interest	02/28/2015	912828TM2	400,000.00	US Treasury Note 0.625% Due 8/31/2017	0.000		1,250.00	0.00	1,250.00	0.00
	<b>Subtotal</b>		<b>1,525,000.00</b>				<b>10,662.50</b>	<b>0.00</b>	<b>10,662.50</b>	<b>0.00</b>
Dividend	02/02/2015	31846V203	25,392.30	First American Govt Obligation Fund	0.000		0.33	0.00	0.33	0.00
	<b>Subtotal</b>		<b>25,392.30</b>				<b>0.33</b>	<b>0.00</b>	<b>0.33</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>1,550,392.30</b>				<b>10,662.83</b>	<b>0.00</b>	<b>10,662.83</b>	<b>0.00</b>



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
<b>Fixed Income</b>						
037833AJ9	Apple Inc Note 1% Due 05/03/2018	Various Various 135,000.00	134,598.06 0.00 0.00 134,607.55	330.00 0.00 442.50 112.50	9.49 0.00 9.49 121.99	0.00 121.99
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 09/11/2019	11/19/2014 11/24/2014 135,000.00	135,321.38 0.00 0.00 135,315.93	1,207.50 0.00 1,466.25 258.75	0.00 5.45 (5.45) 253.30	0.00 253.30
084664BS9	Berkshire Hathaway Note 1.6% Due 05/15/2017	Various 05/15/2012 105,000.00	105,064.81 0.00 0.00 105,062.63	354.66 0.00 494.66 140.00	0.35 2.53 (2.18) 137.82	0.00 137.82
084670AV0	Berkshire Hathaway Note Due 02/11/2015	Various Various 0.00	100,011.13 0.00 100,000.00 0.00	1,511.11 1,600.00 0.00 88.89	0.29 11.42 (11.13) 77.76	0.00 77.76
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 08/15/2017	03/05/2013 03/08/2013 160,000.00	160,132.10 0.00 0.00 160,128.11	41.96 78.67 41.96 78.67	0.00 3.99 (3.99) 74.68	0.00 74.68
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/05/2017	Various Various 140,000.00	140,201.20 0.00 0.00 140,195.78	240.42 0.00 369.22 128.80	0.00 5.42 (5.42) 123.38	0.00 123.38
17275RAR3	Cisco Systems Note 2.125% Due 03/01/2019	11/19/2014 11/24/2014 135,000.00	135,301.91 0.00 0.00 135,296.23	1,195.31 0.00 1,434.38 239.07	0.00 5.68 (5.68) 233.39	0.00 233.39
24422EST7	John Deere Capital Corp Note 1.35% Due 01/16/2018	01/13/2015 01/16/2015 125,000.00	124,938.41 0.00 0.00 124,940.01	70.31 0.00 210.94 140.63	1.60 0.00 1.60 142.23	0.00 142.23
30231GAA0	Exxon Mobil Corp Note 0.921% Due 03/15/2017	03/17/2014 03/20/2014 150,000.00	150,000.00 0.00 0.00 150,000.00	521.90 0.00 637.03 115.13	0.00 0.00 0.00 115.13	0.00 115.13
31331J6C2	FFCB Note 2.35% Due 12/22/2015	03/28/2011 03/29/2011 120,000.00	120,081.40 0.00 0.00 120,074.37	305.50 0.00 540.50 235.00	0.00 7.03 (7.03) 227.97	0.00 227.97



Income Earned

1/31/15 Thru 2/28/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
313371PV2	FHLB Note 1.625% Due 12/09/2016	10/17/2013 10/18/2013 250,000.00	253,877.42 0.00 0.00 253,717.05	586.81 0.00 925.35 338.54	0.00 160.37 (160.37) 178.17	0.00 178.17
313373SZ6	FHLB Note 2.125% Due 06/10/2016	09/14/2011 09/15/2011 200,000.00	202,686.73 0.00 0.00 202,534.76	602.08 0.00 956.25 354.17	0.00 151.97 (151.97) 202.20	0.00 202.20
313375K48	FHLB Note 2% Due 09/14/2018	02/07/2014 02/10/2014 200,000.00	203,502.19 0.00 0.00 203,427.95	1,522.22 0.00 1,855.56 333.34	0.00 74.24 (74.24) 259.10	0.00 259.10
313378A43	FHLB Note 1.375% Due 03/09/2018	08/06/2013 08/07/2013 215,000.00	214,304.01 0.00 0.00 214,321.22	1,166.08 0.00 1,412.43 246.35	17.21 0.00 17.21 263.56	0.00 263.56
313379FW4	FHLB Note 1% Due 06/09/2017	06/20/2012 06/21/2012 200,000.00	199,885.40 0.00 0.00 199,889.14	288.89 0.00 455.56 166.67	3.74 0.00 3.74 170.41	0.00 170.41
3133EAY28	FFCB Note 0.83% Due 09/21/2017	09/18/2012 09/21/2012 160,000.00	160,000.00 0.00 0.00 160,000.00	479.56 0.00 590.22 110.66	0.00 0.00 0.00 110.66	0.00 110.66
3135G0BA0	FNMA Note 2.375% Due 04/11/2016	06/07/2011 06/08/2011 275,000.00	276,855.24 0.00 0.00 276,735.82	1,995.66 0.00 2,539.93 544.27	0.00 119.42 (119.42) 424.85	0.00 424.85
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	12/21/2011 12/22/2011 65,000.00	65,187.56 0.00 0.00 65,179.52	188.68 0.00 263.16 74.48	0.00 8.04 (8.04) 66.44	0.00 66.44
3135G0GY3	FNMA Note 1.25% Due 01/30/2017	03/26/2012 03/27/2012 175,000.00	174,993.30 0.00 0.00 174,993.56	6.08 0.00 188.37 182.29	0.26 0.00 0.26 182.55	0.00 182.55
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	02/11/2013 02/12/2013 150,000.00	149,716.55 0.00 0.00 149,724.08	149.48 0.00 258.85 109.37	7.53 0.00 7.53 116.90	0.00 116.90
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	11/26/2012 11/29/2012 120,000.00	119,919.15 0.00 0.00 119,926.16	50.00 0.00 87.50 37.50	7.01 0.00 7.01 44.51	0.00 44.51



Income Earned

1/31/15 Thru 2/28/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
3135G0UY7	FNMA Callable Note 1X 2/27/15 Due 02/27/2017	04/23/2013 04/24/2013 0.00	200,073.29 0.00 200,000.00 0.00	855.56 1,000.00 0.00 144.44	0.00 73.29 (73.29) 71.15	0.00 71.15
3135G0WJ8	FNMA Note 0.875% Due 05/21/2018	06/17/2013 06/18/2013 250,000.00	247,086.35 0.00 0.00 247,154.06	425.35 0.00 607.64 182.29	67.71 0.00 67.71 250.00	0.00 250.00
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	Various Various 400,000.00	400,424.32 0.00 0.00 400,415.80	1,155.56 0.00 1,697.22 541.66	1.08 9.60 (8.52) 533.14	0.00 533.14
3135G0ZG1	FNMA Note 1.75% Due 09/12/2019	Various Various 250,000.00	249,498.17 0.00 0.00 249,506.52	1,689.24 0.00 2,053.82 364.58	14.14 5.79 8.35 372.93	0.00 372.93
3135G0ZL0	FNMA Note 1% Due 09/27/2017	08/21/2014 08/25/2014 105,000.00	104,678.27 0.00 0.00 104,687.57	361.67 0.00 449.17 87.50	9.30 0.00 9.30 96.80	0.00 96.80
3137EACT4	FHLMC Note 2.5% Due 05/27/2016	Various Various 310,000.00	312,987.76 0.00 0.00 312,813.84	1,377.78 0.00 2,023.61 645.83	0.00 173.92 (173.92) 471.91	0.00 471.91
3137EACW7	FHLMC Note 2% Due 08/25/2016	01/19/2012 01/20/2012 300,000.00	304,132.42 0.00 0.00 303,929.78	2,600.00 3,000.00 100.00 500.00	0.00 202.64 (202.64) 297.36	0.00 297.36
3137EADC0	FHLMC Note 1% Due 03/08/2017	03/19/2012 03/20/2012 200,000.00	198,492.66 0.00 0.00 198,547.76	794.44 0.00 961.11 166.67	55.10 0.00 55.10 221.77	0.00 221.77
3137EADG1	FHLMC Note 1.75% Due 05/30/2019	11/19/2014 11/20/2014 150,000.00	150,435.56 0.00 0.00 150,427.84	444.79 0.00 663.54 218.75	0.00 7.72 (7.72) 211.03	0.00 211.03
3137EADP1	FHLMC Note 0.875% Due 03/07/2018	Various Various 300,000.00	298,630.64 0.00 0.00 298,664.57	1,050.00 0.00 1,268.75 218.75	38.40 4.47 33.93 252.68	0.00 252.68
31398AU34	FNMA Note 2.375% Due 07/28/2015	08/27/2010 08/30/2010 100,000.00	100,297.53 0.00 0.00 100,250.47	19.79 0.00 217.71 197.92	0.00 47.06 (47.06) 150.86	0.00 150.86



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
369604BC6	General Electric Co Note 5.25% Due 12/06/2017	05/15/2014 05/20/2014 120,000.00	132,852.81 0.00 0.00 132,506.44	962.50 0.00 1,487.50 525.00	0.00 346.37 (346.37) 178.63	0.00 178.63
38259PAC6	Google Inc Note 2.125% Due 05/19/2016	10/13/2011 10/18/2011 105,000.00	105,725.26 0.00 0.00 105,682.32	446.25 0.00 632.19 185.94	0.00 42.94 (42.94) 143.00	0.00 143.00
40428HPN6	HSBC USA Inc Note 2.375% Due 11/13/2019	11/10/2014 11/14/2014 135,000.00	135,315.14 0.00 0.00 135,310.09	694.69 0.00 961.88 267.19	0.00 5.05 (5.05) 262.14	0.00 262.14
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 08/18/2016	10/11/2012 10/18/2012 41,483.37	47,637.90 0.00 6,155.63 41,482.52	8.95 20.64 7.79 19.48	0.25 0.00 0.25 19.73	0.00 19.73
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 03/19/2018	05/13/2014 05/21/2014 90,000.00	89,991.71 0.00 0.00 89,991.99	25.03 57.75 25.03 57.75	0.28 0.00 0.28 58.03	0.00 58.03
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	06/16/2014 06/19/2014 135,000.00	134,762.54 0.00 0.00 134,768.88	232.88 0.00 384.75 151.87	6.34 0.00 6.34 158.21	0.00 158.21
46625HJA9	JP Morgan Chase Note Due 07/05/2016	04/29/2014 05/02/2014 0.00	128,781.45 0.00 128,694.18 0.00	284.38 415.63 0.00 131.25	0.00 87.27 (87.27) 43.98	0.00 43.98
46625HKA7	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 01/23/2020	02/10/2015 02/13/2015 135,000.00	0.00 134,410.05 0.00 134,415.28	0.00 (168.75) 320.63 151.88	5.23 0.00 5.23 157.11	0.00 157.11
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 08/15/2017	08/27/2013 09/04/2013 44,155.81	44,996.06 0.00 844.19 44,152.06	17.40 32.63 17.07 32.30	0.19 0.00 0.19 32.49	0.00 32.49
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 07/15/2016	09/27/2013 10/02/2013 36,103.69	45,404.08 0.00 9,326.29 36,084.20	10.70 20.06 8.50 17.86	6.41 0.00 6.41 24.27	0.00 24.27
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 04/16/2018	04/02/2014 04/09/2014 125,000.00	124,985.39 0.00 0.00 124,985.90	51.11 95.83 51.11 95.83	0.51 0.00 0.51 96.34	0.00 96.34



Income Earned

1/31/15 Thru 2/28/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
532457BF4	Eli Lilly & Co Note 1.95% Due 03/15/2019	06/10/2014 06/13/2014 150,000.00	149,429.88 0.00 0.00 149,440.50	1,105.00 0.00 1,348.75 243.75	10.62 0.00 10.62 254.37	0.00 254.37
742718DS5	Procter & Gamble Co Note 1.8% Due 11/15/2015	04/13/2011 04/18/2011 265,000.00	263,904.03 0.00 0.00 264,010.96	1,007.00 0.00 1,404.50 397.50	106.93 0.00 106.93 504.43	0.00 504.43
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	03/11/2014 03/19/2014 90,000.00	89,988.50 0.00 0.00 89,988.95	26.80 50.25 26.80 50.25	0.45 0.00 0.45 50.70	0.00 50.70
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 07/15/2016	09/18/2012 09/26/2012 32,883.66	38,180.64 0.00 5,297.74 32,883.09	7.81 14.64 6.72 13.55	0.19 0.00 0.19 13.74	0.00 13.74
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 05/15/2017	08/18/2014 08/21/2014 150,000.00	151,800.28 0.00 0.00 151,737.58	522.50 0.00 728.75 206.25	0.00 62.70 (62.70) 143.55	0.00 143.55
912828B33	US Treasury Note 1.5% Due 01/31/2019	Various Various 350,000.00	350,671.07 0.00 0.00 350,658.19	14.50 0.00 420.58 406.08	0.00 12.88 (12.88) 393.20	0.00 393.20
912828C24	US Treasury Note 1.5% Due 02/28/2019	03/18/2014 03/19/2014 225,000.00	224,580.85 0.00 0.00 224,588.74	1,435.77 1,687.50 9.17 260.90	7.89 0.00 7.89 268.79	0.00 268.79
912828G61	US Treasury Note 1.5% Due 11/30/2019	01/27/2015 01/28/2015 175,000.00	176,521.55 0.00 0.00 176,497.38	454.33 0.00 656.25 201.92	0.00 24.17 (24.17) 177.75	0.00 177.75
912828H52	US Treasury Note 1.25% Due 01/31/2020	02/10/2015 02/11/2015 100,000.00	0.00 98,750.34 0.00 98,762.73	0.00 (37.98) 100.14 62.16	12.39 0.00 12.39 74.55	0.00 74.55
912828RE2	US Treasury Note 1.5% Due 08/31/2018	09/13/2013 09/16/2013 250,000.00	248,357.55 0.00 0.00 248,392.74	1,595.30 1,875.00 10.19 289.89	35.19 0.00 35.19 325.08	0.00 325.08
912828RF9	US Treasury Note 1% Due 08/31/2016	09/14/2011 09/15/2011 50,000.00	50,107.65 0.00 0.00 50,102.43	212.71 250.00 1.36 38.65	0.00 5.22 (5.22) 33.43	0.00 33.43



**Income Earned**

1/31/15 Thru 2/28/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
912828RJ1	US Treasury Note 1% Due 09/30/2016	10/13/2011 10/14/2011 150,000.00	149,872.65 0.00 0.00 149,878.53	510.99 0.00 626.37 115.38	5.88 0.00 5.88 121.26	0.00 121.26
912828RU6	US Treasury Note 0.875% Due 11/30/2016	01/19/2012 01/20/2012 200,000.00	275,226.61 0.00 75,059.58 200,157.90	416.47 156.85 437.50 177.88	0.00 9.13 (9.13) 168.75	0.00 168.75
912828TM2	US Treasury Note 0.625% Due 08/31/2017	Various Various 400,000.00	399,364.64 0.00 0.00 399,383.52	1,063.54 1,250.00 6.80 193.26	18.88 0.00 18.88 212.14	0.00 212.14
912828UA6	US Treasury Note 0.625% Due 11/30/2017	12/27/2012 12/28/2012 300,000.00	299,347.50 0.00 0.00 299,365.19	324.52 0.00 468.75 144.23	17.69 0.00 17.69 161.92	0.00 161.92
912828VQ0	US Treasury Note 1.375% Due 07/31/2018	07/30/2013 07/31/2013 50,000.00	50,015.13 0.00 0.00 50,014.80	1.90 0.00 55.08 53.18	0.00 0.33 (0.33) 52.85	0.00 52.85
912828WLO	US Treasury Note 1.5% Due 05/31/2019	06/17/2014 06/18/2014 175,000.00	173,232.24 0.00 0.00 173,263.57	454.33 0.00 656.25 201.92	31.33 0.00 31.33 233.25	0.00 233.25
912828WW6	US Treasury Note 1.625% Due 07/31/2019	Various Various 200,000.00	199,616.73 0.00 0.00 199,623.26	8.98 0.00 260.36 251.38	10.54 4.01 6.53 257.91	0.00 257.91
94974BFQ8	Wells Fargo Corp Note 2.15% Due 01/15/2019	04/29/2014 05/02/2014 135,000.00	135,134.95 0.00 0.00 135,132.33	129.00 0.00 370.88 241.88	0.00 2.62 (2.62) 239.26	0.00 239.26
			<b>10,309,119.71</b>	<b>35,613.73</b>	<b>510.40</b>	
			<b>233,160.39</b>	<b>11,398.72</b>	<b>1,682.74</b>	
			<b>525,377.61</b>	<b>36,704.84</b>	<b>(1,172.34)</b>	<b>0.00</b>
<b>TOTAL Fixed Income</b>		<b>9,994,626.53</b>	<b>10,015,730.15</b>	<b>12,489.83</b>	<b>11,317.49</b>	<b>11,317.49</b>

**Cash & Equivalent**

06538CPL9	Bank of Tokyo Mitsubishi NY Discount CP Due 02/20/2015	10/20/2014 10/21/2014 0.00	214,846.99 0.00 214,846.99 0.00	129.18 153.01 0.00 23.83	0.00 0.00 0.00 23.83	0.00 23.83
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**Income Earned**

1/31/15 Thru 2/28/15

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
06538CTV3	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 06/29/2015	02/20/2015 02/23/2015 220,000.00	0.00 219,784.40 0.00 219,784.40	0.00 0.00 10.27 10.27	0.00 0.00 0.00 10.27	0.00 10.27
31846V203	First American Govt Obligation Fund	Various Various 327,785.42	29,986.05 524,497.11 226,697.74 327,785.42	0.00 0.33 0.00 0.33	0.00 0.00 0.00 0.33	0.00 0.33
69349KW22	PNC Bank Discount CP 0.38% Due 09/02/2015	12/10/2014 12/11/2014 200,000.00	199,440.56 0.00 0.00 199,440.56	109.78 0.00 168.89 59.11	0.00 0.00 0.00 59.11	0.00 59.11
			<b>444,273.60</b>	<b>238.96</b>	<b>0.00</b>	
			<b>744,281.51</b>	<b>153.34</b>	<b>0.00</b>	
			<b>441,544.73</b>	<b>179.16</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL Cash &amp; Equivalent</b>		<b>747,785.42</b>	<b>747,010.38</b>	<b>93.54</b>	<b>93.54</b>	<b>93.54</b>
			<b>10,753,393.31</b>	<b>35,852.69</b>	<b>510.40</b>	
			<b>977,441.90</b>	<b>11,552.06</b>	<b>1,682.74</b>	
			<b>966,922.34</b>	<b>36,884.00</b>	<b>(1,172.34)</b>	<b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>10,742,411.95</b>	<b>10,762,740.53</b>	<b>12,583.37</b>	<b>11,411.03</b>	<b>11,411.03</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/01/2015	Interest	17275RAR3	135,000.00	Cisco Systems Note 2.125% Due 3/1/2019	0.00	1,434.38	1,434.38
03/04/2015	Purchase	89236WAC2	100,000.00	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	0.00	0.00	0.00
03/04/2015	Sale	31846V203	99,984.88	First American Govt Obligation Fund	0.00	0.00	0.00
03/07/2015	Interest	3137EADP1	300,000.00	FHLMC Note 0.875% Due 3/7/2018	0.00	1,312.51	1,312.51
03/08/2015	Interest	3137EADC0	200,000.00	FHLMC Note 1% Due 3/8/2017	0.00	1,000.00	1,000.00
03/09/2015	Interest	313378A43	215,000.00	FHLB Note 1.375% Due 3/9/2018	0.00	1,478.13	1,478.13
03/11/2015	Interest	06406HCW7	135,000.00	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	0.00	1,552.50	1,552.50
03/12/2015	Interest	3135G0ZG1	250,000.00	FNMA Note 1.75% Due 9/12/2019	0.00	2,187.50	2,187.50
03/14/2015	Interest	313375K48	200,000.00	FHLB Note 2% Due 9/14/2018	0.00	2,000.00	2,000.00
03/15/2015	Interest	30231GAA0	150,000.00	Exxon Mobil Corp Note 0.921% Due 3/15/2017	0.00	690.75	690.75
03/15/2015	Interest	532457BF4	150,000.00	Eli Lilly & Co Note 1.95% Due 3/15/2019	0.00	1,462.50	1,462.50
03/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
03/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,448.52	32.01	1,480.53
03/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	5,280.47	12.61	5,293.08
03/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,826.36	15.95	2,842.31
03/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
03/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	5,046.05	50.25	5,096.30
03/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	5,355.16	17.98	5,373.14
03/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
03/21/2015	Interest	3133EAY28	160,000.00	FFCB Note 0.83% Due 9/21/2017	0.00	664.00	664.00
<b>Mar 2015</b>					<b>19,956.56</b>	<b>15,418.32</b>	<b>35,374.88</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/27/2015	Interest	3135G0ZL0	105,000.00	FNMA Note 1% Due 9/27/2017	0.00	525.00	525.00
03/31/2015	Interest	912828RJ1	150,000.00	US Treasury Note 1% Due 9/30/2016	0.00	750.00	750.00
<b>Mar 2015</b>					<b>19,956.56</b>	<b>15,418.32</b>	<b>35,374.88</b>
04/11/2015	Interest	3135G0BA0	275,000.00	FNMA Note 2.375% Due 4/11/2016	0.00	3,265.63	3,265.63
04/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
04/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,934.30	47.43	4,981.73
04/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	5,086.39	10.58	5,096.97
04/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,450.11	30.96	1,481.07
04/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,738.79	14.70	2,753.49
04/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
04/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
04/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	5,168.96	15.66	5,184.62
<b>Apr 2015</b>					<b>19,378.55</b>	<b>3,617.21</b>	<b>22,995.76</b>
05/03/2015	Interest	037833AJ9	135,000.00	Apple Inc Note 1% Due 5/3/2018	0.00	675.00	675.00
05/13/2015	Interest	40428HPN6	135,000.00	HSBC USA Inc Note 2.375% Due 11/13/2019	0.00	1,603.13	1,603.13
05/15/2015	Interest	084664BS9	105,000.00	Berkshire Hathaway Note 1.6% Due 5/15/2017	0.00	840.00	840.00
05/15/2015	Interest	742718DS5	265,000.00	Procter & Gamble Co Note 1.8% Due 11/15/2015	0.00	2,385.00	2,385.00
05/15/2015	Interest	91159HHD5	150,000.00	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	0.00	1,237.50	1,237.50
05/15/2015	Interest	3135G0ES8	65,000.00	FNMA Note 1.375% Due 11/15/2016	0.00	446.88	446.88
05/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,651.16	13.49	2,664.65
<b>May 2015</b>					<b>18,800.15</b>	<b>22,614.27</b>	<b>41,414.42</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
05/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
05/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,892.20	8.63	4,900.83
05/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,451.71	29.91	1,481.62
05/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
05/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,822.43	44.68	4,867.11
05/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,982.65	13.42	4,996.07
05/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
05/19/2015	Interest	38259PAC6	105,000.00	Google Inc Note 2.125% Due 5/19/2016	0.00	1,115.63	1,115.63
05/21/2015	Interest	3135G0WJ8	250,000.00	FNMA Note 0.875% Due 5/21/2018	0.00	1,093.75	1,093.75
05/27/2015	Interest	3135G0YT4	400,000.00	FNMA Note 1.625% Due 11/27/2018	0.00	3,250.00	3,250.00
05/27/2015	Interest	3137EACT4	310,000.00	FHLMC Note 2.5% Due 5/27/2016	0.00	3,875.00	3,875.00
05/30/2015	Interest	3137EADG1	150,000.00	FHLMC Note 1.75% Due 5/30/2019	0.00	1,312.50	1,312.50
05/31/2015	Interest	912828RU6	200,000.00	US Treasury Note 0.875% Due 11/30/2016	0.00	875.00	875.00
05/31/2015	Interest	912828G61	175,000.00	US Treasury Note 1.5% Due 11/30/2019	0.00	1,312.50	1,312.50
05/31/2015	Interest	912828UA6	300,000.00	US Treasury Note 0.625% Due 11/30/2017	0.00	937.50	937.50
05/31/2015	Interest	912828WL0	175,000.00	US Treasury Note 1.5% Due 5/31/2019	0.00	1,312.50	1,312.50
<b>May 2015</b>					<b>18,800.15</b>	<b>22,614.27</b>	<b>41,414.42</b>
06/05/2015	Interest	166764AA8	140,000.00	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	0.00	772.80	772.80
06/06/2015	Interest	369604BC6	120,000.00	General Electric Co Note 5.25% Due 12/6/2017	0.00	3,150.00	3,150.00
06/09/2015	Interest	313371PV2	250,000.00	FHLB Note 1.625% Due 12/9/2016	0.00	2,031.25	2,031.25
<b>Jun 2015</b>					<b>238,005.72</b>	<b>12,830.59</b>	<b>250,836.31</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
06/09/2015	Interest	313379FW4	200,000.00	FHLB Note 1% Due 6/9/2017	0.00	1,000.00	1,000.00
06/10/2015	Interest	313373SZ6	200,000.00	FHLB Note 2.125% Due 6/10/2016	0.00	2,125.00	2,125.00
06/15/2015	Interest	458140AL4	135,000.00	Intel Corp Note 1.35% Due 12/15/2017	0.00	911.25	911.25
06/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,453.30	28.86	1,482.16
06/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,563.49	12.32	2,575.81
06/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
06/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,697.89	6.76	4,704.65
06/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
06/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,710.42	41.99	4,752.41
06/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,796.22	11.26	4,807.48
06/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
06/20/2015	Interest	3135G0RT2	150,000.00	FNMA Note 0.875% Due 12/20/2017	0.00	656.25	656.25
06/21/2015	Interest	3135G0SB0	120,000.00	FNMA Note 0.375% Due 12/21/2015	0.00	225.00	225.00
06/22/2015	Interest	31331J6C2	120,000.00	FFCB Note 2.35% Due 12/22/2015	0.00	1,410.00	1,410.00
06/29/2015	Maturity	06538CTV3	220,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 6/29/2015	219,784.40	215.60	220,000.00
<b>Jun 2015</b>					<b>238,005.72</b>	<b>12,830.59</b>	<b>250,836.31</b>
07/15/2015	Interest	94974BFQ8	135,000.00	Wells Fargo Corp Note 2.15% Due 1/15/2019	0.00	1,451.25	1,451.25
07/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	0.00	78.67	78.67
07/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,503.47	4.96	4,508.43
07/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,454.90	27.81	1,482.71
<b>Jul 2015</b>					<b>117,642.10</b>	<b>11,638.49</b>	<b>129,280.59</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,475.77	11.18	2,486.95
07/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
07/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,598.29	39.36	4,637.65
07/16/2015	Interest	24422EST7	125,000.00	John Deere Capital Corp Note 1.35% Due 1/16/2018	0.00	843.75	843.75
07/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,609.67	9.18	4,618.85
07/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
07/23/2015	Interest	46625HKA7	135,000.00	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020	0.00	1,518.75	1,518.75
07/28/2015	Maturity	31398AU34	100,000.00	FNMA Note 2.375% Due 7/28/2015	100,000.00	1,187.50	101,187.50
07/30/2015	Interest	3135G0GY3	175,000.00	FNMA Note 1.25% Due 1/30/2017	0.00	1,093.75	1,093.75
07/31/2015	Interest	912828B33	350,000.00	US Treasury Note 1.5% Due 1/31/2019	0.00	2,625.00	2,625.00
07/31/2015	Interest	912828H52	100,000.00	US Treasury Note 1.25% Due 1/31/2020	0.00	625.00	625.00
07/31/2015	Interest	912828WW6	200,000.00	US Treasury Note 1.625% Due 7/31/2019	0.00	1,625.00	1,625.00
07/31/2015	Interest	912828VQ0	50,000.00	US Treasury Note 1.375% Due 7/31/2018	0.00	343.75	343.75
<b>Jul 2015</b>					<b>117,642.10</b>	<b>11,638.49</b>	<b>129,280.59</b>
08/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,362.32	78.67	6,440.99
08/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,486.03	36.79	4,522.82
08/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,308.94	3.23	4,312.17
08/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,456.50	26.75	1,483.25
08/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
08/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,388.00	10.09	2,398.09
<b>Aug 2015</b>					<b>23,424.78</b>	<b>8,378.79</b>	<b>31,803.57</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,422.99	7.18	4,430.17
08/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
08/25/2015	Interest	3137EACW7	300,000.00	FHLMC Note 2% Due 8/25/2016	0.00	3,000.00	3,000.00
08/31/2015	Interest	912828C24	225,000.00	US Treasury Note 1.5% Due 2/28/2019	0.00	1,687.50	1,687.50
08/31/2015	Interest	912828RF9	50,000.00	US Treasury Note 1% Due 8/31/2016	0.00	250.00	250.00
08/31/2015	Interest	912828RE2	250,000.00	US Treasury Note 1.5% Due 8/31/2018	0.00	1,875.00	1,875.00
08/31/2015	Interest	912828TM2	400,000.00	US Treasury Note 0.625% Due 8/31/2017	0.00	1,250.00	1,250.00
<b>Aug 2015</b>					<b>23,424.78</b>	<b>8,378.79</b>	<b>31,803.57</b>
09/01/2015	Interest	17275RAR3	135,000.00	Cisco Systems Note 2.125% Due 3/1/2019	0.00	1,434.38	1,434.38
09/02/2015	Maturity	69349KW22	200,000.00	PNC Bank Discount CP 0.38% Due 9/2/2015	199,440.56	559.44	200,000.00
09/07/2015	Interest	3137EADP1	300,000.00	FHLMC Note 0.875% Due 3/7/2018	0.00	1,312.51	1,312.51
09/08/2015	Interest	3137EADC0	200,000.00	FHLMC Note 1% Due 3/8/2017	0.00	1,000.00	1,000.00
09/09/2015	Interest	313378A43	215,000.00	FHLB Note 1.375% Due 3/9/2018	0.00	1,478.13	1,478.13
09/11/2015	Interest	06406HCW7	135,000.00	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	0.00	1,552.50	1,552.50
09/12/2015	Interest	3135G0ZG1	250,000.00	FNMA Note 1.75% Due 9/12/2019	0.00	2,187.50	2,187.50
09/14/2015	Interest	313375K48	200,000.00	FHLB Note 2% Due 9/14/2018	0.00	2,000.00	2,000.00
09/15/2015	Interest	532457BF4	150,000.00	Eli Lilly & Co Note 1.95% Due 3/15/2019	0.00	1,462.50	1,462.50
09/15/2015	Interest	30231GAA0	150,000.00	Exxon Mobil Corp Note 0.921% Due 3/15/2017	0.00	690.75	690.75
09/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,373.64	34.28	4,407.92
09/15/2015	Paydown	89231NAC7	32,883.66	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	4,114.29	1.58	4,115.87
<b>Sep 2015</b>					<b>222,288.41</b>	<b>15,921.68</b>	<b>238,210.09</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
09/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,365.45	75.54	6,440.99
09/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,458.11	25.69	1,483.80
09/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,300.16	9.04	2,309.20
09/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
09/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,236.20	5.26	4,241.46
09/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
09/21/2015	Interest	3133EAY28	160,000.00	FFCB Note 0.83% Due 9/21/2017	0.00	664.00	664.00
09/27/2015	Interest	3135G0ZL0	105,000.00	FNMA Note 1% Due 9/27/2017	0.00	525.00	525.00
09/30/2015	Interest	912828RJ1	150,000.00	US Treasury Note 1% Due 9/30/2016	0.00	750.00	750.00
<b>Sep 2015</b>					<b>222,288.41</b>	<b>15,921.68</b>	<b>238,210.09</b>
10/11/2015	Interest	3135G0BA0	275,000.00	FNMA Note 2.375% Due 4/11/2016	0.00	3,265.63	3,265.63
10/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,368.58	72.41	6,440.99
10/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,459.71	24.64	1,484.35
10/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,212.29	8.02	2,220.31
10/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	0.00	95.83	95.83
10/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,261.11	31.84	4,292.95
10/18/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	4,049.27	3.43	4,052.70
10/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
10/20/2015	Paydown	43813CAC4	41,483.37	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	3,862.23	0.11	3,862.34
<b>Oct 2015</b>					<b>22,213.19</b>	<b>3,559.66</b>	<b>25,772.85</b>





### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/03/2015	Interest	037833AJ9	135,000.00	Apple Inc Note 1% Due 5/3/2018	0.00	675.00	675.00
11/13/2015	Interest	40428HPN6	135,000.00	HSBC USA Inc Note 2.375% Due 11/13/2019	0.00	1,603.13	1,603.13
11/15/2015	Interest	3135G0ES8	65,000.00	FNMA Note 1.375% Due 11/15/2016	0.00	446.88	446.88
11/15/2015	Interest	084664BS9	105,000.00	Berkshire Hathaway Note 1.6% Due 5/15/2017	0.00	840.00	840.00
11/15/2015	Interest	91159HHD5	150,000.00	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	0.00	1,237.50	1,237.50
11/15/2015	Maturity	742718DS5	265,000.00	Procter & Gamble Co Note 1.8% Due 11/15/2015	265,000.00	2,385.00	267,385.00
11/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,371.71	69.28	6,440.99
11/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,461.31	23.58	1,484.89
11/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,124.36	7.04	2,131.40
11/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,837.82	95.83	8,933.65
11/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,148.46	29.46	4,177.92
11/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	0.00	57.75	57.75
11/19/2015	Interest	38259PAC6	105,000.00	Google Inc Note 2.125% Due 5/19/2016	0.00	1,115.63	1,115.63
11/21/2015	Interest	3135G0WJ8	250,000.00	FNMA Note 0.875% Due 5/21/2018	0.00	1,093.75	1,093.75
11/27/2015	Interest	3137EACT4	310,000.00	FHLMC Note 2.5% Due 5/27/2016	0.00	3,875.00	3,875.00
11/27/2015	Interest	3135G0YT4	400,000.00	FNMA Note 1.625% Due 11/27/2018	0.00	3,250.00	3,250.00
11/30/2015	Interest	912828RU6	200,000.00	US Treasury Note 0.875% Due 11/30/2016	0.00	875.00	875.00
11/30/2015	Interest	3137EADG1	150,000.00	FHLMC Note 1.75% Due 5/30/2019	0.00	1,312.50	1,312.50
11/30/2015	Interest	912828G61	175,000.00	US Treasury Note 1.5% Due 11/30/2019	0.00	1,312.50	1,312.50
11/30/2015	Interest	912828UA6	300,000.00	US Treasury Note 0.625% Due 11/30/2017	0.00	937.50	937.50
<b>Nov 2015</b>					<b>287,943.66</b>	<b>22,554.83</b>	<b>310,498.49</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/30/2015	Interest	912828WL0	175,000.00	US Treasury Note 1.5% Due 5/31/2019	0.00	1,312.50	1,312.50
<b>Nov 2015</b>					<b>287,943.66</b>	<b>22,554.83</b>	<b>310,498.49</b>
12/05/2015	Interest	166764AA8	140,000.00	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	0.00	772.80	772.80
12/06/2015	Interest	369604BC6	120,000.00	General Electric Co Note 5.25% Due 12/6/2017	0.00	3,150.00	3,150.00
12/09/2015	Interest	313371PV2	250,000.00	FHLB Note 1.625% Due 12/9/2016	0.00	2,031.25	2,031.25
12/09/2015	Interest	313379FW4	200,000.00	FHLB Note 1% Due 6/9/2017	0.00	1,000.00	1,000.00
12/10/2015	Interest	313373SZ6	200,000.00	FHLB Note 2.125% Due 6/10/2016	0.00	2,125.00	2,125.00
12/15/2015	Interest	458140AL4	135,000.00	Intel Corp Note 1.35% Due 12/15/2017	0.00	911.25	911.25
12/15/2015	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	2,036.38	6.11	2,042.49
12/15/2015	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,616.44	89.06	8,705.50
12/15/2015	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,462.92	22.52	1,485.44
12/15/2015	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,374.85	66.14	6,440.99
12/15/2015	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	4,035.67	27.15	4,062.82
12/18/2015	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	6,415.56	57.75	6,473.31
12/20/2015	Interest	3135G0RT2	150,000.00	FNMA Note 0.875% Due 12/20/2017	0.00	656.25	656.25
12/21/2015	Maturity	3135G0SB0	120,000.00	FNMA Note 0.375% Due 12/21/2015	120,000.00	225.00	120,225.00
12/22/2015	Maturity	31331J6C2	120,000.00	FFCB Note 2.35% Due 12/22/2015	120,000.00	1,410.00	121,410.00
<b>Dec 2015</b>					<b>268,941.82</b>	<b>12,550.28</b>	<b>281,492.10</b>
01/15/2016	Interest	94974BFQ8	135,000.00	Wells Fargo Corp Note 2.15% Due 1/15/2019	0.00	1,451.25	1,451.25
01/15/2016	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,377.98	63.01	6,440.99
<b>Jan 2016</b>					<b>28,358.33</b>	<b>10,376.90</b>	<b>38,735.23</b>



### Cash Flow Report

From 02/28/2015

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
01/15/2016	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	3,922.76	24.89	3,947.65
01/15/2016	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	1,948.35	5.21	1,953.56
01/15/2016	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,394.81	82.45	8,477.26
01/15/2016	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,464.53	21.46	1,485.99
01/16/2016	Interest	24422EST7	125,000.00	John Deere Capital Corp Note 1.35% Due 1/16/2018	0.00	843.75	843.75
01/18/2016	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	6,249.90	53.63	6,303.53
01/23/2016	Interest	46625HKA7	135,000.00	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020	0.00	1,518.75	1,518.75
01/30/2016	Interest	3135G0GY3	175,000.00	FNMA Note 1.25% Due 1/30/2017	0.00	1,093.75	1,093.75
01/31/2016	Interest	912828B33	350,000.00	US Treasury Note 1.5% Due 1/31/2019	0.00	2,625.00	2,625.00
01/31/2016	Interest	912828H52	100,000.00	US Treasury Note 1.25% Due 1/31/2020	0.00	625.00	625.00
01/31/2016	Interest	912828VQ0	50,000.00	US Treasury Note 1.375% Due 7/31/2018	0.00	343.75	343.75
01/31/2016	Interest	912828WW6	200,000.00	US Treasury Note 1.625% Due 7/31/2019	0.00	1,625.00	1,625.00
<b>Jan 2016</b>					<b>28,358.33</b>	<b>10,376.90</b>	<b>38,735.23</b>
02/15/2016	Paydown	89231MAC9	90,000.00	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	3,809.71	22.70	3,832.41
02/15/2016	Paydown	477879AC4	44,155.81	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	1,466.14	20.40	1,486.54
02/15/2016	Paydown	47787VAC5	125,000.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	8,172.92	76.02	8,248.94
02/15/2016	Paydown	161571FL3	160,000.00	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	6,381.12	59.87	6,440.99
02/15/2016	Paydown	47787RAC4	36,103.69	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	1,860.26	4.35	1,864.61
02/18/2016	Paydown	43814GAC4	90,000.00	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	6,084.06	49.62	6,133.68
02/25/2016	Interest	3137EACW7	300,000.00	FHLMC Note 2% Due 8/25/2016	0.00	3,000.00	3,000.00
<b>Feb 2016</b>					<b>27,774.21</b>	<b>3,232.96</b>	<b>31,007.17</b>

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**Total**

**1,294,727.48**

**142,693.98**

**1,437,421.46**

## Target Solutions Administrative Summary - January

---

### Administrative Summary - January

Assignments		
<b>Completions (January 1-31)</b>		
Users with completions:	0	0%
Total completions:	0	
<b>Overdue Assignments (as of January 31)</b>		
Users with assignment(s) that are overdue:	0	0%
Total overdue assignments:	0	
<b>No Assignments (as of January 31)</b>		
Users with no assignments:	8	100%
<b>Users</b>		
<b>Log-ins (January 1-31)</b>		
Users who have logged in:	4	50%
<b>Credentials</b>		
Users with credentials expiring next month (February):	0	0%

For additional help or questions please contact us at:  
 10805 Rancho Bernardo Road, Suite 200  
 San Diego, CA 92127-5703

## Target Solutions Administrative Summary - February

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### Administrative Summary - February

Assignments		
<b>Completions (February 1-28)</b>		
Users with completions:	0	0%
Total completions:	0	
<b>Overdue Assignments (as of February 28)</b>		
Users with assignment(s) that are overdue:	0	0%
Total overdue assignments:	0	
<b>No Assignments (as of February 28)</b>		
Users with no assignments:	8	100%
Users		
<b>Log-ins (February 1-28)</b>		
Users who have logged in:	4	50%
<b>Credentials</b>		
Users with credentials expiring next month (March):	0	0%

For additional help or questions please contact us at:  
10805 Rancho Bernardo Road, Suite 200  
San Diego, CA 92127-5703

**AMENDMENT NUMBER 1 TO  
AGREEMENT FOR FINANCIAL ACCOUNTING AND CONSULTING SERVICES**

WHEREAS Small Cities Organized Risk Effort (SCORE) and Gilbert Associates, Inc. (CONSULTANT) entered into an Agreement Effective the 1<sup>st</sup> day of July 2010 for CONSULTANT to provide accounting and consulting services for SCORE (Agreement);

NOW, THEREFORE, in consideration of the mutual covenants contained in the Agreement, the parties wish to amend the Agreement as follows:

1. **TERM.** The term of the Agreement shall be extended for 24 months commencing July 1, 2013 through June 30, 2015.
2. **COMPENSATION:** As compensation to CONSULTANT for services rendered hereunder, SCORE agrees to pay CONSULTANT a monthly fee of \$4,000 for the period July 1, 2013 through June 30, 2014, and \$4,250 for the period July 1, 2014 through June 30, 2015.

**IN WITNESS WHEREOF**, the parties execute this Amendment to the Agreement on the day and year as indicated below.

Dated: \_\_\_\_\_, 2015

Dated: \_\_\_\_\_, 2015

**SMALL CITIES ORGANIZED RISK EFFORT  
(SCORE)**

**Gilbert Associates, Inc.  
Certified Public Accountants**

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Gilbert Associates, Inc.

Roger Carrol

Accountant and Financial Consultant



Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015

Agenda Item G.1.

## INVESTMENT MANAGER'S REPORT

### ACTION ITEM

**ISSUE:** Mr. Jayson Schmitt, CFA, of Chandler Asset Management will be in attendance to provide the Board with a presentation of SCORE's investment portfolio with Chandler Asset Management as well as to provide an overview of how the current economic climate will impact future investment returns.

**RECOMMENDATION:** Accept and file the Investment Report

**FISCAL IMPACT:** None

**BACKGROUND:** Chandler Asset Management has been serving as SCORE's investment manager since 2006. Annually, Ted Piorkowski or an Associate attends the March Board of Directors meeting and provides a report on how the JPA's investment portfolio is performing.

**ATTACHMENTS:** Investment Report Period Ending February 28, 2015



# Small Cities Organized Risk Effort

Period Ending  
February 28, 2015



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>



## SECTION 1

# Economic Update



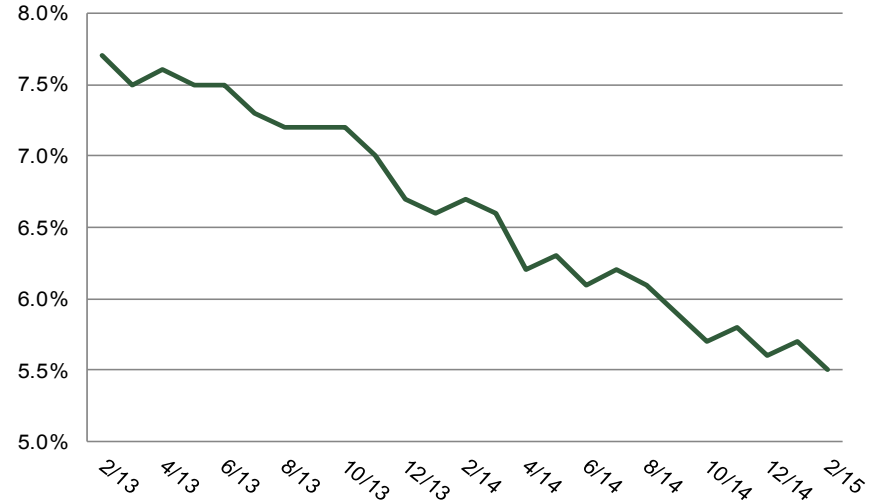
- Job growth remained strong in February with nonfarm payrolls up 295,000, exceeding expectations of 230,000. The unemployment rate declined to 5.5% in February from 5.7% in January, though the labor participation rate also declined to 62.8% from 62.9%. Wages inched up 0.1%. Overall, there is still excess slack in the labor market, but it is improving. Meanwhile, manufacturing data has softened. We believe the strong U.S. dollar and sluggish economic growth abroad had a dampening effect on U.S. manufacturing trends. U.S. consumer confidence remains strong, but consumer spending trends have been underwhelming. Housing data remains volatile. There have been pockets of weakness in recent economic data, but overall we believe the economy continues to grow slowly.
- The outlook for monetary policy remains uncertain. Although the labor market moved closer to a level consistent with the Fed's dual mandate, inflation remains below the Fed's 2.0% target. Fed policymakers have suggested that the possibility of a rate hike in June 2015 remains on the table, but with inflation low we believe the Fed faces no urgency to raise rates. Once the Fed has confidence that inflation expectations have either troughed or started to rebound, we believe there will be more pressure on the Fed to begin normalizing monetary policy. At this point, we still believe that the first fed funds rate hike is likely to take place sometime in the second half of this year. The next Federal Open Market Committee meeting will take place on March 17-18. Market participants will be looking closely at the Fed's March policy statement to see if the word "patient" is removed. Fed Chair Yellen linked the word "patient" to two meetings, implying that once the word is removed from the statement the first rate hike will be two meetings later.
- During the past three months, the yield curve flattened. Concerns about weak global economic growth kept downward pressure on longer US Treasury yields, even as the Fed signaled the possibility of a fed funds rate hike this year.



### Nonfarm Payroll (000's)



### Unemployment Rate

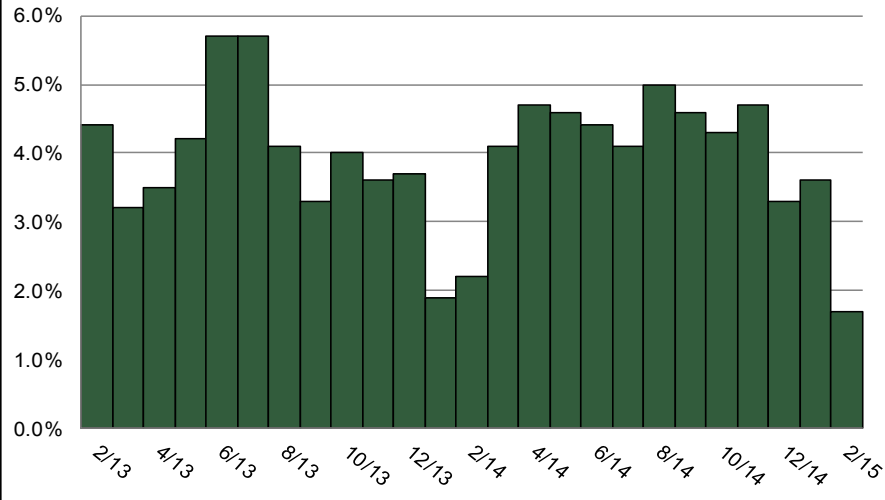


Source: U.S. Department of Labor

Nonfarm payrolls rose by 295,000 in February, exceeding the consensus forecast of 230,000. January and December payrolls were revised down a net 18,000. Private payrolls rose by 288,000 in February, while government jobs rose by 7,000. The unemployment rate declined to 5.5% from 5.7%. A broader measure of unemployment called the U-6, which includes those whom are marginally attached to the labor force and employed part time for economic reasons, declined to 11.0% from 11.3%. However, the labor participation rate remains low and edged down to 62.8% in February from 62.9%. Wages also inched up just 0.1% (below expectations), following a 0.5% increase in January.

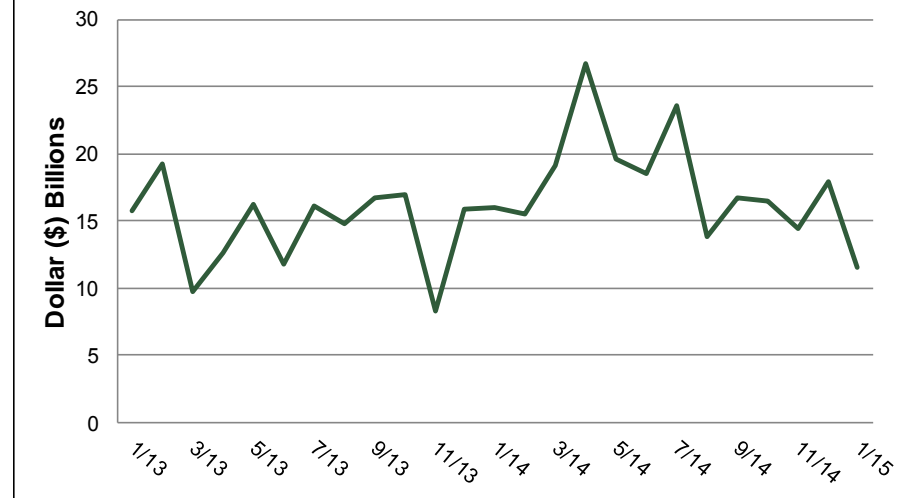


### Retail Sales Y-O-Y % Change



Source: U.S. Department of Commerce

### Consumer Credit

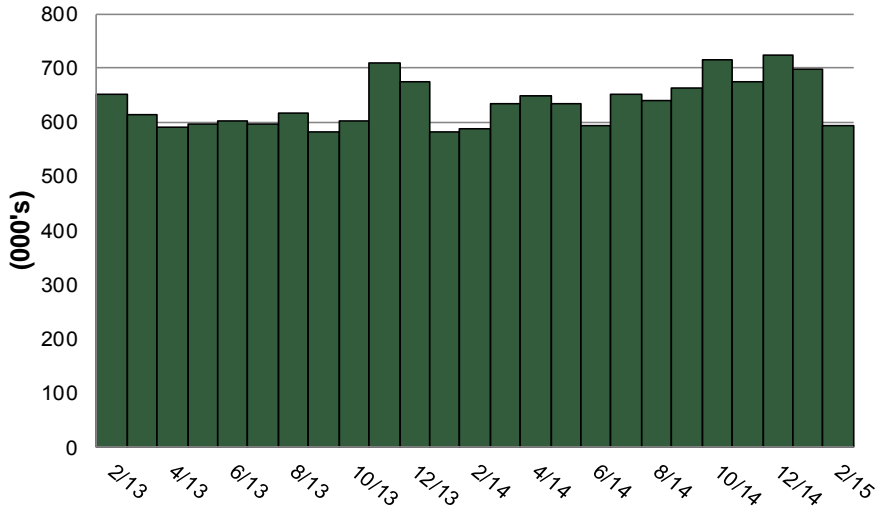


Source: Federal Reserve

In February, retail sales rose 1.7% on a year-over-year basis, following a 3.6% gain in January. On a month-over-month basis, retail sales declined 0.6% in February (below the consensus forecast for a 0.3% increase) after declining 0.8% in January. Gasoline sales actually rebounded in February after plunging in the prior month. However, auto sales declined 2.5% in February after a 0.5% increase in January. Retail sales have been weaker than expected over the past few months, which is surprising since consumer confidence remains strong. Unfavorable weather may have contributed to the disappointing February retail sales report. Consumer credit rose by \$11.6 billion in January (below expectations of \$15.0 billion) versus a gain of \$17.9 billion in December. Revolving credit (credit cards) expanded by \$1.1 billion in January, following a \$6.2 billion increase in December. Nonrevolving credit (student and auto loans) increased by \$12.7 billion in January.

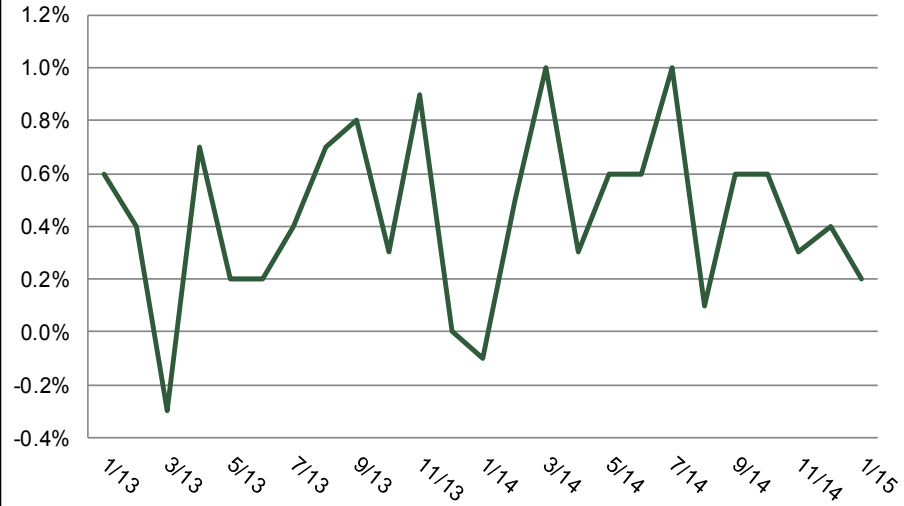


### Single-Family Housing Starts



Source: US Department of Commerce

### Leading Economic Indicators

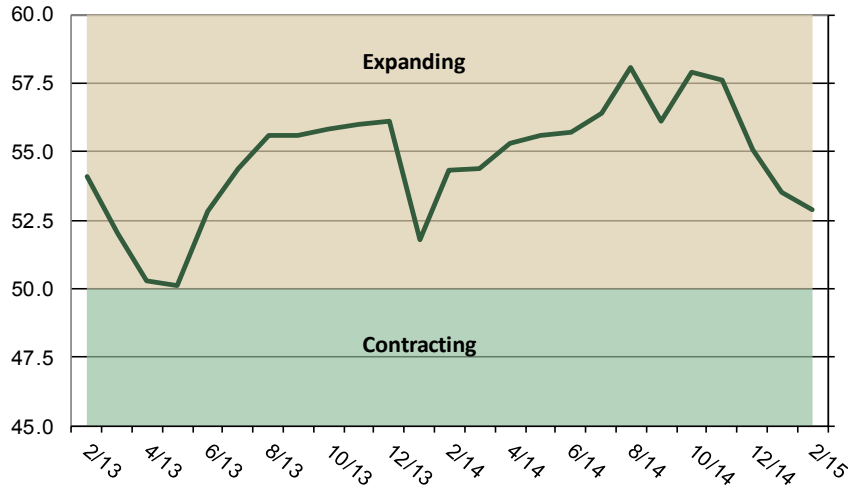


Source: The Conference Board

Housing data remains volatile. Single-family housing starts fell 14.9% in February after declining 3.9% in January. Overall housing starts (including single- and multi-family) dropped 17.0% in February, well below expectations. Unfavorable weather may have contributed to the sharp drop in housing starts in February. The index of Leading Economic Indicators (LEI) rose 0.2% in January after a 0.4% gain in December. Overall, the LEI index continues to point to modest economic growth.

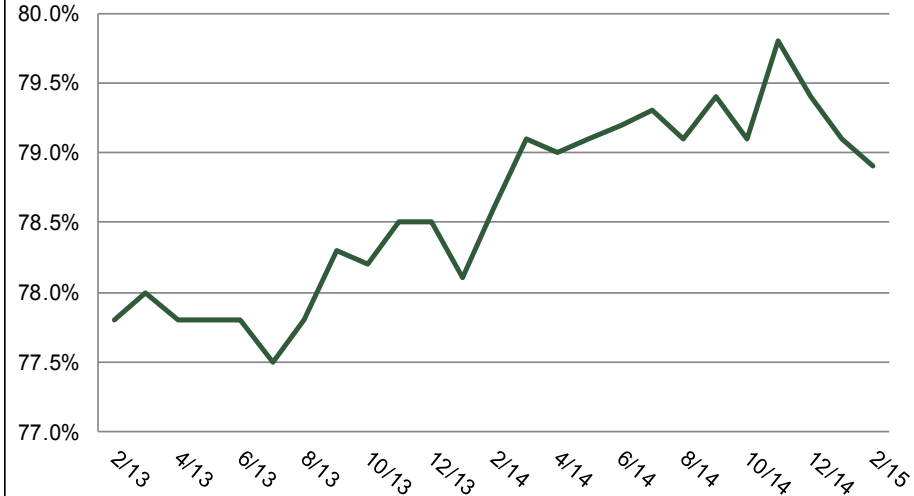


### Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

### Capacity Utilization

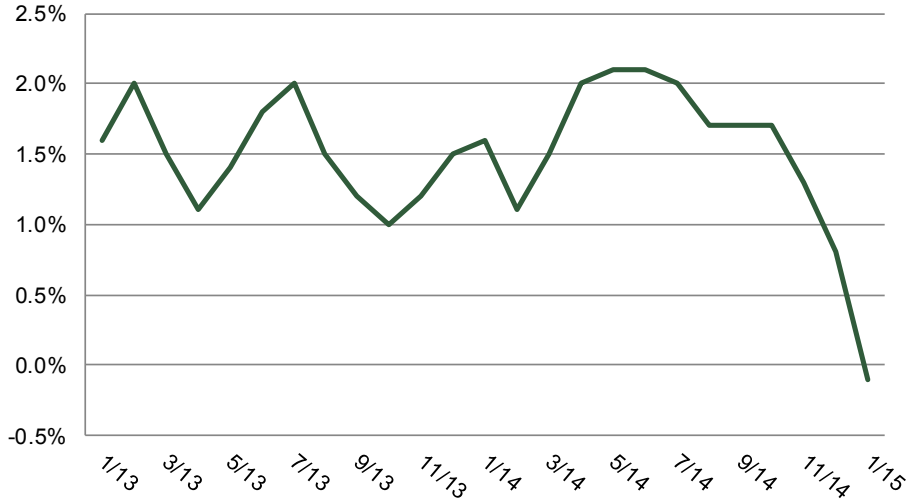


Source: Federal Reserve

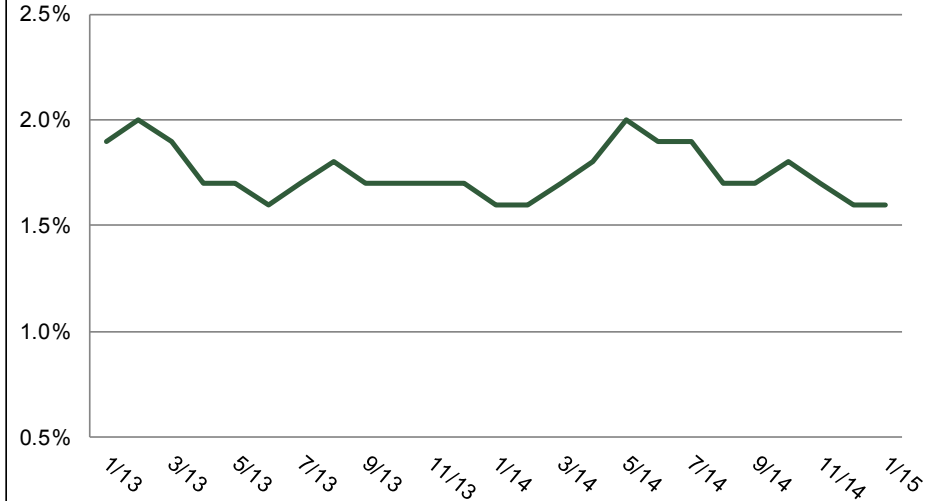
During February, the ISM manufacturing index declined to 52.9 from 53.5 in January. The February reading continued to signal ongoing expansion (albeit less robust expansion) in the manufacturing sector. A reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction. Capacity utilization, which is production divided by capacity, declined to 78.9% in February from 79.1% in January. The capacity utilization rate is lower than the long-run average of 80.1% (1972-2014).



### CPI Y-O-Y % Change



### Core CPI Y-O-Y % Change

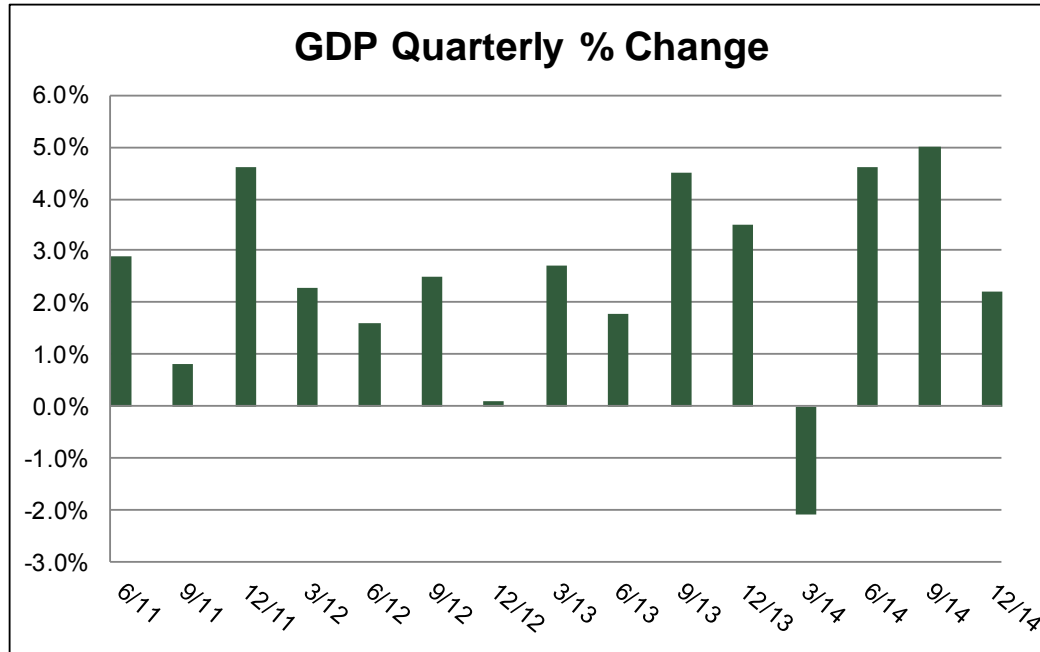


Source: US Department of Labor

In January, overall Consumer Price Index (CPI) inflation declined to -0.1% on a year-over-year basis from 0.7% in December. Headline inflation has fallen sharply over the past few months due to a precipitous decline in energy prices. The year-over-year Core CPI (CPI less food and energy) was unchanged at 1.6% in January.



# Gross Domestic Product

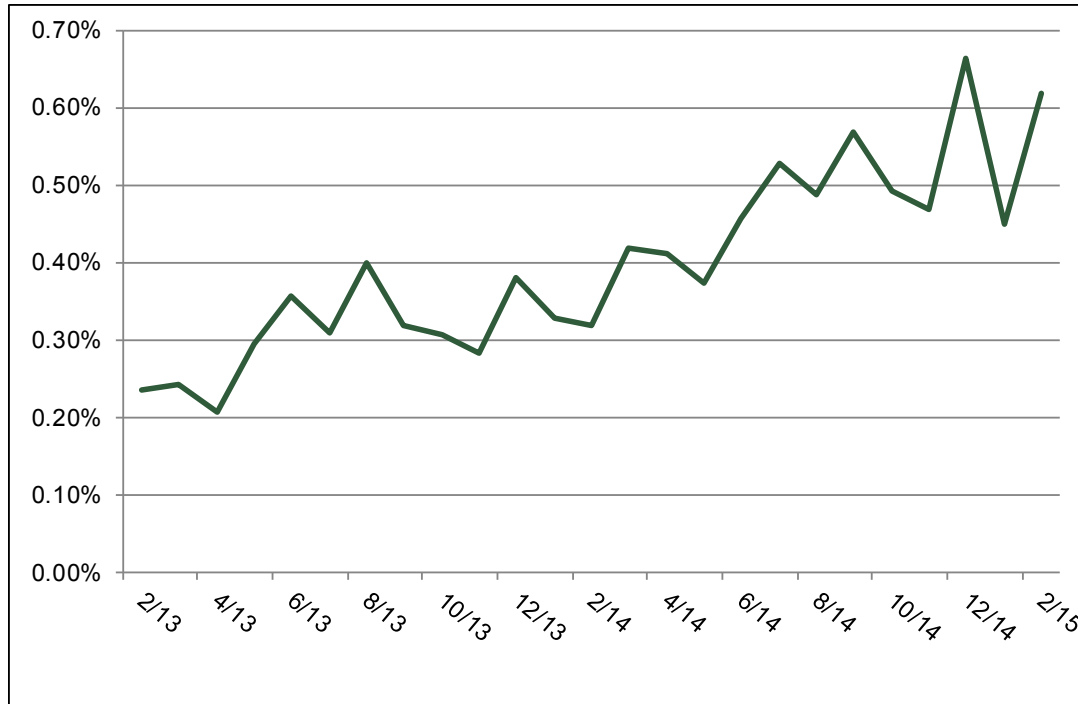


Source: U.S. Department of Commerce

Real annualized GDP growth for the fourth quarter of 2014 was revised down to 2.2% from the advance estimate of 2.6%, after rising 5.0% in the third quarter. The fourth quarter consensus estimate was 2.0%. The revision to fourth quarter growth was largely due to downward adjustments to inventory investment and net exports.



## Yield on the Two-Year Note February 2013 through February 2015



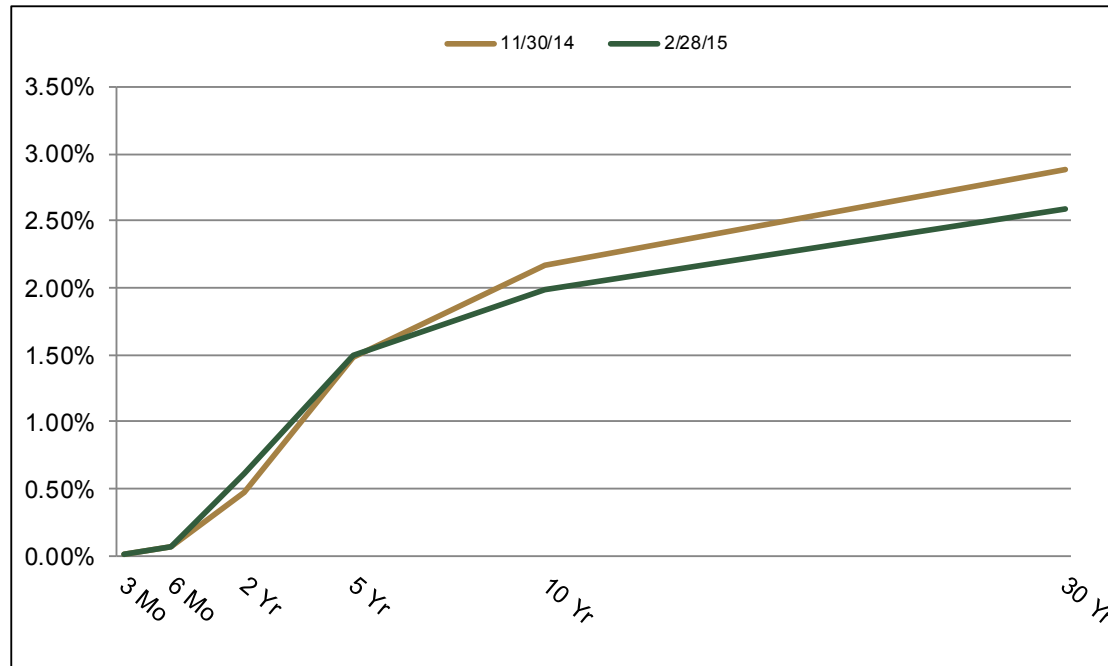
Source: Bloomberg

The yield on the two-year Treasury note increased in February. Domestic economic data remained fairly solid, and the downward pressure on U.S. Treasury yields fueled by global economic concerns (and the subsequent flight to quality) eased during the month. In January, market participants sought safety amid the financial market volatility caused by global central banks' policy changes and turmoil in Greece. Some of those tensions eased in February. We believe ongoing uncertainty about the timing of the Federal Reserve's first interest rate hike will likely continue to fuel market volatility.



# Yield Curves

## November 30, 2014 and February 28, 2015



Source: Bloomberg

During the past three months, the yield curve flattened. Concerns about weak global economic growth kept downward pressure on longer US Treasury yields, even as the Fed signaled the possibility of a fed funds rate hike this year.



## SECTION 2

### Account Profile

## Investment Objectives

The investment objectives of the Small Cities Organized Risk Effort are first, to provide safety of principal to ensure the preservation of capital; second, to provide sufficient liquidity to meet all disbursement requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

## Chandler Asset Management Performance Objectives

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the Bank of America Merrill Lynch Index of 1-5 Year Government securities.

## Strategy

In order to achieve this objective, the portfolio invests in high-quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities with a maximum maturity of five years.



## Small Cities Organized Risk Effort

Joint Powers Authority

February 28, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.*

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" or better rated; 20% maximum; 5% per issuer;	Complies
Negotiable CDs	A-1, P-1 or F-1, or AA rated; 30% max.; 5 years maximum maturity; 5% per issuer	Complies
Banker's Acceptances	A1, P1 or F-1 rated; 30% maximum; 5% per issuer; <180 days	Complies
Commercial Paper	A-1, P1 or F-1 rated; 25% maximum; 5% per issuer; <270 days	Complies
Medium Term Notes	"A-" or better rated; 30% maximum; 5% per issuer;	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA/Aaa rated; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated; 20% maximum; 10% per issuer	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies



## Portfolio Characteristics

### Small Cities Organized Risk Effort

	02/28/2015		11/30/2014
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.65	2.61	2.71
Modified Duration	2.55	2.43	2.49
Average Purchase Yield	n/a	1.27 %	1.29 %
Average Market Yield	0.87 %	0.94 %	0.91 %
Average Quality**	AAA	AA+/Aa1	AA+/Aa1
Total Market Value		10,863,576	10,831,894

\* BAML 1-5 Yr US Treasury/Agency Index

\*\* Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

During the last three months, the activity in the Authority's portfolio was the result of maintaining the desired portfolio strategy. Recent purchases included a diversified mix of Treasury, Agency, Corporate and Commercial Paper securities with maturities ranging from June 2015 through January 2020.

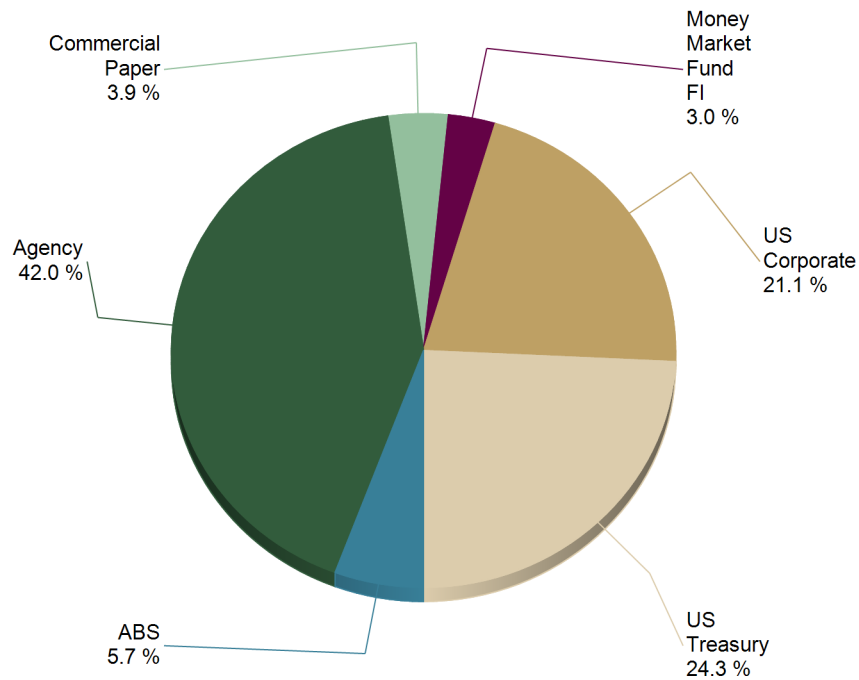




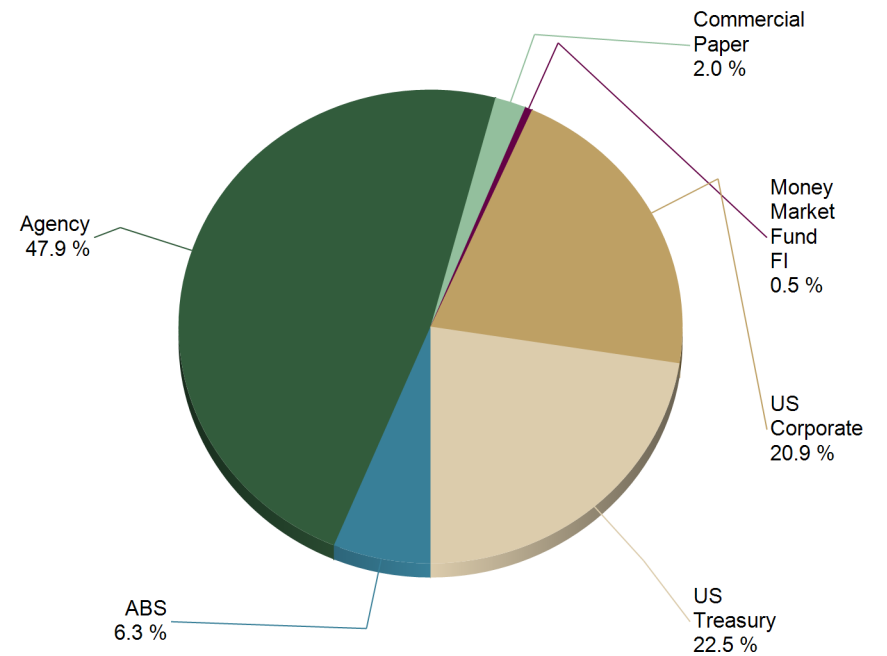
# Sector Distribution

## Small Cities Organized Risk Effort

February 28, 2015



November 30, 2014



The portfolio sector allocation changed modestly as the portfolio allocation increased to Treasuries, Commercial Paper and the Money Market Fund while the allocation to Agencies and Asset Backed Securities (ABS) decreased.



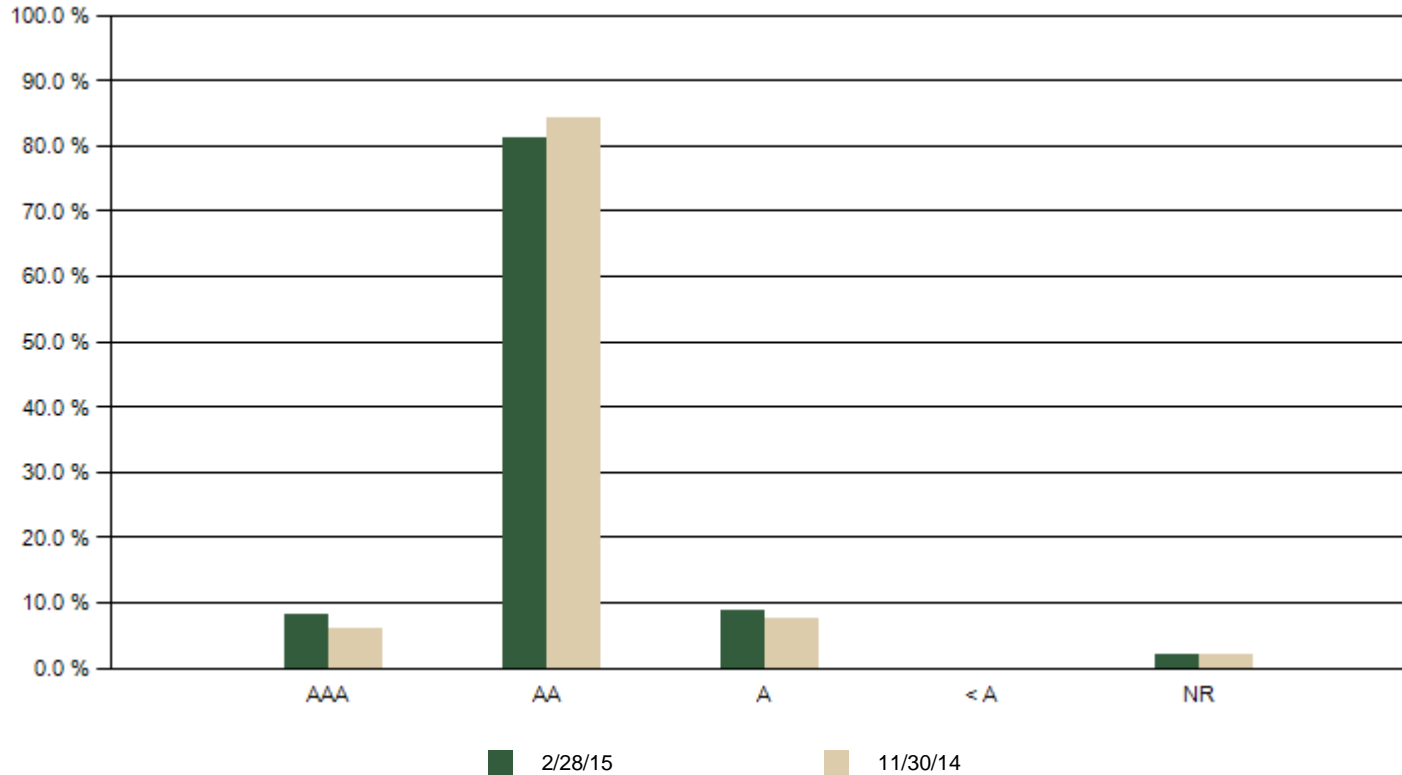
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	24.26 %
Federal National Mortgage Association	Agency	17.60 %
Federal Home Loan Mortgage Corp	Agency	11.79 %
Federal Home Loan Bank	Agency	10.01 %
First American Govt Oblig Fund	Money Market Fund FI	3.02 %
Federal Farm Credit Bank	Agency	2.62 %
Procter & Gamble Company	US Corporate	2.47 %
Bank of Tokyo-Mit UFJ	Commercial Paper	2.02 %
John Deere ABS	ABS	1.89 %
PNC Financial Services Group	Commercial Paper	1.84 %
JP Morgan ABS	ABS	1.47 %
Eli Lilly & Co	US Corporate	1.41 %
US Bancorp	US Corporate	1.41 %
Exxon Mobil Corp	US Corporate	1.39 %
ChevronTexaco Corp	US Corporate	1.29 %
Cisco Systems	US Corporate	1.28 %
Bank of New York	US Corporate	1.28 %
HSBC USA Corp	US Corporate	1.26 %
Wells Fargo Corp	US Corporate	1.26 %
Intel Corp	US Corporate	1.25 %
General Electric Co	US Corporate	1.24 %
JP Morgan Chase & Co	US Corporate	1.24 %
Apple Inc	US Corporate	1.24 %
Honda ABS	ABS	1.21 %
Deere & Company	US Corporate	1.15 %
Toyota ABS	ABS	1.13 %
Google Inc	US Corporate	0.99 %
Berkshire Hathaway	US Corporate	0.99 %
<b>Total</b>		<b>100.00 %</b>



# Quality Distribution

## Small Cities Organized Risk Effort

February 28, 2015 vs. November 30, 2014



	AAA	AA	A	<A	NR
<b>2/28/15</b>	8.2 %	81.0 %	8.8 %	0.0 %	1.9 %
<b>11/30/14</b>	6.0 %	84.2 %	7.7 %	0.0 %	2.1 %

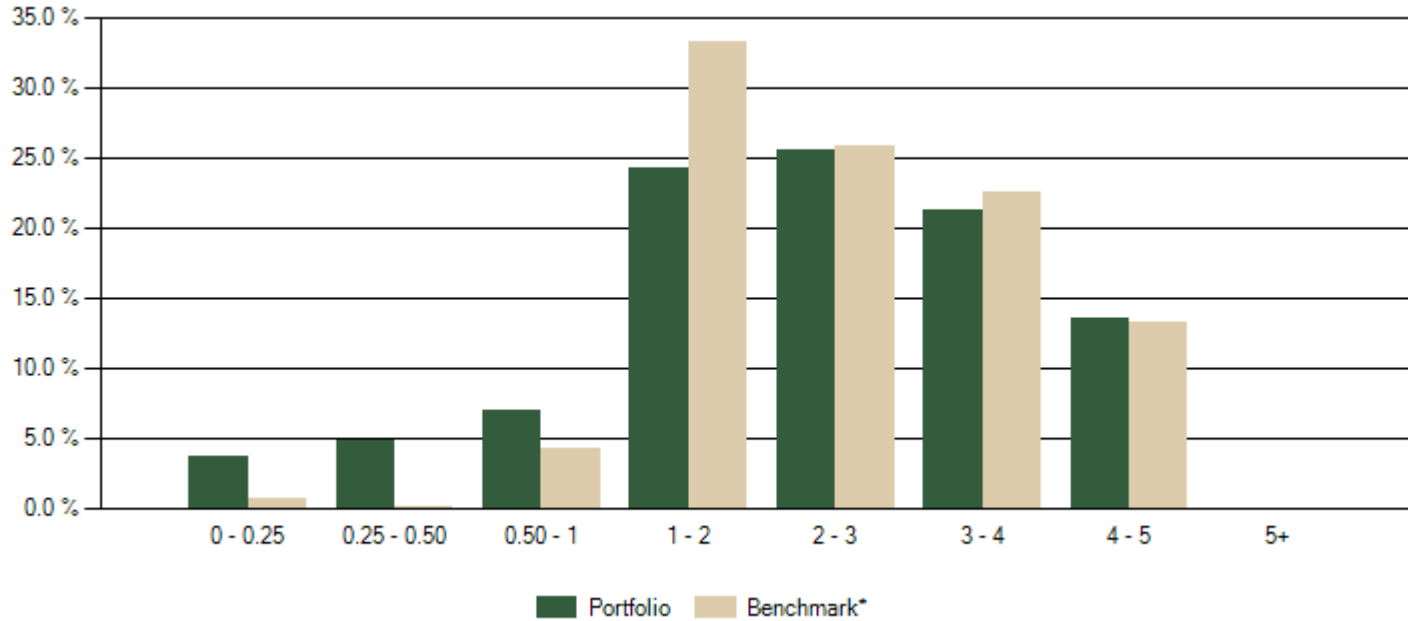
Source: S&P Ratings



# Duration Distribution

## Small Cities Organized Risk Effort

Portfolio Compared to the Benchmark as of February 28, 2015



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
<b>Portfolio</b>	3.7 %	4.8 %	7.0 %	24.2 %	25.6 %	21.2 %	13.5 %	0.0 %
<b>Benchmark*</b>	0.7 %	0.1 %	4.2 %	33.3 %	25.9 %	22.6 %	13.3 %	0.0 %

\* BAML 1-5 Yr US Treasury/Agency Index

The duration of the portfolio increased slightly from 2.42 to 2.47. Interest rate volatility is likely to increase in 2015 as the Federal Reserve considers the first change to traditional monetary policy, likely towards the second half of 2015. We anticipate keeping the duration close to the benchmark in the coming quarter using the proceeds from maturities to extend the duration of the portfolio.



# Investment Performance

## Small Cities Organized Risk Effort

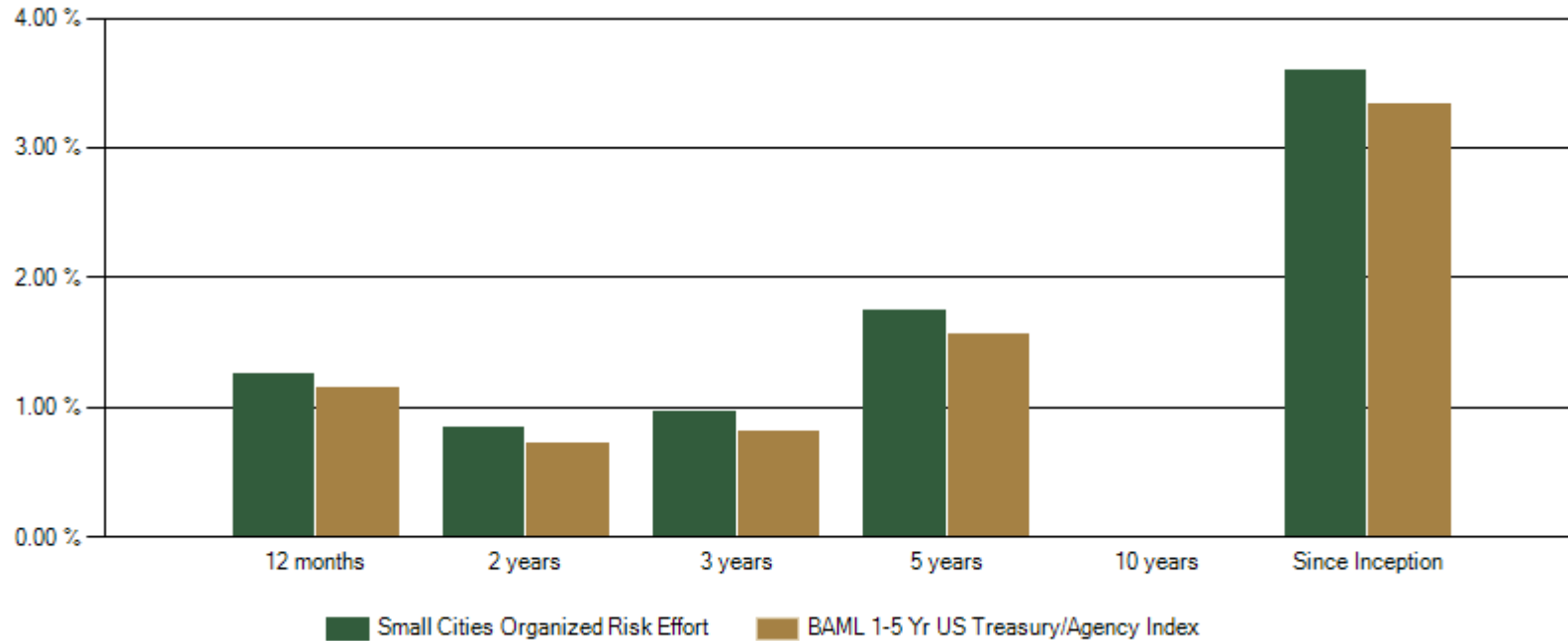
Period Ending

February 28, 2015

Total Rate of Return

Annualized Since Inception

March 31, 2006



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
Small Cities Organized Risk Effort	0.33 %	1.27 %	0.86 %	0.99 %	1.76 %	N/A	3.62 %
BAML 1-5 Yr US Treasury/Agency Index	0.17 %	1.17 %	0.73 %	0.83 %	1.57 %	N/A	3.35 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



## SECTION 3

# Portfolio Holdings



### Holdings Report

As of 2/28/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	32,883.66	09/18/2012 0.46 %	32,880.53 32,883.09	100.02 0.37 %	32,891.12 6.72	0.30 % 8.03	Aaa / AAA NR	1.38 0.25
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	36,103.69	09/27/2013 0.61 %	36,064.20 36,084.20	100.02 0.46 %	36,109.47 8.50	0.33 % 25.27	Aaa / NR AAA	1.38 0.21
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	41,483.37	10/11/2012 0.52 %	41,479.35 41,482.52	100.00 0.53 %	41,481.92 7.79	0.38 % (0.60)	Aaa / AAA NR	1.47 0.30
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	160,000.00	03/05/2013 0.55 %	160,231.25 160,128.11	100.05 0.49 %	160,074.24 41.96	1.47 % (53.87)	NR / AAA AAA	2.46 0.44
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	44,155.81	08/27/2013 0.88 %	44,149.79 44,152.06	100.19 0.58 %	44,241.16 17.07	0.41 % 89.10	Aaa / NR AAA	2.46 0.66
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	90,000.00	03/11/2014 0.69 %	89,983.37 89,988.95	99.88 0.77 %	89,891.28 26.80	0.83 % (97.67)	Aaa / AAA NR	2.80 1.20
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	90,000.00	05/13/2014 0.78 %	89,989.18 89,991.99	99.83 0.89 %	89,848.80 25.03	0.83 % (143.19)	Aaa / AAA NR	3.05 1.44
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	125,000.00	04/02/2014 0.93 %	124,979.98 124,985.90	100.05 0.89 %	125,063.00 51.11	1.15 % 77.10	Aaa / NR AAA	3.13 1.35
<b>Total ABS</b>		<b>619,626.53</b>	<b>0.70 %</b>	<b>619,757.65</b> <b>619,696.82</b>	<b>0.67 %</b>	<b>619,600.99</b> <b>184.98</b>	<b>5.71 %</b> <b>(95.83)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.55</b> <b>0.86</b>
<b>AGENCY</b>									
31398AU34	FNMA Note 2.375% Due 7/28/2015	100,000.00	08/27/2010 1.73 %	103,014.00 100,250.47	100.90 0.22 %	100,895.70 217.71	0.93 % 645.23	Aaa / AA+ AAA	0.41 0.42
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	120,000.00	11/26/2012 0.45 %	119,720.40 119,926.16	100.11 0.25 %	120,126.00 87.50	1.11 % 199.84	Aaa / AA+ AAA	0.81 0.81
31331J6C2	FFCB Note 2.35% Due 12/22/2015	120,000.00	03/28/2011 2.27 %	120,434.40 120,074.37	101.67 0.30 %	122,008.92 540.50	1.13 % 1,934.55	Aaa / AA+ AAA	0.81 0.81
3135G0BA0	FNMA Note 2.375% Due 4/11/2016	275,000.00	06/07/2011 1.78 %	282,544.63 276,735.82	102.22 0.39 %	281,099.50 2,539.93	2.61 % 4,363.68	Aaa / AA+ AAA	1.12 1.10
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	310,000.00	Various 1.73 %	321,083.36 312,813.84	102.56 0.44 %	317,923.60 2,023.61	2.95 % 5,109.76	Aaa / AA+ AAA	1.24 1.23
313373SZ6	FHLB Note 2.125% Due 6/10/2016	200,000.00	09/14/2011 1.10 %	209,390.00 202,534.76	102.18 0.42 %	204,356.20 956.25	1.89 % 1,821.44	Aaa / AA+ AAA	1.28 1.27
3137EACW7	FHLMC Note 2% Due 8/25/2016	300,000.00	01/19/2012 1.09 %	312,151.20 303,929.78	102.22 0.50 %	306,669.60 100.00	2.82 % 2,739.82	Aaa / AA+ AAA	1.49 1.47
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	65,000.00	12/21/2011 1.21 %	65,514.15 65,179.52	101.26 0.64 %	65,818.22 263.16	0.61 % 638.70	Aaa / AA+ AAA	1.72 1.69
313371PV2	FHLB Note 1.625% Due 12/9/2016	250,000.00	10/17/2013 0.78 %	256,575.00 253,717.05	101.81 0.60 %	254,521.25 925.35	2.35 % 804.20	Aaa / AA+ AAA	1.78 1.75
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	175,000.00	03/26/2012 1.25 %	174,983.73 174,993.56	101.10 0.67 %	176,926.23 188.37	1.63 % 1,932.67	Aaa / AA+ AAA	1.92 1.90



### Holdings Report

As of 2/28/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3137EADC0	FHLMC Note 1% Due 3/8/2017	200,000.00	03/19/2012 1.37 %	196,430.40 198,547.76	100.68 0.66 %	201,352.80 961.11	1.86 % 2,805.04	Aaa / AA+ AAA	2.02 2.00
313379FW4	FHLB Note 1% Due 6/9/2017	200,000.00	06/20/2012 1.02 %	199,758.00 199,889.14	100.52 0.77 %	201,037.60 455.56	1.85 % 1,148.46	Aaa / AA+ AAA	2.28 2.25
3133EAY28	FFCB Note 0.83% Due 9/21/2017	160,000.00	09/18/2012 0.83 %	160,000.00 160,000.00	100.80 0.51 %	161,283.20 590.22	1.49 % 1,283.20	Aaa / AA+ AAA	2.56 2.53
3135G0ZL0	FNMA Note 1% Due 9/27/2017	105,000.00	08/21/2014 1.12 %	104,625.15 104,687.57	100.16 0.94 %	105,168.11 449.17	0.97 % 480.54	Aaa / AA+ AAA	2.58 2.53
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	150,000.00	02/11/2013 0.94 %	149,523.00 149,724.08	99.55 1.04 %	149,318.10 258.85	1.38 % (405.98)	Aaa / AA+ AAA	2.81 2.76
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	300,000.00	Various 1.03 %	297,930.75 298,664.57	99.43 1.07 %	298,278.91 1,268.75	2.76 % (385.66)	Aaa / AA+ AAA	3.02 2.96
313378A43	FHLB Note 1.375% Due 3/9/2018	215,000.00	08/06/2013 1.48 %	213,970.15 214,321.22	101.02 1.03 %	217,202.03 1,412.43	2.01 % 2,880.81	Aaa / AA+ AAA	3.03 2.94
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	250,000.00	06/17/2013 1.24 %	245,652.50 247,154.06	98.98 1.20 %	247,444.50 607.64	2.28 % 290.44	Aaa / AA+ AAA	3.23 3.17
313375K48	FHLB Note 2% Due 9/14/2018	200,000.00	02/07/2014 1.50 %	204,446.00 203,427.95	102.37 1.31 %	204,746.00 1,855.56	1.90 % 1,318.05	Aaa / AA+ AAA	3.55 3.39
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	400,000.00	Various 1.60 %	400,556.00 400,415.80	101.09 1.33 %	404,342.00 1,697.22	3.74 % 3,926.20	Aaa / AA+ AAA	3.75 3.61
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	150,000.00	11/19/2014 1.68 %	150,455.70 150,427.84	101.00 1.51 %	151,497.45 663.54	1.40 % 1,069.61	Aaa / AA+ AAA	4.25 4.07
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	250,000.00	Various 1.80 %	249,452.50 249,506.52	100.86 1.55 %	252,154.76 2,053.82	2.34 % 2,648.24	Aaa / AA+ AAA	4.54 4.32
<b>Total Agency</b>		<b>4,495,000.00</b>	<b>1.34 %</b>	<b>4,538,211.02</b> <b>4,506,921.84</b>	<b>0.83 %</b>	<b>4,544,170.68</b> <b>20,116.25</b>	<b>42.01 %</b> <b>37,248.84</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.41</b> <b>2.34</b>
<b>COMMERCIAL PAPER</b>									
06538CTV3	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 6/29/2015	220,000.00	02/20/2015 0.28 %	219,784.40 219,784.40	99.90 0.28 %	219,784.40 10.27	2.02 % 0.00	P-1 / A-1 F-1	0.33 0.33
69349KW22	PNC Bank Discount CP 0.38% Due 9/2/2015	200,000.00	12/10/2014 0.39 %	199,440.56 199,440.56	99.72 0.39 %	199,440.56 168.89	1.84 % 0.00	P-1 / A-1 F-1	0.51 0.51
<b>Total Commercial Paper</b>		<b>420,000.00</b>	<b>0.33 %</b>	<b>419,224.96</b> <b>419,224.96</b>	<b>0.33 %</b>	<b>419,224.96</b> <b>179.16</b>	<b>3.86 %</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1</b>	<b>0.42</b> <b>0.42</b>
<b>MONEY MARKET FUND FI</b>									
31846V203	First American Govt Obligation Fund	327,785.42	Various 0.00 %	327,785.42 327,785.42	1.00 0.00 %	327,785.42 0.00	3.02 % 0.00	Aaa / AAA NR	0.00 0.00





### Holdings Report

As of 2/28/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Total Money Market Fund FI</b>		<b>327,785.42</b>	<b>N/A</b>	<b>327,785.42</b> <b>327,785.42</b>	<b>0.00 %</b>	<b>327,785.42</b> <b>0.00</b>	<b>3.02 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
742718DS5	Procter & Gamble Co Note 1.8% Due 11/15/2015	265,000.00	04/13/2011 2.36 %	258,615.14 264,010.96	100.93 0.50 %	267,454.17 1,404.50	2.47 % 3,443.21	Aa3 / AA- NR	0.71 0.71
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	105,000.00	10/13/2011 1.57 %	107,568.30 105,682.32	102.03 0.46 %	107,131.50 632.19	0.99 % 1,449.18	Aa2 / AA NR	1.22 1.21
30231GAA0	Exxon Mobil Corp Note 0.921% Due 3/15/2017	150,000.00	03/17/2014 0.92 %	150,000.00 150,000.00	100.42 0.72 %	150,626.25 637.03	1.39 % 626.25	Aaa / AAA NR	2.04 2.02
084664BS9	Berkshire Hathaway Note 1.6% Due 5/15/2017	105,000.00	Various 1.57 %	105,141.90 105,062.63	101.59 0.87 %	106,667.61 494.66	0.99 % 1,604.98	Aa2 / AA A+	2.21 2.17
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	150,000.00	08/18/2014 1.10 %	152,167.50 151,737.58	101.40 0.99 %	152,101.95 728.75	1.41 % 364.37	A1 / A+ AA-	2.21 2.08
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	140,000.00	Various 1.05 %	140,346.00 140,195.78	99.97 1.12 %	139,963.60 369.22	1.29 % (232.18)	Aa1 / AA NR	2.77 2.63
369604BC6	General Electric Co Note 5.25% Due 12/6/2017	120,000.00	05/15/2014 1.37 %	136,032.00 132,506.44	110.96 1.22 %	133,154.52 1,487.50	1.24 % 648.08	Aa3 / AA+ NR	2.77 2.58
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	135,000.00	06/16/2014 1.41 %	134,711.10 134,768.88	100.58 1.14 %	135,778.68 384.75	1.25 % 1,009.80	A1 / A+ A+	2.80 2.73
24422EST7	John Deere Capital Corp Note 1.35% Due 1/16/2018	125,000.00	01/13/2015 1.37 %	124,937.50 124,940.01	100.10 1.31 %	125,130.38 210.94	1.15 % 190.37	A2 / A NR	2.88 2.82
037833AJ9	Apple Inc Note 1% Due 5/3/2018	135,000.00	Various 1.09 %	134,384.60 134,607.55	99.20 1.26 %	133,923.92 442.50	1.24 % (683.63)	Aa1 / AA+ NR	3.18 3.11
94974BFQ8	Wells Fargo Corp Note 2.15% Due 1/15/2019	135,000.00	04/29/2014 2.12 %	135,160.65 135,132.33	100.93 1.90 %	136,251.72 370.88	1.26 % 1,119.39	A2 / A+ AA-	3.88 3.70
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	135,000.00	11/19/2014 2.07 %	135,315.90 135,296.23	101.87 1.64 %	137,521.40 1,434.38	1.28 % 2,225.17	A1 / AA- NR	4.01 3.79
532457BF4	Eli Lilly & Co Note 1.95% Due 3/15/2019	150,000.00	06/10/2014 2.05 %	149,341.50 149,440.50	101.09 1.67 %	151,632.00 1,348.75	1.41 % 2,191.50	A2 / AA- A	4.04 3.85
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	135,000.00	11/19/2014 2.24 %	135,334.80 135,315.93	101.55 1.94 %	137,087.51 1,466.25	1.28 % 1,771.58	A1 / A+ AA-	4.54 4.17
40428HPN6	HSBC USA Inc Note 2.375% Due 11/13/2019	135,000.00	11/10/2014 2.32 %	135,329.40 135,310.09	100.69 2.22 %	135,927.18 961.88	1.26 % 617.09	A2 / A AA-	4.71 4.40



### Holdings Report

As of 2/28/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
46625HKA7	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020	135,000.00	02/10/2015 2.34 %	134,410.05 134,415.28	99.45 2.37 %	134,256.96 320.63	1.24 % (158.32)	A3 / A A+	4.90 4.60
<b>Total US Corporate</b>		<b>2,255,000.00</b>	<b>1.72 %</b>	<b>2,268,796.34</b> <b>2,268,422.51</b>	<b>1.30 %</b>	<b>2,284,609.35</b> <b>12,694.81</b>	<b>21.15 %</b> <b>16,186.84</b>	<b>A1 / AA-</b> <b>A+</b>	<b>2.95</b> <b>2.81</b>
<b>US TREASURY</b>									
912828RF9	US Treasury Note 1% Due 8/31/2016	50,000.00	09/14/2011 0.86 %	50,338.06 50,102.43	100.80 0.47 %	50,398.45 1.36	0.46 % 296.02	Aaa / AA+ AAA	1.51 1.49
912828RJ1	US Treasury Note 1% Due 9/30/2016	150,000.00	10/13/2011 1.05 %	149,619.64 149,878.53	100.82 0.48 %	151,230.45 626.37	1.40 % 1,351.92	Aaa / AA+ AAA	1.59 1.57
912828RU6	US Treasury Note 0.875% Due 11/30/2016	200,000.00	01/19/2012 0.83 %	200,438.17 200,157.90	100.57 0.55 %	201,140.60 437.50	1.86 % 982.70	Aaa / AA+ AAA	1.76 1.73
912828TM2	US Treasury Note 0.625% Due 8/31/2017	400,000.00	Various 0.69 %	398,827.51 399,383.52	99.44 0.85 %	397,750.00 6.80	3.66 % (1,633.52)	Aaa / AA+ AAA	2.51 2.47
912828UA6	US Treasury Note 0.625% Due 11/30/2017	300,000.00	12/27/2012 0.70 %	298,864.29 299,365.19	99.16 0.94 %	297,468.60 468.75	2.74 % (1,896.59)	Aaa / AA+ AAA	2.76 2.72
912828VQ0	US Treasury Note 1.375% Due 7/31/2018	50,000.00	07/30/2013 1.37 %	50,021.65 50,014.80	100.69 1.17 %	50,343.75 55.08	0.46 % 328.95	Aaa / AA+ AAA	3.42 3.33
912828RE2	US Treasury Note 1.5% Due 8/31/2018	250,000.00	09/13/2013 1.69 %	247,725.45 248,392.74	101.03 1.20 %	252,578.00 10.19	2.33 % 4,185.26	Aaa / AA+ AAA	3.51 3.40
912828B33	US Treasury Note 1.5% Due 1/31/2019	350,000.00	Various 1.45 %	350,803.91 350,658.19	100.70 1.32 %	352,460.85 420.58	3.25 % 1,802.66	Aaa / AA+ AAA	3.93 3.80
912828C24	US Treasury Note 1.5% Due 2/28/2019	225,000.00	03/18/2014 1.55 %	224,490.99 224,588.74	100.66 1.33 %	226,494.23 9.17	2.08 % 1,905.49	Aaa / AA+ AAA	4.00 3.87
912828WL0	US Treasury Note 1.5% Due 5/31/2019	175,000.00	06/17/2014 1.74 %	172,977.15 173,263.57	100.46 1.39 %	175,806.58 656.25	1.62 % 2,543.01	Aaa / AA+ AAA	4.25 4.09
912828WW6	US Treasury Note 1.625% Due 7/31/2019	200,000.00	Various 1.67 %	199,586.61 199,623.26	100.84 1.43 %	201,671.80 260.36	1.86 % 2,048.54	Aaa / AA+ AAA	4.42 4.25
912828G61	US Treasury Note 1.5% Due 11/30/2019	175,000.00	01/27/2015 1.31 %	176,525.00 176,497.38	100.08 1.48 %	175,136.68 656.25	1.62 % (1,360.70)	Aaa / AA+ AAA	4.76 4.55
912828H52	US Treasury Note 1.25% Due 1/31/2020	100,000.00	02/10/2015 1.51 %	98,750.34 98,762.73	98.82 1.50 %	98,820.30 100.14	0.91 % 57.57	Aaa / AA+ AAA	4.93 4.75
<b>Total US Treasury</b>		<b>2,625,000.00</b>	<b>1.23 %</b>	<b>2,618,968.77</b> <b>2,620,688.98</b>	<b>1.10 %</b>	<b>2,631,300.29</b> <b>3,708.80</b>	<b>24.26 %</b> <b>10,611.31</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.34</b> <b>3.24</b>
<b>TOTAL PORTFOLIO</b>		<b>10,742,411.95</b>	<b>1.27 %</b>	<b>10,792,744.16</b> <b>10,762,740.53</b>	<b>0.94 %</b>	<b>10,826,691.69</b> <b>36,884.00</b>	<b>100.00 %</b> <b>63,951.16</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>2.61</b> <b>2.43</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>10,863,575.69</b>			



Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015

Agenda Item G.2.

## INVESTMENT POLICY REVIEW AND APPROVAL

### ACTION ITEM

**ISSUE:** The Board of Directors annually reviews and approves any recommended changes to the Investment Policy, or they reaffirm the Policy with no changes. This year there is a recommended change to add Supra-nationals to the list of allowed investments. This class of investments was recently allowed by the Government Code, and they are expected to fill the gap created by a dwindling supply of Government Agency investments.

The change has been recommended by SCORE's Investment Manager, Chandler Asset Management, and reviewed by SCORE's accounting services provider, Gilbert Associates. Mr. Jason Schmitt from Chandler Asset Management will be in attendance to answer any questions regarding the recommended amendments to the policy.

**RECOMMENDATION:** Review and approve the recommended changes.

**FISCAL IMPACT:** Unknown

**BACKGROUND:** Every year, staff requests an Investment Policy review from the Investment Manager as well as the JPA Financial Accounting Services provider in order to determine if any changes should be made to the Investment Policy. This year, Chandler suggests that the investment policy be amended to allow for a larger instrument variety in SCORE's investment portfolio.

**ATTACHMENTS:** Investment Policy with proposed changes and comments

**SMALL CITIES ORGANIZED RISK EFFORT  
JOINT POWERS AUTHORITY (SCORE)  
Reviewed March 2014**

**INVESTMENT POLICY**  
ADOPTED 3-28-14

**I. POLICY STATEMENT**

The Policy of the Small Cities Organized Risk Effort Joint Powers Authority (the "Authority") shall be to invest all funds under the Authority's control in a manner that complies with all laws of the State of California; all applicable Government Code Sections including but not limited to Government Code Section 53601, and the policies of the Authority.

**II. SCOPE OF POLICY**

This policy sets forth guidance for all funds and investment activities under the direction and control of the Authority.

**III. AUTHORITY**

The Board of Directors hereby delegates its authority to invest funds of the Authority for a one-year period to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the Board of Directors may renew the delegation of authority each year. The authorized officer may delegate the day-to-day placement of investments to an investment advisor, via written agreement with the Authority. The investment advisor shall make all investment decisions and transactions in strict accordance with state law and this investment policy. The authorized officer shall establish a system of written internal controls to regulate the Authority's investment activities, including the activities of any subordinate officials acting on behalf of the Authority.

The delegated investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**IV. OBJECTIVES**

- A. Safety: The primary objective of this policy is to protect, preserve, and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.
- C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.
- D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return of a market-based index which has the same type of sector and

maturity requirements as the Authority's portfolio. This benchmark shall be determined by the Board.

- E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.
- F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code 53600.3)
- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

## V. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with the Government Code.

The reports shall include the following information for each individual investment:

- Type of investment instrument (i.e., Treasury Bill, medium-term note)
- Issuer name (i.e., General Electric Credit Corp.)
- Yield to maturity at cost
- Purchase date (trade and settlement date)
- Maturity date
- Purchase price
- Par value
- Coupon rate
- Credit rating of each security
- Amortized cost
- Current market value for securities with maturity greater than 12 months
- Overall portfolio yield based on cost
- List of investment transactions

**VI. INVESTMENT INSTRUMENTS AND MATURITIES**

**A. Included Investments:**

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage*	Maximum Individual Holding*
1. U.S. Treasury	N	5 years	100%	100%
2. Government Agency		5 years	100%	100%
3. State and Municipal Obligations ***	A	5 years	20%	5%
4. <u>Supranationals</u>	<u>AA</u>	<u>5 Years</u>	<u>30%</u>	<u>10%</u>
5. Negotiable Certificates of Deposit	A-1 or AA	5 years	30%	5%
6. Bankers Acceptances	A-1	180 days	30%	5%
7. Commercial Paper	A-1	270 days	25%	5%
8. Local Agency Investment Fund (LAIF)	N/A	N/A	N/A	\$50 million
9. Repurchase Agreements	N/A	1 year	25%	
10. Medium Term Notes	A-	5 year	30%	5%
11. Money Market Fund	AAA	N/A	15%	5%
12. Mortgage & Asset Backed Securities	AAA	5 years	20%	5%

**Comment [JS1]:** This investment type is now permitted by California State Code. We recommend the authority consider expanding the investible universe to include these securities.

\* Excluding U.S. Government, agency securities, supranationals and LAIF no more than 5% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.

\*\*Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code §3601)

\*\*\*No investments are allowed in financial instruments of SCORE cities.

**Comment [JS2]:** See previous.

**B. Prohibited Investments:** The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. Purchase or sale of securities on margin
2. Reverse Repurchase Agreements
3. Financial Futures and financial options

Any security type or structure not specifically approved by this policy is hereby specifically prohibited.

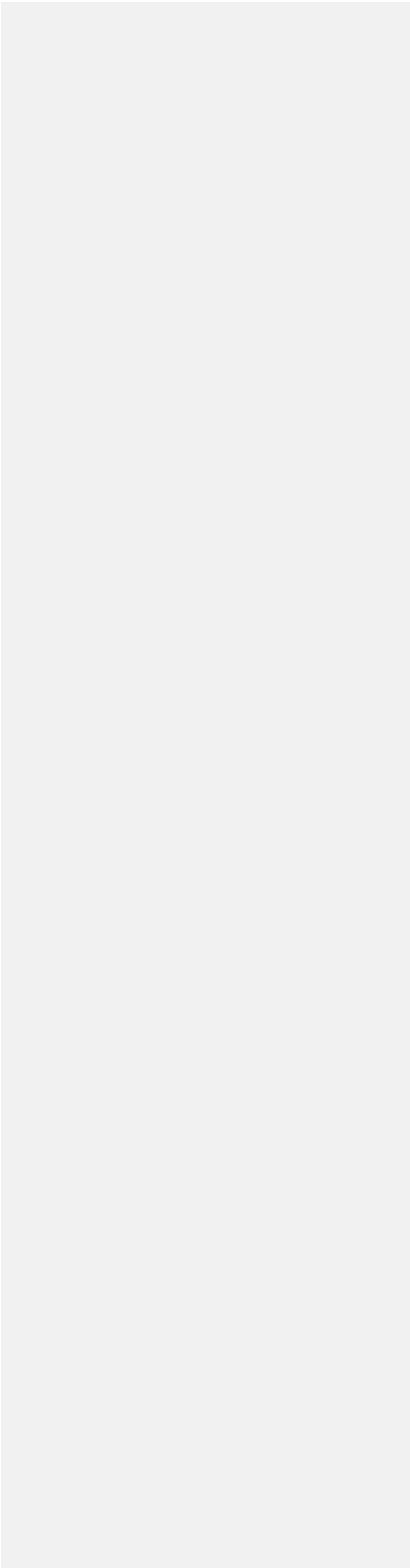
**C.** The following sections define in detail the parameters of each approved investment type.

1. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Treasuries.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to

principal and interest by federal agencies or United States government-sponsored



enterprises.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Agency obligations.

3. **Supranationals provided that they are unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated "AA" or higher by a nationally recognized statistical rating organization. Purchases of Supranationals must not exceed 30% of the Authority's portfolio and no individual issuer shall exceed 10% of the Authority's portfolio. The maturity will not exceed 5 years.**

Comment [JS3]: See previous.

4. Obligations issued by the State of California, any local agency within the state, or authority of any of the other 49 states which are rated "A" by at least one Nationally Recognized Statistical Rating Organization (NRSRO). Purchases of Municipal securities may not exceed 5 years in maturity or 20% of the Authority's portfolio.

5. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of five years or less, issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "A" or better by at least one NRSRO.

Purchases of negotiable certificates of deposit may not exceed 30% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer.

6. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by at least one NRSRO.

Purchases of Banker's Acceptances may not exceed 180 days maturity or 30% of the Authority's investment portfolio. No more than 5% of the Authority's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.

7. Commercial Paper rated in the highest short-term rating category, as provided by at least one NRSRO. The issuing corporation must be organized and operating within the United States, having total assets in excess of \$500 million, and having an "A" or higher rating for its long-term debt, if any, as provided by at least one NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity and may not exceed 25% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer. Purchases shall not exceed 10% of the outstanding paper of the issuing corporation.

8. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.



The Authority may enter into repurchase agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York. The Authority will have specific written agreements with each firm with which it enters into repurchase agreements. Reverse repurchase agreements are not allowed.

Purchases or repurchase agreements may not exceed one year in maturity and no more than 5% may be invested in any one issuer.

9. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less issued only by corporations operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "A-" or its equivalent or better by at least one NRSROs.

Purchases or medium term corporate notes may not exceed five years in maturity or 30% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer.

10. Local Agency Investment Fund (*L.A.I.F.*) - There are no limits on the dollar amount or percentage that the Authority may invest in LAIF, subject to \$50 million deposit limit imposed by LAIF.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

11. Money market Mutual provided that:

Such funds are registered with the Securities and Exchange Commission and receive the highest ranking by not less than two NRSROs; and have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government code Section 53601 (a through j) and with assets under management in excess of \$500 million; and have no more than 20% of the investment portfolio may be held in Money Market Mutual Funds., and no more than 10% per Fund.

12. Mortgage Pass-Through Securities and Asset-Backed Securities provided that:

Such securities shall have a maximum stated final maturity of five years; and shall be rate AAA at least one NRSRO; and purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

**VII. INTERNAL CONTROLS**

The system of internal control shall be established and maintained in written form, in a separate document. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

**VIII. TRANSFER OF FUNDS**

The Treasurer shall have authority to transfer to and from the investment accounts in the ordinary course of operations and shall notify the President prior to any transfer of funds in excess of \$1,000,000.

**IX. BANKS AND SECURITIES DEALERS**

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider the credit worthiness of institutions. To be eligible to receive local agency deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Authority funds are deposited or invested. A commercial rating or bank watch may be used to accomplish this objective.

**X. INVESTMENT RISKS****Mitigating Credit Risk in the Portfolio**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority shall mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section VI are designed to mitigate credit risk in the portfolio;
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities;
3. The Authority may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the Authority's risk preferences; and
4. If securities owned by the Authority are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the Authority's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
  - a. If a security is downgraded two grades below the level required by the Authority,

- the security shall be sold immediately
- b. If a security is downgraded one grade below the level required by this policy, the Authority's Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
  - c. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Authority's Board.

#### **Mitigating Market Risk in the Portfolio**

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The Authority recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Authority shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cashflow purposes. The authority further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Authority, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy:
2. The Authority shall maintain a minimum of three months of budgeted operating expenditures in short term investments; and
3. The duration of the portfolio typically will be equal to the duration of an index of US Treasury and Federal Agency Securities with maturities which meet the Authority's needs for cash flow and level of risk tolerance (the Benchmark Index) plus or minus 10%.

#### **XI. SAFEKEEPING AND CUSTODY**

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans institutions. Collateral for time deposits of thrifts is held by the Federal Home Loan Bank or an approved Agent of Depository. Collateral for time deposits in banks shall be handled as required by the California Government Code.

#### **XII. REVIEW OF INVESTMENT POLICY**

The Board of Directors will review the objectives and the performance of the portfolio and changes to the Investment Policy.

#### **XIII. ETHICS AND CONFLICT OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

## **BANKING LAYER BALANCES**

### **ACTION ITEM**

**ISSUE:** Gilbert Associates will present the member Banking Layer Balances for review and as a starting point for the Dividend and Assessment Analysis. These documents are prepared each year after 12/31 financial data is reviewed.

**RECOMMENDATION:** Accept and file report.

**FISCAL IMPACT:** None.

**BACKGROUND:** Member's Banking Layer Balances were developed over the course of the last two years as part of the Dividend and Assessment Plan (DAP) approved by the Board. They are maintained by Gilbert Associates and adjusted annually based on actuary projections.

**ATTACHMENTS:** Banking Layer Balances as of December 31, 2014



To the Board and Management of  
Small Cities Organized Risk Effort

We have compiled the accompanying statement of net position of Small Cities Organized Risk Effort (SCORE) as of December 31, 2014 and 2013, and the related statement of revenues, expenses, and changes in net position for the quarter and six months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of SCORE is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted statement of cash flows and the disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary combining statement of net position, combining statement of revenue, expenses, and changes in net position, liability banking layer by member, and workers' compensation banking layer by member is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted Management's Discussion and Analysis, Reconciliations of Claims Liabilities by Type of Contract, and Claims Development Information, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to SCORE.

*Gilbert Associates, Inc.*

GILBERT ASSOCIATES, INC.  
March 19, 2015

2880 GATEWAY OAKS DRIVE  
SUITE 100  
SACRAMENTO, CA 95833

101 PARKSHORE DRIVE  
SUITE 100  
FOLSOM, CA 95630

GILBERTCPA.COM | 916.646.6464

**Small Cities Organized Risk Effort**  
**Statement of Net Position**  
**As of December 31, 2014 and December 31, 2013**

	<b>Dec 31, 14</b>	<b>Dec 31, 13</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
Scott Valley Bank - General	\$ 397,534.94	\$ 626,980.67
Scott Valley Bank Claims Accounts		
Scott Valley Bank - Liability	139,247.03	18,830.84
Scott Valley Bank - Workers' Comp	22,285.95	23,951.27
<b>LAIF</b>		
LAIF	601,615.75	1,099,320.89
<b>Total Checking/Savings</b>	1,160,683.67	1,769,083.67
<b>Other Current Assets</b>		
<b>Chandler - Investment Account</b>		
Chandler - Investments	10,286,995.77	10,458,322.50
Chandler - Unrealized Gain (Loss)	(3,998.63)	(38,683.84)
US Bank	491,358.18	232,267.48
<b>Total Chandler - Investment Account</b>	10,774,355.32	10,651,906.14
Interest Receivable	33,962.03	33,563.94
Member Accounts Receivable	499,977.84	626,258.87
Claim Recovery Receivable	66,470.88	42,050.17
Due from Claims TPA	-	7,938.54
Prepaid Expenses	473,627.31	451,942.44
<b>Total Other Current Assets</b>	11,848,393.38	11,813,660.10
<b>Total Current Assets</b>	13,009,077.05	13,582,743.77
<b>TOTAL ASSETS</b>	<b>\$ 13,009,077.05</b>	<b>\$ 13,582,743.77</b>

**Small Cities Organized Risk Effort**  
**Statement of Net Position**  
**As of December 31, 2014 and December 31, 2013**

	<b>Dec 31, 14</b>	<b>Dec 31, 13</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
<b>Claims Reserves - Current</b>		
Claims Reserves - W/C	212,135.39	795,963.00
Claims Reserves - Liability	939,206.71	550,440.00
<b>Total Claims Payable - Current</b>	1,151,342.10	1,346,403.00
Accounts Payable	100,100.34	31,341.64
Unearned Revenue	732,275.50	714,683.00
Dividend Payable to Members	479,177.00	512,698.00
<b>Total Current Liabilities</b>	2,462,894.94	2,605,125.64
<b>Long Term Liabilities</b>		
<b>Claims Reserves - Non-Current</b>		
Claims Reserves - W/C	2,213,557.00	2,470,132.48
Claims Reserves - Liability	269,981.00	141,138.00
<b>Total Claims Payable - Non-Current</b>	2,483,538.00	2,611,270.48
<b>IBNR</b>		
IBNR Reserves - W/C	1,728,865.00	1,158,879.00
IBNR Reserves - Liability	912,844.00	514,289.00
<b>Total IBNR</b>	2,641,709.00	1,673,168.00
<b>ULAE</b>		
ULAE - W/C	217,625.00	60,293.00
ULAE - Liability	100,767.00	208,284.00
<b>Total ULAE</b>	318,392.00	268,577.00
<b>Total Long Term Liabilities</b>	5,443,639.00	4,553,015.48
<b>Total Liabilities</b>	7,906,533.94	7,158,141.12
<b>NET POSITION</b>		
<b>Net Position - Workers' Compensation</b>		
Board Designated - W/C	1,250,000.00	1,250,000.00
Workers' Compensation Banking Layer	933,798.50	
<b>Net Position - Liability</b>		
Board Designated - Liability	2,500,000.00	2,500,000.00
Liability Banking Layer	397,190.10	
<b>Undesignated Net Position</b>	75,927.04	2,771,554.28
<b>Net Revenues Over (Under) Expenditures</b>	(54,372.53)	(96,951.63)
<b>Total Net Position</b>	\$ 5,102,543.11	\$ 6,424,602.65

**Small Cities Organized Risk Effort**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**For the Quarter and Six Months Ended December 31, 2014 and December 31, 2013**

	<u>Oct '14 - Dec '14</u>	<u>Jul '13 - Dec '14</u>	<u>Jul '12 - Dec '13</u>
<b>Ordinary Revenue</b>			
<b>Revenue</b>			
<b>Member Contributions</b>	\$ 774,448.25	\$ 1,548,896.50	\$ 1,360,679.00
<b>Bank/LAIF Interest</b>	538.17	1,093.07	1,794.64
<b>Managed Portfolio</b>	39,274.84	76,777.31	84,181.30
<b>Miscellaneous Income</b>	-	93,718.00	705.18
<b>Total Operating Revenue</b>	<u>814,261.26</u>	<u>1,720,484.88</u>	<u>1,447,360.12</u>
<b>Operating Expenses</b>			
<b>General and Administrative Expenses</b>			
<b>Bank Service Charges</b>	-	20.00	-
<b>B of D Activities</b>	11,831.38	11,831.38	19,646.12
<b>Conference</b>	960.31	960.31	1,863.32
<b>Dues &amp; Subscriptions</b>	-	450.00	-
<b>Insurance</b>	-	575.00	-
<b>Safety Services</b>	20,050.00	20,050.00	7,850.00
<b>Safety Training</b>	12,204.29	18,493.54	12,578.47
<b>User Funding Assessment (WC)</b>	31,813.15	31,813.15	-
<b>Total Administration</b>	<u>76,859.13</u>	<u>84,193.38</u>	<u>41,937.91</u>
<b>Consulting Services</b>			
<b>Accounting Services</b>	12,750.00	25,500.00	24,000.00
<b>Actuarial Study</b>	3,000.00	3,000.00	-
<b>Administration Costs</b>	56,452.75	112,905.50	115,431.50
<b>Audit Services</b>			
<b>Audit - Financial</b>	-	20,300.00	20,300.00
<b>Total Audit Services</b>	<u>-</u>	<u>20,300.00</u>	<u>20,300.00</u>
<b>Claims Services</b>			
<b>Claims Management -WC</b>	26,267.95	51,395.35	48,791.10
<b>Claims Management - Liability</b>	24,375.00	48,750.00	48,750.00
<b>Consulting Services</b>	-	-	-
<b>Risk Management Services</b>	-	-	-
<b>TPA - Annual Fees</b>	7,500.00	15,000.00	15,000.00
<b>Total Claims Services</b>	<u>58,142.95</u>	<u>115,145.35</u>	<u>112,541.10</u>



**Small Cities Organized Risk Effort**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**For the Quarter and Six Months Ended December 31, 2014 and December 31, 2013**

	<u>Oct '14 - Dec '14</u>	<u>Jul '13 - Dec '14</u>	<u>Jul '12 - Dec '13</u>
Investment Fees	3,548.51	5,984.59	6,626.55
Legal	830.25	3,290.26	-
Total Consulting Services	<u>134,724.46</u>	<u>286,125.70</u>	<u>278,899.15</u>
Total General and Administrative Expenses	<u>211,583.59</u>	<u>370,319.08</u>	<u>320,837.06</u>
Insurance Expenses			
Insurance Premiums	173,111.65	345,223.30	284,142.85
Total Insurance Expenses	<u>173,111.65</u>	<u>345,223.30</u>	<u>284,142.85</u>
Claims Expenses			
Claims Payments			
Claim Payments - WC	250,712.64	390,965.93	468,043.56
Claim Payments - Liability	502,821.11	682,132.65	185,386.73
Total Claim Payments	<u>753,533.75</u>	<u>1,073,098.58</u>	<u>653,430.29</u>
Changes in Claims Liabilities			
Change in Reserves	(91,240.90)	(91,240.90)	259,287.48
Total Claims Expenses	<u>662,292.85</u>	<u>981,857.68</u>	<u>912,717.77</u>
Grant Fund Program	46,454.38	48,573.30	-
Total Expenses	<u>1,093,442.47</u>	<u>1,745,973.36</u>	<u>1,517,697.68</u>
Net Operating Revenue	(279,181.21)	(25,488.48)	(70,337.56)
Other Revenue (Expense)			
Investment Gain/Loss	15,029.96	(28,884.05)	(26,614.07)
Net Revenue Over (Under) Expenses	<u>\$ (264,151.25)</u>	<u>\$ (54,372.53)</u>	<u>\$ (96,951.63)</u>
Net Position, Beginning		<u>\$ 5,156,915.64</u>	<u>\$ 6,521,554.28</u>
Net Position Ending		<u>\$ 5,102,543.11</u>	<u>\$ 6,424,602.65</u>

# Small Cities Organized Risk Effort

## Profit & Loss Budget vs. Actual

July through December 2014

	<u>Jul - Dec 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Revenue/Expense</b>				
<b>Revenue</b>				
Contributions	1,548,896.50	3,158,091.00	-1,609,194.50	49.05%
Misc Income	93,718.00	0.00	93,718.00	100.0%
Investment Income				
Interest Income - Bank/LAIF				
SVB	341.26	0.00	341.26	100.0%
LAIF	751.81	0.00	751.81	751.81
Total Interest Income - Bank/LAIF	1,093.07	0.00	1,093.07	100.0%
Chandler				
Investment Income	76,777.31	0.00	76,777.31	100.0%
Total Chandler	76,777.31	0.00	76,777.31	100.0%
Total Investment Income	77,870.38	0.00	77,870.38	2.00
<b>Total Revenue Accounts</b>	<u>1,720,484.88</u>	<u>3,158,091.00</u>	<u>-1,437,606.12</u>	<u>54.48%</u>
<b>Total Income</b>	<u>1,720,484.88</u>	<u>3,158,091.00</u>	<u>-1,437,606.12</u>	<u>54.48%</u>
<b>Gross Profit</b>	1,720,484.88	3,158,091.00	-1,437,606.12	54.48%
<b>Expense</b>				
General and Administrative				
Contracted Services				
Actuarial Study	3,000.00	10,000.00	-7,000.00	30.0%
Accounting	25,500.00	51,000.00	-25,500.00	50.0%
Audit	20,300.00	20,300.00	0.00	100.0%
Bookkeeping - Ft. Jones	0.00	1,000.00	-1,000.00	0.0%
Investment Expense	5,984.59	13,000.00	-7,015.41	46.04%
Legal	3,290.26	10,000.00	-6,709.74	32.9%
Program Administration				
Claims Management				
Claims Management - W/C	51,395.35	97,582.00	-46,186.65	52.67%
Claims Service - Liability	48,750.00	97,500.00	-48,750.00	50.0%
Total Claims Management	100,145.35	195,082.00	-94,936.65	51.34%
Program Administration	112,905.50	221,818.00	-108,912.50	50.9%
Total Program Administration	<u>228,050.85</u>	<u>442,900.00</u>	<u>-214,849.15</u>	<u>51.49%</u>
<b>Total Contracted Services</b>	<u>286,125.70</u>	<u>548,200.00</u>	<u>-262,074.30</u>	<u>52.19%</u>
Operations				
Accreditation Fee	0.00	4,850.00	-4,850.00	0.0%
Bank Charges	20.00	1,600.00	-1,580.00	1.25%
B of D Activities	11,831.38	25,000.00	-13,168.62	47.33%
Conference	960.31	19,000.00	-18,039.69	5.05%
Dues and Subscriptions	450.00	1,000.00	-550.00	45.0%
Insurance	575.00	500.00	75.00	115.0%
Safety Service	20,050.00	76,000.00	-55,950.00	26.38%
Safety Training	18,493.54	50,000.00	-31,506.46	36.99%
Miscellaneous	0.00	1,000.00	-1,000.00	0.0%
User Funding Assessment	31,813.15	22,000.00	9,813.15	144.61%
Total Operations	<u>84,193.38</u>	<u>200,950.00</u>	<u>-116,756.62</u>	<u>41.9%</u>
<b>Total General and Administrative</b>	<u>370,319.08</u>	<u>749,150.00</u>	<u>-378,830.92</u>	<u>49.43%</u>

For Management Use Only

**Small Cities Organized Risk Effort**  
**Profit & Loss Budget vs. Actual**  
**July through December 2014**

	<u>Jul - Dec 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Grant Fund Program</b>	48,573.30	0.00	48,573.30	100.0%
<b>Program Expenses</b>				
<b>Total Ins Premiums/Contrib.Cost</b>	345,223.30	650,037.00	-304,813.70	53.11%
<b>Claims Cost</b>				
<b>Claim Payments</b>	1,073,098.58	1,736,791.00	-663,692.42	61.79%
<b>Change in Reserves</b>	-91,240.90			
<b>Total Claims Cost</b>	<u>981,857.68</u>	<u>1,736,791.00</u>	<u>-754,933.32</u>	<u>56.53%</u>
<b>Total Program Expenses</b>	<u>1,327,080.98</u>	<u>2,386,828.00</u>	<u>-1,059,747.02</u>	<u>55.6%</u>
<b>Total Expense</b>	<u>1,745,973.36</u>	<u>3,135,978.00</u>	<u>-1,390,004.64</u>	<u>55.68%</u>
<b>Net Operating Revenue</b>	-25,488.48	22,113.00	-47,601.48	-115.27%
<b>Other Revenue/Expense</b>				
<b>Other Revenue</b>				
<b>Investment Gains/Losses</b>	-28,884.05	0.00	-28,884.05	100.0%
<b>Total Other Income</b>	<u>-28,884.05</u>	<u>0.00</u>	<u>-28,884.05</u>	<u>100.0%</u>
<b>Other Expenses</b>				
<b>Contingency Reserve</b>	<u>0.00</u>	<u>25,000.00</u>	<u>-28,884.05</u>	<u>0.0%</u>
<b>Net Other Revenue (Expenses)</b>	<u>-28,884.05</u>	<u>-25,000.00</u>	<u>0.00</u>	<u>115.54%</u>
<b>Net Revenue Over (Under) Expenses</b>	<u><u>-54,372.53</u></u>	<u><u>-2,887.00</u></u>	<u><u>-51,485.53</u></u>	<u><u>1,883.36%</u></u>

SMALL CITIES ORGANIZED RISK EFFORT  
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS  
 FOR THE SIX MONTHS ENDED DECEMBER 31 , 2014

REVENUES:	Liability	Workers' Compensation	EPLI, EAP, & Property (Other Programs)	Total
Contributions	574,656.75	791,733.00	182,506.75	1,548,896.50
Other income (ERMA Refund)	-	-	93,718.00	93,718.00
Total Revenues	574,656.75	791,733.00	276,224.75	1,642,614.50
<b>EXPENSES:</b>				
Operating				
Claims expense	788,824.36	193,033.32		981,857.68
Excess insurance	56,197.00	108,417.00	180,609.30	345,223.30
Program Administration	82,421.00	30,484.50		112,905.50
Claims Administration	58,250.00	56,895.35		115,145.35
Professional Services				-
Retro Dividends				-
General and administrative	104,814.85	86,026.68		190,841.53
Total operating expenses	1,090,507.21	474,856.85	180,609.30	1,745,973.36
Operating Income (Loss)	(515,850.46)	316,876.15	95,615.45	(103,358.86)
Nonoperating Income (Loss)				
Investment income	24,512.43	24,473.90	-	48,986.33
Net Income (Loss)	(491,338.03)	341,350.05	95,615.45	(54,372.53)
Beginning Net Assets	3,761,528.35	1,376,144.29	19,244.00	5,156,916.64
Ending Net Assets	3,270,190.32	1,717,494.34	114,859.45	5,102,544.11

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Workers' Compensation Banking Layer Equity by City  
July 2014 through December 2014**

	<u>Biggs</u>	<u>Colfax</u>	<u>Crescent City</u>	<u>Dorris</u>	<u>Dunsmuir</u>	<u>Etna</u>
<b>Member Contributions</b>						
Banking Layer Work Comp Contributions	\$ 3,490.50	\$ 4,537.50	\$ -	\$ -	\$ 4,734.00	\$ 3,412.50
Banking Layer Member Assessment	-	-	-	-	-	-
<b>Total Member Contributions</b>	<u>3,490.50</u>	<u>4,537.50</u>	<u>-</u>	<u>-</u>	<u>4,734.00</u>	<u>3,412.50</u>
<b>Total Contributions</b>	<u>3,490.50</u>	<u>4,537.50</u>	<u>-</u>	<u>-</u>	<u>4,734.00</u>	<u>3,412.50</u>
<b>Claims Cost</b>						
Banking Layer Incurred Expense						
Work Comp Incurred Expenses	-	-	3,791.66	-	22,575.08	-
<b>Total Claims Cost</b>	<u>-</u>	<u>-</u>	<u>3,791.66</u>	<u>-</u>	<u>22,575.08</u>	<u>-</u>
<b>Net Contributions over Expenses</b>	<u>3,490.50</u>	<u>4,537.50</u>	<u>(3,791.66)</u>	<u>-</u>	<u>(17,841.08)</u>	<u>3,412.50</u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>15,614.00</u>	<u>29,636.23</u>	<u>(5,997.56)</u>	<u>5,577.21</u>	<u>49,000.04</u>	<u>11,065.00</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u>\$ 19,104.50</u>	<u>\$ 34,173.73</u>	<u>\$ (9,789.22)</u>	<u>\$ 5,577.21</u>	<u>\$ 31,158.96</u>	<u>\$ 14,477.50</u>

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Workers' Compensation Banking Layer Equity by City  
July 2014 through December 2014**

	<u>Fort Jones</u>	<u>Ione</u>	<u>Live Oak</u>	<u>Loomis</u>	<u>Loyalton</u>	<u>Montague</u>
<b>Member Contributions</b>						
Banking Layer Work Comp Contributions	\$ 2,238.50	\$ -	\$ 9,212.00	\$ 6,441.00	\$ 1,396.00	\$ 2,905.50
Banking Layer Member Assessment	-	-	-	-	-	-
<b>Total Member Contributions</b>	<u>2,238.50</u>	<u>-</u>	<u>9,212.00</u>	<u>6,441.00</u>	<u>1,396.00</u>	<u>2,905.50</u>
<b>Total Contributions</b>	<u>2,238.50</u>	<u>-</u>	<u>9,212.00</u>	<u>6,441.00</u>	<u>1,396.00</u>	<u>2,905.50</u>
<b>Claims Cost</b>						
Banking Layer Incurred Expense						
Work Comp Incurred Expenses	<u>23.26</u>	<u>-</u>	<u>(758.19)</u>	<u>-</u>	<u>-</u>	<u>25,000.00</u>
<b>Total Claims Cost</b>	<u>23.26</u>	<u>-</u>	<u>(758.19)</u>	<u>-</u>	<u>-</u>	<u>25,000.00</u>
<b>Net Contributions over Expenses</b>	<u><u>2,215.24</u></u>	<u><u>-</u></u>	<u><u>9,970.19</u></u>	<u><u>6,441.00</u></u>	<u><u>1,396.00</u></u>	<u><u>(22,094.50)</u></u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>(18,647.41)</u>	<u>17,334.67</u>	<u>88,341.34</u>	<u>27,186.00</u>	<u>4,539.00</u>	<u>(4,316.50)</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u><u>\$ (16,432.17)</u></u>	<u><u>\$ 17,334.67</u></u>	<u><u>\$ 98,311.53</u></u>	<u><u>\$ 33,627.00</u></u>	<u><u>\$ 5,935.00</u></u>	<u><u>\$ (26,411.00)</u></u>

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Workers' Compensation Banking Layer Equity by City  
July 2014 through December 2014**

	<u>Mt. Shasta</u>	<u>Portola</u>	<u>Rio Dell</u>	<u>Shasta Lake</u>	<u>Susanville</u>	<u>Weed</u>
<b>Member Contributions</b>						
Banking Layer Work Comp Contributions	\$ 19,125.00	\$ 5,930.50	\$ 8,570.00	\$ 18,331.50	\$ 29,843.50	\$ 15,883.50
Banking Layer Member Assessment	-	-	-	-	-	-
<b>Total Member Contributions</b>	<u>19,125.00</u>	<u>5,930.50</u>	<u>8,570.00</u>	<u>18,331.50</u>	<u>29,843.50</u>	<u>15,883.50</u>
<b>Total Contributions</b>	<u>19,125.00</u>	<u>5,930.50</u>	<u>8,570.00</u>	<u>18,331.50</u>	<u>29,843.50</u>	<u>15,883.50</u>
<b>Claims Cost</b>						
Banking Layer Incurred Expense						
Work Comp Incurred Expenses	<u>50,566.95</u>	<u>(5,145.59)</u>	<u>(20.43)</u>	<u>21,925.77</u>	<u>22,888.70</u>	<u>(24,968.57)</u>
<b>Total Claims Cost</b>	<u>50,566.95</u>	<u>(5,145.59)</u>	<u>(20.43)</u>	<u>21,925.77</u>	<u>22,888.70</u>	<u>(24,968.57)</u>
<b>Net Contributions over Expenses</b>	<u><u>(31,441.95)</u></u>	<u><u>11,076.09</u></u>	<u><u>8,590.43</u></u>	<u><u>(3,594.27)</u></u>	<u><u>6,954.80</u></u>	<u><u>40,852.07</u></u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>(45,235.80)</u>	<u>(16,569.01)</u>	<u>29,851.06</u>	<u>235,944.00</u>	<u>202,435.15</u>	<u>4,941.60</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u><u>\$ (76,677.75)</u></u>	<u><u>\$ (5,492.92)</u></u>	<u><u>\$ 38,441.49</u></u>	<u><u>\$ 232,349.73</u></u>	<u><u>\$ 209,389.95</u></u>	<u><u>\$ 45,793.67</u></u>

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Workers' Compensation Banking Layer Equity by City  
July 2014 through December 2014**

	<u>Williams</u>	<u>Yreka</u>	<u>Total Work Comp Banking Layer</u>
<b>Member Contributions</b>			
Banking Layer Work Comp Contributions	\$ -	\$ 29,320.50	\$ 165,372.00
Banking Layer Member Assessment	-	-	-
<b>Total Member Contributions</b>	<u>-</u>	<u>29,320.50</u>	<u>165,372.00</u>
<b>Total Contributions</b>	<u>-</u>	<u>29,320.50</u>	<u>165,372.00</u>
<b>Claims Cost</b>			
Banking Layer Incurred Expense			
Work Comp Incurred Expenses	<u>-</u>	<u>(17,535.22)</u>	<u>98,343.42</u>
<b>Total Claims Cost</b>	<u>-</u>	<u>(17,535.22)</u>	<u>98,343.42</u>
<b>Net Contributions over Expenses</b>	<u>-</u>	<u>46,855.72</u>	<u>67,028.58</u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>53,759.00</u>	<u>182,311.90</u>	<u>866,769.92</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u>\$ 53,759.00</u>	<u>\$ 229,167.62</u>	<u>\$ 933,798.50</u>



**Small Cities Organized Risk Effort  
Supplemental Schedule  
Liability Banking Layer Equity by City  
July 2014 through December 2014**

	Biggs	Colfax	Crescent City	Dorris	Dunsmuir	Etna
<b>Member Contributions</b>						
Banking Layer Liability Contributions	\$ 2,942.00	\$ 3,995.00	\$ -	\$ -	\$ 5,412.50	\$ 2,691.50
Banking Layer Member Assessments	-	-	-	-	-	-
<b>Total Member Contributions</b>	<u>2,942.00</u>	<u>3,995.00</u>	<u>-</u>	<u>-</u>	<u>5,412.50</u>	<u>2,691.50</u>
<b>Total Contributions</b>	<u>2,942.00</u>	<u>3,995.00</u>	<u>-</u>	<u>-</u>	<u>5,412.50</u>	<u>2,691.50</u>
<b>Claims Cost</b>						
Banking Layer Incurred Expense						
Liability Claim Incurred Expenses	-	30,200.00	-	-	66,999.00	-
<b>Total Claims Cost</b>	<u>-</u>	<u>30,200.00</u>	<u>-</u>	<u>-</u>	<u>66,999.00</u>	<u>-</u>
<b>Net Contributions over Expenses</b>	<u>2,942.00</u>	<u>(26,205.00)</u>	<u>-</u>	<u>-</u>	<u>(61,586.50)</u>	<u>2,691.50</u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>7,353.12</u>	<u>20,010.00</u>	<u>25,174.00</u>	<u>14,903.00</u>	<u>(18,379.06)</u>	<u>2,179.00</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u>\$ 10,295.12</u>	<u>\$ (6,195.00)</u>	<u>\$ 25,174.00</u>	<u>\$ 14,903.00</u>	<u>\$ (79,965.56)</u>	<u>\$ 4,870.50</u>

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Liability Banking Layer Equity by City  
July 2014 through December 2014**

	<u>Fort Jones</u>	<u>Ione</u>	<u>Isleton</u>	<u>Live Oak</u>	<u>Loomis</u>	<u>Loyalton</u>
<b>Member Contributions</b>						
Banking Layer Liability Contributions	\$ 1,818.00	\$ -	\$ 2,136.00	\$ 7,499.50	\$ 5,010.00	\$ 1,168.00
Banking Layer Member Assessments	-	-	-	-	-	-
<b>Total Member Contributions</b>	<u>1,818.00</u>	<u>-</u>	<u>2,136.00</u>	<u>7,499.50</u>	<u>5,010.00</u>	<u>1,168.00</u>
<b>Total Contributions</b>	<u>1,818.00</u>	<u>-</u>	<u>2,136.00</u>	<u>7,499.50</u>	<u>5,010.00</u>	<u>1,168.00</u>
<b>Claims Cost</b>						
Banking Layer Incurred Expense						
Liability Claim Incurred Expenses	-	-	-	925.00	71,266.83	(1.00)
<b>Total Claims Cost</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>925.00</u>	<u>71,266.83</u>	<u>(1.00)</u>
<b>Net Contributions over Expenses</b>	<u>1,818.00</u>	<u>-</u>	<u>2,136.00</u>	<u>6,574.50</u>	<u>(66,256.83)</u>	<u>1,169.00</u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>15,559.00</u>	<u>36,923.00</u>	<u>(54,561.93)</u>	<u>46,318.25</u>	<u>2,597.62</u>	<u>(10,739.00)</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u>\$ 17,377.00</u>	<u>\$ 36,923.00</u>	<u>\$ (52,425.93)</u>	<u>\$ 52,892.75</u>	<u>\$ (63,659.21)</u>	<u>\$ (9,570.00)</u>

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Liability Banking Layer Equity by City  
July 2014 through December 2014**

	<u>Montague</u>	<u>Mt. Shasta</u>	<u>Portola</u>	<u>Rio Dell</u>	<u>Shasta Lake</u>	<u>Susanville</u>
<b>Member Contributions</b>						
Banking Layer Liability Contributions	\$ 2,382.00	\$ 16,446.50	\$ 5,201.00	\$ 6,689.00	\$ 16,938.00	\$ 23,216.00
Banking Layer Member Assessments	-	-	-	-	-	-
<b>Total Member Contributions</b>	<u>2,382.00</u>	<u>16,446.50</u>	<u>5,201.00</u>	<u>6,689.00</u>	<u>16,938.00</u>	<u>23,216.00</u>
<b>Total Contributions</b>	<u>2,382.00</u>	<u>16,446.50</u>	<u>5,201.00</u>	<u>6,689.00</u>	<u>16,938.00</u>	<u>23,216.00</u>
<b>Claims Cost</b>						
Banking Layer Incurred Expense						
Liability Claim Incurred Expenses	-	66,526.01	(2,190.79)	-	6,500.00	20,616.10
<b>Total Claims Cost</b>	-	<u>66,526.01</u>	<u>(2,190.79)</u>	-	<u>6,500.00</u>	<u>20,616.10</u>
<b>Net Contributions over Expenses</b>	<u>2,382.00</u>	<u>(50,079.51)</u>	<u>7,391.79</u>	<u>6,689.00</u>	<u>10,438.00</u>	<u>2,599.90</u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	11,979.25	(1,348.45)	42,976.00	19,992.13	110,017.99	96,491.59
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u>\$ 14,361.25</u>	<u>\$ (51,427.96)</u>	<u>\$ 50,367.79</u>	<u>\$ 26,681.13</u>	<u>\$ 120,455.99</u>	<u>\$ 99,091.49</u>

**Small Cities Organized Risk Effort  
Supplemental Schedule  
Liability Banking Layer Equity by City  
July 2014 through December 2014**

	Tulelake	Weed	Williams	Yreka	Total Liability Banking Layer
<b>Member Contributions</b>					
Banking Layer Liability Contributions	\$ 2,737.00	\$ 14,171.00	\$ -	\$ 26,645.00	\$ 147,098.00
Banking Layer Member Assessments	-	-	-	-	-
<b>Total Member Contributions</b>	<u>2,737.00</u>	<u>14,171.00</u>	<u>-</u>	<u>26,645.00</u>	<u>147,098.00</u>
<b>Total Contributions</b>	<u>2,737.00</u>	<u>14,171.00</u>	<u>-</u>	<u>26,645.00</u>	<u>147,098.00</u>
<b>Claims Cost</b>					
Banking Layer Incurred Expense					
Liability Claim Incurred Expenses	-	(418.01)	-	(8,814.76)	251,608.38
<b>Total Claims Cost</b>	<u>-</u>	<u>(418.01)</u>	<u>-</u>	<u>(8,814.76)</u>	<u>251,608.38</u>
<b>Net Contributions over Expenses</b>	<u>2,737.00</u>	<u>14,589.01</u>	<u>-</u>	<u>35,459.76</u>	<u>(104,510.38)</u>
<b>Beginning Banking Layer Equity: June 30, 2014</b>	<u>15,654.00</u>	<u>6,121.41</u>	<u>20,461.00</u>	<u>92,018.56</u>	<u>501,700.48</u>
<b>Ending Banking Layer Equity: December 31, 2014</b>	<u>\$ 18,391.00</u>	<u>\$ 20,710.42</u>	<u>\$ 20,461.00</u>	<u>\$ 127,478.32</u>	<u>\$ 397,190.10</u>

## **DIVIDEND & ASSESMENT ANALYSIS**

### **ACTION ITEM**

**ISSUE:** Gilbert Associates will provide an updated analysis of the pool's financial position as respects any dividends or assessments that may be declared, per SCORE's Dividend and Assessment Plan (DAP).

At this time Gilbert is not recommending a dividend distribution from either program. Rather, there are a few members who will be receiving an assessment. The Net Position of the Workers' Comp program as of June 30 was below the level where dividends could be issued. The Liability program has encountered some large losses in the first 6 months of FY 2014/15 that have substantially deteriorated Net Position.

**RECOMMENDATION:** Review and determine amounts to approve for dividends and/or assessments.

**FISCAL IMPACT:** TBD

**BACKGROUND:** The Dividend and Assessment Plan (DAP) was approved by the Board in March, 2014. The DAP established a process for comparing the assets in Shared Risk Layer to the established benchmarks to determine if assessments or dividends should be declared. Any adjustments to the Shared Layer are approved by the Board and are allocated to Members' Banking Layers on a pro-rata basis, based on a rolling ten-year average of each member's premiums, plus or minus assessments or dividends, less claims capped at \$100,000. Members may receive dividends from their Banking Layer Balances only if the balances exceed the funding benchmarks established in the DAP.

**ATTACHMENTS:** Dividend and Assessment Plan Analysis

SCORE 2014-15 Dividend Distribution (Assessment) Calculation

CITY	<b>LIABILITY PROGRAM</b>				<b>W/C PROGRAM</b>				Net Combined DISTRIBUTION/ (ASSESSMENT)
	(A)	(B)	(C)	(A)+(B)+(C)	(a)	(b)	(c)	(a)+(b)+(c)	
	Permitted Distribution	Shared 10yr Neg. Net	Banking Neg. Bal	Net Distr/(Neg)	Permitted Distribution	Shared 10yr Neg. Net	Banking Neg. Bal	Net Distr/(Neg)	
BIGGS*	-	-	-	-	-	-	-	-	-
COLFAX*	-	-	-	-	-	-	-	-	-
CRESCENT CITY	-	-	-	-	-	-	(5,998)	(5,998)	(2,999)
DORRIS*	-	-	-	-	-	-	-	-	-
DUNSMUIR	-	(9,130)	(18,379)	(27,509)	-	-	-	-	(13,754)
ETNA*	-	-	-	-	-	-	-	-	-
FORT JONES*	-	-	-	-	-	-	-	-	-
IONE	-	-	-	-	-	-	-	-	-
ISLETON	-	(14,385)	(54,562)	(68,947)					(34,473)
LIVE OAK	-	-	-	-	-	-	-	-	-
LOOMIS*	-	-	-	-	-	-	-	-	-
LOYALTON*	-	(4,849)	(10,739)	(15,588)	-	-	-	-	(7,794)
MONTAGUE*	-	-	-	-	-	-	-	-	-
MOUNT SHASTA	-	-	(1,349)	(1,349)	-	(9,213)	(45,236)	(54,449)	(27,899)
PORTOLA*	-	-	-	-	-	-	-	-	-
RIO DELL*	-	-	-	-	-	-	-	-	-
SHASTA LAKE	-	-	-	-	-	-	-	-	-
SUSANVILLE	-	-	-	-	-	-	-	-	-
TULE LAKE	-	-	-	-					-
WEED	-	-	-	-	-	(6,469)	-	(6,469)	(3,235)
WILLIAMS	-	-	-	-	-	-	-	-	-
YREKA	-	-	-	-	-	-	-	-	-
	-	(28,364)	(85,029)	(113,393)	-	(15,682)	(51,234)	(66,916)	(90,155)

\*Minicities W/C Allocation

**Notes:**

Banking activity - per banking balances at 6/30/14

Shared layer - Audited program balance at 6/30/14 less total of all Banking Layer balances

This calculation nets each program's Permitted Distribution amount vs. negative net 10 year shared layer and banking balances

Finally, Liability and W/C amounts netted together to arrive at total combined Distribution/(Assessment)

Minimum assessment due: 50%

**SHARED LAYER** **BANKING LAYER**

CITY	STARTING POINT			DATA INPUTS									"Waterfall" To Banking	CITY	6/30/2014		BANKING		Banking Alloc %	Max Dist Avail	Min Bal Reqmt*	Permitted Distrib
	BANKING	SHARED RISK	AUDITED 6/30/2014 PLAN TOTAL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			BANKING	SHARED RISK	BANKING	BANKING				
	BALANCE	BALANCE	TOTAL	Premiums	Assess/(Div)	Claims	10 year Avg Prem	10 year Avg A/(D)	10 year Avg Claims	Net	Alloc %	Distrib.			BALANCE	DISTRIB	BALANCE	TOTAL				
BIGGS	7,353			107,231	(6,033)	-	10,723	(603)	-	10,120	2.57%	-	BIGGS	7,353	-	7,353	1.30%	-	12,500	-		
COLFAX	20,010			144,320	(8,135)	-	14,432	(814)	-	13,619	3.46%	-	COLFAX	20,010	-	20,010	3.53%	-	12,500	-		
CRESCENT CITY	25,174			524,143	(19,566)	231,579	52,414	(1,957)	23,158	27,300	6.94%	-	CRESCENT CITY	25,174	-	25,174	4.44%	-	15,717	-		
DORRIS	14,903			40,968	(2,342)	-	4,097	(234)	-	3,863	0.98%	-	DORRIS	14,903	-	14,903	2.63%	-	12,500	-		
DUNSMUIR	(18,379)			153,851	4,711	249,861	15,385	471	24,986	(9,130)	0.00%	-	DUNSMUIR	(18,379)	-	(18,379)	0.00%	-	24,872	-		
ETNA	2,179			84,939	(4,965)	-	8,494	(497)	-	7,997	2.03%	-	ETNA	2,179	-	2,179	0.38%	-	12,500	-		
FORT JONES	15,559			39,531	(2,166)	-	3,953	(217)	-	3,737	0.95%	-	FORT JONES	15,559	-	15,559	2.74%	-	12,500	-		
IONE	36,923			168,716	(11,176)	-	16,872	(1,118)	-	15,754	4.01%	-	IONE	36,923	-	36,923	6.51%	-	12,500	-		
ISLETON	(54,562)			135,569	459	279,875	13,557	46	27,988	(14,385)	0.00%	-	ISLETON	(54,562)	-	(54,562)	0.00%	-	16,007	-		
LIVE OAK	46,318			291,894	(12,193)	70,883	29,189	(1,219)	7,088	20,882	5.31%	-	LIVE OAK	46,318	-	46,318	8.17%	-	12,500	-		
LOOMIS	2,598			198,442	(11,593)	100,000	19,844	(1,159)	10,000	8,685	2.21%	-	LOOMIS	2,598	-	2,598	0.46%	-	12,500	-		
LOYALTON	(10,739)			54,652	(3,144)	100,000	5,465	(314)	10,000	(4,849)	0.00%	-	LOYALTON	(10,739)	-	(10,739)	0.00%	-	12,500	-		
MONTAGUE	11,979			70,179	(3,970)	-	7,018	(397)	-	6,621	1.68%	-	MONTAGUE	11,979	-	11,979	2.11%	-	12,500	-		
MOUNT SHASTA	(1,349)			541,572	(9,770)	335,897	54,157	(977)	33,590	19,591	4.98%	-	MOUNT SHASTA	(1,349)	-	(1,349)	0.00%	-	46,003	-		
PORTOLA	42,976			159,714	(8,532)	-	15,971	(853)	-	15,118	3.84%	-	PORTOLA	42,976	-	42,976	7.58%	-	12,500	-		
RIO DELL	19,992			173,001	(9,258)	-	17,300	(926)	-	16,374	4.16%	-	RIO DELL	19,992	-	19,992	3.53%	-	12,500	-		
SHASTA LAKE	110,018			905,196	(50,163)	45,338	90,520	(5,016)	4,534	80,970	20.59%	-	SHASTA LAKE	110,018	-	110,018	19.40%	-	18,567	-		
SUSANVILLE	96,492			855,773	(40,116)	169,785	85,577	(4,012)	16,979	64,587	16.43%	-	SUSANVILLE	96,492	-	96,492	17.02%	-	20,056	-		
Tule Lake	15,654			37,028	(1,532)	-	3,703	(153)	-	3,550	0.90%	-	Tule Lake	15,654	-	15,654	2.76%	-	12,500	-		
WEED	6,121			491,246	(7,511)	415,790	49,125	(751)	41,579	6,795	1.73%	-	WEED	6,121	-	6,121	1.08%	-	41,513	-		
WILLIAMS	20,461			247,777	(12,313)	57,204	24,778	(1,231)	5,720	17,826	4.53%	-	WILLIAMS	20,461	-	20,461	3.61%	-	12,500	-		
YREKA	92,019			784,022	(25,522)	131,719	78,402	(2,552)	13,172	62,678	15.94%	-	YREKA	92,019	-	92,019	16.23%	-	34,783	-		
	<u>501,700</u>	<u>3,259,828</u>	<u>3,761,528</u>							<u>377,700</u>				<u>501,700</u>	<u>-</u>	<u>501,700</u>						

586,729

**Amount available for shared layer distribution:**

Share Risk Layer Net Position:	\$ 3,259,828
Min Equity Reserve (\$475,000 x 5):	(2,375,000)
70% Confidence Level Adjustment for Claims Liabilities:	(201,000)
Safety Grant Fund:	(50,000)
Undesignated Net Assets:	<u>633,828</u>

Example Distribution: \$ -

393,198

check

567,001

**Amount available for banking distribution:**

Banking Net Assets + Shared Distribution Available:	501,700
Min Banking Reserve (example 10 x \$25k):	(250,000)
70% Confidence Level Adjustment for Claims Liabilities:	(55,000)
Net Assets Subject to Distribution:	<u>196,700</u>

Example Distribution: -

\*Avg or last 5 years claims or \$12.5k, whichever is higher.

**SHARED LAYER** **BANKING LAYER**

STARTING POINT				DATA INPUTS													
				(1)	(2)	(3)	(4)	(5)	(6)								
				[(1)+(2)-(3)]/10			(4)/Total	(5)*Total									
				Last 10 years			Combined	Alloc %	Distrib.	"Waterfall"							
				Premiums	Assess/(Div)	Claims	10 Yr Avg		To Banking	CITY	BANKING	SHARED RISK	BALANCE	Banking	Max Dist	Min Bal	Permitted
CITY	6/30/2014	6/30/2014	6/30/2014								BANKING	SHARED RISK	TOTAL	Alloc %	Avail	Reqmt*	Distrib
	BANKING	SHARED RISK	PLAN								BALANCE	DISTRIB					
	BALANCE	BALANCE	TOTAL														
CRESCENT CITY	(5,998)			718,374	-	379,552	33,882	12.07%	-	CRESCENT CITY	(5,998)	-	(5,998)	0.00%	-	25,895	-
DUNSMUIR	49,000			142,036	-	-	14,204	5.06%	-	DUNSMUIR	49,000	-	49,000	5.34%	-	12,500	-
IONE	17,335			175,517	-	100,000	7,552	2.69%	-	IONE	17,335	-	17,335	1.89%	-	12,500	-
LIVE OAK	88,341			236,153	-	-	23,615	8.41%	-	LIVE OAK	88,341	-	88,341	9.62%	-	12,500	-
MOUNT SHASTA	(45,236)			543,283	-	635,416	(9,213)	0.00%	-	MOUNT SHASTA	(45,236)	-	(45,236)	0.00%	-	63,419	-
SHASTA LAKE	235,944			683,332	-	117,883	56,545	20.15%	-	SHASTA LAKE	235,944	-	235,944	25.70%	-	12,500	-
SUSANVILLE	202,435			1,330,772	-	810,804	51,997	18.53%	-	SUSANVILLE	202,435	-	202,435	22.05%	-	51,224	-
WEED	4,942			429,899	-	494,589	(6,469)	0.00%	-	WEED	4,942	-	4,942	0.54%	-	31,573	-
WILLIAMS	53,759			353,169	-	200,442	15,273	5.44%	-	WILLIAMS	53,759	-	53,759	5.86%	-	12,500	-
YREKA	182,312			1,041,965	-	702,976	33,899	12.08%	-	YREKA	182,312	-	182,312	19.86%	-	49,908	-
MINICITIES	83,936			920,016	-	483,112	43,690	15.57%	-	MINICITIES	83,936	-	83,936	9.14%	-	62,589	-
	866,770	509,374	1,376,144	6,574,516	-	3,924,774	264,974	Total	-		866,770	-	866,770		-		-

280,657

CHECK -  
Total w/out negative balances 918,004

**Amount available for shared layer distribution:**

Shared Risk Layer Net Position:	509,374
Min Equity Reserve (\$225,000 x 5):	(1,125,000)
70% Conf Level Adjustment for Claims Liabilities:	(364,000)
Safety Grant Fund:	(50,000)
Net Position in Excess of Designations	<u>(1,029,626)</u>
Distribution:	-

MINICITIES	Alloc %	Distrib
BIGGS	10.19%	-
COLFAX	14.10%	-
DORRIS	3.87%	-
ETNA	7.48%	-
FORT JONES	3.76%	-
LOOMIS	19.49%	-
LOYALTON	1.23%	-
MONTAGUE	4.75%	-
PORTOLA	16.19%	-
RIO DELL	18.94%	-
		<u>-</u>

**Amount available for banking distribution:**

Banking Net Position + Shared Distribution Available:	866,770
Min Banking Reserve (example 10 x \$25k):	(250,000)
70% Confidence Level Adjustment for Claims Liabilities:	(54,000)
Banking Net Position in Excess of Designations	<u>562,770</u>
Distribution:	-

\*Avg of last 5 years claims or \$12.5k, (Minicities \$25k) whichever is higher.





Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015

Agenda Item G.4.

**GILBERT & ASSOCIATES SERVICE AGREEMENT  
AMENDMENT FOR FY 2015/16**

**ACTION ITEM**

**ISSUE:** The current contract with Gilbert & Associates for accounting services contains an option to extend the agreement for FY2015/16, subject to negotiation. Gilbert has offered to extend the agreement with no change in services or fees.

**RECOMMENDATION:** Approve amendment of current services agreement to extend to FY 2015/16.

**FISCAL IMPACT:** Continued annual budget of \$51,000

**BACKGROUND:** Gilbert's contract was first approved in 2011. The initial term is for three years (FY2011/12 to FY2013/14) with **two** one-year options. Last year the Board approved an amendment to extend the contract for the **first** one-year option.

**ATTACHMENTS:** Contract Amendment for FY 2015/16

**AMENDMENT NUMBER 2 TO  
AGREEMENT FOR FINANCIAL ACCOUNTING AND CONSULTING SERVICES**

WHEREAS Small Cities Organized Risk Effort (SCORE) and Gilbert Associates, Inc. (CONSULTANT) entered into an Agreement Effective the 1<sup>st</sup> day of July 2010 for CONSULTANT to provide accounting and consulting services for SCORE (Agreement);

NOW, THEREFORE, in consideration of the mutual covenants contained in the Agreement, as amended by Amendment Number 1 to the Agreement, the parties wish to further amend the Agreement as follows:

1. **TERM.** The term of the amended Agreement shall be extended for 12 months commencing July 1, 2015 through June 30, 2016.
  
2. **COMPENSATION:** As compensation to CONSULTANT for services rendered hereunder, SCORE agrees to pay CONSULTANT a monthly fee of \$4,250 for the period July 1, 2015 through June 30, 2016.

**IN WITNESS WHEREOF**, the parties execute this Amendment to the Agreement on the day and year as indicated below.

Dated: \_\_\_\_\_, 2015

Dated: \_\_\_\_\_, 2015

**SMALL CITIES ORGANIZED RISK EFFORT  
(SCORE)**

**Gilbert Associates, Inc.  
Certified Public Accountants**

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Gilbert Associates, Inc.

Roger Carrol

Accountant and Financial Consultant



Agenda Item H.1.a.

**SUGGESTED RISK MANAGEMENT SERVICES FOR FY 2015/16**

**ACTION ITEM**

**ISSUE:** The services to be provided under the current Agreement with DKF Solutions will be completed prior to the end of this Program Year. DKF will present their recommendations for continued services into FY2015/16, based on the results of their on-site meetings and evaluation of member risk exposures.

**RECOMMENDATION:** To be provided at the meeting.

**FISCAL IMPACT:** TBD; the current contract is for \$82,320. The recommended services for FY2015/16 total \$95,500.

**BACKGROUND:** SCORE initially contracted with DKF Solutions (and David Patzer) in FY 2013/14 for risk management services related to sanitary sewer management and waste water treatment plant operations. The services provided by DKF were expanded in FY 2014/15 under a new contract to continue sewer risk management services and provide more generalized services, including on-site risk assessments and training.

At the January Board meeting members also approved a set of *Best Practices and a Risk Management Scorecard* to be used to conduct the risk assessments, provide an overview of member exposures, and track the progress of members in addressing their exposures. Most of the on-site reviews will be completed by the time of the meeting, and DKF has been asked to provide suggestions for continuing to provide services in FY 2015/16.

**ATTACHMENT(S):** DKF Suggested Risk Control Services and Budget for FY 2015/16

## DKF Solutions Group, LLC

### SCORE Recommended Risk Control Activities for FY15/16

- Lagging Indicator Recommendations: Loss based recommendations
  - Sewers
    - SSMP audits for 2 additional members with most frequent SSOs/backups: \$10,000
    - Sewer budget and staffing analysis for 1 “typical” member – what are the “right” numbers?  
Note: the results are intended to be used by members to benchmark themselves and make recommendations to their city council for budgeting purposes. \$12,000
    - Webinar to present results of the sewer budget/staffing analysis: \$1,500
  - Soft tissue injuries
    - Employer based health promotion program: develop 2 program options with implementation and support resources: \$8,000
- Leading Indicator Recommendations: Compliance and Best Practice based recommendations
  - CalOSHA compliance and Scorecard update (these are the services to be provided in the site visits to each member): \$64,000
  - My Safety Officer for all members to establish a baseline of CalOSHA compliance with regards to required polices, employee training and training records management (note: this includes all of the support services currently provided(risk control hotline, monthly e-newsletter, access to DKF website, training video library, online training modules, monthly webinars, etc.) **and will add** policy development assistance, training records mgt and training support/mgt)
  - Develop 3 CalOSHA policies for all members. The goal is to get all members on a set of standardized CalOSHA policies they all need. This will simplify group training and future policy updates. If they knock out 3/year, then most will have everything they need within 5-6years).
  - Develop customized computer based training resources as a companion training tool for the 3 policies developed above
  - -Scorecard Update
  - -Scorecard support and resource development
  - -Risk Control Site Visit Follow up Report

**Risk Control Budget FY 14/15: \$82,320**

**Risk Control Budget: FY 15/16: \$95,500**

**Percent Change: +16%**

Our plan is to present the above and then, based on feedback at the meeting, provide you with a written proposal for the services the board indicated interest in following the meeting.

Thanks -

David Patzer  
DKF Solutions Group, LLC  
[www.dkfsolutions.com](http://www.dkfsolutions.com)



Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015

Agenda Item H.1.b.

## LOSS CONTROL GRANT FUND PROGRAM

### ACTION ITEM

**ISSUE:** The Board implemented a *Loss Control Grant Fund Program* in 2014 that has now been completed. If the members want the program to continue additional funding is required.

**RECOMMENDATION:** Continue the program based on Board review and budget.

**FISCAL IMPACT:** TBD

**BACKGROUND:** At the January 24, 2014 Board of Directors Meeting, SCORE implemented a Loss Control Grant Fund in the amount of \$100,000; \$50,000 out of each of the Liability and Workers' Compensation programs. The funding has been provided from the Pool's net position, before the distribution of any dividends.

Members of each Program were allocated an amount directly related to their percentage contribution into that Program, subject to a minimum of \$1,000 per Program for each participating Member. The funds are available for use on a combined basis. Projects can also span over multiple years although the disbursement of monies will be limited to the member's annual allocation in any given year, and the continuation of the Loss Control Grant Program by the Board of Directors. *The deadline for submitting reimbursement requests is June 15 of every Fiscal Year.*

**ATTACHMENTS:** Loss Control Grant Fund Policy and Procedure Document  
Loss Control Grant Fund Distribution Report  
Loss Control Grant Fund Member Utilization



## **ADMINISTRATIVE POLICY AND PROCEDURE**

**SUBJECT: LOSS CONTROL GRANT FUNDS**

### Policy Statement:

This policy is effective when adopted by the Board of Directors and expires June 30, 2015, unless renewed on an annual basis by the Board of Directors. It shall be the policy of the Small Cities Organized Risk Effort to establish a "Loss Control Grant Fund" to reimburse members for costs of activities undertaken to:

- Bring member facilities into compliance with Americans with Disabilities Act (ADA) standards,
- Purchase equipment that promotes employee or premises safety,
- Purchase equipment, materials, training and professional services that facilitate OSHA or other regulatory compliance,
- Address other top frequency and/or severity risk management issues as needed.

Within the Loss Control Services (previously Safety Services) annual budget, a line item will contain the total amount of funds available for Loss Control Grants.

1. Funding will be secured from the Liability and Workers' Compensation program's equity. As such, members of the Liability Program will share the annual allocation for that program, and members of the Workers' Compensation Program will share the allocation for that program. The Authority will adopt the amount of funds available for this budgeted line item on an annual basis.
2. Allocation of funds will be based on percentage of contributions annually made by members to each program, with a minimum of \$1,000 per program for each member.
3. The funds will be available for use on a combined basis.
4. Projects can span multiple years as long as approved in advance and funds continue to be available.
5. A Member may make up to three (3) requests per year, and each request needs to be comprehensive - - specifically stating how funds will be used to the benefit of the Member to achieve a reduction in losses.
6. Any unused funds will ultimately be rolled back into available equity for the Program where the fund allocation originated from. The deadline for submitting a request for reimbursement shall be **June 15th** of each fiscal year.
7. In addition, the Program Administrator shall monitor the use of grant funds throughout the year and present a usage summary to the Board of Directors on a quarterly basis.

Funding that is converted to this program shall be secured from surplus available equity, prior to declaration and distribution of dividends. (*Unused funds ultimately return to Members' Equity in each of the programs*).

Procedure:

A Member Agency may apply for Loss Control Grant Funds by following these procedures:

1. A Member will write a request to the Program Administrators for the use of grant funds involving an expenditure. The Request will:
  - a. Include a justification of the funds, and
  - b. How these funds will lead to the reduction of frequency or severity or will mitigate liability risks of the Member Agency.
  - c. State the specific amount needed and not just request their full allocation.
2. The Program Administrator will determine if the funding request is within the member's fund allocation for the program year and facilitates the return of money to another good purpose – that of reducing future claims. If the requested amount is determined to fall within the member's grant fund allocation, the administrator and Board President (or the Executive Committee if requested or if the President has a conflict) will review each request and, if found to be appropriate and consistent with the purpose of the Grant Program, will approve the request and funds will be disbursed to the member agency. ***If funds requested exceed a member's allocation, continue to #3 below, otherwise move on to #4.***
3. In the event that the requested amount exceeds the member's total or remaining allocated grant funds, the Administrator will contact the Member to advise them that their request exceeds their allocation and ask if they:
  - a) Wish to submit a revised request; or
  - b) Request that SCORE consider payment over multiple years as outlined in the Policy Item #4 above.
4. Once approved, the Member Agency will become eligible for reimbursement by SCORE upon submitting the supplier or service provider invoice to the Program Administrator.
5. The Program Administrator will submit the reimbursement request and appropriate documentation to SCORE's accountant and/or treasurer.
6. SCORE's accountant and/or Treasurer will reimburse the Member up to the maximum allowable amount and debit the reimbursement expense from the Grant Program Budget within the Loss Control Services Budget.

- a) If a request exceeds the grant funds available to a member, only the amount available for reimbursement will be paid.
7. If any request is denied, the member may submit a new or amended request, or appeal the denial to the Board of Directors, which will make the final determination on whether the request should be granted. The Board decision shall be final.
8. After the funds are put to use, the Member should provide a brief verbal report to the Board (as agenda item) confirming this and relaying any information that may be helpful to the Board, so that it can monitor the Grant Program and consider the merits of future additions of funds.

The Loss Control Grant Fund Program will begin as a standalone program, with no matching contribution required from the requesting Member. Its composition may change, at the Board's discretion, to include a requirement for the requesting Member to co-finance or share the cost of the good or service being reimbursed.

**Adopted on:** January 24, 2014  
**Effective Date:** January 24, 2014



Small Cities Organized Risk Effort  
Transaction Detail By Account  
All Transactions

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Check	06/24/2014	2516	Colfax	Grant Fund Program	0100-010 Scott Valley Bank	2,701.00		2,701.00
Check	07/31/2014	2532	Dunsmuir	Grant Fund Program	0100-010 Scott Valley Bank	2,118.92		4,819.92
Check	11/10/2014	2547	Yreka	-MULTIPLE-	0100-010 Scott Valley Bank	12,499.54		17,319.46
Check	11/10/2014	2549	Mt. Shasta	Grant Fund Reimbursement	0100-010 Scott Valley Bank	10,320.31		27,639.77
Check	12/10/2014	2557	Yreka	Grant Funds - Final Payment	0100-010 Scott Valley Bank	2,885.46		30,525.23
General Journal	12/31/2014	GAI		To accrue A/P @ 12/31/14	0505 - Accounting	20,749.07		51,274.30
General Journal	01/01/2015	GAIR		Reverse of GJE GAI -- To accrue A/P @ 12/31/14	0505 - Accounting		20,749.07	30,525.23
Check	01/15/2015	2562	Etna	Grant Funds	0100-010 Scott Valley Bank	2,120.07		32,645.30
Check	01/15/2015	2563	Fort Jones	Grant Funds	0100-010 Scott Valley Bank	2,000.00		34,645.30
Check	01/15/2015	2564	Susanville	Grant Funds	0100-010 Scott Valley Bank	14,500.00		49,145.30
Check	01/15/2015	2565	Montague	Grant Funds	0100-010 Scott Valley Bank	2,129.00		51,274.30
Check	03/02/2015	2582	Biggs	Loss Control Grant Fund	0100-010 Scott Valley Bank	2,395.00		53,669.30
Check	03/02/2015	2585	Loyalton	Loss Control Grant Funds	0100-010 Scott Valley Bank	2,000.00		55,669.30
Check	03/02/2015	2586	Isleton	Loss Control Grant Funds	0100-010 Scott Valley Bank	1,144.81		56,814.11
						<u>77,563.18</u>	<u>20,749.07</u>	<u>56,814.11</u>
<b>TOTAL</b>						<b><u>77,563.18</u></b>	<b><u>20,749.07</u></b>	<b><u>56,814.11</u></b>

Member Entity	Total Grant Fund Allocation	\$ applied for	Grants Paid	UNUTILIZED GRANT FUNDS	Status
Biggs *	\$ 2,395.12	\$ 2,395.00	\$ 2,395.00	\$ 0.12	Full amount used during FY 2014/15
Colfax *	\$ 2,701.48	\$ 3,281.00	\$ 2,701.00	\$ (580.00)	Waiting for Rollover to FY 2015/16
Dunsmuir	\$ 3,893.53	\$ 3,854.92	\$ 2,118.92	\$ 1,774.61	Waiting For invoices
Etna *	\$ 2,120.07	\$ 2,120.07	\$ 2,120.07	\$ 0.00	Full amount used during FY 2014/15
Fort Jones *	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -	Full amount used during FY 2014/15
Isleton	\$ 1,144.81	\$ 1,144.81	\$ 1,144.81	\$ -	Full amount used during FY 2014/15
Live Oak	\$ 6,345.07	\$ 14,496.00	\$ -	\$ (8,150.93)	Waiting for invoices to be submitted and for Rollover to FY 2015/16
Loomis *	\$ 3,607.27	\$ -	\$ -	\$ 3,607.27	No request submitted
Loyalton *	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -	Full amount used during FY 2014/15
Montague *	\$ 2,128.91	\$ 2,129.00	\$ 2,129.00	\$ (0.09)	Full amount used during FY 2014/15
Mt. Shasta	\$ 11,141.89	\$ 11,141.89	\$ 10,320.31	\$ 821.58	
Portola *	\$ 3,483.66	\$ 3,484.00	\$ -		Waiting For invoices to be submitted
Rio Dell *	\$ 4,870.46	\$ 4,870.00	\$ -		Waiting For invoices to be submitted
Shasta Lake	\$ 11,737.47	\$ 11,737.00	\$ -	\$ -	Waiting For invoices to be submitted
Susanville	\$ 14,552.87	\$ 14,500.00	\$ 14,500.00	\$ 52.87	
Tulelake	\$ 1,380.01	\$ -	\$ -	\$ 1,380.01	No request submitted
Weed	\$ 9,569.04	\$ 10,487.30	\$ -	\$ (918.26)	Waiting For invoices to be submitted
Yreka	\$ 15,385.06	\$ 15,385.06	\$ 15,385.00	\$ -	Full amount used during FY 2014/15
<b>Total:</b>	\$ 100,456.71	\$ 105,026.05	\$ 15,385.00	\$ 42,666.80	

\* Mini-Cities

Liability Allocation
Workers' Compensation Allocation

\*City opted to use on multi year project.

Agenda Item H.2.a.

**DRAFT ACTUARIAL REVIEW OF THE SELF-INSURED  
LIABILITY PROGRAM**

**ACTION ITEM**

**ISSUE:** Mike Harrington will present the Draft Liability Program annual actuarial review, based on 12/31/14 loss data. The review estimates the ultimate cost of claims and expenses for the banking and shared risk layers for the 2015/16 program year. This review also estimates the outstanding liabilities for the banking and shared risk layers as of 6/30/15. *Liability losses have developed favorably in both banking and pooling layers, resulting in a moderate decrease in reserves for the pooled layer and rates for both layers.*

- Combined banking and pooling layer **rates have decreased from \$3.02 last year to \$2.97 this year, a 1.7% decrease**
- Combined banking and pooling layer **reserves have decreased from \$1,684,000 last year to \$1,467,000 this year, a \$217,000 decrease**

**RECOMMENDATION:** Accept and request a final report after review at meeting.

**FISCAL IMPACT:** Reduction of base funding rate and improved net position

**BACKGROUND:** SCORE has Actuarial Studies done annually for accreditation and budget purposes. The studies determine funding for the upcoming fiscal year and outstanding liabilities as of June 30.

**ATTACHMENTS:** Draft Actuarial Review of the Self-Insured Liability Program, Summary

Friday, March 13, 2015

Mr. Marcus Beverly  
Pool Administrator  
Small Cities Organized Risk Effort  
C/o Alliant Insurance Services, Inc.  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Beverly:

As you requested, we have completed our review of the Small Cities Organized Risk Effort's (SCORE) self-insured liability program. Assuming an SIR of \$500,000 per occurrence and a 1.5% return on investment income, we estimate the ultimate cost of claims and expenses for claims incurred during the 2015-16 program year to be \$232,000 for the banking layer and \$353,000 for the pooling layer for a total of \$585,000. For claims incurred during the 2015-16 program year, assuming a 1.0% return on investments per year, we estimate the ultimate cost of claims and expenses to be \$234,000 for the banking layer and \$356,000 for the pooling layer for a total of \$590,000. These amounts include allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE). The discount for investment income is calculated based on the likely payout pattern of SCORE's claims. For budgeting purposes, the expected cost of 2015-16 claims assuming a 1.5% return on investment translates to rates of \$1.18, \$1.79 and \$2.97 per \$100 payroll for the banking layer, pooling layer and in total respectively. For the 2015-16 claims, assuming a 1.0% return on investments per year, the expected cost translates to rates of \$1.19, \$1.81 and \$2.99 per \$100 payroll for the banking layer, pooling layer and in total respectively.

In addition, we estimate the program's liability for outstanding claims including ALAE and discounted at 1.5% for anticipated investment income as of June 30, 2015 to be \$293,000 for the banking layer and \$1,174,000 for the pooling layer for a total of \$1,467,000. As of June 30, 2015, assuming a 1.0% return on investments per year, we estimate the program's liability for outstanding claims to be \$295,000 for the banking layer and \$1,184,000 for the pooling layer for a total of \$1,479,000, again including ALAE and discounted for anticipated investment income.

The \$1,174,000 estimate are the minimum liability to be booked by SCORE at June 30, 2015 for the Small Cities Organized Risk Effort's pooling layer liability, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

**DRAFT**

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2015 are summarized in the table below.

Small Cities Organized Risk Effort  
Self-Insured Liability Program  
**Estimated Liability for Unpaid Loss and ALAE**  
at June 30, 2015  
**1.5% Discount Rate**  
Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$298,000					
Investment Income Offset	(5,000)					
Discounted Loss and ALAE	\$293,000	\$348,000	\$374,000	\$404,000	\$441,000	\$491,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,206,000					
Investment Income Offset	(32,000)					
Discounted Loss and ALAE	\$1,174,000	\$1,351,000	\$1,435,000	\$1,534,000	\$1,658,000	\$1,824,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,504,000					
Investment Income Offset	(37,000)					
Discounted Loss and ALAE	\$1,467,000	\$1,699,000	\$1,809,000	\$1,938,000	\$2,099,000	\$2,315,000

**DRAFT**

The table below shows our funding recommendations for the Small Cities Organized Risk Effort for the 2015-16 fiscal year, assuming the current SIR of \$500,000.

**Small Cities Organized Risk Effort (SIR = \$500,000)  
Self-Insured Liability Program**

**Loss and ALAE Funding Guidelines for 2015-16**

**1.5% Discount Rate**

**Banking Layer**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$236,000					
Investment Income Offset	(4,000)					
Discounted Loss and ALAE	\$232,000	\$284,000	\$310,000	\$341,000	\$379,000	\$431,000
Rate per \$100 of 2015-16 Payroll	\$1.18	\$1.44	\$1.57	\$1.73	\$1.92	\$2.19

**Pooling Layer**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$366,000					
Investment Income Offset	(13,000)					
Discounted Loss and ALAE	\$353,000	\$430,000	\$478,000	\$535,000	\$607,000	\$704,000
Rate per \$100 of 2015-16 Payroll	\$1.79	\$2.18	\$2.42	\$2.71	\$3.08	\$3.57

**Combined Layer**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$602,000					
Investment Income Offset	(17,000)					
Discounted Loss and ALAE	\$585,000	\$714,000	\$788,000	\$876,000	\$986,000	\$1,135,000
Rate per \$100 of 2015-16 Payroll	\$2.97	\$3.62	\$4.00	\$4.44	\$5.00	\$5.76

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2015. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

**DRAFT**

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for SCORE's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Small Cities Organized Risk Effort in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

**DRAFT**

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Mike Harrington, FCAS, MAAA  
Director, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

**DRAFT**

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Nina Gau, FCAS, MAAA  
Manager, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

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**I. BACKGROUND**

The Small Cities Organized Risk Effort began its self-insured liability program on July 1, 1983. Its current self-insured retention is \$500,000, and excess coverage is provided by the California Joint Powers Risk Management Authority. SCORE has a banking layer to \$25,000 per occurrence. Each member is directly responsible for its own losses within the banking layer. Losses above \$25,000 are pooled to SCORE's self-insured retention. Claims administration services are provided by York Insurance Services. Additional background on the program is shown in Appendix K.

The purpose of this review is to provide a guide to SCORE to determine reasonable funding levels for its self-insurance program according to the funding policy SCORE has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate SCORE's liability for outstanding claims as of June 30, 2015, project ultimate loss costs for 2015-16, and provide funding guidelines to meet these liabilities and future costs.

## **II. CONCLUSIONS AND RECOMMENDATIONS**

### **A. LIABILITY FOR OUTSTANDING CLAIMS**

Graphs 1a, 1b and 1c on the following pages summarize our assessment of SCORE's funding position as of June 30, 2015. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due.

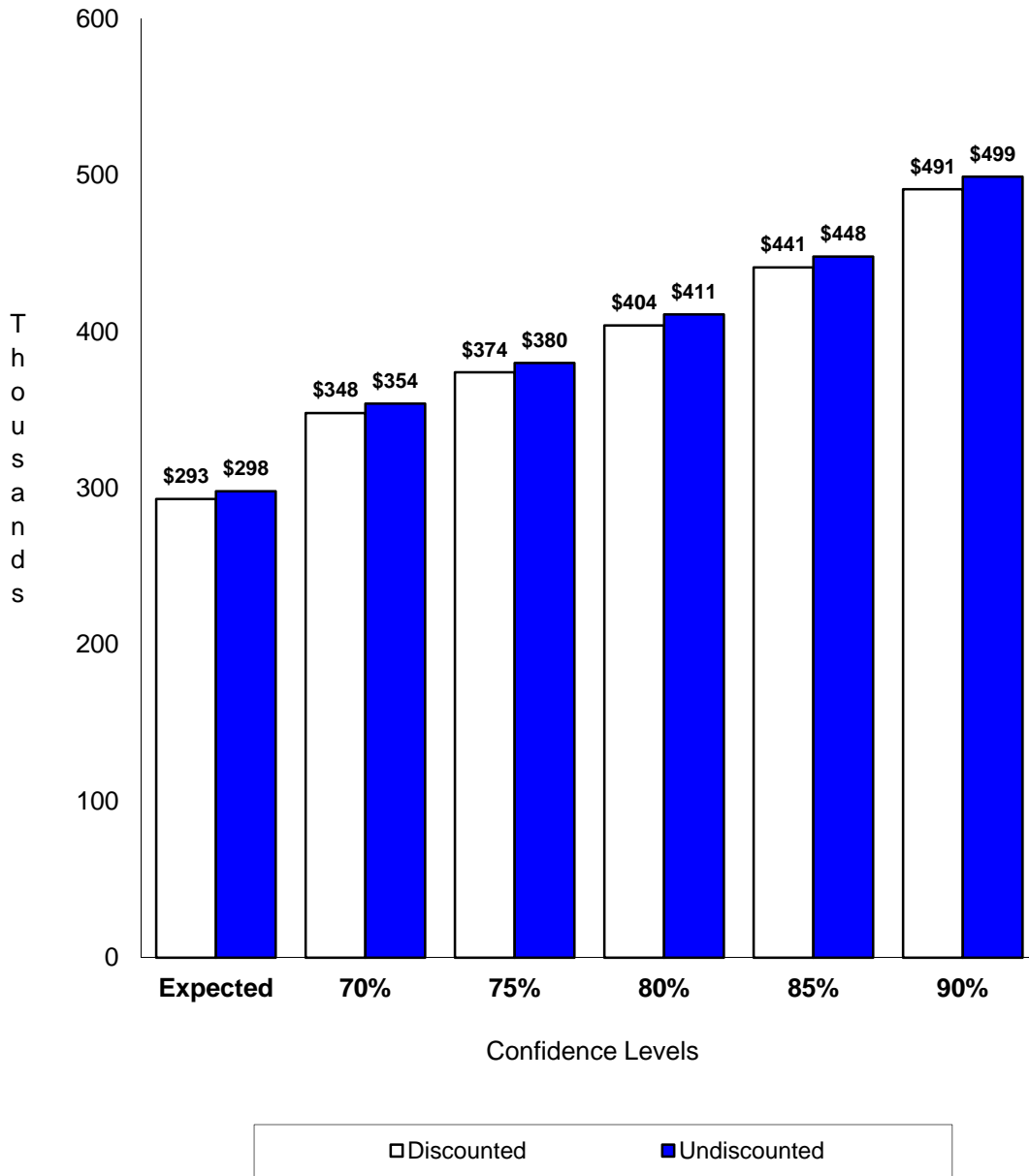
Our best estimate of the full value of SCORE's liability for outstanding claims within its self-insured retention (SIR) as of June 30, 2015, is \$298,000 for the banking layer and \$1,206,000 for the pooling layer for a total of \$1,504,000. These amounts include losses, allocated loss adjustment expenses (ALAE), but exclude unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graphs 1a, 1b and 1c show the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

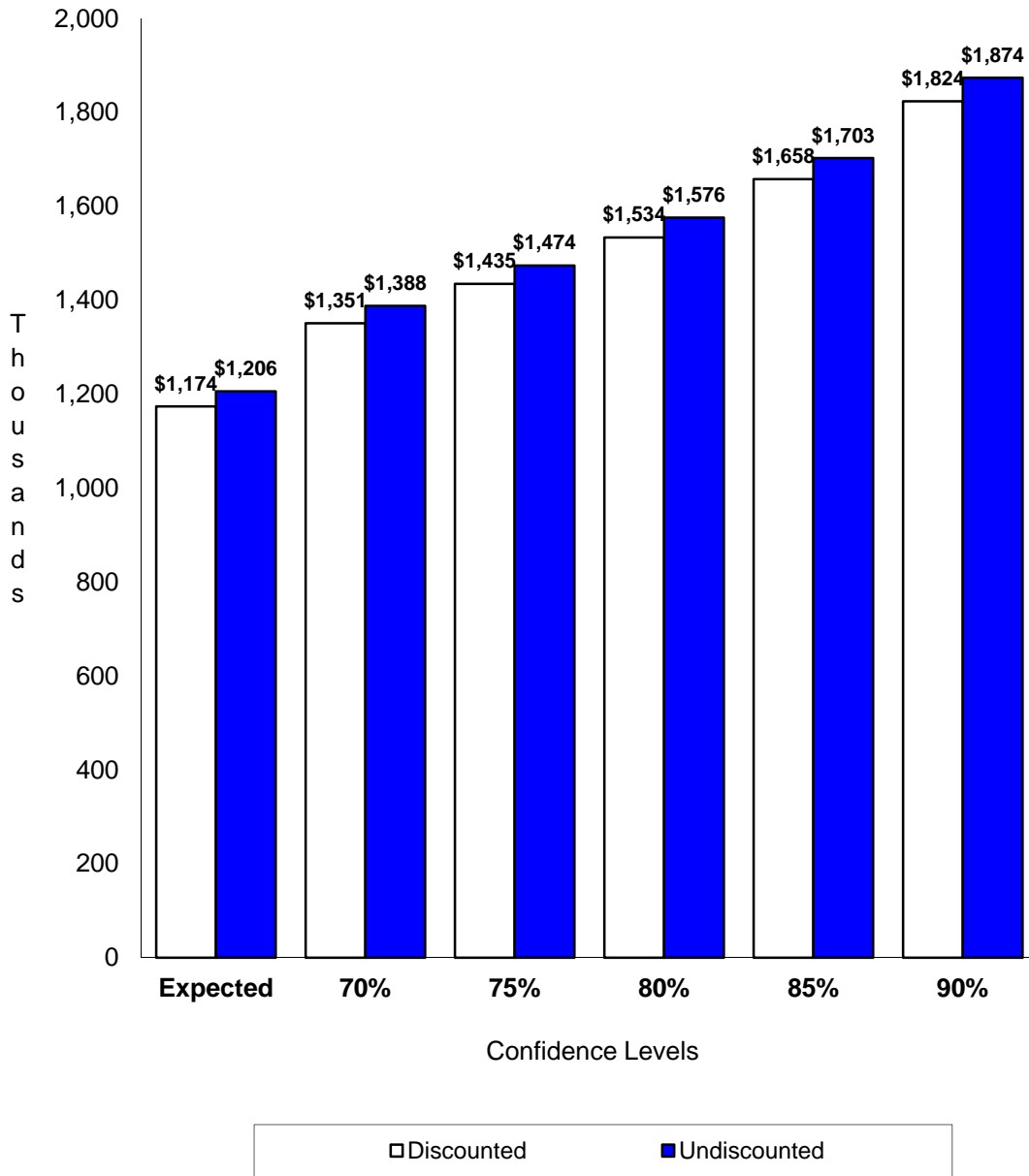
SCORE can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 2.5% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$293,000 for the banking layer and \$1,174,000 for the pooling layer for a total of \$1,467,000 as of June 30, 2015.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graphs 1a, 1b and 1c show our estimates of SCORE's discounted liability for outstanding claims.

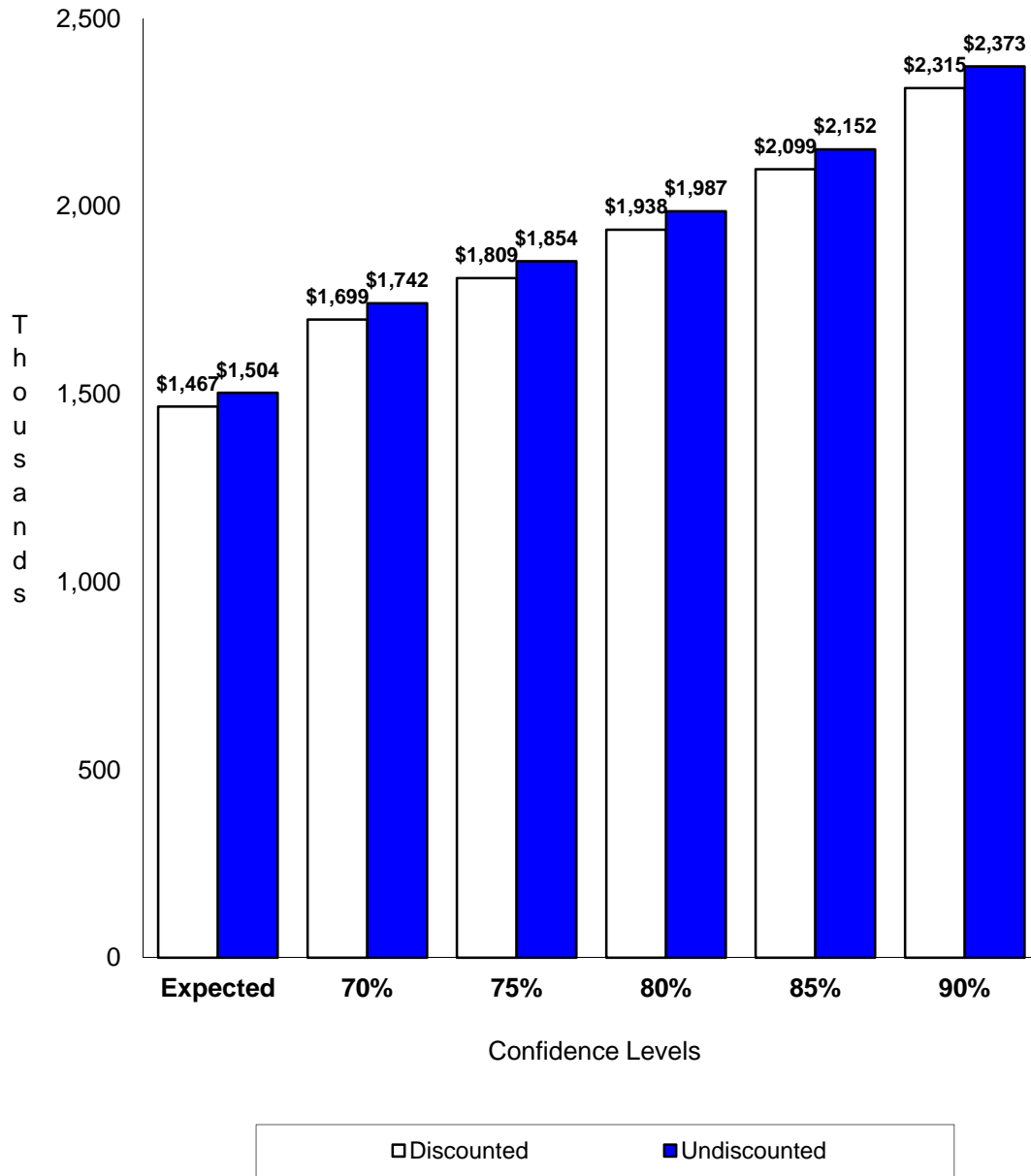
Small Cities Organized Risk Effort - Liability  
Outstanding Liability (\$000's)  
at June 30, 2015  
Banking Layer



Small Cities Organized Risk Effort - Liability  
Outstanding Liability (\$000's)  
at June 30, 2015  
Pooling Layer



Small Cities Organized Risk Effort - Liability  
Outstanding Liability (\$000's)  
at June 30, 2015  
Combined



## DRAFT

The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2015, before recognition of investment income.

Small Cities Organized Risk Effort  
Self-Insured Liability Program – Pooling Layer  
Estimated Liability for Unpaid Loss and LAE at June 30, 2015

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2000-01	2,601	0	2,601
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	8,704	3,617	12,321
2010-11	0	0	0
2011-12	170,567	34,154	204,721
2012-13	214,253	82,000	296,253
2013-14	83,236	148,192	231,428
2014-15	260,523	159,240	419,763
Loss and ALAE	\$739,884	\$427,203	\$1,167,087

**B. PROGRAM FUNDING: GOALS AND OBJECTIVES**

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by SCORE.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

## DRAFT

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the assumptions underlying the actuarial analysis, SCORE's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

In general, we recommend that you fund each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.



## DRAFT

### C. COMPARISON WITH PREVIOUS RESULTS

The prior report for the Small Cities Organized Risk Effort was dated March 7, 2014. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 evaluation date of the current report.

#### Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$0	\$0
1994-95	0	0	0
1995-96	0	60,692	60,692
1996-97	0	0	0
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	9,000	0	(9,000)
2010-11	30,000	(13,789)	(43,789)
2011-12	57,000	(222,242)	(279,242)
2012-13	123,000	304,992	181,992
2013-14	157,000	76,808	(80,192)
Total	\$376,000	\$206,461	(\$169,539)

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$376,000 between the two evaluation dates. However, actual development was approximately \$206,000; or about \$170,000 less than expected.

## DRAFT

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 evaluation date of the current report.

### Actual Versus Expected Paid Loss and ALAE Development

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$0	\$0
1994-95	0	0	0
1995-96	0	(1)	(1)
1996-97	0	0	0
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	17,000	10,706	(6,294)
2010-11	31,000	555	(30,445)
2011-12	287,000	59,002	(227,998)
2012-13	208,000	473,904	265,904
2013-14	59,000	16,616	(42,384)
Total	\$602,000	\$560,782	(\$41,218)

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$602,000 between the two evaluation dates. However, actual development was approximately \$561,000; or about \$41,000 less than expected.

## DRAFT

In the table below we display the change in our estimates of the program's ultimate losses and ALAE by accident year since our prior report.

### Change in Ultimate Loss and ALAE

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$90,358	\$90,358	\$0
1994-95	104,476	104,476	0
1995-96	515,829	576,940	61,111
1996-97	60,280	60,280	0
1997-98	484,839	484,839	0
1998-99	41,697	41,697	0
1999-00	626,047	626,047	0
2000-01	197,109	197,312	203
2001-02	386,085	386,085	0
2002-03	873,534	873,534	0
2003-04	428,967	428,967	0
2004-05	125,415	125,415	0
2005-06	341,702	341,702	0
2006-07	516,129	516,129	0
2007-08	502,631	502,631	0
2008-09	97,875	97,875	0
2009-10	94,539	85,539	(9,000)
2010-11	371,253	308,991	(62,262)
2011-12	766,000	486,000	(280,000)
2012-13	659,000	862,000	203,000
2013-14	368,000	285,000	(83,000)
Total	\$7,651,765	\$7,481,817	(\$169,948)

As shown, overall we have decreased our estimated ultimates by \$170,000 since our prior report. The better than anticipated incurred and paid loss development mentioned above translates to a decrease in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred and paid loss development.

## DRAFT

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2014 to be \$1,395,000 at the discounted, expected level. Our current estimate as of June 30, 2015, is \$1,174,000, a decrease in our assessment of SCORE's outstanding liabilities, as shown below:

### Outstanding Claim Liabilities for Loss and ALAE – Pooling Layer

	Prior Report at June 30, 2014	Current Report at June 30, 2015	Change
(A) Case Reserves:	\$872,000	\$779,000	(\$93,000)
(B) IBNR Reserves:	562,000	427,000	(135,000)
(C) Claims Administration Reserves:	0	0	0
(D) Total Reserves:	\$1,434,000	\$1,206,000	(\$228,000)
(E) Offset for Investment Income:	(39,000)	(32,000)	7,000
(F) Total Outstanding Claim Liabilities:	\$1,395,000	\$1,174,000	(\$221,000)

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2014 and June 30, 2015 as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by favorable loss development, resulting in a \$228,000 decrease in total claim reserves. This decrease in reserves leads to smaller offset for investment income. The net change due to the above factors is an overall decrease of \$221,000 in our estimate of outstanding claim liabilities for loss and LAE.

## DRAFT

At the time of the prior report, our funding estimate for the 2014-15 year was \$362,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2015-16 year is \$353,000 at the discounted, expected level, a decrease in the program's expected loss costs, as shown in the table below:

### Comparison of Funding for Loss and ALAE – Pooling Layer

	Prior Report 2014-15 Pooling Layer \$25K - \$500K	Current Report 2015-16 Pooling Layer \$25K - \$500K	Change
(A) Ultimate Loss and ALAE:	\$376,000	\$366,000	(\$10,000)
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$376,000	\$366,000	(\$10,000)
(D) Offset for Investment Income:	(14,000)	(13,000)	1,000
(E) Total Recommended Funding:	\$362,000	\$353,000	(\$9,000)
(F) Funding per \$100 of Payroll:	\$1.81	\$1.79	(\$0.02)

As you can see, our funding recommendations at the discounted, expected level have decreased between 2014-15 and 2015-16, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have decreased by \$10,000, driven by favorable loss development coupled with a decrease in payroll. This decrease in loss estimate leads to a smaller offset for investment income. The net change due to the above factors is an overall decrease of \$9,000 in our annual funding estimate for loss and LAE.

## **DRAFT**

### **E. DATA PROVIDED FOR THE ANALYSIS**

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2014-15 and 2015-16 (See Appendix K).
- We received loss data evaluated as of 12/31/2014 (See Appendix L). We also utilized the data from SCORE's most recent actuarial study for our assessment of loss development.
- We have assumed that SCORE's payroll for 2015-16 will be \$19,720,000 based upon information provided by SCORE (See Appendix M).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

### **III. ASSUMPTIONS AND LIMITATIONS**

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by SCORE. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entity liability programs.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for similar liability programs in the aggregate form a reasonable basis of comparison to the patterns from the Small Cities Organized Risk Effort's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-insured liability programs in the aggregate.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the cost of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- We have assumed that the loss rate trend associated with claim costs increases at 0.5% per year. We have assumed that claim severity increases at 3.0% per year, and that claim frequency decreases at 2.5% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

## DRAFT

- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by SCORE.
- Our funding recommendations do not include provisions for catastrophic events not in SCORE's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than SCORE's excess coverage.



#### **IV. GLOSSARY OF ACTUARIAL TERMS**

**Accident Year** - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

**Allocated Loss Adjustment Expenses (ALAE)** - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

**Benefit Level Factor** - Factor used to adjust historical losses to the current level of liability benefits.

**Case Reserve** - The amount left to be paid on a claim, as estimated by the claims administrator.

**Claim Count Development Factor** - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

**Claim Frequency** - Number of claims per \$1 million of payroll.

**Confidence Level** - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

**Discount Factor** - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

**Expected Losses** - The best estimate of the full, ultimate value of loss costs.

**Incurred but not Reported (IBNR) Losses** - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

**Loss Development Factor** - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

**Loss Rate** - Ultimate losses per \$100 of payroll.

## DRAFT

**Non-Claims Related Expenses** – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

**Outstanding Losses** - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

**Paid Losses** - Losses actually paid on all reported claims.

**Program Losses** - Losses, including ALAE, limited to the SIR for each occurrence.

**Reported Losses** - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

**Self-Insured Retention (SIR)** - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

**Severity** - Average claim cost.

**Ultimate Losses** - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

**Unallocated Loss Adjustment Expenses (ULAE)** – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)

Agenda Item H.2.b.

**DRAFT ACTUARIAL REVIEW OF THE SELF-INSURED  
WORKERS' COMPENSATION PROGRAM**

**ACTION ITEM**

**ISSUE:** Mike Harrington will present the Draft Workers' Compensation Program annual actuarial review, based on 12/31/14 loss data. The review estimates the ultimate cost of claims and expenses for the banking and shared risk layers for the 2015/16 program year. This review also estimates the outstanding liabilities for the banking and shared risk layers as of 6/30/15. *This year workers' compensation losses have developed favorably in both banking and pooling layers, resulting in a moderate decrease in reserves and rates for both layers.*

- Combined banking and pooling layer **rates have decreased from \$4.62 last year to \$4.52 this year, a 2.2% decrease.**
- Combined banking and pooling layer **reserves have decreased from \$3,908,000 last year to \$3,681,000 this year, a \$227,000 decrease.**

**RECOMMENDATION:** Accept and request a final report after review at meeting.

**FISCAL IMPACT:** Reduction in base funding rate of 2.2% and improved net position.

**BACKGROUND:** SCORE has Actuarial Studies done annually for accreditation and budget purposes. The studies determine funding for the upcoming fiscal year and outstanding liabilities as of June 30.

**ATTACHMENTS:** Draft Actuarial Review of the Self-Insured Liability Program, Summary

Friday, March 13, 2015

Mr. Marcus Beverly  
Pool Administrator  
Small Cities Organized Risk Effort  
C/o Alliant Insurance Services, Inc.  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Workers' Compensation Program

Dear Mr. Beverly:

As you requested, we have completed our review of the Small Cities Organized Risk Effort's (SCORE) self-insured workers' compensation program. Assuming an SIR of \$250,000 per occurrence and a 1.5% return on investment per year, we estimate the ultimate cost of claims and expenses for claims incurred during the 2015-16 program year to be \$277,000 for the banking layer and \$590,000 for the pooling layer, for a total of \$867,000. For claims incurred during the 2015-16 program year, assuming a 1.0% return on investments per year, we estimate the ultimate cost of claims and expenses to be \$279,000 for the banking layer and \$610,000 for the pooling layer, for a total of \$889,000. This amount includes allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE). The discount for investment income is calculated based on the likely payout pattern of SCORE's claims. For budgeting purposes, the expected cost of 2015-16 claims assuming a 1.5% return on investment per year translates to a rate of \$1.45, \$3.08 and \$4.52 per \$100 payroll for the banking layer, pooling layer, and in total respectively. For the 2015-16 claims, assuming a 1.0% return on investments per year, the expected cost translates to rates of \$1.46, \$3.18 and \$4.64 per \$100 payroll for the banking layer, pooling layer, and in total respectively.

In addition, we estimate the program's liability for outstanding claims including ALAE and discounted at 1.5% for anticipated investment income as of June 30, 2015 to be \$384,000 for the banking layer and \$3,297,000 for the pooling layer, for a total of \$3,681,000. As of June 30, 2015, assuming a 1.0% return on investments per year, we estimate the program's liability for outstanding claims to be \$388,000 for the banking layer and \$3,409,000 for the pooling layer, for a total of \$3,797,000, again including ALAE and discounted for anticipated investment income.

The \$3,297,000 estimates are the minimum liability to be booked by SCORE at June 30, 2015 for the Small Cities Organized Risk Effort's pooling layer liability, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

**DRAFT**

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2015 are summarized in the table below.

Small Cities Organized Risk Effort  
Self-Insured Workers' Compensation Program  
**Estimated Liability for Unpaid Loss and ALAE**  
at June 30, 2015  
**1.5% Discount Rate**

Banking Layer						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$394,000					
Investment Income Offset	(10,000)					
Discounted Loss and ALAE	\$384,000	\$428,000	\$447,000	\$469,000	\$496,000	<b>\$533,000</b>
Pooling Layer						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,657,000					
Investment Income Offset	(360,000)					
Discounted Loss and ALAE	\$3,297,000	\$3,654,000	\$3,808,000	\$3,985,000	\$4,205,000	<b>\$4,495,000</b>
Combined						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,051,000					
Investment Income Offset	(370,000)					
Discounted Loss and ALAE	\$3,681,000	\$4,082,000	\$4,255,000	\$4,454,000	\$4,701,000	<b>\$5,028,000</b>

**DRAFT**

The following tables show our funding recommendations for the Small Cities Organized Risk Effort for the 2015-16 fiscal year, assuming the current SIR of \$250,000.

**Small Cities Organized Risk Effort (SIR = \$250,000)  
Self-Insured Workers' Compensation Program  
Loss and ALAE Funding Guidelines for 2015-16  
1.5% Discount Rate**

Banking Layer						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$282,000					
Investment Income Offset	(5,000)					
Discounted Loss and ALAE	\$277,000	\$334,000	\$362,000	\$396,000	\$438,000	\$495,000
Rate per \$100 of 2015-16 Payroll	\$1.45	\$1.74	\$1.89	\$2.07	\$2.29	\$2.58

Pooling Layer						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$655,000					
Investment Income Offset	(65,000)					
Discounted Loss and ALAE	\$590,000	\$701,000	\$752,000	\$812,000	\$885,000	\$986,000
Rate per \$100 of 2015-16 Payroll	\$3.08	\$3.66	\$3.92	\$4.24	\$4.62	\$5.15

Combined Layer						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$937,000					
Investment Income Offset	(70,000)					
Discounted Loss and ALAE	\$867,000	\$1,035,000	\$1,114,000	\$1,208,000	\$1,323,000	\$1,481,000
Rate per \$100 of 2015-16 Payroll	\$4.52	\$5.40	\$5.81	\$6.30	\$6.90	\$7.73

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2015. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

## **DRAFT**

The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, SB863, and recent WCAB court decisions based upon information provided by the WCIRB.

The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for SCORE's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to the Small Cities Organized Risk Effort in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

## **DRAFT**

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Mike Harrington, FCAS, MAAA  
Director, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

## **DRAFT**

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Nina Gau, FCAS, MAAA  
Manager, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

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**I. BACKGROUND**

The Small Cities Organized Risk Effort began its self-insured workers' compensation program on July 1, 1993. Its current self-insured retention is \$250,000, and excess coverage is provided by the Local Agency Workers' Compensation Excess Joint Powers Authority. SCORE has a banking layer to \$25,000 per occurrence. Each member is directly responsible for its own losses within the banking layer. Losses above \$25,000 are pooled to SCORE's self-insured retention. Claims administration services are provided by York Insurance Services. Additional background on the program is given in Appendix K.

The purpose of this review is to provide a guide to SCORE to determine reasonable funding levels for its self-insurance program according to the funding policy SCORE has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate SCORE's liability for outstanding claims as of June 30, 2015, project ultimate loss costs for 2015-16, and provide funding guidelines to meet these liabilities and future costs.

## **II. CONCLUSIONS AND RECOMMENDATIONS**

### **A. LIABILITY FOR OUTSTANDING CLAIMS**

Graphs 1a, 1b and 1c on the following pages summarize our assessment of SCORE's funding position as of June 30, 2015. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due.

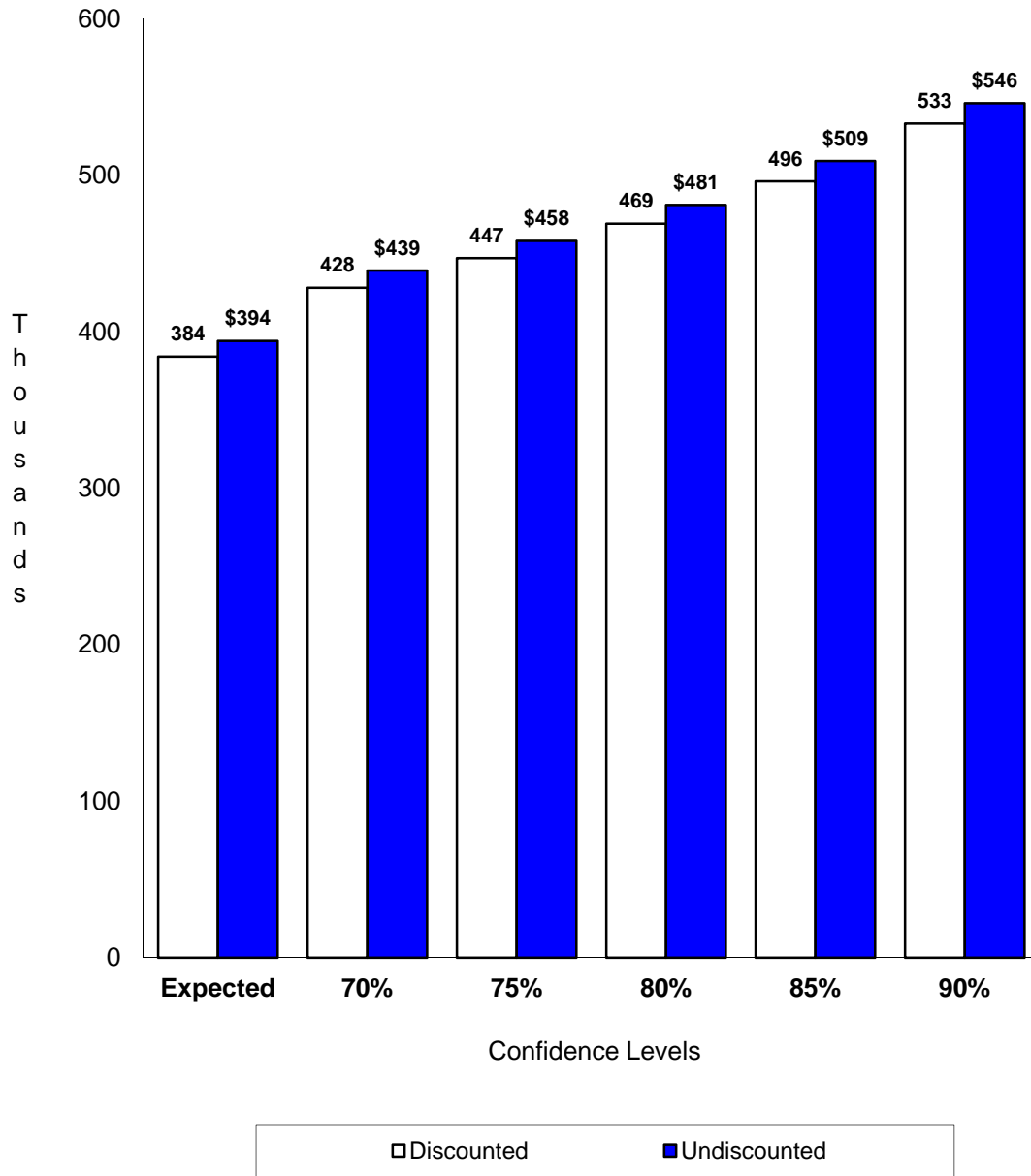
Our best estimate of the full value of SCORE's liability for outstanding claims within its self-insured retention (SIR) as of June 30, 2015 is \$394,000 for the banking layer and \$3,657,000 for the pooling layer, for a total of \$4,051,000. This amount includes losses, allocated loss adjustment expenses (ALAE) but exclude unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graphs 1a, 1b and 1c show the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

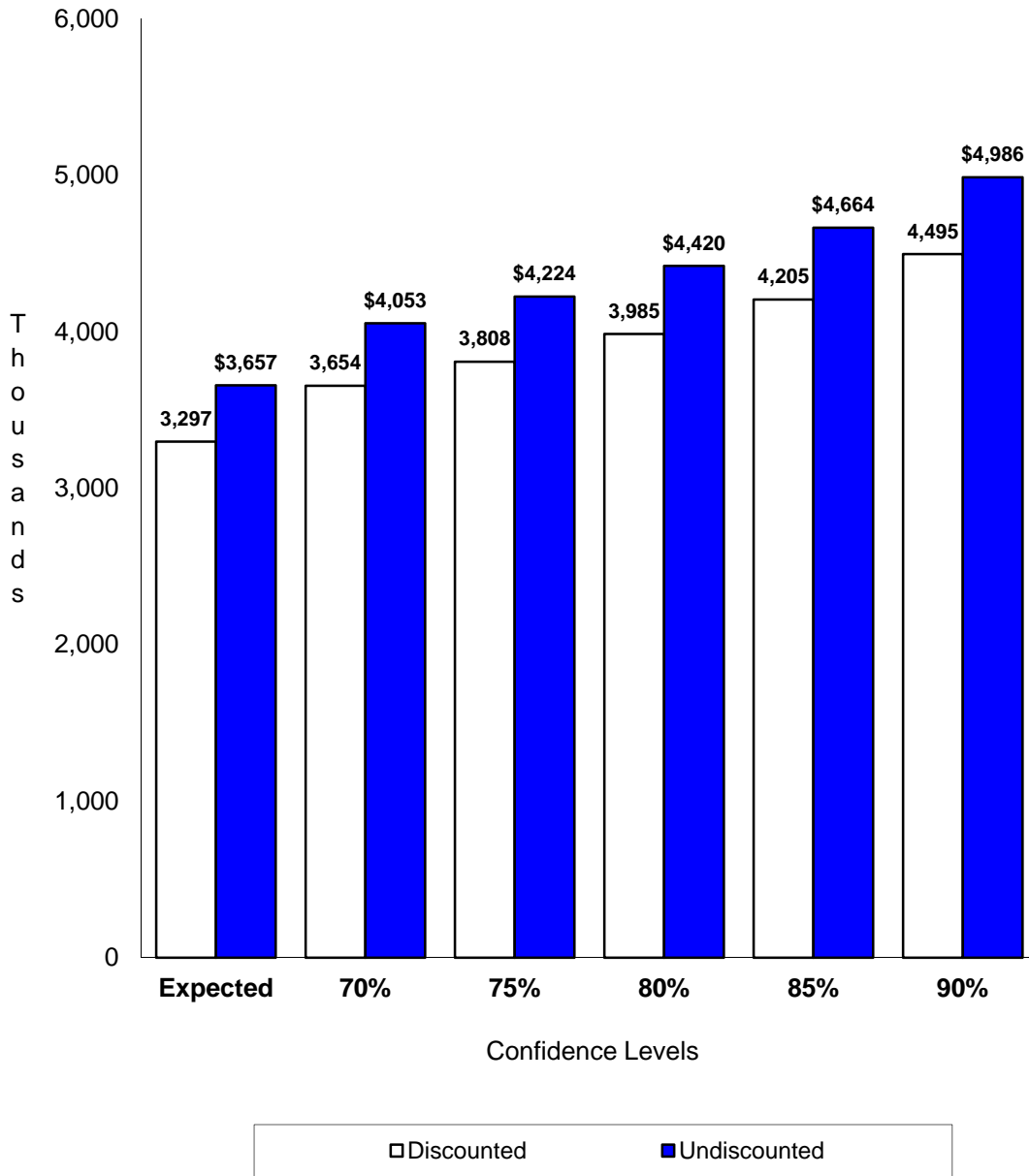
SCORE can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 9% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$384,000 for the banking layer and \$3,297,000 for the pooling layer for a total of \$3,681,000 as of June 30, 2015.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graphs 1a, 1b and 1c show our estimates of SCORE's discounted liability for outstanding claims.

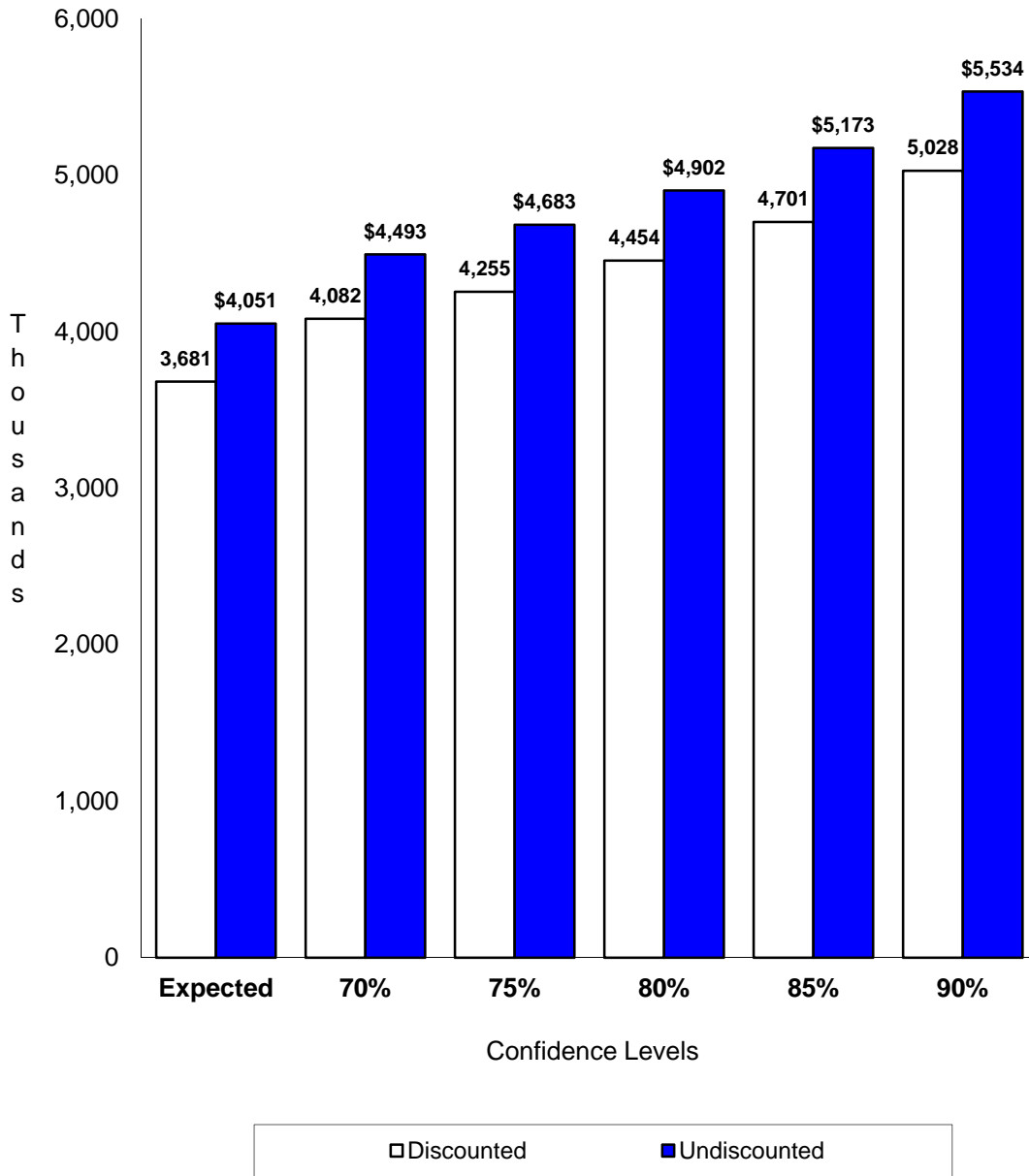
Small Cities Organized Risk Effort - Workers' Compensation  
Outstanding Liability (\$000's)  
at June 30, 2015  
Banking Layer



Small Cities Organized Risk Effort - Workers' Compensation  
Outstanding Liability (\$000's)  
at June 30, 2015  
Pooling Layer



Small Cities Organized Risk Effort - Workers' Compensation  
Outstanding Liability (\$000's)  
at June 30, 2015  
Combined



**DRAFT**

The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2015, before recognition of investment income.

**Small Cities Organized Risk Effort  
Self-Insured Workers' Compensation Program – Pooling Layer  
Estimated Liability for Unpaid Loss and LAE at June 30, 2015**

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
1996-97	27,213	11,865	39,078
1997-98	67,357	7,031	74,388
1998-99	59,979	6,206	66,185
1999-00	18,163	15,468	33,631
2000-01	46,387	6,958	53,345
2001-02	74,098	34,322	108,420
2002-03	121,358	31,457	152,815
2003-04	0	0	0
2004-05	161,620	36,697	198,317
2005-06	48,716	16,387	65,103
2006-07	29,656	48,889	78,545
2007-08	168,021	49,906	217,927
2008-09	69,523	68,079	137,602
2009-10	67,270	111,467	178,737
2010-11	196,073	106,364	302,437
2011-12	277,214	82,011	359,225
2012-13	355,358	93,164	448,522
2013-14	192,294	264,749	457,043
2014-15	207,792	477,403	685,195
Loss and ALAE	\$2,188,092	\$1,468,423	\$3,656,515

## **B. PROGRAM FUNDING: GOALS AND OBJECTIVES**

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by SCORE.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

## DRAFT

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the assumptions underlying the actuarial analysis, SCORE's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others. In general, we recommend that you fund each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.



## DRAFT

### C. COMPARISON WITH PREVIOUS RESULTS

The prior report for the Small Cities Organized Risk Effort was dated March 21, 2014. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 evaluation date of the current report.

#### Actual Versus Expected Incurred Loss and ALAE Development – Pooling Layer

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$936	\$936
1994-95	0	0	0
1995-96	0	0	0
1996-97	4,000	(364)	(4,364)
1997-98	1,000	11,652	10,652
1998-99	1,000	0	(1,000)
1999-00	4,000	0	(4,000)
2000-01	1,000	0	(1,000)
2001-02	9,000	6,802	(2,198)
2002-03	8,000	30,380	22,380
2003-04	0	232	232
2004-05	8,000	(61,269)	(69,269)
2005-06	3,000	0	(3,000)
2006-07	10,000	0	(10,000)
2007-08	10,000	0	(10,000)
2008-09	16,000	14,347	(1,653)
2009-10	23,000	(23,234)	(46,234)
2010-11	24,000	(44,825)	(68,825)
2011-12	20,000	66,815	46,815
2012-13	40,000	66,901	26,901
2013-14	340,000	141,151	(198,849)
Total	\$522,000	\$209,524	(\$312,476)

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$522,000 between the two evaluation dates. However, actual development was approximately \$210,000; or about \$312,000 less than expected.

## DRAFT

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 evaluation date of the current report.

### Actual Versus Expected Paid Loss and ALAE Development – Pooling Layer

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$936	\$936
1994-95	0	0	0
1995-96	0	0	0
1996-97	6,000	3,029	(2,971)
1997-98	8,000	6,749	(1,251)
1998-99	8,000	2,616	(5,384)
1999-00	4,000	2,979	(1,021)
2000-01	6,000	804	(5,196)
2001-02	10,000	(39,183)	(49,183)
2002-03	9,000	2,317	(6,683)
2003-04	0	232	232
2004-05	31,000	1,455	(29,545)
2005-06	8,000	1,090	(6,910)
2006-07	4,000	(22,492)	(26,492)
2007-08	35,000	46,502	11,502
2008-09	24,000	10,470	(13,530)
2009-10	50,000	128,991	78,991
2010-11	91,000	84,934	(6,066)
2011-12	99,000	198,441	99,441
2012-13	148,000	163,864	15,864
2013-14	146,000	29,106	(116,894)
Total	\$687,000	\$622,840	(\$64,160)

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$687,000 between the two evaluation dates. However, actual development was approximately \$623,000; or about \$64,000 less than expected.

## DRAFT

In the table below we display the change in our estimates of the program's ultimate losses and ALAE by accident year since our prior report.

### Change in Ultimate Loss and ALAE – Pooling Layer

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$511,419	\$512,355	\$936
1994-95	114,520	114,520	0
1995-96	371,537	371,537	0
1996-97	693,013	689,013	(4,000)
1997-98	443,097	456,097	13,000
1998-99	309,863	311,863	2,000
1999-00	318,145	316,145	(2,000)
2000-01	176,288	176,994	706
2001-02	801,031	794,031	(7,000)
2002-03	689,000	708,000	19,000
2003-04	342,706	342,938	232
2004-05	801,217	727,217	(74,000)
2005-06	130,595	126,429	(4,166)
2006-07	434,000	422,000	(12,000)
2007-08	633,000	619,000	(14,000)
2008-09	387,000	374,704	(12,296)
2009-10	718,000	683,000	(35,000)
2010-11	676,000	609,000	(67,000)
2011-12	703,000	737,000	34,000
2012-13	724,000	728,000	4,000
2013-14	714,000	570,000	(144,000)
Total	\$10,691,431	\$10,389,843	(\$301,588)

As shown, overall we have decreased our estimated ultimates by \$302,000 since our prior report. The better than anticipated incurred and paid loss development mentioned above translates to a decrease in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred and paid loss development.

## DRAFT

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2014 to be \$3,430,000 at the discounted, expected level. Our current estimate as of June 30, 2015, is \$3,297,000, a decrease in our assessment of SCORE's outstanding liabilities, as shown below:

	Prior Report at June 30, 2014	Current Report at June 30, 2015	Change
(A) Case Reserves:	\$2,445,000	\$2,189,000	(\$256,000)
(B) IBNR Reserves:	1,380,000	1,468,000	88,000
(C) Claims Administration Reserves:	0	0	0
(D) Total Reserves:	\$3,825,000	\$3,657,000	(\$168,000)
(E) Offset for Investment Income:	(395,000)	(360,000)	35,000
<b>(F) Total Outstanding Claim Liabilities:</b>	<b>\$3,430,000</b>	<b>\$3,297,000</b>	<b>(\$133,000)</b>

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2014 and June 30, 2015 as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by favorable loss development, resulting in a \$168,000 decrease in total claim reserves. This decrease in reserves leads to a smaller offset for investment income. The net change due to the above factors is an overall decrease of \$133,000 in our estimate of outstanding claim liabilities for loss and LAE.

## DRAFT

At the time of the prior report, our funding estimate for the 2014-15 year was \$612,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2015-16 year is \$590,000 at the discounted, expected level, a decrease in the program's expected loss costs, as shown in the table below:

### Comparison of Funding for Loss and LAE – Pooling Layer

	Prior Report 2014-15 Pooling Layer \$25K - \$250K	Current Report 2015-16 Pooling Layer \$25K - \$250K	Change
(A) Ultimate Loss and ALAE:	\$680,000	\$655,000	(\$25,000)
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$680,000	\$655,000	(\$25,000)
(D) Offset for Investment Income:	(68,000)	(65,000)	3,000
(E) Total Recommended Funding:	\$612,000	\$590,000	(\$22,000)
(F) Funding per \$100 of Payroll:	\$3.15	\$3.08	(\$0.07)

As you can see, our funding recommendations at the discounted, expected level have decreased between 2014-15 and 2015-16, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have decreased by \$25,000, driven by favorable loss development coupled a decrease in payroll. This decrease in loss estimate leads to a smaller offset for Investment income. The net change due to the above factors is an overall decrease of \$22,000 in our annual funding estimate for loss and LAE.

## **DRAFT**

### **E. DATA PROVIDED FOR THE ANALYSIS**

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$250,000 per occurrence for 2014-15 and 2015-16 (See Appendix K).
- We received loss data evaluated as of 12/31/2014 (See Appendix L). We also utilized the data from SCORE's most recent actuarial study for our assessment of loss development.
- We have assumed that SCORE's payroll for 2015-16 will be \$19,164,000 based upon information provided by SCORE (See Appendix M).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

### **III. ASSUMPTIONS AND LIMITATIONS**

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by SCORE. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entity workers' compensation programs.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for similar workers' compensation programs in the aggregate form a reasonable basis of comparison to the patterns from the Small Cities Organized Risk Effort's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of similar workers' compensation programs.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the cost of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation Insurance Rating Bureau of California (WCIRB). See Appendix E for a display of the benefit level cost indices by fiscal year.

## DRAFT

- We have assumed that the loss rate trend associated with claim costs increases at 0.5% per year. We have assumed that claim severity increases at 2.5% per year, and that claim frequency decreases at 2.0% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by SCORE.
- Our funding recommendations do not include provisions for catastrophic events not in SCORE's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than SCORE's excess coverage.



#### **IV. GLOSSARY OF ACTUARIAL TERMS**

**Accident Year** - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

**Allocated Loss Adjustment Expenses (ALAE)** - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

**Benefit Level Factor** - Factor used to adjust historical losses to the current level of workers' compensation benefits.

**Case Reserve** - The amount left to be paid on a claim, as estimated by the claims administrator.

**Claim Count Development Factor** - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

**Claim Frequency** - Number of claims per \$1 million of payroll.

**Confidence Level** - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

**Discount Factor** - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

**Expected Losses** - The best estimate of the full, ultimate value of loss costs.

**Incurred but not Reported (IBNR) Losses** - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

**Loss Development Factor** - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

**Loss Rate** - Ultimate losses per \$100 of payroll.

## DRAFT

**Non-Claims Related Expenses** – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

**Outstanding Losses** - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

**Paid Losses** - Losses actually paid on all reported claims.

**Program Losses** - Losses, including ALAE, limited to the SIR for each occurrence.

**Reported Losses** - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

**Self-Insured Retention (SIR)** - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

**Severity** - Average claim cost.

**Ultimate Losses** - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

**Unallocated Loss Adjustment Expenses (ULAE)** – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)



Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015

Agenda Item H.3.a.

## FY 2015/16 LIABILITY PROGRAM FUNDING RATES

### ACTION ITEM

**ISSUE:** The SCORE Board previously established a goal of capping the Liability Program loss funding rates at no more than 3% per year for the 2013/14, 2014/15, and 2015/16 program years. *For FY2015/16 the rates have fallen slightly so the cap is not needed.*

**RECOMMENDATION:** Approve the rates as set by the actuary and evaluate the need and ability to continue capping annual increases in funding, (preferably at the October meeting).

**FISCAL IMPACT:** Overall impact has been minimal, with cap applying for only one year and \$40,280.

**BACKGROUND:** At the October 2012 Long Range Planning meeting, the Board decided to implement a 3% actuarial rate increase cap for the following 3 years. For 2013/14 the recommended funding for the liability program was within the 3% cap set by the Board. For 2014/15 the recommended rates exceeded the 3% funding cap by a total of \$40,280, and that amount was funded from the program's net position.

**ATTACHMENTS:** None



**Agenda Item H.3.b.**

**2015/16 WORKERS' COMPENSATION PROGRAM FUNDING RATES**

**ACTION ITEM**

**ISSUE:** The SCORE Board previously established a goal of capping the Workers' Compensation Program loss funding rates at no more than 3% per year for the FY2013/14, FY2014/15, and FY2015/16 program years. In the first year the rate was capped at 3%, but in this, the second year, the program's financial position would not support a cap and it was not used. *For FY2015/16 the rates have fallen slightly so the cap is not needed.*

**RECOMMENDATION:** Approve the rates as set by the actuary. Evaluate the need and ability to continue capping annual increases in funding, (preferably at the October meeting).

**FISCAL IMPACT:** Overall the impact to the net position over three years is \$98,107. *If the cap had been left in place for this year the total would have been \$341,127.*

**BACKGROUND:** At the October 2012 Long Range Planning meeting, the Board decided to implement a 3% actuarial rate increase cap for the following 3 years. For FY2013/14 the recommended funding for the WC program was \$901,000, but the total funding with the cap was set at \$802,893, resulting in a shortfall of \$98,107 that was covered by the program's net position.

For FY2014/15, the cap would have created a \$243,020 shortfall, and that, combined with increased reserves that decreased the net position in the shared layer too much to support the subsidy, the Board decided not to cap the rate.

**ATTACHMENTS:** None



## 2015/16 SCORE PRELIMINARY BUDGET

### INFORMATION ITEM

**ISSUE:** The Program Administrators will present the FY2015/16 Preliminary Budget Calculations which will allow members to obtain an estimated deposit Premium due for the FY2015/16 Fiscal Year.

**RECOMMENDATION:** Review and provide direction for completion of final budget.

**FISCAL IMPACT:** TBD

**BACKGROUND:** The budget uses estimates of payroll, property values and auto values, where appropriate to calculate premium and expenses for SCORE Board members. The budget also recognizes the calculation of experience modification factors as adopted by the program's *Master Plan Documents*.

Although the costs are not finalized, it has become the practice in the past for SCORE to review a Preliminary Program Budget at the March Board meeting. This practice was adopted to allow the members to have an indication of costs for their individual budgets. It has also allowed the SCORE members to give direction as to where they would like to expend the funds in the following year.

**ATTACHMENTS:** Preliminary FY 2015/16 SCORE Program Budget

**SMALL CITIES ORGANIZED RISK EFFORT**  
**SUMMARY OF DEPOSITS BY CITY**  
**July 1, 2015 to June 30, 2016**

Member Entity	Liability Program Contribution	EPLI Coverage	Workers' Compensation Contribution	Property Premium	EAP	Total Deposit for Prior Year	TOTAL DEPOSIT WITHOUT	Percentage Change	Deposit Due July 1, 2015	WC Quarterly Installments
Biggs	\$ 32,938	\$ -	\$ 31,171	\$ 8,828	\$ 243	\$ 64,697	\$ 73,180	13.11%	\$ 49,802	\$ 7,793
Colfax	\$ 35,484	\$ 2,362	\$ 36,181	\$ 14,689	\$ 270	\$ 80,320	\$ 88,986	10.79%	\$ 61,850	\$ 9,045
Dunsmuir	\$ 50,905	\$ -	\$ 61,106	\$ 12,547	\$ 270	\$ 104,370	\$ 124,827	19.60%	\$ 78,998	\$ 15,277
Etna	\$ 29,591	\$ -	\$ 28,152	\$ 8,082	\$ 189	\$ 53,773	\$ 66,014	22.76%	\$ 44,900	\$ 7,038
Fort Jones	\$ 27,592	\$ -	\$ 24,536	\$ 7,210	\$ -	\$ 41,005	\$ 59,339	44.71%	\$ 40,937	\$ 6,134
Isleton	\$ 28,052	\$ -		\$ -	\$ 135	\$ 25,265	\$ 28,187	11.56%	\$ 28,187	
Live Oak	\$ 68,940	\$ 4,951	\$ 99,100	\$ 33,636	\$ 540	\$ 187,185	\$ 207,167	10.68%	\$ 132,842	\$ 24,775
Loomis	\$ 51,209	\$ 2,813	\$ 57,466	\$ 3,641	\$ 216	\$ 91,436	\$ 115,344	26.15%	\$ 72,245	\$ 14,366
Loyalton	\$ 19,573	\$ -	\$ 11,029	\$ 19,024	\$ 135	\$ 45,715	\$ 49,761	8.85%	\$ 41,489	\$ 2,757
Montague	\$ 28,476	\$ -	\$ 25,381	\$ 15,657	\$ -	\$ 57,854	\$ 69,514	20.16%	\$ 50,478	\$ 6,345
Mt. Shasta	\$ 126,059	\$ 6,802	\$ 220,892	\$ 9,578	\$ 918	\$ 283,654	\$ 364,249	28.41%	\$ 198,580	\$ 55,223
Portola	\$ 43,987	\$ 2,462	\$ 50,295	\$ 6,902	\$ 297	\$ 91,657	\$ 103,944	13.41%	\$ 66,222	\$ 12,574
Rio Dell	\$ 61,103	\$ 3,834	\$ 78,313	\$ 10,800	\$ -	\$ 130,871	\$ 154,049	17.71%	\$ 95,314	\$ 19,578
Shasta Lake	\$ 149,070	\$ 12,845	\$ 186,039	\$ 52,764	\$ 1,215	\$ 347,009	\$ 401,932	15.83%	\$ 262,403	\$ 46,510
Susanville	\$ 174,296	\$ 14,030	\$ 304,261	\$ 24,518	\$ 1,674	\$ 385,176	\$ 518,779	34.69%	\$ 290,583	\$ 76,065
Tulelake	\$ 31,237	\$ -	\$ 25,270	\$ 5,616	\$ 432	\$ 37,659	\$ 62,554	66.11%	\$ 43,602	\$ 6,317
Weed	\$ 133,337	\$ -	\$ 160,129	\$ 9,158	\$ 810	\$ 234,371	\$ 303,435	29.47%	\$ 183,338	\$ 40,032
Yreka	\$ 171,822	\$ 12,001	\$ 255,090	\$ 46,975	\$ 1,323	\$ 423,792	\$ 487,211	14.96%	\$ 295,893	\$ 63,773
<b>Total:</b>	<b>\$ 1,263,669</b>	<b>\$ 62,100</b>	<b>\$ 1,654,410</b>	<b>\$ 289,625</b>	<b>\$ 8,667</b>	<b>\$ 2,685,808</b>	<b>\$ 3,278,471</b>	<b>22.07%</b>	<b>\$ 2,037,664</b>	<b>\$ 413,602</b>

<i>Total 14/15</i>	\$ 1,149,305	\$ 66,721	\$ 1,576,506	\$ 289,625	\$ 8,667	\$ 2,685,808	\$ 3,090,825	15.08	\$ 1,908,445	\$ 394,127
<b>Difference</b>	\$ 114,364	\$ (4,621)	\$ 77,904	\$ 0	\$ -	\$ 0	\$ 187,646		\$ 129,219	\$ 19,475
%	9.95%	-6.93%	4.94%	0.00%	0.00%	0.00%	6.07%		6.77%	4.94%

Note - the property premium is the current amount and will be updated when updated informatin received from members

**SMALL CITIES ORGANIZED RISK EFFORT**

**BUDGET**

**July 1, 2015 to June 30, 2016**

CATEGORY	PRIOR YEAR	TOTAL	WORKERS' COMP.	LIABILITY	EPLI	PROPERTY
Chart of Acc't						
<b>REVENUES:</b>						
400 Program Administration	\$225,811	\$221,824	\$59,122	\$162,702		
400 Claims Administration	\$198,010	\$198,010	\$100,510	\$97,500		
400 Other Expenses	\$348,257	\$356,160	\$183,460	\$172,700		
400 Banking Layer Deposit	\$621,893	\$636,257	\$343,985	\$292,272		
400 Shared Risk Layer Deposit	\$1,138,059	\$1,166,394	\$723,926	\$442,468		
400 Excess Coverage Deposit (LAWCX and CJPRMA)	\$343,946	\$316,482	\$231,258	\$85,224		
400 Group Purchase Coverage	\$363,034	\$363,034		\$10,800	\$62,609	\$289,625
499 Reimbursement from CJPRMA for Liability Safety Training	\$0	\$0		\$0		
<b>Total Revenues</b>	<b>\$3,239,009</b>	<b>\$3,258,161</b>	<b>\$1,642,261</b>	<b>\$1,263,666</b>	<b>\$62,609</b>	<b>\$289,625</b>
<b>EXPENSES:</b>						
710 Program Administration	\$221,818	\$221,824	\$59,122	\$162,702		
720 Claims Administration (Unallocated Claims Expense)	\$198,010	\$198,010	\$100,510	\$97,500		
Claims Administration (ULAE) Per Member Annual Fee	\$26,000	\$26,000	\$8,000	\$18,000		
Other Expenses						
505 Treasury Services (provided by Fort Jones)	\$1,000	\$1,000	\$500	\$500		
505 Accounting Services	\$51,000	\$51,000	\$25,500	\$25,500		
Investment Management Fees	\$13,000	\$13,000	\$6,500	\$6,500		
Custodial Account Bank Fees	\$1,100	\$1,100	\$550	\$550		
Checking Account Bank Fees	\$500	\$500	\$250	\$250		
699 CA DIR OSIP Self Insurance Assesment	\$22,000	\$23,760	\$23,760	\$0		
506 Financial Audit	\$20,300	\$20,300	\$10,150	\$10,150		
507 Actuarial Review and Studies	\$10,000	\$10,000	\$5,000	\$5,000		
675 Loss Control Services	\$75,000	\$75,000	\$37,500	\$37,500		
Lexipol Law Enforcement Policy Manual	\$25,000	\$20,000	\$5,000	\$15,000		
675 Target Solutions	\$25,000	\$25,000	\$12,500	\$12,500		
610 Member Conference Reimbursements	\$19,000	\$19,000	\$9,500	\$9,500		
670 CAJPA Accreditation	\$4,850	\$0	\$0	\$0		
Property Appraisals (every 6 Years)	\$0	\$0	\$0	\$0		
506 Claims Audit	\$0	\$10,000	\$10,000	\$0		
625 Employee Dishonesty Insurance/Bonds	\$500	\$500	\$250	\$250		
640 Board Meeting Expenses	\$5,000	\$5,000	\$2,500	\$2,500		
Company Nurse	\$1,000	\$1,000	\$500	\$500		
615 Association Memberships - CAJPA and PARMA	\$1,000	\$1,000	\$500	\$500		
Website	\$0	\$0	\$0	\$0		
Rating Plan Database	\$0	\$0	\$0	\$0		
LRP and Training Day Meeting Expenses	\$20,000	\$20,000	\$10,000	\$10,000		
Miscellaneous Expenses	\$1,000	\$1,000	\$500	\$500		
Legal Expenses	\$10,000	\$7,000	\$2,000	\$5,000		
690 Contingent Reserve	\$25,000	\$25,000	\$12,500	\$12,500		
<b>Total Administration Expenses</b>	<b>\$777,077</b>	<b>\$775,994</b>	<b>\$343,092</b>	<b>\$432,902</b>		
875 Excess Coverage (LAWCX and CJPRMA)	\$343,946	\$332,384	\$247,160	\$85,224		
875 Group Purchase Coverage	\$363,034	\$363,034		\$10,800	\$62,609	\$289,625
810 Expected Loss Costs for the FY	\$1,759,951	\$1,802,652	\$1,067,911	\$734,740		
<b>Total Expenses</b>	<b>\$3,244,009</b>	<b>\$3,274,063</b>	<b>\$1,658,163</b>	<b>\$1,263,666</b>	<b>\$62,609</b>	<b>\$289,625</b>
<b>REVENUES IN EXCESS OF EXPENSES:</b>	<b>(\$5,000)</b>	<b>(\$15,902)</b>	<b>(\$15,902)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SMALL CITIES ORGANIZED RISK EFFORT**  
**ADMINISTRATION ALLOCATION**  
**July 1, 2015 to June 30, 2016**

Total Administrative Expenses	\$775,994	Liability Participants	18
Liability Administrative Expenses	\$432,902	Workers' Comp Participants	8
W.C. Administrative Expenses	\$343,092	Regular Pool	7
		Mini-cities	10

Member Entity	DE6 Payroll Inflated	Percentage of Total	Expense Allocated By Payroll	Expense Allocated Equally	Liability Administration Expense
Biggs	\$394,759	1.94%	\$4,210	\$12,025	\$16,235
Colfax	\$458,216	2.26%	\$4,887	\$12,025	\$16,912
Dunsmuir	\$574,567	2.83%	\$6,127	\$12,025	\$18,152
Etna	\$356,523	1.76%	\$3,802	\$12,025	\$15,827
Fort Jones	\$310,733	1.53%	\$3,314	\$12,025	\$15,339
Isleton	\$257,629	1.27%	\$2,747	\$12,025	\$14,773
Live Oak	\$1,280,945	6.31%	\$13,660	\$12,025	\$25,685
Loomis	\$727,767	3.59%	\$7,761	\$12,025	\$19,786
Loyalton	\$139,681	0.69%	\$1,490	\$12,025	\$13,515
Montague	\$321,438	1.58%	\$3,428	\$12,025	\$15,453
Mt. Shasta	\$1,759,801	8.67%	\$18,767	\$12,025	\$30,792
Portola	\$636,958	3.14%	\$6,793	\$12,025	\$18,818
Rio Dell	\$991,783	4.89%	\$10,577	\$12,025	\$22,602
Shasta Lake	\$3,323,123	16.37%	\$35,439	\$12,025	\$47,464
Susanville	\$3,629,790	17.88%	\$38,709	\$12,025	\$50,734
Tulelake	\$320,023	1.58%	\$3,413	\$12,025	\$15,438
Weed	\$1,708,308	8.42%	\$18,218	\$12,025	\$30,243
Yreka	\$3,104,657	15.30%	\$33,109	\$12,025	\$45,134
Prospect					
Mini Cities					
<b>Total:</b>	<b>\$20,296,701</b>	<b>100.00%</b>	<b>\$216,451</b>	<b>\$216,451</b>	<b>\$432,902</b>

Workers' Compensation DE6 Payroll	Percentage of Total	Expense Allocated By Payroll	Expense Allocated Equally	Workers' Compensation Expense	Total Administration Expenses
					\$16,235
					\$16,912
\$574,567	2.87%	\$4,919	\$21,443	\$26,362	\$44,514
					\$15,827
					\$15,339
					\$14,773
\$1,280,945	6.39%	\$10,966	\$21,443	\$32,409	\$58,094
					\$19,786
					\$13,515
					\$15,453
\$1,759,801	8.78%	\$15,065	\$21,443	\$36,508	\$67,300
					\$18,818
					\$22,602
\$3,323,123	16.58%	\$28,448	\$21,443	\$49,891	\$97,355
\$3,629,790	18.11%	\$31,073	\$21,443	\$52,516	\$103,251
\$1,708,308	8.52%	\$14,624	\$21,443	\$36,067	\$66,310
\$3,104,657	15.49%	\$26,578	\$21,443	\$48,021	\$93,155
\$0	0.00%				\$0
\$4,657,881	23.24%	\$39,874	\$21,443	\$61,317	\$61,317
<b>\$20,039,072</b>	<b>100.00%</b>	<b>\$171,546</b>	<b>\$171,546</b>	<b>\$343,092</b>	<b>\$760,556</b>



**SMALL CITIES ORGANIZED RISK EFFORT**

**LIABILITY PROGRAM**

**July 1, 2015 to June 30, 2016**

Funding Confidence Level:	0% Confidence Level	Banking Layer Rate:	1.44	1.47	2014/2015
Minimum Deposit:	\$20,000	Shared Risk Rate:	2.18	2.05	
Maximum Deposit:	\$250,000	CJPRMA Rate:			
Number of Member Entities:	18	Combined Rate:	3.62	3.52	2.84%
Payroll Inflation Factor:	3.00%	<b>CSAC/CPEIA Pollution Coverage</b>	<b>\$0</b>		
		Total Administrative Expense:	\$432,902		

<b>CSAC EIA Member Total Payroll</b>	<b>\$19,362,526</b>
<b>CSAC EIA Pollution Rate per \$100 of payr</b>	<b>0</b>

Member Entity	Banking Layer Deposit	Shared Risk Layer Deposit	CJPRMA Premium	CSAC/CPEIA Pollution Coverage	Admin Expense	Total Deposit	Minimum or Maximum Deposit	Total Deposit Last Year	Percentage Change	Payroll Adjusted for Ex. Mod.	DE6 Payroll Inflated	Adjusted Payroll Used Last Year	Change in Payroll
Biggs	\$5,895	\$8,924	\$1,618	\$266	\$16,235	\$32,938	N/A	\$30,710	7%	409,364	\$394,759	394,636	0%
Colfax	\$6,503	\$9,845	\$1,878	\$346	\$16,912	\$35,484	N/A	\$37,110	-4%	451,588	\$458,216	513,001	-11%
Dunsmuir	\$11,944	\$18,082	\$2,355	\$371	\$18,152	\$50,905	N/A	\$44,315	15%	829,453	\$574,567	550,538	4%
Etna	\$4,894	\$7,409	\$1,461		\$15,827	\$29,591	N/A	\$29,413	1%	339,850	\$356,523	385,811	-8%
Fort Jones	\$4,300	\$6,509	\$1,274	\$171	\$15,339	\$27,592	N/A	\$23,705	16%	298,599	\$310,733	253,100	23%
Isleton	\$4,862	\$7,361	\$1,056		\$14,773	\$28,052	N/A	\$24,956	12%	337,648	\$257,629	243,885	6%
Live Oak	\$14,769	\$22,359	\$5,250	\$876	\$25,685	\$68,940	N/A	\$62,962	9%	1,025,651	\$1,280,945	1,300,474	-2%
Loomis	\$11,118	\$16,831	\$2,983	\$491	\$19,786	\$51,209	N/A	\$44,448	15%	772,080	\$727,767	728,213	0%
Loyalton	\$2,140	\$3,239	\$573	\$107	\$13,515	\$19,573	N/A	\$20,000	-2%	148,597	\$139,681	157,834	-12%
Montague	\$4,568	\$6,916	\$1,318	\$222	\$15,453	\$28,476	N/A	\$27,270	4%	317,226	\$321,438	328,474	-2%
Mt. Shasta	\$34,586	\$52,360	\$7,213	\$1,107	\$30,792	\$126,059	N/A	\$109,663	15%	2,401,814	\$1,759,801	1,642,931	7%
Portola	\$8,794	\$13,313	\$2,611	\$452	\$18,818	\$43,987	N/A	\$44,694	-2%	610,690	\$636,958	670,488	-5%
Rio Dell	\$13,438	\$20,344	\$4,065	\$653	\$22,602	\$61,103	N/A	\$55,253	11%	933,220	\$991,783	968,920	2%
Shasta Lake	\$34,118	\$51,651	\$13,621	\$2,215	\$47,464	\$149,070	N/A	\$131,059	14%	2,369,303	\$3,323,123	3,289,614	1%
Susanville	\$42,256	\$63,971	\$14,878	\$2,456	\$50,734	\$174,296	N/A	\$165,178	6%	2,934,460	\$3,629,790	3,646,602	0%
Tulelake	\$4,955	\$7,502	\$3,341		\$15,438	\$31,237	N/A	\$28,604	9%	344,121	\$320,023	315,029	2%
Weed	\$37,799	\$57,223	\$7,002	\$1,070	\$30,243	\$133,337	N/A	\$98,160	36%	2,624,927	\$1,708,308	1,588,266	8%
Yreka	\$45,333	\$68,629	\$12,726		\$45,134	\$171,822	N/A	\$171,804	0%	3,148,109	\$3,104,657	2,972,369	
Prospect													
<b>Total:</b>	<b>\$292,272</b>	<b>\$442,468</b>	<b>\$85,224</b>	<b>\$10,803</b>	<b>\$432,902</b>	<b>\$1,263,669</b>	<b>0</b>	<b>\$1,149,304</b>	<b>10%</b>	<b>\$20,296,701</b>	<b>\$20,296,701</b>	<b>\$19,950,185</b>	<b>1.74%</b>
<i>Actuary</i>	<i>\$284,000</i>	<i>\$430,000</i>		<b>TBD</b>	<b>TBD</b>	<b>\$1,263,669</b>							
2014/14	\$294,196	\$408,486	\$65,459	\$10,800	\$435,320	\$1,149,319			7%	\$19,950,185	\$19,950,185	\$19,047,339	4.74%
<i>Difference</i>	<i>(\$1,923)</i>	<i>\$33,982</i>	<i>\$19,765</i>	<i>\$3</i>	<i>(\$2,418)</i>	<i>\$114,349</i>				<i>\$346,516</i>	<i>\$346,516</i>	<i>\$902,846</i>	<i>-3%</i>

Note: The Deposit Premium and the Shared Risk Deposit is calculated off of the Adjusted Payroll.

**SMALL CITIES ORGANIZED RISK EFFORT**  
**Liability Experience Modification Calculation**  
**July 1, 2015 to June 30, 2016**

Member	LOSSES AS OF 12/31/14 Capped at \$50,000					
	PROGRAM YEARS					
Entity	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Biggs	24,233	0	0	0	11,247	35,480
Colfax	6,923	13,076	1,366	0	0	21,365
Dunsmuir	13,478	58,244	38,980	6,668	56,987	174,357
Etna	0	0	1,017	0	0	1,017
Fort Jones	0	0	0	0	0	0
Isleton	1,201	93	135,670	2,558	0	139,522
Live Oak	824	1,344	250	8,727	1,175	12,321
Loomis	3,568	10,006	4,099	50,008	6,000	73,680
Loyalton	0	0	0	0	25,000	25,000
Montague	0	1,669	2,022	0	5,093	8,784
Mt. Shasta	65,623	71,748	57,353	19,914	71,054	285,692
Portola	3,525	603	1,012	22,163	0	27,303
Rio Dell	18,118	880	1,822	15,147	10,000	45,966
Shasta Lake	10,734	39,392	20,352	9,435	17,920	97,834
Susanville	55,147	7,239	61,039	21,602	28,132	173,159
Tulelake	38,931		5,091			44,022
Weed	38,662	63,339	123,235	50,000	63,054	338,289
Yreka	4,873	5,620	228,421	1,187	0	240,101
Prospect						
<b>Total:</b>	<b>\$285,839</b>	<b>\$273,252</b>	<b>\$681,731</b>	<b>\$207,408</b>	<b>\$295,662</b>	<b>\$1,743,893</b>

DE6 PAYROLL					
Fiscal Years Ending					
2010	2011	2012	2013	2014	Total
480,243	431,019	445,766	377,297	381,699	2,116,024
580,511	436,657	395,698	482,475	466,454	2,361,794
464,934	515,786	512,461	538,031	533,265	2,564,477
312,373	291,684	279,923	332,071	383,491	1,599,542
166,009	167,341	188,617	217,023	296,837	1,035,827
477,817	328,653	327,778	228,795	242,609	1,605,652
1,227,755	1,313,687	1,297,193	1,267,402	1,237,873	6,343,910
863,045	745,098	738,259	687,491	713,269	3,747,162
267,592	205,921	162,672	132,357	144,738	913,280
290,496	271,962	286,650	295,950	317,465	1,462,522
1,786,481	1,633,025	1,581,096	1,609,249	1,621,731	8,231,582
749,429	614,214	681,724	676,909	619,179	3,341,455
874,079	1,005,352	979,793	951,737	929,077	4,740,038
3,441,569	3,220,301	3,214,474	3,140,551	3,212,992	16,229,887
3,500,852	3,574,246	3,635,582	3,417,528	3,510,972	17,639,180
390,023	406,311	358,649	322,798	309,601	1,787,382
1,496,349	1,531,847	1,547,554	1,529,535	1,542,690	7,647,975
2,313,718	3,185,014	2,912,309	2,860,588	3,047,983	14,319,611
0	0	0	0	0	0
<b>19,683,275</b>	<b>19,878,118</b>	<b>19,546,198</b>	<b>19,067,787</b>	<b>19,511,926</b>	<b>97,687,304</b>

Experience Modification Factor						
Loss Rate	Relative	CY 2014 Payroll	Credibility	Experience	Payroll times	Adjusted
Per \$100	Loss Rate	Times 3% Inflation	Factor	Modification	Ex.Mod.	Payroll
\$1.68	0.94	\$394,759	9.81%	0.99	\$392,407	\$409,364
\$0.90	0.51	\$458,216	11.21%	0.94	\$432,882	\$451,588
\$6.80	3.81	\$574,567	13.67%	1.38	\$795,095	\$829,453
\$0.06	0.04	\$356,523	8.94%	0.91	\$325,773	\$339,850
\$0.00	0.00	\$310,733	7.89%	0.92	\$286,230	\$298,599
\$8.69	4.87	\$257,629	6.63%	1.26	\$323,662	\$337,648
\$0.19	0.11	\$1,280,945	26.08%	0.77	\$983,166	\$1,025,651
\$1.97	1.10	\$727,767	16.70%	1.02	\$740,098	\$772,080
\$2.74	1.53	\$139,681	3.71%	1.02	\$142,442	\$148,597
\$0.60	0.34	\$321,438	8.14%	0.95	\$304,086	\$317,226
\$3.47	1.94	\$1,759,801	32.65%	1.31	\$2,302,325	\$2,401,814
\$0.82	0.46	\$636,958	14.93%	0.92	\$585,393	\$610,690
\$0.97	0.54	\$991,783	21.46%	0.90	\$894,564	\$933,220
\$0.60	0.34	\$3,323,123	47.79%	0.68	\$2,271,160	\$2,369,303
\$0.98	0.55	\$3,629,790	50.00%	0.77	\$2,812,907	\$2,934,460
\$2.46	1.38	\$320,023	8.10%	1.03	\$329,867	\$344,121
\$4.42	2.48	\$1,708,308	32.00%	1.47	\$2,516,196	\$2,624,927
\$1.68	0.94	\$3,104,657	46.10%	0.97	\$3,017,706	\$3,148,109
0.00	0.00	\$0	0.00%	1.00	\$0	\$0
<b>\$1.79</b>	<b>1.00</b>	<b>\$20,296,701</b>			<b>\$19,455,960</b>	<b>\$20,296,701</b>

City	Number of employees indicated by Board Member	Rate per month per employee	Total Rate per month	Total number of months	2014-2015 Premium
Biggs	9	\$2.25	\$20.25	12	\$243.00
Colfax	10	\$2.25	\$22.50	12	\$270.00
Dunsmuir	10	\$2.25	\$22.50	12	\$270.00
Etna	7	\$2.25	\$15.75	12	\$189.00
Ft. Jones	0	\$2.25	\$0.00	12	\$0.00
Isleton	5	\$2.25	\$11.25	12	\$135.00
Live Oak	20	\$2.25	\$45.00	12	\$540.00
Loomis	8	\$2.25	\$18.00	12	\$216.00
Loyalton	5	\$2.25	\$11.25	12	\$135.00
Montague	0	\$2.25	\$0.00	12	\$0.00
Mount Shast	34	\$2.25	\$76.50	12	\$918.00
Portola	11	\$2.25	\$24.75	12	\$297.00
Rio Dell	0	\$2.25	\$0.00	12	\$0.00
Shasta Lake	45	\$2.25	\$101.25	12	\$1,215.00
Susanville	62	\$2.25	\$139.50	12	\$1,674.00
Tulelake	16	\$2.25	\$36.00	12	\$432.00
Weed	30	\$2.25	\$67.50	12	\$810.00
Yreka	49	\$2.25	\$110.25	12	\$1,323.00
<b>TOTAL</b>	<b>321</b>				<b>\$8,667.00</b>

**EMPLOYMENT PRACTICE LIABILITY**  
**July 1, 2015 to June 30, 2016**

Member Entity	CY 2014 Payroll	Last Year's Payroll	Percentage Increase in Payroll	Deductible	Assessment	2015/16 Premium	2014/15 Premium	% Change FYE 15 to 16
Biggs								
Colfax	\$ 444,870	\$ 498,059	-10.68%	25,000	-	\$ 2,362	\$ 3,330	-29.07%
Dunsmuir								
Etna								
Fort Jones								
Isleton								
Live Oak	\$ 1,243,636	\$ 1,262,596	-1.50%	25,000	-	\$ 4,951	\$ 5,065	-2.25%
Loomis	\$ 706,570	\$ 707,003	0.00%	25,000	-	\$ 2,813	\$ 2,836	-0.81%
Loyalton								
Montague								
Mt. Shasta	\$ 1,708,545	\$ 1,595,079	7.11%	25,000	-	\$ 6,802	\$ 6,399	6.30%
Portola	\$ 618,406	\$ 650,959	-5.00%	25,000	-	\$ 2,462	\$ 2,612	-5.74%
Rio Dell	\$ 962,896	\$ 940,699	2.36%	25,000	-	\$ 3,834	\$ 3,774	1.59%
Shasta Lake	\$ 3,226,333	\$ 3,193,800	1.02%	25,000	-	\$ 12,845	\$ 12,813	0.25%
Susanville	\$ 3,524,068	\$ 3,540,390	-0.46%	25,000	-	\$ 14,030	\$ 14,203	-1.22%
Tulelake								
Weed								
Yreka	\$ 3,014,230	\$ 2,885,795	4.45%	25,000	-	\$ 12,001	\$ 11,577	3.66%
<b>Total:</b>	<b>\$ 15,449,554</b>	<b>\$ 15,274,380</b>	<b>1.15%</b>		<b>-</b>	<b>\$ 62,100</b>	<b>\$ 62,609</b>	<b>-0.81%</b>

# SMALL CITIES ORGANIZED RISK EFFORT WORKERS' COMPENSATION PROGRAM

July 1, 2015 to June 30, 2016

Funding Confidence Level:	70% LAWCX Premium:	\$231,258	217432	1.103405695
Banking Layer Funding	\$1.74 Administrative Expenses:	\$343,092		
Shared Risk Layer Funding	\$3.66 LAWCX Refund	\$0		
	LAWCX Assessmnt	\$ 15,902		

Experience Rating Losses Capped at \$50,000

MEMBER ENTITY	BANKING LAYER	SHARED RISK	LAWCX PREMIUM (1)	ADMIN. EXPENSE	LAWCX Refund	LAWCX 15-16 Assesment	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	PERCENTAGE CHANGE	Payroll	Adjusted Payroll
Biggs											
Colfax											
Dunsmuir	9,092	19,124	6,109	\$26,362	\$0	\$420	\$61,106	\$61,505	-0.65%	\$574,567	\$522,503
Etna											
Fort Jones											
Isleton											
Live Oak	17,451	36,707	11,726	\$32,409	\$0	\$806	\$99,100	\$100,775	-1.66%	\$1,280,945	\$1,002,930
Loomis											
Loyalton											
Montague											
Mt. Shasta	48,248	101,487	32,420	\$36,508	\$0	\$2,229	\$220,892	\$178,773	23.56%	\$1,759,801	\$2,772,858
Portola											
Rio Dell											
Shasta Lake	35,626	74,937	23,939	\$49,891	\$0	\$1,646	\$186,039	\$188,042	-1.07%	\$3,323,123	\$2,047,460
Susanville	65,874	138,563	44,264	\$52,516	\$0	\$3,044	\$304,261	\$277,865	9.50%	\$3,629,790	\$3,785,877
Tulelake					\$0						
Weed	32,463	68,285	21,814	\$36,067	\$0	\$1,500	\$160,129	\$154,094	3.92%	\$1,708,308	\$1,865,708
Yreka	54,184	113,973	36,409	\$48,021	\$0	\$2,504	\$255,090	\$267,461	-4.63%	\$3,104,657	\$3,114,021
Prospect											
Mini-Cities	81,047	170,851	54,578	\$61,317	\$0	\$3,753	\$371,546	\$354,947	4.68%	\$4,657,881	\$4,668,049
<b>Total</b>	<b>\$343,985</b>	<b>\$723,926</b>	<b>\$231,258</b>	<b>\$343,092</b>	<b>\$0</b>	<b>\$15,902</b>	<b>\$1,658,163</b>	<b>\$1,583,462</b>	<b>4.72%</b>	<b>\$20,039,072</b>	<b>\$19,779,407</b>

**SMALL CITIES ORGANIZED RISK EFFORT  
Workers' Compensation Experience Modification Calculation**

Member Entity	LOSSES AS OF 12/31/14					
	PROGRAM YEARS					
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
Biggs						
Colfax						
Dunsmuir		\$ 8,672			\$ 2,526	\$11,197
Etna						
Fort Jones						
Isleton		n/a				
Live Oak		\$ 255		\$ 565	\$ 1,314	\$2,134
Loomis						
Loyalton						
Montague						
Mt. Shasta		\$ 150,084	\$ 68,322	\$ 103,030	\$ 154,253	475,689
Portola						
Rio Dell						
Shasta Lake			\$ 2,669		\$ 23,701	26,370
Susanville		\$ 82,709	\$ 50,739	\$ 166,215	\$ 71,835	\$371,498
Tulelake						-
Weed		\$ 54,204	\$ 53,462	\$ 77,778	\$ 12,146	\$197,591
Yreka		\$ 35,917	\$ 181,582	\$ 56,636	\$ 17,895	\$292,030
Prospect						
Mini Cities		35,259	213,635	252,280	50,978	\$552,152
<b>Total:</b>		<b>\$ 367,100</b>	<b>\$570,409</b>	<b>\$656,504</b>	<b>\$334,648</b>	<b>\$1,928,661</b>

DE6 PAYROLL						
PROGRAM YEARS						
2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total	
	515,786	515,786	512,461	538,031	2,082,064	
	1,313,687	1,313,687	1,297,193	1,267,402	5,191,969	
	1,633,025	1,633,025	1,581,096	1,609,249	6,456,395	
	3,220,301	3,220,301	3,214,474	3,140,551	12,795,627	
	3,574,246	3,574,246	3,635,582	3,417,528	14,201,602	
	1,531,847	1,531,847	1,547,554	1,529,535	6,140,783	
	3,185,014	3,185,014	2,912,309	2,860,588	12,142,925	
					0	
	4,575,559	4,517,751	4,476,108	4,561,810	23,105,028	
	<b>19,549,465</b>	<b>19,491,657</b>	<b>19,176,777</b>	<b>18,924,694</b>	<b>82,116,393</b>	

Experience Modification Factor						
Loss Rate Per \$100	Relative Loss Rate	CY 2014 Payroll Plus Inflation Factor 3%	Credibility Factor	Experience Modification	Payroll times Ex.Mod.	Adjusted Payroll
0.54	0.23	574,567	0.11	0.92	525,922	522,503
0.04	0.02	1,280,945	0.22	0.79	1,009,492	1,002,930
7.37	3.14	1,759,801	0.27	1.59	2,791,000	2,772,858
0.21	0.09	3,323,123	0.42	0.62	2,060,856	2,047,460
2.62	1.11	3,629,790	0.44	1.05	3,810,647	3,785,877
3.22	1.37	1,708,308	0.27	1.10	1,877,915	1,865,708
2.40	1.02	3,104,657	0.40	1.01	3,134,395	3,114,021
2.39	1.02	4,657,881	0.50	1.01	4,698,591	4,668,049
<b>2.35</b>	<b>1.00</b>	<b>\$20,039,072</b>			<b>\$19,908,816</b>	<b>\$19,779,407</b>

**SMALL CITIES ORGANIZED RISK EFFORT**  
**Mini-City Pool Allocation of Costs**  
**July 1, 2015 to June 30, 2016**

**ALLOCATION OF COSTS TO MEMBERS - with Experience Modification**

<b>COSTS TO BE ALLOCATED:</b>			
BANKING LAYER	81,047	<b>LAWCX REFUND</b>	<b>\$0.00</b>
SHARED RISK	170,851		
EXCESS WC	54,578		
ADMINISTRATION	61,317		
<b>TOTAL</b>	<b>367,793</b>		

Member	Payroll	Percentage	Banking	Shared Risk	Excess WC	Admin	LAWCX Refund	Total	Last Year's	%Change
Biggs	\$383,261	8.48%	\$ 6,869	\$ 14,480	\$ 4,626	\$ 5,197	\$0	\$ 31,171	\$ 31,832	-2%
Colfax	\$444,870	9.84%	\$ 7,973	\$ 16,807	\$ 5,369	\$ 6,032	\$0	\$ 36,181	\$ 41,379	-13%
Dunsmuir										
Etna	\$346,139	7.65%	\$ 6,204	\$ 13,077	\$ 4,178	\$ 4,693	\$0	\$ 28,152	\$ 31,120	-10%
Fort Jones	\$301,682	6.67%	\$ 5,407	\$ 11,398	\$ 3,641	\$ 4,091	\$0	\$ 24,536	\$ 20,415	20%
Isleton										
Live Oak										
Loomis	\$706,570	15.62%	\$ 12,663	\$ 26,694	\$ 8,528	\$ 9,580	\$0	\$ 57,466	\$ 58,738	-2%
Loyalton	\$135,613	3.00%	\$ 2,430	\$ 5,123	\$ 1,637	\$ 1,839	\$0	\$ 11,029	\$ 12,731	-13%
Montague	\$312,076	6.90%	\$ 5,593	\$ 11,790	\$ 3,766	\$ 4,231	\$0	\$ 25,381	\$ 26,495	-4%
Mt. Shasta										
Portola	\$618,406	13.67%	\$ 11,083	\$ 23,364	\$ 7,463	\$ 8,385	\$0	\$ 50,295	\$ 54,082	-7%
Rio Dell	\$962,896	21.29%	\$ 17,257	\$ 36,378	\$ 11,621	\$ 13,056	\$0	\$ 78,313	\$ 78,154	0%
Shasta Lake										
Susanville										
Tulelake	\$310,702	6.87%	\$ 5,568	\$ 11,738	\$ 3,750	\$ 4,213		\$ 25,270	N/A	N/A
Weed										
Yreka										
<b>Total</b>	<b>4,522,215</b>	<b>100.00%</b>	<b>\$ 81,047</b>	<b>\$ 170,851</b>	<b>\$ 54,578</b>	<b>\$ 57,104</b>	<b>\$0.00</b>	<b>\$ 367,793</b>	<b>\$ 354,946</b>	<b>4%</b>



**Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015**

**Agenda Item H.5.**

## **SCORE TRAINING DAY/BOD VENUE OPTIONS**

### **ACTION ITEM**

**ISSUE:** The Program Administrators are requesting Board input on which location to choose for the bi-annual Long Range Planning Meeting which will be held on October 29, 2015 followed by the Board of Directors Meeting on October 30, 2015.

**RECOMMENDATION:** None

**FISCAL IMPACT:** Not to exceed \$20,000.

**BACKGROUND:** Every other year, SCORE holds a Long Range Planning Meeting to provide Board members with an opportunity to discuss the coverage programs, risk management and loss control services available to members as well as any topics that Members may want to address. Presentations will also be provided by the Program Administrators and SCORE partners.

Program Administration was directed at the January 2015 Board Meeting to secure a meeting venue in either Shasta Lake or South Lake Tahoe, CA for this meeting. Important to note is the fact that the meeting will take place the last week of October.

**ATTACHMENTS:** None





**Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015**

**Agenda Item H.6.a.**

## **LAWCX WORKERS' COMPENSATION AUDIT**

### **ACTION ITEM**

**ISSUE:** The Board will be presented the results of the recent Workers' Compensation Claims audit, with response from York Risk Services. The overall score achieved by York is 99.1%, almost perfect, with only three out of nineteen categories below 100%.

**RECOMMENDATION:** Accept and file report after review and response from York.

**FISCAL IMPACT:** None

**BACKGROUND:** Every other year SCORE's excess Workers' Compensation provider, LAWCX, commissions a claims audit focused on compliance to their standards and potential excess claims. Every other year SCORE commissions its own audit that encompasses more of the primary layer claims and issues.

**ATTACHMENTS:** LAWCX Workers Compensation Claims Audit 2015



February 10, 2015

Ms. Michelle Minnick  
Alliant Insurance Services  
1792 Tribute Road, #450  
Sacramento, CA 95815

*by email: mminnick@alliantinsurance.com*

**LAWCX-Workers' Compensation Claims Audit – 2015  
Small Cities Organized Risk Effort (SCORE)**

Dear Ms. Minnick:

Enclosed is the report of the recent audit of workers' compensation claims for the Small Cities Organized Risk Effort (SCORE). This report presents SCORE's specific findings.

Thank you for the opportunity to submit this report.

Sincerely,

A handwritten signature in black ink that reads "Tim Farley". The signature is written in a cursive, flowing style.

Timothy P. Farley, CPCU  
President

Encl.

# Workers' Compensation Claims Audit – 2015

for

## Small Cities Organized Risk Effort (SCORE) LAWCX

SCOREJPA.org

Small Cities Organized Risk Effort - A Joint Powers Authority

February 10, 2015

The logo for Farley Consulting Services, LLC, featuring the letters 'FCS' in a bold, dark blue font. The letters are partially enclosed by a dark blue swoosh that curves around them from the bottom and right sides.

**F A R L E Y**  
**CONSULTING SERVICES, LLC**

P.O. Box 5928 ~ Oceanside, CA 92052  
Phone: 760.435.9272 ~ Fax: 760.722.1760  
farleyconsulting@cox.net

An Independent Claims Management  
Consulting Firm



February 10, 2015

Ms. Michelle Minnick  
Alliant Insurance Services  
1792 Tribute Road, #450  
Sacramento, CA 95815

### **LAWCX-Workers' Compensation Claims Audit – 2015**

This report summarizes the results of an audit of workers' compensation claims for the Small Cities Organized Risk Effort (SCORE). FCS reviewed 23 active indemnity claims that have generated incurred costs of \$75,000 or more, occurring since SCORE joined the LAWCX program on 7/1/93. The review was conducted from 1/30/15-2/2/15 via remote access to the claims information system utilized by York Insurance Services (York), SCORE's claims administration firm in Roseville, California.

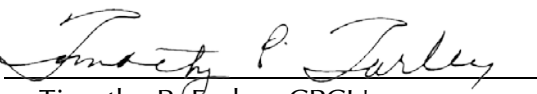
The project includes:

1. Discussions with Mr. Eric Tennison and Ms. Kristina Patterson of York throughout the audit process.
2. Presentation of audit findings to both individuals via teleconference at the conclusion of the review.
3. Receipt and consideration of York's reply to findings presented during that presentation.
4. Comparison of SCORE claims handling performance with similar California public pooling entities.
5. Evaluation of York's compliance with specific claims handling standards for LAWCX claims.

FCS appreciates the opportunity to complete this important project for SCORE.

Respectfully submitted,

**FARLEY CONSULTING SERVICES**

by   
Timothy P. Farley, CPCU  
President

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## I. Executive Summary

The audit of 23 open claims with incurred costs of \$75,000 or more finds general compliance with LAWCCX claims administration standards unique to the handling of LAWCCX member claims and with accepted industry standards utilized by FCS when assessing administrator competence. The audit concludes that York is providing competent claims administration services to SCORE.

FCS provides the following observations and recommendations based on this audit:

1. York is adequately staffed to handle the SCORE account. The primary examiner, Jodi Fink, maintains an active caseload (including assignments of other York clients) of 144, which is below the allowable maximum of 150.
2. Case reserves for the claims reviewed are generally accurate. Two claims require adjustment. Those two claims are discussed on page 4.
3. Benefit level calculations are accurate for all 23 claims. The calculations are clearly documented in York's information system.
4. Investigation is thorough on all of the claims reviewed. A majority of these claims are open for future medical care only. Most investigation has been completed for some time.
5. Eighteen of the claims reviewed involve some degree of litigation. Litigation management is effective on all 18 claims.
6. The claims reviewed comply with accepted claims handling standards for diary review. No diary deficiencies are identified.
7. York is maintaining organized claims handling material. Claim documentation was observed via access to the York Claims Connect information system. No documentation clarity deficiencies are identified.
8. The audit concludes that supervision is effective. Daily activity notes for SCORE claims exhibit consistent supervisory instruction and evaluation.
9. Fifteen of the claims reviewed qualified as reportable to excess providers. All 15 claims were reported timely to the LAWCCX excess administrator. The administrator has appropriately instructed York to discontinue reporting on a few of these claims due to the likelihood of no excess exposure. Three of the claims are generating the requisition of excess recovery proceeds.

These and other elements of this study are discussed in more detail in the remainder of this report.

**Exhibit 1 – Workers' Compensation Audit Scoring Summary**

Audit Category	2015 Audit Scores
Critical Claim Audit Areas	
Contact with injured worker*	100%
Contact with member	100%
Diary systems: how often are files reviewed?*	100%
Documentation/explanation of file activities*	90%
Planning, direction, and follow-up	90%
Medical direction and control*	100%
Handling permanent disability issues	100%
Settlement of claims and closure efforts*	100%
Organization, appearance, and claim data maintenance	100%
Direction of Special Issues and Control of Vendors	
Litigation direction and management*	100%
Rehabilitation/SJDB direction and management	100%
Investigation and subrosa activity*	100%
Subrogation identification and management	n/a
Excess insurance identification and management	100%
Excess insurance identification and reporting	100%
Financial Accountability	
Reserve adequacy and accuracy*	91%
Medical payment processing	100%
Indemnity payments processed accurately*	100%
File information equals computer data*	100%
Reconciling or "balancing" the claim file	100%

**Aggregate Scoring – Weighted**

The overall score achieved by York is 99.1%. This score applies additional significance to categories marked with an asterisk (\*) (weighted averaging). Those marked categories make up 75% of the scoring impact.

## II. Audit Results

### A. Background

The Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority directed Farley Consulting Services, LLC (FCS) to audit the claims administration of its excess workers' compensation program to determine the efficiency, effectiveness, and consistency of claims administration services and the accuracy of loss experience reports.

Pursuant to LAWCX's Joint Exercise of Powers Agreement, each LAWCX member must have its claims audited at least every two years. The last audit of SCORE claims was conducted in January 2013.

FCS was directed to review claims with incurred costs of \$75,000 or more that occurred since SCORE joined LAWCX on 7/1/93.

This audit seeks to assure SCORE and LAWCX that York is providing effective claims administration service in compliance with California workers' compensation statutory guidelines and service requirements unique to the LAWCX program.

### B. Claims Handling Analysis

This section of the report discusses specific elements of workers' compensation claims handling. Recommendations for improvement are incorporated into the discussion of each element.

#### 1. Staffing/Caseloads

The recommended maximum open indemnity caseload is 150. This maximum considers that each indemnity examiner will assume, as part of the 150-file caseload, approximately 20 to 30 future medical only claims. Future medical only claims require limited adjusting activity. A three-month diary is common.

Jodi Fink is the York examiner assigned to SCORE claims. Her total caseload (including assignments from other York clients) is 144. This is below the allowable maximum of 150.

#### 2. Accuracy of Case Reserves

SCORE claim reserves should anticipate:

- Information contained in Form 5020 (Employer's Report of Occupational Injury or Illness)
- Information contained in Form 5021 (Physician's First Report of Injury or Illness)



- Anticipated temporary disability (TD) benefits
- Anticipated medical costs
- Employee's wage information
- Anticipated vocational rehabilitation (VR) benefits
- Anticipated permanent disability (PD) benefits
- Consideration of *Labor Code* 4850 benefits
- Life expectancy and average annual medical costs for future medical claims
- Anticipated legal expense
- Injury history information obtained through The Index System, a nationwide database subscribed to by York
- Other related injuries (apportionment)
- Incorporation of ACOEM guidelines

Two claims require reserve adjustment:

- SCWA-285249 (City of Shasta Lake) – The employee sustained a back injury. The claim was resolved by stipulated award in October 2007. The only remaining issue is the provision of medical care. The current medical reserve of \$17,475 is inadequate and should be increased to \$50,000. Medical evaluations anticipate a possible future fusion surgery.
- SCWA-346806 (City of Mount Shasta) – The employee, a police officer, experienced chest pain. Medical evaluations anticipate a possible future bypass surgery. The current medical reserve of \$14,912 is inadequate and should be increased to \$50,000.

Reserve recommendations are based on the review of files for similar public entities in California.

### **3. Payments/Settlements**

This category evaluates:

- The accuracy of calculation and distribution of temporary disability benefits.
- The accuracy of calculation and distribution of permanent disability benefits.
- The reasonableness and accuracy of stipulated settlement or compromise and release resolutions.

The audit identified no benefit calculation errors. No deficiencies are identified.

#### **4. Quality of Investigation**

Proper investigation for SCORE workers' compensation claims includes:

- Making prompt contact with the injured employee and witnesses (48 hours from York's receipt of loss notice).
- Verifying that the injury is work related.
- Securing injury history through use of The Index System.
- Canvassing for possible witnesses to the industrial accident.
- Obtaining recorded or written statements regarding the incident from injured employees or witnesses when possible.
- Follow-up contact with medical providers to gain a clear understanding of the severity of the injury and the anticipated duration of disability.
- Obtaining police accident reports when the industrial injury is the result of a traffic accident.
- Obtaining updated wage information to accurately calculate benefits.
- Identifying claims with rehabilitation potential and effectively monitoring rehabilitation progress.
- Timely assignment of field investigation to independent contractors when necessary.
- Identification and pursuit of other parties responsible for the injury (subrogation).

York is consistently complying with these investigation criteria. No investigation deficiencies are identified.

#### **5. Litigation Management**

Eighteen of the claims reviewed involved some element of litigation. Litigation activity undertaken by defense counsel is appropriate. Requests for authority to proceed with particular activity made by counsel were responded to quickly. Data for all claims reviewed exhibits timely status updates from defense counsel.

#### **6. Diary/Case Closure**

Industry standards require that active indemnity claims generate and document some adjustor activity every 30 days. Cases similar to those reviewed for this project that have been settled by stipulated award in which the only remaining issue is future medical care can maintain an extended diary (90 to 180 days is appropriate). The following minimum activity should take place and be documented in the case file for all open active indemnity claims:

- A reassessment of the accuracy of case reserves
- Response to any inquiries from the applicant's attorney
- Response to any inquiry or comment made by defense counsel
- Response to any mail received since the previous diary review
- Identification and response to any evidence of discharge medical information or permanent and stationary status

York is consistently maintaining appropriate diaries on the claims reviewed. No diary maintenance deficiencies are identified.

### **7. Claim Data Organization and Documentation Clarity**

Logical file organization is extremely important on workers' compensation claims. These claims can generate a great deal of medical and employment-related documentation. The adjustor's ability to properly handle a claim is directly related to his or her ability to assimilate this data and competently assess compensability, duration of benefit disbursement, and value of final PD settlement.

All material reviewed for this audit was observed via access to York's Claims Connect information system. That system is efficiently capturing vital daily claims administration activity. No documentation clarity deficiencies are identified.

### **8. Supervision**

FCS concludes that supervisory activity complies with industry standards. Supervisory instructional notes are seen consistently in the information system.

### **9. Excess Reporting**

Fifteen of the claims reviewed qualified for excess reporting. All 15 claims were reported timely to the LAWCCX administrator.

## Appendix

### Audit File List

### Open Claims Files

Claimant	Claim No.
1. Banos, Evangelos	SCWA-72136
2. Coats, Gary	SCWA-285249
3. Cummings, James	SCWA-555704
4. Daly, Dan	SCWA-271297
5. Downing, Thomas	SCWA-540951
6. Dyck, Eric	SCWA-61038
7. Franco, Bertha	SCWA-159149
8. Goulart, Edwin	SCWA-546806
9. Henderson, Garrett	SCWA-387190
10. Herrin, David	SCWA-375421
11. Herrin, David	SCWA-388672
12. Hoover, Beverly	SCWA-552919
13. Lester, Michael	SCWA-295162
14. Lester, Michael	SCWA-555589
15. Lewis, Ronald	SCWA-343776
16. Reno, Noya	SCWA-503501
17. Scott, Garrett	SCWA-530470
18. Simas, Harold	SCWA-138934
19. Smith, Clarence Ray	SCWA-63332
20. Sterling, Jason	SCWA-141519
21. Suter, Peter	SCWA-552274
22. Vierra, Frank	SCWA-231393
23. Woldanski, Steven	SCWA-386445



Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015

Agenda Item H.6.b.

## YORK CLAIMS TRENDING REPORT INFORMATION ITEM

**ISSUE:** The Board of Directors will receive a report analyzing claim trends over the last five years, including incurred by year, types of injuries and claims, number of update regarding current claims.

**RECOMMENDATION:** None – information only

**FISCAL IMPACT:** None

**BACKGROUND:** York manages claims for SCORE and maintains the database of claims activity since its inception.

**ATTACHMENTS:** York Claims Trending Report



**YORK**<sup>™</sup>  
Public Entity

# Trending Report for SCORE

## *March 2015*

## York Risk Services Group, Inc. Who's Who in Claims

**Jodi Fink**  
Senior Claims Examiner  
(916) 580-2437  
[jodi.fink@yorkrsg.com](mailto:jodi.fink@yorkrsg.com)

**Debby Sowvlen**  
Future Medical Examiner  
(916) 960-1013  
[debby.sowvlen@yorkrsg.com](mailto:debby.sowvlen@yorkrsg.com)

**Kristina Patterson**  
Unit Manager  
(916) 746-6302  
[kristina.patterson@yorkrsg.com](mailto:kristina.patterson@yorkrsg.com)

### Resources

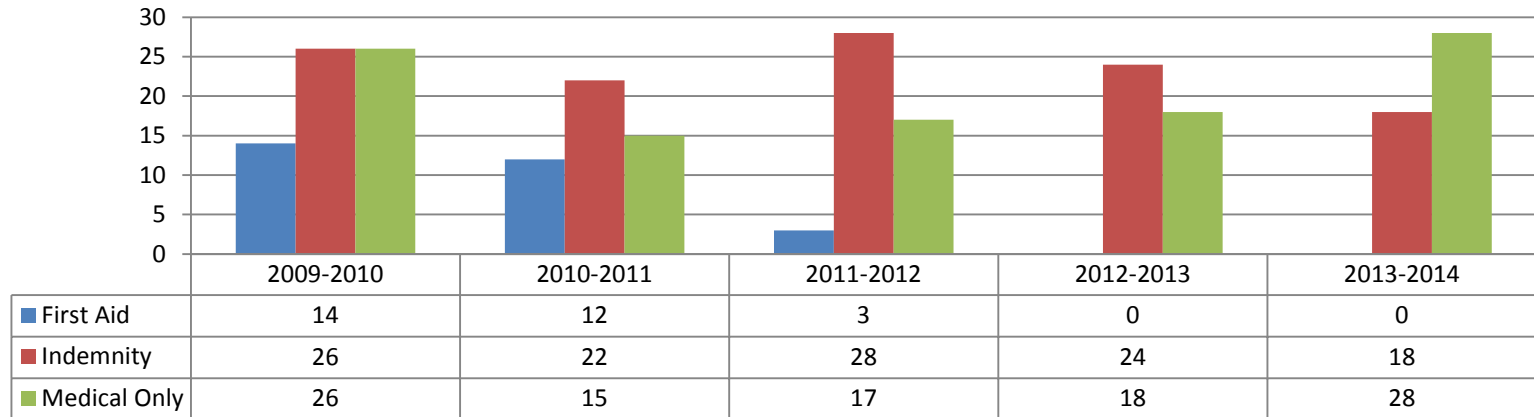
**Eric Tennison**  
Regional Vice President  
Workers' Compensation  
(916) 746-8807  
[eric.tennison@yorkrsg.com](mailto:eric.tennison@yorkrsg.com)

**Dorienne Zumwalt**  
Senior Account Manager  
Client Services  
(916) 960-1017  
[dorienne.zumwalt@yorkrsg.com](mailto:dorienne.zumwalt@yorkrsg.com)

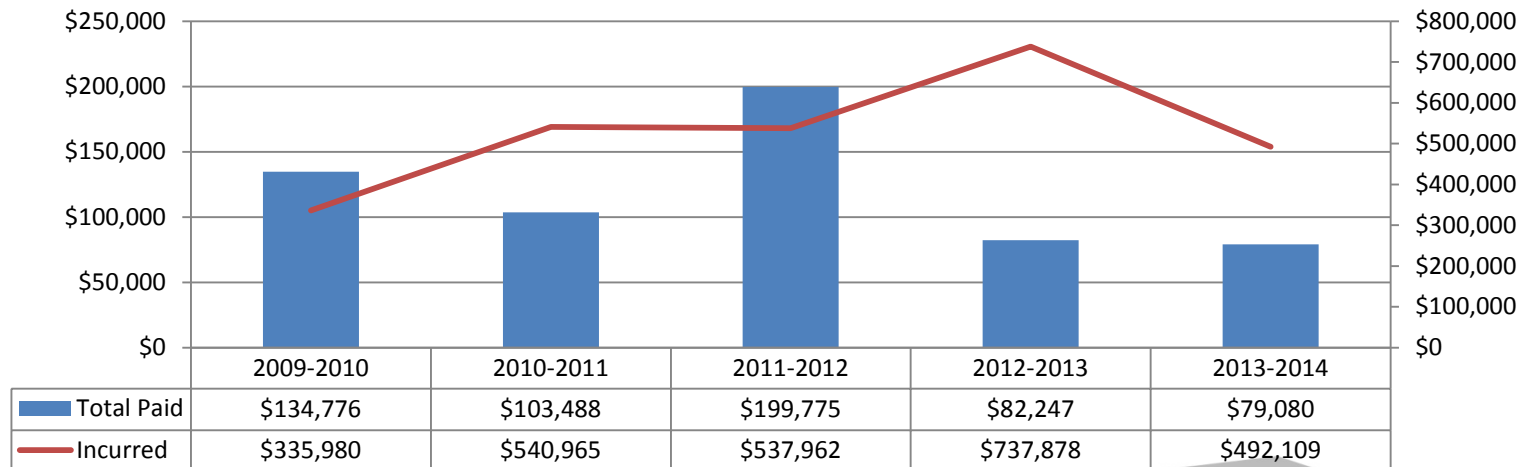


## Trending Report: SCORE 2009-2014

### Claim by Type by Fiscal Year

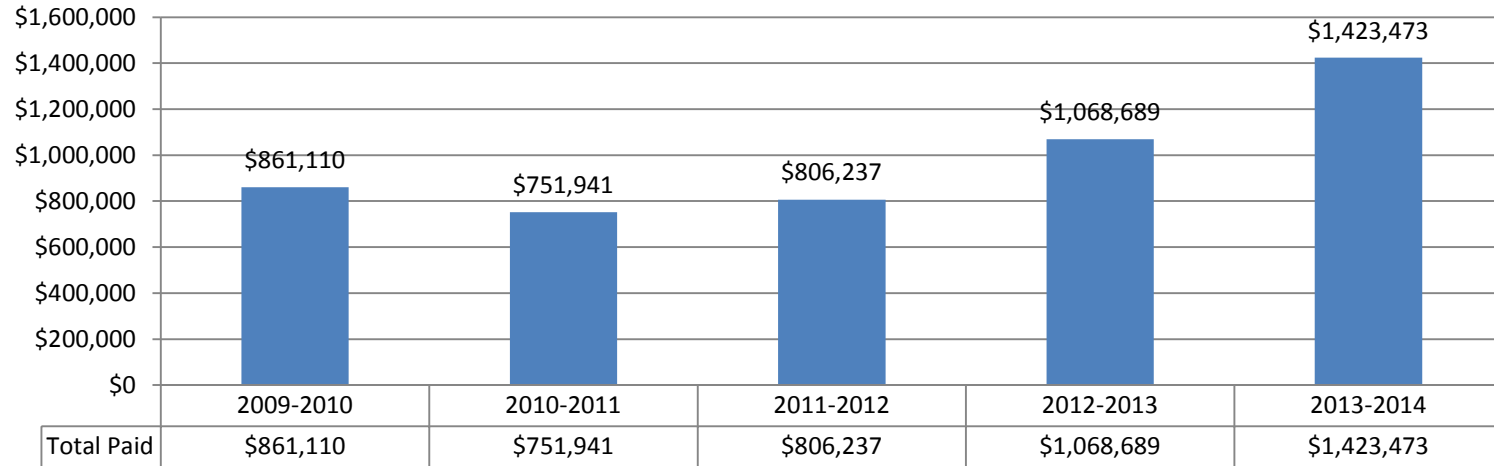


### Total Paid and Incurred by Fiscal Year (for DOI within FY)

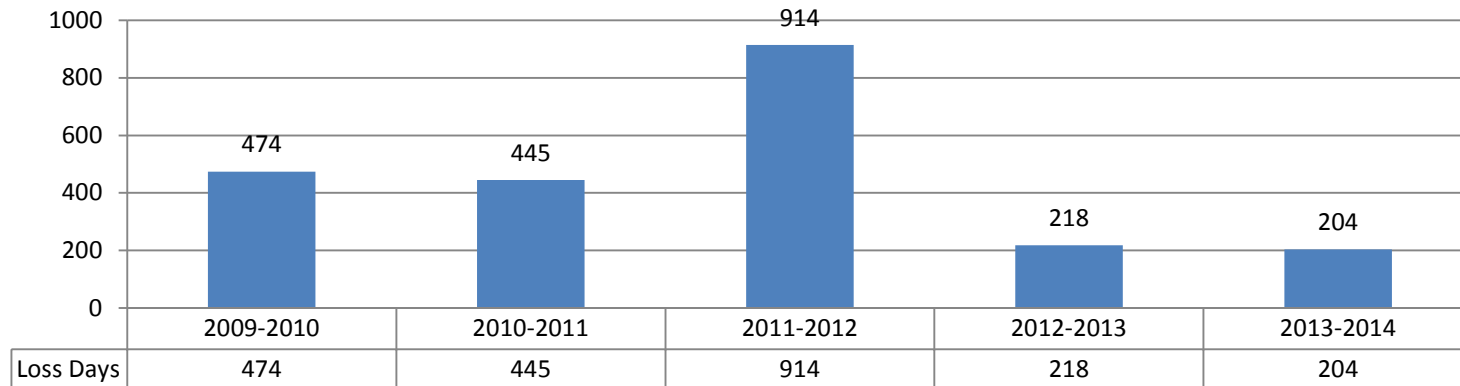


## Trending Report: SCORE 2009-2014

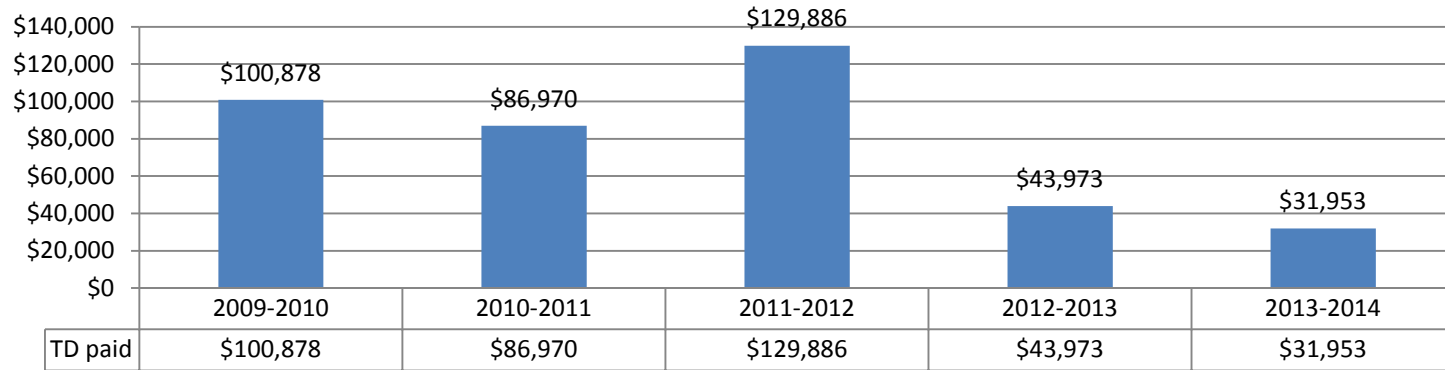
### Total Paid During Fiscal Year Regardless of DOI



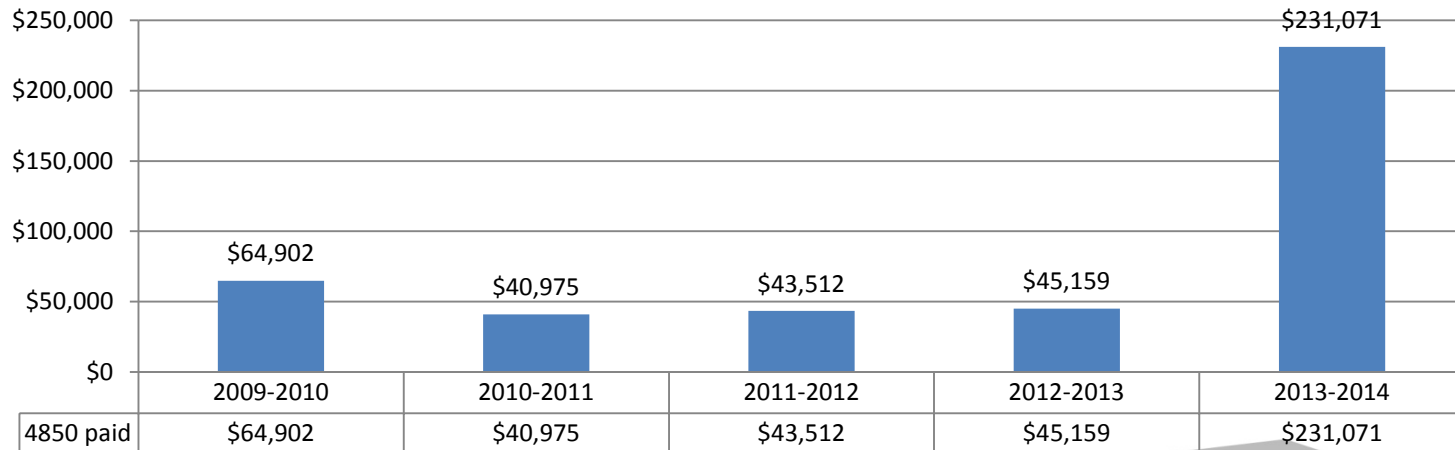
### Loss Days for DOI within Fiscal Year



### Temporary Disability Paid During Fiscal Year Regardless of DOI

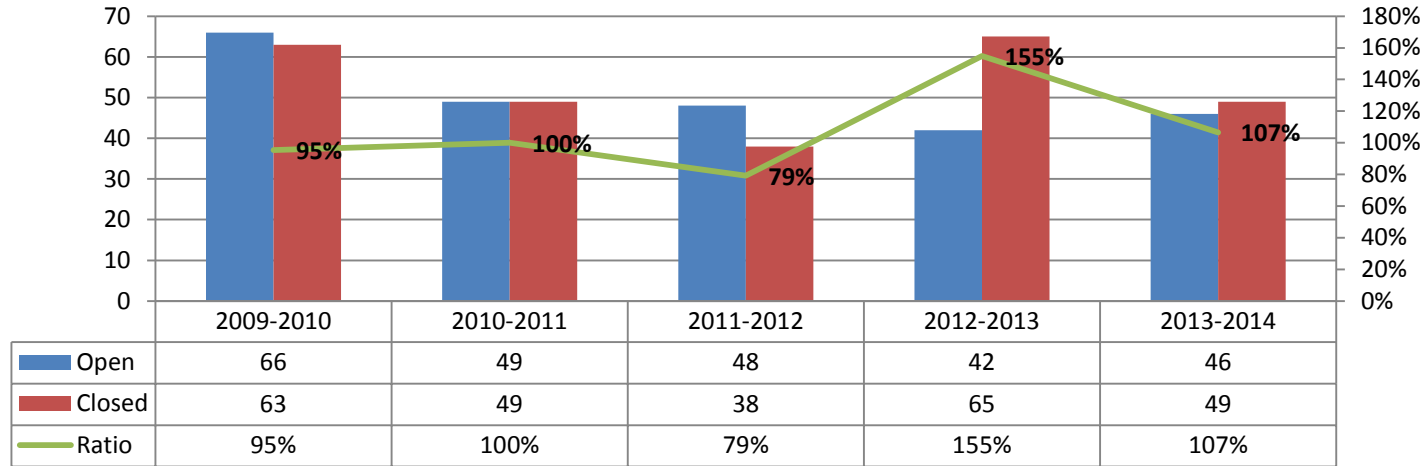


### 4850 Paid During Fiscal Year Regardless of DOI

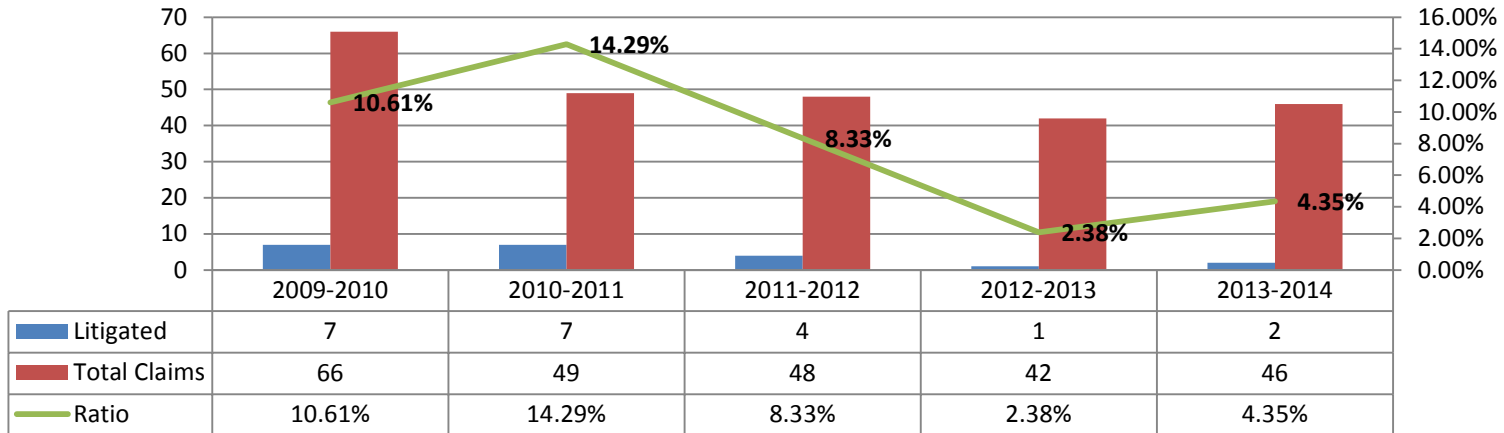


# Trending Report: SCORE 2009-2014

## Closing Ratio by Fiscal Year

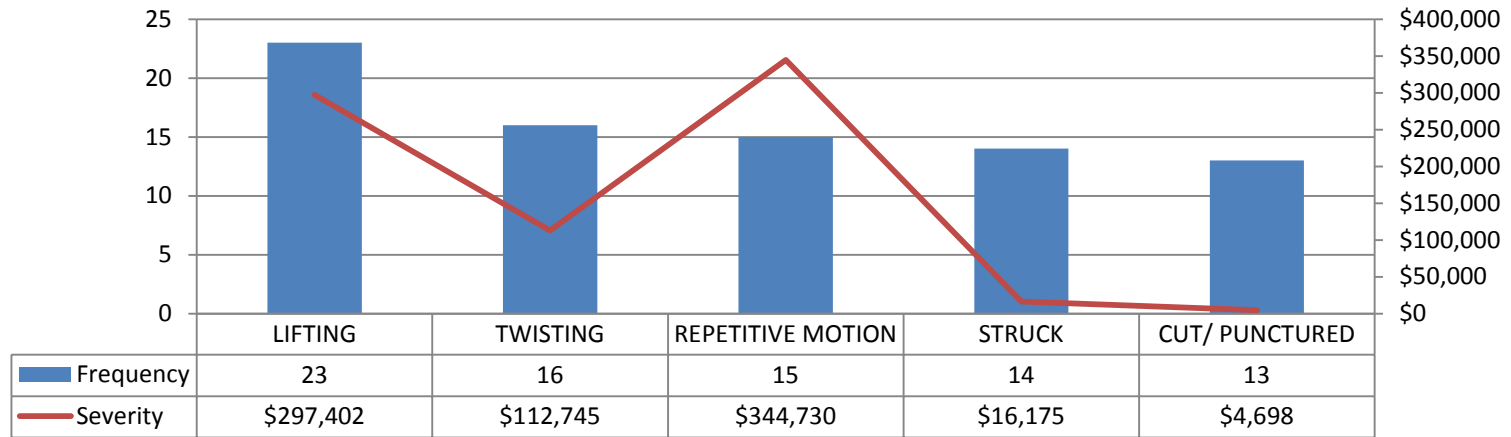


## Litigation Ratio by Fiscal Year

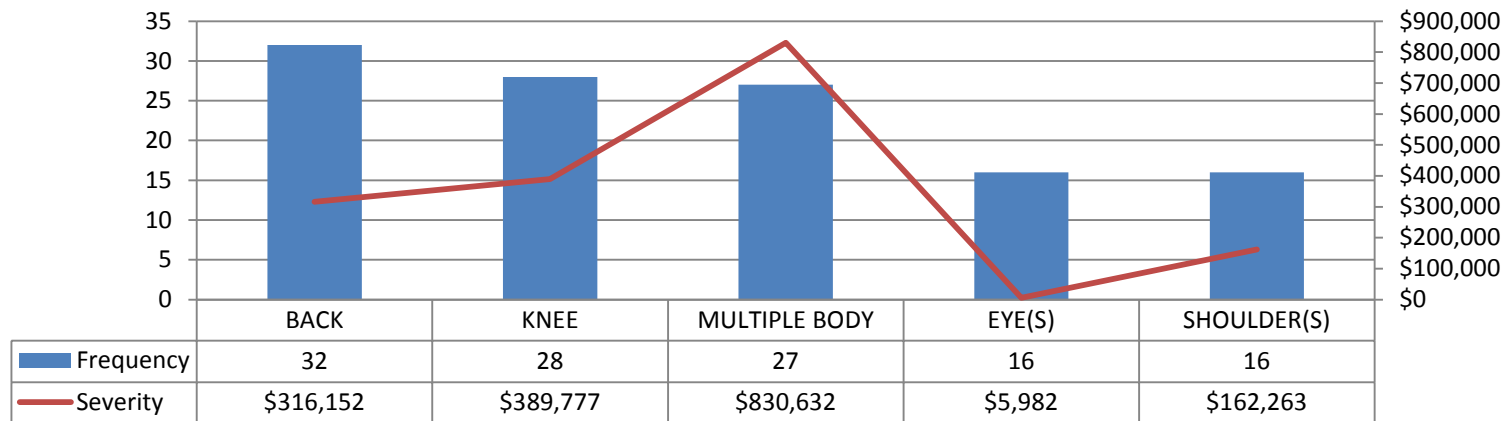


## Trending Report: SCORE 2009-2014

### Top 5 Cause of Injury 2009-2014 Frequency and Severity

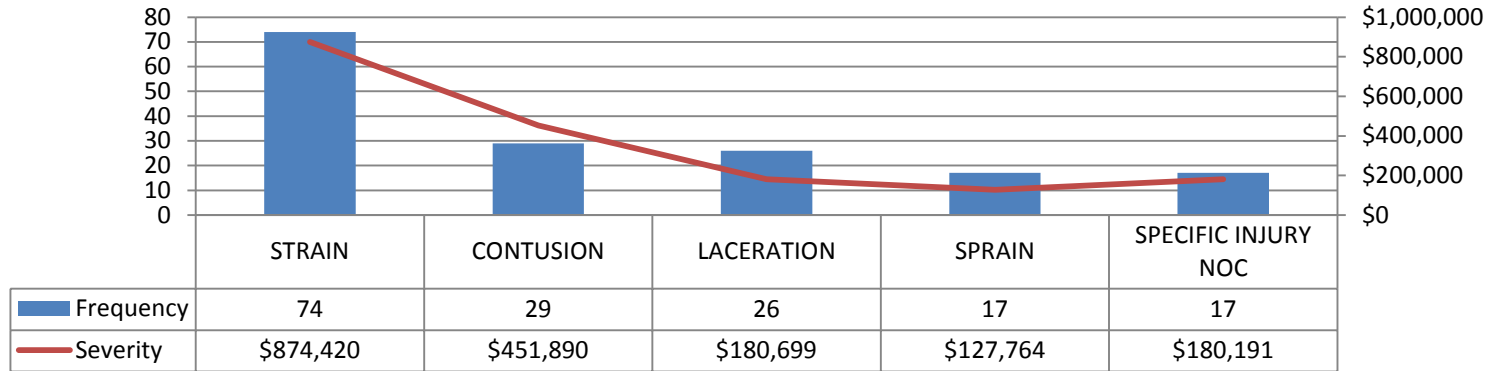


### Top 5 Injured Body Part 2009-2014 Frequency and Severity

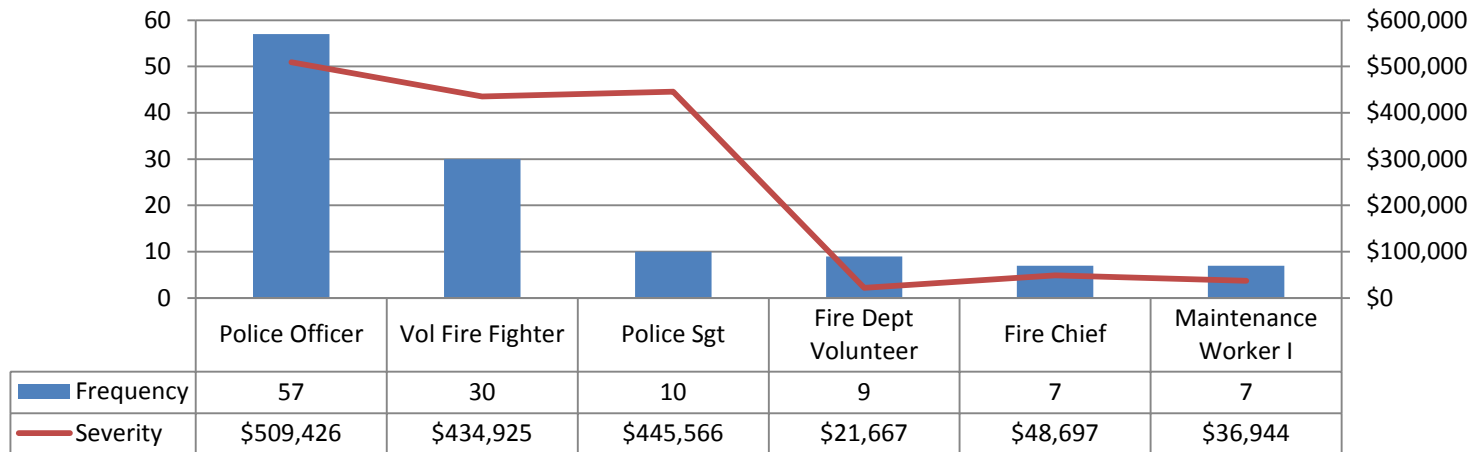


# Trending Report: SCORE 2009-2014

## Top 5 Nature of Injury 2009-2014 Frequency and Severity



## Top 6 Occupation 2009-2014 Frequency and Severity



## Trending Report: SCORE 2009-2014

Member	Frequency	Severity
City of Susanville	53	\$313,526
City of Mt. Shasta	45	\$580,473
City of Yreka	38	\$401,855
City of Crescent City	36	\$297,337
City of Portola	21	\$181,682
City of Weed	16	\$258,345
City of Rio Dell	10	\$30,288
City of Montague	8	\$67,316
City of Williams	6	\$6,959
City of Dunsmuir	6	\$8,772

## Trending Report: SCORE 2009-2014

Member	Frequency	Severity
City of Live Oak	6	\$5,006
City of Colfax	4	\$89,205
City of Etna	3	\$356,829
Town of Ft. Jones	3	\$26,683
City of Lone	3	\$9,470
City of Shasta Lake	2	\$3,873
City of Dorris	1	\$142
Town of Loomis	1	\$295
City of Biggs	1	\$167



## Trending Report: SCORE 2009-2014

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**From:** Marni Wood [<mailto:marni.wood@probeinfo.com>]

**Sent:** Wednesday, February 25, 2015 9:08 AM

**To:** Fink, Jodi

**Subject:** Claimant Convicted! Frank, Robert / SCWA-554454 / SIU Referral

Good morning Jodi,

I do believe this is going to be an amazing 2015 because Mr. Frank just pled No Contest to 550(b)(3)PC as a misdemeanor! He was placed on informal probation with standard terms for a term of two years with restitution to be determined. The restitution hearing is set for 4/22/15 and I may be called to testify about the investigation costs.

GREAT JOB on identifying this case and referring it to us!! Because of your passion and our perseverance of going to 3 different counties before DDA Crandell finally took the case, the claimant was finally prosecuted.

You may update your client :) Nice work Jodi!!

---

Marni Wood

SIU Director

Probe Information Services, Inc.

**Agenda Item H.6.c.**

**YORK CLAIMS SERVICES AGREEMENTS**

**ACTION ITEM**

**ISSUE:** York’s current contracts for claims services for both the Workers’ Compensation and Liability programs contain an initial three-year term with two optional years. We are approaching the end of the three-year term and need to decide whether or not to extend the agreements. York has offered to maintain the fees at the same rate for the next two years. The Board is asked to review and accept or revise extension of the current services agreements for two years with no fee increase.

**RECOMMENDATION:** None – review discuss and take action on offer of renewal.

**FISCAL IMPACT:** The annual contract fees are \$100,510 for Workers’ Compensation and \$97,500 for Liability claims administration, plus a \$1,000 per member fee per year for each program participant.

**BACKGROUND:** York and its predecessor company have managed SCORE claims for over twenty five years. They were selected again in 2012 after a competitive RFP process.

**ATTACHMENTS:** York Liability Amendment 2015-17  
York Workers’ Compensation Amendment 2015-17

**FIRST AMENDMENT  
TO THE LIABILITY SELF-INSURANCE  
CLAIMS HANDLING SERVICE AGREEMENT  
Dated Effective as of July 1, 2012**

This First Amendment to that certain Liability Claims Handling Service Agreement dated as of July 1, 2014 and all amendments and exhibits collectively (the "Agreement") by and between SMALL CITIES ORGANIZED RISK EFFORT JOINT POWERS AUTHORITY, SCORE ("Client") and YORK RISK SERVICES GROUP, INC. ("YORK");

WITNESSETH

Whereas:

The parties wish to extend the term of their Agreement; and

The parties wish to revise the Fee of the Agreement as reflected below.

NOW THEREFORE

The parties hereby agree as follows:

1. Section 1 entitled "*Term of Agreement*" of the Agreement shall reflect the following:

"The term of this Agreement is effective July 1, 2015 through June 30, 2017."

2. Section 2 entitled "Compensation" of the agreement shall reflect the following:

July 1, 2015 to June 30, 2016 the fee shall be \$ 97,500.00 plus \$1,000.00 per member fee per year.  
July 1, 2016 to June 30, 2017 the fee shall be \$ 97,500.00 plus \$1,000.00 per member fee per year.

3. Except as noted above, the Agreement shall remain unchanged.

In witness whereof, the parties have executed this amendment as of the date below and with an agreement effective date of July 1, 2015.

SMALL CITIES ORGANIZED RISK EFFORT  
JOINT POWERS AUTHORITY

YORK RISK SERVICES GROUP, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Jody A. Gray

Printed Title: \_\_\_\_\_

Senior Vice President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**FIRST AMENDMENT TO THE  
WORKERS' COMPENSATION SELF-INSURANCE CLAIMS  
ADMINISTRATION SERVICE AGREEMENT  
Dated Effective as of July 1, 2012**

This First Amendment to that certain Workers' Compensation Self-Insurance Service Claims Administration Agreement dated as of July 1, 2014 and all amendments and exhibits collectively (the "Agreement") by and between SMALL CITIES ORGANIZED RISK EFFORT JOINT POWERS AUTHORITY, SCORE ("Client") and YORK RISK SERVICES GROUP, INC. ("YORK");

WITNESSETH

Whereas:

The parties wish to extend the term of their Agreement; and

The parties wish to revise the Fee of the Agreement as reflected below.

NOW THEREFORE

The parties hereby agree as follows:

1. Section 1 entitled "*Term of Agreement*" of the Agreement shall reflect the following:

"The term of this Agreement is effective July 1, 2015 through June 30, 2017."

2. Section 2 entitled "Compensation" of the agreement shall reflect the following:

July 1, 2015 to June 30, 2016 the fee shall be \$100,509.67 plus \$1,000 per member fee per year.  
July 1, 2016 to June 30, 2017 the fee shall be \$100,509.67 plus \$1,000 per member fee per year.

3. Except as noted above, the Agreement shall remain unchanged.

In witness whereof, the parties have executed this amendment as of the date below and with an agreement effective date of July 1, 2015.

SMALL CITIES ORGANIZED RISK EFFORT  
JOINT POWERS AUTHORITY

YORK RISK SERVICES GROUP, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Jody A. Gray

Printed Title: \_\_\_\_\_

Senior Vice President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Agenda Item I.**

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95  
ACTION ITEM**

**ISSUE:** Pursuant to Government Code Section 54956.95, the Board will hold a Closed Session to discuss the following claims for payment of a tort liability loss or a public liability loss:

\*\*Request for Authority

**1. Liability**

- a. Schwartz v. Susanville
- b. Larsen v. Isleton
- c. Abaco v. Town of Loomis
- d. Fabbrini v. Dunsmuir
- e. Corona v. Susanville
- f. Chase v. Loomis
- g. Reyna v. Colfax
- h. Clements v. Weed

**2. Workers' Compensation**

- a. Eric Capon v. Crescent City
- b. Michael Lester v. City of Yreka

**FISCAL IMPACT:** Unknown

**RECOMMENDATION:** The Program Administrator cannot make a recommendation at this time, as the subject matter is confidential.

**BACKGROUND:** Confidential

**ATTACHMENTS:** None



**Small Cities Organized Risk Effort  
Board of Directors Meeting  
March 27, 2015**

**Agenda Item K.**

## **INFORMATION ITEMS**

**ISSUE:** The following items are being presented as information for SCORE members.

**2015 Resource Contact Guide:** The Board of Directors is provided a copy of the updated Resource Contact Guide for easy reference in accessing member services and resources.

**Glossary of Terms:** A Glossary of terms has been created and added to the agenda packet per Member request. This will continue to be included in future Board agenda packets.

**RECOMMENDATION:** None. This item is offered as information only.

**BACKGROUND:** None

**FISCAL IMPACT:** None

**ATTACHMENT(S):** 2015 Resource Contact Guide  
Glossary of Terms

# SCORE RESOURCE CONTACT GUIDE

## January 2015

**PROGRAM ADMINISTRATION**  
 Alliant Insurance Services, Inc.  
 1792 Tribute Road Ste 450  
 Sacramento, CA 95815  
 Main: (916) 643-2700 Fax: (916) 643-2750  
[www.Alliant.com](http://www.Alliant.com)

SUBJECT	MAIN CONTACT	PHONE	EMAIL
<b>JPA MANAGEMENT ISSUES</b> –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	<b>Marcus Beverly</b>  <b>Michael Simmons</b>  <b>Michelle Minnick</b>  Joan Crossley	(916) 643-2704 (916) 660-2725 (cell) (415) 403-1425 (925) 708-3374 (cell) (916) 643-2715  (916) 643-2712	<a href="mailto:Marcus.Beverly@alliant.com">Marcus.Beverly@alliant.com</a>  <a href="mailto:MSimmons@alliant.com">MSimmons@alliant.com</a>  <a href="mailto:Michelle.Minnick@alliant.com">Michelle.Minnick@alliant.com</a>  <a href="mailto:JCrossley@alliant.com">JCrossley@alliant.com</a>
<b>JPA ADMINISTRATIVE ISSUES</b> – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.	<b>Michelle Minnick</b>  <b>Marcus Beverly</b>  Joan Crossley		
<b>COVERAGE / RISK MANAGEMENT ISSUES</b> – <ul style="list-style-type: none"> <li>➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs</li> <li>➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development</li> <li>➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services &amp; audits, third party contract review</li> </ul>	<b>Michelle Minnick</b>  <b>Marcus Beverly</b>  Joan Crossley		

# SCORE RESOURCE CONTACT GUIDE

January 2015

**CLAIMS ADMINISTRATION**  
 York Risk Services Group, Inc.  
 P.O. Box 619058  
 Roseville, CA 95661-9058  
 Main: (800) 922-5020 Fax: (800) 921-7683  
[www.yorkrsg.com](http://www.yorkrsg.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>CLAIMS ADMINISTRATION</b> – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p><b>Property Recovery Program</b>                      This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: right;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: right;"><u>Subrogation</u></p>	<p><b>Cameron Dewey</b>, Claims Manager                      (530) 243-3249</p> <p><b>Michael Berndt</b>, AVP                      (925) 349-3891</p> <p><b>Jodi Fink</b>, Claims Examiner                      (916) 580-2437</p> <p><b>Kristina Patterson</b>, Unit Manager                      (916) 746-6302</p> <p><b>Barbara Esquivel</b>, AVP                      (916) 960-0931</p> <p><b>D’Ana Seivert</b>, Subrogation Manager                      (916) 960-0980</p>	<p>(530) 243-3249</p> <p>(925) 349-3891</p> <p>(916) 580-2437</p> <p>(916) 746-6302</p> <p>(916) 960-0931</p> <p>(916) 960-0980</p>	<p><a href="mailto:Cameron.Dewey@yorkrsg.com">Cameron.Dewey@yorkrsg.com</a></p> <p><a href="mailto:Mike.Berndt@yorkrsg.com">Mike.Berndt@yorkrsg.com</a></p> <p><a href="mailto:Jodi.Fink@yorkrsg.com">Jodi.Fink@yorkrsg.com</a></p> <p><a href="mailto:kristina.patterson@yorkrsg.com">kristina.patterson@yorkrsg.com</a></p> <p><a href="mailto:Barbara.Esquivel@yorkrsg.com">Barbara.Esquivel@yorkrsg.com</a></p> <p><a href="mailto:D’Ana.Seivert@yorkrsg.com">D’Ana.Seivert@yorkrsg.com</a></p>
<p><b>ADMINISTRATIVE ISSUES</b> - annual contracts for services, IT issues, reports, service issues</p> <p><b>COMPUTER SERVICES, TRUST ACCOUNT SERVICES</b> – loss runs, special reports, check registers, bank reconciliations</p>	<p><b>Dori Zumwalt</b>,                      Sr. Account Manager</p>	<p>(916) 960-1017</p>	<p><a href="mailto:Dorienne.Zumwalt@yorkrsg.com">Dorienne.Zumwalt@yorkrsg.com</a></p>



# SCORE RESOURCE CONTACT GUIDE

January 2015

<b>TRAINING SERVICES</b> Company Nurse Injury Hotline Main: (888) 817-9282 <a href="https://companynurse.com/">https://companynurse.com/</a>			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>CLAIM REPORTING AND TRIAGE SERVICES</b> –Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost <ul style="list-style-type: none"> <li>• Quick, easy, cost efficient way to immediately report workplace injuries</li> <li>• 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member)</li> </ul>	<b>Carl Herman</b> , Enrollment Services Manager	(480) 374-2441	<a href="mailto:info@companynurse.com">info@companynurse.com</a>  <a href="mailto:service@companynurse.com">service@companynurse.com</a>

<b>PRE-EMPLOYMENT MEDICAL SERVICES</b> Occu-Med Fax: (800) 262-2863 <a href="http://www.occu-med.com">www.occu-med.com</a>			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>PRE-EMPLOYMENT &amp; FIT FOR DUTY MEDICAL SERVICES</b> <b>Services Offered</b> <ul style="list-style-type: none"> <li>• Review of Pre-placement Medical Exams</li> <li>• Job Analysis</li> <li>• Firefighter fit for duty Medical Exams</li> </ul> <p><b>**Services offered at an additional cost**</b></p> <ul style="list-style-type: none"> <li>• Prepare job profiles and medical exam profiles</li> <li>• Scheduling and harvesting pre-placement medical exams</li> <li>• Organizing and managing return-to-work and fitness-for-duty exams</li> <li>• Customized Services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings</li> </ul>	<b>Sean Edin</b>	(559) 435-2800 x123	<a href="mailto:sedin@occu-med.com">sedin@occu-med.com</a>

# SCORE RESOURCE CONTACT GUIDE

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ACCOUNTING SERVICES			
Gilbert Associates, Inc. Main: (916) 646-6464 Fax: (916) 929-6836 <a href="http://www.gilbertcpa.com">www.gilbertcpa.com</a>			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>ACCOUNTING SERVICES</b> – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates	<b>Kevin Wong</b>	(916) 646-6464	<a href="mailto:kswong@gilbertcpa.com">kswong@gilbertcpa.com</a>
	<b>Tracey Smith-Reed</b>		<a href="mailto:tsmithreed@gilbertcpa.com">tsmithreed@gilbertcpa.com</a>

POLICE AND FIRE RISK MANAGEMENT SERVICES			
Lexipol Main: (949) 484-4444 Fax: (949) 484-4443 <a href="http://www.lexipol.com/">http://www.lexipol.com/</a>			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>POLICE RISK MANAGEMENT SERVICES</b> – Lexipol helps to review members’ Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events  <b>Services Offered</b> <ul style="list-style-type: none"> <li>Reviewing and updating Police and Fire Risk Management Policies and Procedures</li> </ul>			

ERMA POOL ADMINISTRATION/EXCESS PARTNER			
Main: (800) 541-4591 Fax: (916) 244-1199 <a href="http://www.ermajpa.org/">http://www.ermajpa.org/</a>			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>ERMA</b> – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members  <b>Services Offered</b> <ul style="list-style-type: none"> <li>Employee Reporting line</li> <li>Attorney Hotline</li> <li>Employment Practices Training</li> </ul>	<b>Board Member - John Duckett</b>	(530) 275-7427	<a href="mailto:info@ermajpa.org">info@ermajpa.org</a> <a href="mailto:jduckett@cityofshastalake.org">jduckett@cityofshastalake.org</a>
	<b>Alternate - Roger Carroll</b>	(916) 652-1840	<a href="mailto:rcarrol@loomis.ca.gov">rcarrol@loomis.ca.gov</a>
	<b>Rob Kramer, President</b>	(916) 244-1117	<a href="mailto:rkramer@bickmore.net">rkramer@bickmore.net</a>
	<b>Gerry Preciado, Director of Litigation Management</b>	(916) 244-1139	<a href="mailto:gpreciado@bickmore.net">gpreciado@bickmore.net</a>

# SCORE RESOURCE CONTACT GUIDE

## January 2015

### CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>CJPRMA</b> – Provides Excess Liability coverage and additional training resources</p> <p style="text-align: right;"><b>Board Member</b> - Roger Carroll</p> <p style="text-align: right;"><b>Alternate</b> - John Duckett</p> <p><b>Services Offered</b></p> <ul style="list-style-type: none"> <li>• Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls.</li> <li>• Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices</li> <li>• Personal assistance available to review contracts and to help look at any risk related issues (Contact David J. Clovis General Manager or Craig Schweikhard)</li> </ul> <p><b>**Services offered at an additional cost**</b></p> <ul style="list-style-type: none"> <li>• Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year)</li> <li>• Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time.</li> </ul>	<p style="text-align: center;"><b>Craig Schweikhard</b>, Claim Administrator</p> <p style="text-align: center;"><b>David J. Clovis</b>, General Manager</p>	<p style="text-align: center;">(916) 652-1840</p> <p style="text-align: center;">(530) 275-7427</p> <p style="text-align: center;">(925) 290-1315</p> <p style="text-align: center;">(925) 290-1316</p>	<p style="text-align: center;"><a href="mailto:rcarrol@loomis.ca.gov">rcarrol@loomis.ca.gov</a></p> <p style="text-align: center;"><a href="mailto:jduckett@cityofshastalake.org">jduckett@cityofshastalake.org</a></p> <p style="text-align: center;"><a href="mailto:craig@cjprma.org">craig@cjprma.org</a></p> <p style="text-align: center;"><a href="mailto:david@cjprma.org">david@cjprma.org</a></p>

# SCORE RESOURCE CONTACT GUIDE

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### LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>LAWCX</b> – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p style="text-align: right;"><b>Board Member - Ron Stock</b> <b>Alternate - John Duckett</b></p> <p><b>Online Risk Control Services</b></p> <ul style="list-style-type: none"> <li>• Employees can access online training courses by registering online at <a href="http://www.lawcx.org">www.lawcx.org</a>.</li> <li>• Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available</li> <li>• Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines</li> <li>• Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms</li> <li>• Blog – Timely and informational reports from Risk Control Experts</li> <li>• Can you Risk It? Liability Exposures- real questions from actual members are answered</li> </ul>		<p>(530) 938-5027 (530) 275-7427</p> <p><b>Beth Lyons</b>, ARM-P Executive Director</p> <p><b>Tammy Vitali</b>, Claims Manager</p>	<p><a href="mailto:rstock@ci.weed.ca.us">rstock@ci.weed.ca.us</a> <a href="mailto:jduckett@cityofshastalake.org">jduckett@cityofshastalake.org</a></p> <p><a href="mailto:administrator@lawcx.org">administrator@lawcx.org</a></p> <p><a href="mailto:claims@lawcx.org">claims@lawcx.org</a></p>

### TRAINING SERVICES

Target Solutions

Main: (800) 840-8048 Fax: (858) 487-8762

[www.targetsolutions.com](http://www.targetsolutions.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>TRAINING SERVICES</b> – a Web-based Safety Training Platform</p> <p><b>Services Offered</b></p> <ul style="list-style-type: none"> <li>• OSHA Training Documentation</li> <li>• Online Video Library <a href="http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&amp;customerid=19258&amp;customerpath=score">http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&amp;customerid=19258&amp;customerpath=score</a></li> <li>• Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans)</li> <li>• Training Records management (i.e. Diplomas, Certificates of Completion)</li> <li>• Continuing Education Courses for Fire and Safety Personnel</li> </ul>	<b>Jennifer Jones</b> , Account Manager	(858) 376-1632	<a href="mailto:jennifer.jones.@targetsolutions.com">jennifer.jones.@targetsolutions.com</a>

# SCORE RESOURCE CONTACT GUIDE

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## LOSS CONTROL SERVICES

### DKF Solutions

Fax: (707) 647-7200

[www.dkfsolutions.com](http://www.dkfsolutions.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>LOSS CONTROL SERVICES</b> – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p><b>Services available to all SCORE members</b>            Maintenance Training &amp; Sewer Management Plans            Phone and email hotline (contact David Patzer)            On-Site Visit with Biomechanics Training &amp; Review of Operations/Current Practices            Online Training: Employees can access online training courses by going to: <a href="http://www.mysafetyofficer.com/employeetraining">www.mysafetyofficer.com/employeetraining</a> and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none"> <li>• Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software</li> <li>• Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics</li> <li>• Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software</li> <li>• ***NOTE: Monthly news update with a different article each month at <a href="http://www.dkfsolutions.com/blog/">http://www.dkfsolutions.com/blog/</a></li> </ul>	<p><b>David Patzer</b></p> <p><b>John Balestrini</b></p> <p><b>Katie Frassinelli</b></p>	<p>(707) 373-9709</p> <p>(916) 532-5802</p>	<p><a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></p> <p><a href="mailto:john@dkfsolutions.com">john@dkfsolutions.com</a></p> <p><a href="mailto:Kfrassinelli@dkfsolutions.com">Kfrassinelli@dkfsolutions.com</a></p>

# SCORE RESOURCE CONTACT GUIDE

## January 2015

**EMPLOYEE ASSISTANCE PROGRAM**  
 ACI Specialty Benefits Corporation  
 Main: (800) 932-0034 Fax: (858) 452-7819  
[www.acieap.com](http://www.acieap.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>EMPLOYEE ASSISTANCE PROGRAM</b> - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website <a href="http://score.acieap.com">http://score.acieap.com</a></p> <ul style="list-style-type: none"> <li>• Each city has 4 hours per year for On-Site Employee Orientations, Manager &amp; Supervisor Trainings, and Lunch 'n Learn Seminars Per City per year</li> <li>• <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response</li> <li>• Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response</li> <li>• Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate)</li> </ul> <p><b>**Services offered at an additional cost**</b></p> <ul style="list-style-type: none"> <li>• <b>Wellness Resources</b> The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness</li> </ul>	<p><b>Kathryn Mullis</b></p>	<p>(858) 736-0031</p>	<p><a href="mailto:kmullis@acieap.com">kmullis@acieap.com</a></p>

# GLOSSARY OF TERMS

Term	Definition
4850	Labor Code 4850
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
<b>ACV</b> (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party—the insurer. The other party the insured does not take part in the preparation of the contract)
<b>ATD</b> (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA’s excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would “drop down” and pay losses within the JPIA’s SIR, or pooled layer
<b>AME</b> (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers’ Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties
<b>ACIP</b> (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
<b>APIP</b> (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities
<b>ADA</b> (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669-4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
<b>AIS</b> (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance
<b>AGRIP</b> (Association of Governmental Risk Pools)	A national organization of JPA’s and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA
<b>ALCM</b> (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).

# GLOSSARY OF TERMS

<b>ARM</b> (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better
<b>BOD/BD</b> (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
<b>BI</b> (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
<b>CAJPA</b> (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs
<b>CIPRA</b> (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
<b>CJPRMA</b> (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE's Liability Program
California State Association of Governments ( <b>CSAC</b> )	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
California State Association of Governments - Excess Insurance Authority ( <b>CSAC-EIA</b> )	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures
<b>CalTIP</b> (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
<b>CIC</b> (Certified Insurance Counselor)	an insurance agent professional certification designation
Certified Industrial Hygienist ( <b>CIH</b> )	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them
Chartered Property Casualty Underwriter ( <b>CPCU</b> )	CPCU is a professional designation in property-casualty insurance and risk management



# GLOSSARY OF TERMS

Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
Compromise and Release (C&R)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	describe the responsibilities and the obligations of both the insured and the insurance company
Confidence Level (CL)	an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL
Contract	a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration
Contract of Utmost Good Faith	as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims
Certified Safety Professional (CSP)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
California State Association of Counties Excess Insurance Authority (CSAC-EIA)	SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action
Definitions	clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
Difference In Conditions	A specialized property insurance policy written to provide coverage for perils

# GLOSSARY OF TERMS

<b>(DIC)</b>	not covered in a standard property policy or in the JPIA’s Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses
Directors and Officers <b>(D&amp;O)</b>	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
Date of Loss <b>(DOL)</b>	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
Earthquake <b>(EQ)</b>	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers’ Liability	Included as part of a worker’s compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits
Employment Practices Liability <b>(EPL)</b>	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc
Endorsement	any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
Employment Risk Management Authority <b>(ERMA)</b>	ERMA provides employment practices Liability coverage to SCORE members desiring such coverage
Errors and Omissions Insurance <b>(E&amp;O)</b>	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	describe the losses for which the insured is not covered
Executive Committee <b>(EC)</b>	committee within that organization which has the authority to make decisions and ensures that these decisions are carried out
Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL)

# GLOSSARY OF TERMS

Exposure	a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage)
Financial Accounting Standards Board ( <b>FASB</b> )	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission
Fidelity Bonds	Written as financial guarantees of employees' honesty. Personnel with money-handling responsibilities are considered exposures to loss
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds
Generally Accepted Accounting Principles ( <b>GAAP</b> )	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
Governmental Accounting Standards Board ( <b>GASB</b> )	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties)
Hazard	anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard)
Health Insurance Portability and Accountability Act ( <b>HIPAA</b> )	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure
Incurred But Not Reported ( <b>IBNR</b> )	It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> <li>- the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported</li> </ul>
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
Injury Illness Prevention Program ( <b>IIPP</b> )	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
Insurance Requirements in Contracts ( <b>IRIC</b> )	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.
Insurance Services Office, Inc. ( <b>ISO</b> )	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers

# GLOSSARY OF TERMS

Insuring agreements	state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages
Limit	The most that will be paid in a loss
Local Agency Workers' Compensation Excess Joint Powers Authority ( <b>LAWCX</b> )	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning ( <b>LRP</b> )	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
Loss Adjustment Expense ( <b>LAE</b> )	administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
Maximum Medical Improvement ( <b>MMI</b> )	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
Memorandum of Coverage ( <b>MOC</b> )	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new)
Morale Hazard	an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs)
Mutual interest company	the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

# GLOSSARY OF TERMS

Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	a total contribution for losses less excess insurance costs
Non Vacant land	refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches)
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation
Occurrence	A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in
Peril	Cause of a loss
Permanent and Stationary (P&S)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
Permanent Disability (PD)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached
Personal Protective Equipment (PPE)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury
Physical Hazard	a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps)
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised
Principle of Indemnity	when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less
Property Insurance	This covers the member for damage to its own property, sometimes called first-party coverage
Public Agency Risk Managers Association (PARMA)	A statewide association for risk managers in the public sector. Educational and lobbying activities

# GLOSSARY OF TERMS

Public Entity Property Insurance Program ( <b>PEPIP</b> )	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association ( <b>PRIMA</b> )	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes
Pure Risk	involves only the possibility of loss
<b>QME</b> (Qualified Medical Examiner )	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal
Replacement Cost ( <b>RC</b> )	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	the chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
Risk and Insurance Management Society ( <b>RIMS</b> )	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
Self-Insured Retention ( <b>SIR</b> )	the maximum amount of exposure to a single loss retained by SCORE

# GLOSSARY OF TERMS

Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages
Temporary Disability Benefits (TD)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering
Third Party Administrator (TPA)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits
Total Insured Values (TIV)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss
Terrorism Risk Insurance Act (TRIA)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism.
Vacant land	refers to land that is unoccupied and unused, and/or has no structures on it
Vehicle Identification Number (VIN)	unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833